

ANNUAL REPORT

2010 – 2011



PHOENIX INTERNATIONAL LIMITED

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

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr. Narender Makkar

AUDITORS

M/s RKM and Associates
303, Tower A, IRIS Tech Park,
Sohna Road, Sector-48
Gurgaon-122018

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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PHOENIX INTERNATIONAL LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 24th ANNUAL GENERAL MEETING OF THE MEMBERS OF PHOENIX INTERNATIONAL LIMITED WILL BE HELD ON FRIDAY THE 30TH DAY OF SEPTEMBER, 2011 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 31.03.2011 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. Narender Makkar, who retires by rotation and being eligible offers himself for re- appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

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

Place: New Delhi
Date: 31.08.2011

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 30/09/2011.
3. Members holding shares in physical form are requested to notify any changes in their address (es) immediately to the company at its registered office at 3rd Floor, Gopala Tower, 25, Rajendra Place, New Delhi-110008 and those who are holding in the electronic mode are requested to send the intimation for change of address (es) to their Depository Participant(s).
4. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days before the date of Annual General Meeting, so as to enable the management to keep the information ready.
5. Pursuant to the provision of Section 205A of the Companies Act, 1956, as amended, the dividend(s) which remain un-paid or un-claimed for a period of Seven years has been transferred to "Investor Education and Protection Fund" established under sub-section (1) of section 205C.



PHOENIX INTERNATIONAL LIMITED

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

Item No.2

Name of the Director : Mr. Narender Makkar
Date of Birth : 04.04.1962
Date of appointment : 18.03.2004
Expertise in Specific Functional area : Accounts, Finance & Secretarial
Qualification : CA & CS

Mr. Narender Makkar is Director in the following Companies:

CADET INVESTMENT LTD.
CASHKEY INVESTMENT PVT.LTD.
MULTIDOT ENTERTAINMENT LTD.
PHOENIX CAPITAL SERVICES LTD.
PHOENIX CEMENT LTD.
PHOENIX FOOTWEAR PVT.LTD.
PHOENIX HYDROCARBONS LTD.
PHOENIX INTERNATIONAL FINANCE LTD.
PHOENIX POWER DEVELOPMENT CORP.LTD.
PHOENIX REAL TIME SERVICES LTD.
PRONTO ISERVICES PRIVAE LTD.
REDIANCE INVESTMENT PVT.LTD.
SAVARE TRADE ENTERPRISES LTD.
YELLOW VALLEY LEASING & FINANCE LTD.

Mr. Narender Makkar 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 24th Annual Report along with the Audited Statement of Accounts of the company for the year ended 31st March 2011.

FINANCIAL RESULTS

	Year Ended 31.03.2011	Year Ended 31.03.2010
Sales & Other Income	2846.00	2335.82
Profit /(Loss) before depreciation	360.72	309.37
Less: Depreciation	221.24	220.26
Profit / (loss) after Depreciation but before Extra Ordinary Items	139.48	89.11
Add: Extra Ordinary Items		-
Profit / (loss) after Extra Ordinary Items - but before Tax	139.48	89.11
Less: Provision for Income Tax/Fringe benefit Tax	30.00	15.10
Profit / (Loss) After Tax	109.48	74.01

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. 2846.00 Lacs during the current year as compared to Rs. 2335.82 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 31.03.2011.

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 Director's report.

DIRECTORS

Mr. Narender Makkar, 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, 2011 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, 2011 and of the Profit of the Company for the year ended on that date.
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.



d) That the Annual Accounts for the year ended 31st March, 2011 has been prepared on a going concern basis.

AUDITORS

M/s R.K.M. & Associates, Chartered Accountants, Delhi, the Statutory Auditors have expressed their unwillingness for re-appointment as Auditors of the Company on their retirement at ensuing Annual General Meeting (AGM). Based on the recommendation of the Audit Committee, the Board of Directors of the Company proposed the appointment of M/s Pradip Bhardwaj & Co, the Chartered Accountants, as Auditors of the Company at the ensuing AGM. M/s Pradip Bhardwaj & Co, have expressed their willingness to act as Auditors of company if appointed and have further confirmed that said appointment would be in conformity with the provisions of Section 224(IB) of the Companies Act, 1956.

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

ACKNOWLEDGMENT

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

**For and on behalf of the Board
PHOENIX INTERNATIONAL LIMITED**

**Place: New Delhi
Date: 31.08.2011**

**Narender Makkar
Director & Company Secretary**

**Narendra Agarwal
Director**



PHOENIX INTERNATIONAL LIMITED

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

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

		Current Year	Previous Period
A.	CONSERVATION OF ENERGY		
	1. (a) Energy conservation measures undertaken	Nil	Nil
	(b) Proposed energy conservation measures	Nil	Nil
	2. Impact of measures on reduction of energy consumption and consequent impact on the cost of production of goods	Nil	Nil
	3. The details of energy consumption:	Nil	Nil
	a. Power and Fuel consumption	Nil	Nil
	b. Consumption per unit of production		
B.	TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION		
	1. Specific area in which R & D was carried out by the Company	Nil	Nil
	2. Benefits derived as a result of the above R&D	Nil	Nil
	3. Future plan of Action	Nil	Nil
	4. Expenditure on R & D	Nil	Nil
C.	FOREIGN EXCHANGE EARNING & OUTGO		
	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 Lacs during the year to UK. The efforts to broaden the export base to other countries are continuing.		
	b) The foreign Exchange Earning & Outgo during the period are as under:		
	Foreign Exchange Earning	NIL	81.77 Lacs
	Foreign Exchange Outgo	1220.87 Lacs	1014.01 Lacs

CHAIRMAN AND WHOLE TIME DIRECTOR CERTIFICATION

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

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended on 31st March, 2011, and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:-
 - (i) significant changes, if any, in internal control over financial reporting during the year:
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements:
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: New Delhi
Date : 31.08.2011

Narender Makkar
Chairman

Narendra Agarwal
Director



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 2011 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 2011, the last Annual General Meeting and their Directorships/Committee Memberships in other Companies as on 31st March 2011 is as follows:

(B) Details of Meeting of Board of Directors held during the year ended on 31st March, 2011

Name of the Directors	Category	No. of Board Meeting Attended	Attendance at last AGM	No. of other Directorships in other Companies	As Member in Committees of other Companies	As Chairman in Committees of Other Companies
Mr. Arun K. Sinha	Non Executive and Independent Director	4	Yes	5	4	3
Mr. Narendra Agarwal	Non Executive and Independent Director	5	No	15**	3	Nil
Mr. Narender Makkar	Executive Director	5	Yes	15***	4	2
Mr. P.M. Alexander	Non Executive and Independent Director	5	YES	14****	4	Nil

** Out of them 6 Directorships are in Private Limited Companies

*** Out of them 5 Directorships are in Private Limited Companies

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

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

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

Date of Board Meetings	No. of Directors Present
13-05-2010	4
12-08-2010	3
31-08-2010	4
11-11-2010	4
12-02-2011	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 2010-2011.

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

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

(B) Terms of Reference

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:-
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing, the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing, the finding of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as required.



PHOENIX INTERNATIONAL LIMITED

(C) Meeting and Attendance during the year

Five meetings of the Committee were held during the year on 13-05-2010, 12-08-2010, 31-08-2010, 11-11-2010 and 12-02-2011. The attendance particulars are as follows:

Name of the Chairman /Member	Meeting	
	Held	Attended
Mr. Narendra Agarwal	5	5
Mr. Arun K. Sinha	5	4
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 2010–2011:

a) Name	Designation	All elements of Remuneration package i.e. Salary benefits bonus, pension etc
1 Mr. Narender Makkar	Director & Company Secretary	18,74,936

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

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

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

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

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

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

15/04/2010, 30/04/2010, 15/05/2010, 31/05/2010, 16/06/2010, 30/06/2010, 15/07/2010, 30/07/2010, 30/08/2010, 15/09/2010, 30/09/2010, 15/10/2010, 30/10/2010, 15/11/2010, 29/11/2010, 15/12/2010, 31/12/2010, 15/01/2011, 31/01/2011, 16/02/2011, 28/02/2011, 16/03/2011, 31/03/2011.

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

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



(6) General Body Meeting

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

Date & Time	Location
30 th September, 2008 at 9:30 a.m.	MPCU, Shah Auditorium, 2 Raj Niwas Marg, Delhi – 110054
30 th September, 2009 at 9:30 a.m.	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, Delhi – 110003
30 th September, 2010 at 09.30a.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 confidentially of such report and ensure that the whistle blowers are not subjected to any discriminatory practices.
- III. There are no pecuniary relationships or transactions with the Non-Executive Directors other than sitting fees paid to them.

(8) Means of Communication

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

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

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

(10) Subsidiary Monitoring Framework

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

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



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

During the previous year the company has started manufacturing of shoes uppers at Chennai. The company has expanded the manufacturing and export base during the current year and achieved a turn over of Rs.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 : 30/09/2011 at 10:00 A.M.
Place : Lok Kala Manch, 20, Institutional Area, Lodhi Road, New Delhi-110003

**(b) Financial Calendar : 2011-12
(Tentative)**

Financial Results for the Quarter Ended:

30th June, 2011 – 12th August 2011
30th September, 2011 – Mid November, 2011
31st December, 2011 – Mid February, 2012
31st March, 2012 – Mid May, 2012

Approval of Audited Results for the year ended 31.03.2012 – 31st August, 2012

(c) Date of book Closure - 29th September, 2012

(d) Listing on Stock Exchanges:

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

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

The Company has paid Annual Listing Fees to Stock Exchanges.

(e) Stock Exchange Code at BSE : 526481

Stock Market Data: High & Low during each month in last financial year from April, 2010 to March, 2011 on Bombay Stock Exchange.

YEAR	MONTH	HIGHEST RATE (Rs.)	LOWEST RATE (Rs.)
2010	April	8.61	6.41
2010	May	12.1	7.47
2010	June	17.1	11.77
2010	July	12.42	9.51
2010	August	13.84	9.72
2010	September	16.15	12.65
2010	October	22.45	13.15
2010	November	21.3	15.3
2010	December	24.6	17.95
2011	January	22.6	17
2011	February	18.7	16.2
2011	March	18	14.8



(f) **Share Transfer System:**

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

(g) **Dematerialization of Shares:**

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

(h) (i) **Distribution of Shareholding as on 31st March, 2011**

Shareholding of Nominal Value (Rs.)	Shareholders		Share Amount	
	Number	% to Total	In Rs.	% to Total
1	2	3	4	5
Up to 5000	8619	90.841	1,58,12,120	9.418
5001 – 10,000	486	5.122	38,96,610	2.321
10,001-20,000	200	2.108	30,82,560	1.836
20,001-30,000	64	0.675	16,45,890	0.980
30,001-40,000	23	0.242	8,12,970	0.484
40,001-50,000	29	0.306	13,62,450	0.811
50,001-1,00,000	28	0.295	2077900	1.238
1,00,001- and above	39	0.411	13,92,05,100	82.912
	9488	100.00	16,78,95,600	100.00

(j) (ii) **Shareholding Pattern as on 31st March, 2011**

Category		No. of shares held	Percentage of shareholding
A.	Promoter's holding		
1.	Promoters		
	– Indian Promoters	27,36,000	16.296
	– Foreign Promoters	Nil	Nil
2.	Persons acting in concert	9053450	53.923
	Sub – Total :	11789450	70.219
B.	Non-Promoters Holding		
3.	a. Institutional Investors		
	b. Mutual Funds and UTI Banks, Financial Institutions, Insurance Companies (Central/Sale Govt. Institutions/Non-Government Institutions)	Nil	Nil
		Nil	Nil
	c. FIIs	Nil	Nil
	Sub Total	Nil	Nil
4.	Others		
	a. Corporate Bodies	838286	4.993
	b. Indian Public	2669749	15.901
	c. NRIs/OCBs	1119639	6.669
	d. Any other (please specify)- Clearing Members	21489	0.128
	Sub-Total	5000110	29.781
	Grand Total	1,67,89,560	100.00

(h) **Registrar and Transfer Agent**

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



PHOENIX INTERNATIONAL LIMITED

(i) **Plant Location**

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

(j) **Address for Correspondence**

Phoenix International Limited
3rd Floor, Gopala Tower, 25, Rajendra Place, New Delhi – 110008
NON MANDATORY REQUIREMENT
The company has not adopted non-mandatory requirement.

For and on behalf of the Board
PHOENIX INTERNATIONAL LIMITED

Place: New Delhi
Date : 31.08.2011

Narendra Makkar
Director & Company Secretary

P.M.Alexander
Director



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. Narender Makkar
Date of Birth	:	04.04.1962
Date of appointment	:	18.03.2004
Expertise in Specific Functional area	:	Accounts, Finance & Secretarial
Qualification	:	CA & CS

Mr. Narender Makkar is Director in the following Companies:

CADET INVESTMENT LTD.
CASHKEY INVESTMENT PVT.LTD.
MULTIDOT ENTERTAINMENT LTD.
PHOENIX CAPITAL SERVICES LTD.
PHOENIX CEMENT LTD.
PHOENIX FOOTWEAR PVT.LTD.
PHOENIX HYDROCARBONS LTD.
PHOENIX INTERNATIONAL FINANCE LTD.
PHOENIX POWER DEVELOPMENT CORP.LTD.
PHOENIX REAL TIME SERVICES LTD.
PRONTO ISERVICES PRIVAE LTD.
REDIANCE INVESTMENT PVT.LTD.
SAVARE TRADE ENTERPRISES LTD.
YELLOW VALLEY LEASING & FINANCE LTD.

Mr. Narender Makkar 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.



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 2010-2011.

PHOENIX INTERNATIONAL LIMITED

Place : New Delhi
Date : 31.08.2011

Narender Makkar
Director & Company Secretary

AUDITOR’S REPORT ON CORPORATE GOVERNANCE

To,

THE MEMBERS OF PHOENIX INTERNATIONAL LIMITED

We have examined the compliance of conditions of Corporate Governance by Phoenix International Limited (“Company”) for the year ended on 31st March, 2011 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 R.K.M & ASSOCIATES
Chartered Accountants
Firm Reg. No. 007536N

Rakesh Mathur
Prop.
M.No.81851

Place : Gurgaon
Date: 31.08.2011



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

Name of the subsidiary	Phoenix Industries Ltd.	Phoenix Cement Ltd.
1. Financial year of the Subsidiary ended on	March 31, 2011	March 31, 2011
2. Holding company's Interest		
i) No. and Face Value of Shares	Holding of 84,32,300 Equity Shares of Rs. 10/- each fully paid-up.	Holding of 4,19,53,510 Equity Shares of Rs. 10/- each fully paid-up.
ii) Extent of holding	89.40%	50.57%
3. Net aggregate amount of Subsidiary's Profit / Loss so far as they concerns the member of the Holding Company and not dealt with in the Holding Company's accounts		
i) For Subsidiary Financial Year	(18.16) Lacs	(1.81) Lacs
ii) For Subsidiary previous financial year since it became Subsidiary	(904.83) Lacs	(1156.73) Lacs
4. Net aggregate amount of Subsidiary's Profits/(Loss) so far as it concerns the member of the Holding Company and dealt with in the Holding Company's accounts		
i) For subsidiary financial year	Nil	Nil
ii) For Subsidiary previous financial year since it became subsidiary	Nil	Nil
5. Change in the interest of Holding Company between the end of Subsidiary financial year and the end of Holding Company's financial year.	Not applicable	Not Applicable
6. Material change between the end of Subsidiary company financial year and the Holding Company's financial year		
i) Fixed Assets	Not applicable	Not applicable
ii) Investments	Not applicable	Not applicable
iii) Monies lent by the subsidiary	Not applicable	Not applicable
iv) Monies borrowed by the subsidiary Other than for meeting current liabilities	Not applicable	Not applicable

For and on behalf of Board of Directors
Phoenix International Limited

Place : New Delhi
Date : **31.08.2011**

Narender Makkar
Director & Company Secretary

Arun K. Sinha
Director

Narendra Aggarwal
Director



AUDITORS' REPORT

TO THE MEMBERS OF PHOENIX INTERNATIONAL LIMITED

We have audited the attached Balance Sheet of PHOENIX INTERNATIONAL LIMITED as at 31st March, 2011, 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, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) in our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011; and
 - in the case of the Profit & Loss Account, of the profit 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 : Gurgaon
Date: 31.08.2011

ANNEXURE REFERRED TO IN PARAGRAPH '1' OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF PHOENIX international LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH' 2011

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. However, the records need to be updated with regard to situation of fixed assets and sufficient description to make identification of fixed assets possible.
- (b) As explained to us, the fixed assets have been physically verified by the management at the end of the accounting year. As explained to us, no material discrepancies were noticed on comparison of physical quantities with those as per fixed assets register. In our opinion, the program of physical verification of fixed assets is reasonable having regard to the size of the company and nature of its fixed assets.
- (c) The Company during the year has not disposed off any substantial / major part of its fixed assets.
2. (a) As explained to us, the inventories have been physically verified by the management at the end of the accounting year. In our opinion, the frequency of physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. According to the information and explanations given to us, no material discrepancies have been noticed on physical verification of inventory as compared to the book records.
3. (a) According to the Information -and explanations to us, the Company during the year has not granted any loans, secured or unsecured, to companies, firms or others parties covered in the register maintained under Section 301 of the Companies Act, 1956 except an interest free loan of Rs. 340.00 lacs granted to its subsidiary company Phoenix Industries Ltd. The maximum amount involved during the year was Rs. 340.00 lacs and the year end balance of loan granted to subsidiary company was Rs. 340.00 lacs.
- (b) The company has not charged any interest on above loan granted to its subsidiary company. Other than the above, in our opinion, the terms and conditions of above loan granted by the Company are not prima facie, prejudicial to the interest of the Company.
- (c) The terms and conditions of the above loan granted to subsidiary company have not been stipulated in writing.
- (d) According to the information and explanations given to us, there is no overdue amount of loan granted to subsidiary company.
- (e) The Company has taken an interest free unsecured loans of Rs. 87.00 lacs from parties covered in the register maintained 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 were Rs. 87.00 lacs.
- (f) The above stated unsecured loans taken by the company are interest free. In our opinion, the terms and conditions of the same are prima facie, not prejudicial to the interest of the Company.
- (g) The terms of repayment of interest free unsecured loans obtained have not been stipulated in writing and as explained to us, the said unsecured loans are repayable on demand.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
5. (a) According to the information and explanations given to us, particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) Excluding certain transactions of purchase/sale of goods and material of special nature for which alternate quotations/source of supply was not available and on the basis of technical evaluation in respect of the quality of the items and because of the special type of work involved, the transactions entered into pursuant to such contracts and arrangements, in our opinion and according to the information and explanations given to us, have been made at prices which are prima facie reasonable having regard to the prevailing market price at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
7. According to the information and explanations given to us, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
8. The Company has maintained Cost Accounting records as prescribed for Footwear and its components by the Central Government under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company. However, we have not made detailed examination of such records with a view to determine whether they are accurate and complete.
9. (a) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales-tax, wealth tax, customs duty, excise-duty, cess and other material statutory dues as applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales tax, customs duty, excise duty and cess were outstanding as at 31st March' 2011 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: -



PHOENIX INTERNATIONAL LIMITED

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 (ii) 2003-04	465,431 379,713	Income Tax Appellate Tribunal, New Delhi

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

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

Rakesh Mathur
Prop.
M.No.81851

Place : Gurgaon
Date: 31.08.2011

BALANCE SHEET AS AT 31st MARCH,2011

DESCRIPTION	SCHEDULE		AS AT 31.03.2011 (Rs.)		AS AT 31.03.2010 (Rs.)
SOURCES OF FUNDS					
SHARE HOLDERS' FUNDS					
Share Capital	1	187,895,600		167,895,600	
Reserves and Surplus	2	486,655,876	674,551,476	475,707,853	643,603,453
LOAN FUNDS					
Secured Loans	3		596,798,104		614,949,311
Unsecured Loans			8,700,000		8,700,000
			1,280,049,580		1,267,252,764
APPLICATION OF FUNDS					
FIXED ASSETS	4				
Gross Block		693,054,573		691,187,532	
Less: Depreciation		245,083,379		222,958,639	
Net Block		447,971,194		468,228,893	
Capital work in progress		34,615,848	482,587,042	44,062,405	512,291,298
INVESTMENTS	5		159,082,580		159,082,580
CURRENT ASSETS, LOANS AND ADVANCES	6				159,082,580
Inventories		42,470,595		42,378,104	
Sundry Debtors		129,265,673		138,967,640	
Cash and Bank Balances		14,592,688		11,306,748	
Loans and Advances		681,938,874		991,644,855	
		868,267,830		1,184,297,347	
LESS : CURRENT LIABILITIES AND PROVISIONS	7				
Liabilities		229,017,053		578,954,990	
Provisions		12,109,766		9,463,471	
		241,126,819		588,418,461	
Net Current Assets			627,141,011		595,878,886
MISCELLANNEOUS EXPENDITURE (To the extent not written off or adjusted)	8				
Renovation Expenses			11,238,947		
			1,280,049,580		1,267,252,764
Accounting Policies and Notes to the Accounts	13				

As per our Report of Even Date Attached

for R.K.M & ASSOCIATES

Chartered Accountants

Firm Reg. No. 007536N

Rakesh Mathur

Prop.

M.No.81851

Place : New Delhi

Date: 31.08.2011

For and on behalf of the Board of Directors

Narender Makkar
Director & Company Secretary

Narendra Aggarwal
Director



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

DESCRIPTION	SCHEDULE	YEAR ENDED	YEAR ENDED
		31' st MARCH, 2011 (Rs.)	31' st MARCH, 2010 (Rs.)
INCOME			
Sales and Services	9	266,058,595	212,374,904
Other Income	10	18,542,027	21,207,299
		284,600,622	233,582,203
EXPENDITURE			
Manufacturing Expenses	11	146,245,733	121,966,028
Administration and other Expenses	12	19,440,220	31,095,833
Interest	13	76,790,165	49,583,133
Depreciation		22,124,740	22,026,082
Misc.Expenditure Written Off		6,051,740	-
		270,652,598	224,671,076
PROFIT FOR THE YEAR BEFORE EXTRA ORDINARY ITEM		13,948,024	8,911,127
Add Extra Ordinary Item		-	-
PROFIT AFTER EXTRA ORDINARY ITEMS BUT BEFORE TAX		13,948,024	8,911,127
Less: -Provision for Income Tax		3,000,000	1,510,000
PROFIT AFTER TAXATION		10,948,024	7,401,127
Add: Profit /(Loss) Balance brought forward		251,387,159	243,986,032
		262,335,183	251,387,159
Balance carried to Balance Sheet		262,335,183	251,387,159
Earning per share- Basic and Diluted		0.65	0.44
Accounting Policies and Notes to the Accounts	14		

AS PER OUR REPORT OF EVEN DATE ATTACHED

for R.K.M & ASSOCIATES

Chartered Accountants
Firm Reg. No. 007536N

Rakesh Mathur

Prop.

M.No. 81851

Place : New Delhi

Date: 31.08.2011

For and on behalf of the Board of Directors

Narender Makkar
Director & Company Secretary

Narendra Aggarwal
Director

PHOENIX INTERNATIONAL LIMITED



DESCRIPTION	As at 31.03.2011 (RUPEES)	As at 31.03.2010 (RUPEES)
SCHEDULE-1		
SHARE CAPITAL		
Authorised		
5,00,00,000 Equity Shares of Rs10/- each	500,000,000	500,000,000
1,00,00,000 4% Cumulative Redeemable Preference Shares of Rs 100/- each	1,000,000,000	1,000,000,000
	1,500,000,000	1,500,000,000
Issued,Subscribed and Paid up		
16789560 Equity Shares of Rs 10/- each fully paid up [Of the above 14375080 Equity Shares of Rs 10/- each allotted as fully paid up bonus shares by capitalisation of accumulated profits and share premium]	167,895,600	167,895,600
4% Cumulative Redeemable Preference Shares Application Money	20,000,000	-
	187,895,600	167,895,600
SCHEDULE - 2		
RESERVE & SURPLUS		
General Reserve		
As per last Year	100,121,793	100,121,793
	100,121,793	100,121,793
Share Premium Account	124,198,900	124,198,900
As per last year		
Profit & Loss Account (As per annexed Account)	262,335,183	251,387,160
	486,655,876	475,707,853
SCHEDULE-3		
SECURED LOANS		
Term Loan	596,798,104	614,949,311
From Bank(Note a)		
	596,798,104	614,949,311
UNSECURED LOANS		
Loan From Promoter / Share Holder	8,700,000	8,700,000
	8,700,000	8,700,000

NOTES

Term Loan from Oriental Bank of Commerce of Rs.5967.98 Lacs (Previous year Rs.6149.49 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. 936.00 Lacs including interest (Previous Year Rs. 936.00 Lacs including interest)

PHOENIX INTERNATIONAL LIMITED

**SCHEDULE-4
FIXED ASSETS**

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2010	ADDITIONS DURING THE YEAR	SALES/ ADJUST- MENT	AS AT 31.03.2011	UPTO 31.03.2010	FOR THE YEAR	SALES/ ADJUST- MENT	UPTO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
Leasehold Land	35,715,590	-	-	35,715,590	-	-	-	-	35,715,590	35,715,590
Building	569,554,535	1,226,500	-	570,781,035	165,668,035	18,963,956	-	184,631,991	386,149,044	403,886,500
Wooden Structure	2,878,972	-	-	2,878,972	2,878,972	-	-	2,878,972	-	-
Plant & Machinery	41,316,252	463,393	-	41,779,645	27,582,171	1,630,995	-	29,213,166	12,566,479	13,734,081
Office & Other Equipment	3,801,119	102,162	-	3,903,281	3,213,567	89,437	-	3,303,004	600,277	587,552
Vechile	6,229,551	-	-	6,229,551	5,914,325	80,126	-	5,994,451	235,100	315,226
Electrical Installations	28,915,653	-	-	28,915,653	15,298,530	1,285,285	-	16,583,815	12,331,838	13,617,123
Furniture & Fixtures	2,775,860	74,986	-	2,850,846	2,403,039	74,941	-	2,477,980	372,866	372,821
TOTAL	91,187,532	1,867,041	-	693,054,573	222,958,639	22,124,740	-	245,083,379	447,971,194	468,228,893
Capital Work-In-Progress										
Building under construction (B Block)*	9,446,557	7,844,130	17,290,687	-	-	-	-	-	-	9,446,557
Machinery Pending installation	23,242,075	-	-	23,242,075	-	-	-	-	23,242,075	23,242,075
Air Conditioner	11,373,773	-	-	11,373,773	-	-	-	-	11,373,773	11,373,773
	44,062,405	7,844,130	-	34,615,848	-	-	-	-	34,615,848	44,062,405
Grand Total	735,249,937	9,711,171	-	727,670,421	222,958,639	22,124,740	-	245,083,379	482,587,042	512,291,298
Previous Year	724,650,088	231,119,689	220,519,840	735,249,937	201,066,569	22,026,081	134,011	222,958,639	512,291,298	

* Transferred to Deferred Revenue Expenditure

**SCHEDULE-5
INVESTMENT**

DESCRIPTION		AS AT 01.04.2010 (Rs.)	ADDITIONS DURING THE YEAR (Rs.)	SALES DURING THE YEAR (Rs.)		AS AT 31.03.2011 (Rs.)
LONG TERM TRADE INVESTMENTS - AT COST						
UNQUOTED SHARES IN SUBSIDIARY COMPANIES						
PHOENIX INDUSTRIES LIMITED						
84,32,300 Equity Shares of Rs. 10/- each fully paid up (Previous year 84,32,300)	148,084,590				148,084,590	
Less:- Provision for diminution in value of investments	120,979,863	27,104,727			120,979,863	27,104,727
PHOENIX CEMENT LIMITED						
419,53,510 Equity Shares of Rs. 10/- each fully paid up (previous year 4,19,53510)	419,535,100				419,535,100	
Less:- Provision for diminution in value of investment	288,688,144	130,846,956			288,688,144	130,846,956
SHARES IN OTHER COMPANIES						
BLOOMSBURY TRADING PTE.LTD., SINGAPORE						
46,000 Equity Shares of Singapore Dollar 1/- each fully paid up (Previous Year 46000)		1,130,597				1,130,597
PHOENIX HYDRO CARBONS LIMITED						
10 Equity Shares of Rs. 10/- each fully paid up (Previous year 10)		100				100
PHOENIX FOOTWEAR PRIVATE LIMITED						
10 Equity Shares of Rs. 10/- each fully paid up (Previous Year 10)		100				100
PHOENIX POWER DEVELOPMENT CORPN. LIMITED						
10 Equity Shares of Rs. 10/- each fully paid up (Previous year 10)		100				100
		159,082,580				159,082,580

Notes:

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



DESCRIPTION	As at 31.03.2011 (RUPEES)	As at 31.03.2010 (RUPEES)
SCHEDULE - 6		
CURRENT ASSETS, LOAN AND ADVANCES		
A. CURRENT ASSETS		
INVENTORIES (AS TAKEN, VALUED AND CERTIFIED BY THE MANAGEMENT)		
Raw Materials	36,039,736	36,713,988
Work In Progress	6,430,859	5,664,116
	<u>42,470,595</u>	<u>42,378,104</u>
Notes:		
a. Valuation of Inventories as per Accounting Policy No.3		
b. Inventories include	<u>1,915,836</u>	<u>3,887,680</u>
With third parties		
SUNDRY DEBTORS- UNSECURED		
Debt outstanding for a period exceeding six months		
– Considered Good	120,930,532	72,537,084
– Considered Doubtful	61,307,832	59,960,832
Other Debts		
– Considered Good	8,335,141	66,430,556
– Considered Doubtful		
	<u>190,573,505</u>	<u>198,928,472</u>
Less: Provision for Doubtful Debts	<u>61,307,832</u>	<u>59,960,832</u>
	<u>129,265,673</u>	<u>138,967,640</u>
CASH AND BANK BALANCES		
a) Cash in hand	3,356,520	823,365
b) Balance With Scheduled Banks in		
– Current Accounts	2,542,744	1,457,123
– Fixed Deposits	8,693,424	9,026,260
	<u>14,592,688</u>	<u>11,306,748</u>
NOTE		
a) Balance in Current Account includes		
– Uncashed Dividend warrents	213,670	213,670
* Balance in Fixed Deposits includes Pledged with Banks , Sales Tax	193,424	278,538



PHOENIX INTERNATIONAL LIMITED

DESCRIPTION	As at 31.03.2011 (RUPEES)	As at 31.03.2010 (RUPEES)
LOANS AND ADVANCES (UNSECURED) (CONSIDERED GOODS UNLESS OTHER WISE STATED)		
Loans		
– Considered Good	622,966,880	468,042,337
Advances recoverable in cash or in kind or for value to be received		
– Considered Good	19,169,390	489,021,123
– Considered Doubtful		456,206
	<u>642,136,270</u>	<u>957,519,666</u>
Less: Provision for Doubtful Advances	642,136,270	456,206
Due from subsidiary Companies	16,496,544	16,478,069
Advance Tax / Tax Deducted at Source	20,473,525	15,626,428
Deposities - Considered Good	2,832,535	2,476,898
	<u>681,938,874</u>	<u>991,644,855</u>
SCHEDULE-7 CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	162,535,864	288,203,659
Security Deposits	62,333,337	262,083,337
Unclaimed Dividend	210,350	210,350
Other Liabilities	3,937,502	28,034,768
Book overdraft	-	422,876
	<u>229,017,053</u>	<u>578,954,990</u>
PROVISIONS		
Grauity	2,104,026	2,104,026
Leave Encashment	1,203,341	1,203,341
Taxation- Income Tax / Wealth Tax	8,802,399	6,156,104
	<u>12,109,766</u>	<u>9,463,471</u>
NOTE:- Due to SSI Unit Nil(Previous Year Nil) Refer Note. 3 of Schedule 14		
SCHEDULE-8		
Deferred Revenue Expenditure (To the extent not written off or adjusted)		
Renovation Expenses	17,290,687	-
Less:- Adjusted during the year	6,051,740	-
	<u>11,238,947</u>	<u>-</u>
SCHEDULE-9 SALES AND SERVICES		
Sales and Services	178,456,087	136,336,807
Rent Received	87,602,508	76,038,097
	<u>266,058,595</u>	<u>212,374,904</u>
SCHEDULE-10 OTHER INCOME		
Interest Received (Gross)(TDS Rs.60077/- Previous Year 1441730/-)	333,715	14,258,678
Loss & Gain Exchange Fluctuation(Net)	12,348,390	675,929
Profit on Sale of Fixed Assets	-	4,921
Other Receipt	5,859,922	6,267,771
	<u>18,542,027</u>	<u>21,207,299</u>

PHOENIX INTERNATIONAL LIMITED



DESCRIPTION	As at 31.03.2011 (RUPEES)	As at 31.03.2010 (RUPEES)
SCHEDULE -11		
MANUFACTURING EXPENSES		
Raw Material Consumed		
Opening Stock	36,713,988	26,494,367
Add:- Purchase	<u>122,087,012</u>	<u>109,703,793</u>
	<u>158,801,000</u>	<u>136,198,160</u>
Less:- Closing Stocks	<u>36,039,736</u>	<u>36,713,988</u>
(Increase)/Decrease in stocks	122,761,264	99,484,172
Opening Stocks		
Finished Goods		
Work in Progress	<u>5,664,116</u>	<u>7,581,347</u>
	<u>5,664,116</u>	<u>7,581,347</u>
Less:- Closing Stocks		
Finished Goods		
Work in Progress	<u>6,430,859</u>	<u>5,664,116</u>
	(766,743)	1,917,231
Fabrication Charges	6,787,909	7,244,518
Power and Fuel	447,254	346,389
Repairs & Maintenance:-		
– Building	14,000	127,620
– Others	1,123,126	1,058,661
Salaries , Wages, Allowance, Bonus, Exgratia etc.	13,971,656	10,246,420
Contibution to Provident Fund, Esic, etc	1,263,021	916,683
Staff Welfare	644,246	624,334
	<u>146,245,733</u>	<u>121,966,028</u>
SCHEDULE - 12		
ADMINISTRATIVE AND OTHER EXPENSES		
Insurance exp.	172,878	196,331
Rent , rates & Taxes	6,038,422	3,175,732
Auditors Remuneration:		
– Audit Fee	66,180	66,180
– Tax Audit Fee	16,545	16,545
Directors Sitting Fee		16,000
Amount Written Off	3,068,712	-
Sale Tax Paid	375,158	-
Advertisement & Publicity & Business Promotion	311,300	193,259
Brokerages Charges	-	11,032,034
Vechile Maintanace	52,580	337,750
Bank & Financial Charges	92,516	7,863,316
Freight Outward, handling and cleaning exp	3,879,100	1,758,164
Travelling Exp. & Convenyance Exp.	759,918	543,767
Legal & Professional Fees	1,451,131	2,383,858
Misc. Exp.	779,213	2,669,153
Provision for Doubtful Debts	1,347,000	-
Watch & Ward Exp.	727,666	534,316
Telephone & Telex Charges	301,901	309,428
	<u>19,440,220</u>	<u>31,095,833</u>



PHOENIX INTERNATIONAL LIMITED

DESCRIPTION	As at 31.03.2011 (RUPEES)	As at 31.03.2010 (RUPEES)
SCHEDULE-13		
INTEREST		
Term loan	76,324,142	46,178,365
Other	466,023	3,404,768
	76,790,165	49,583,133

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES

1. a) Basis of Preparation of Financial Statements

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

b) Use of Estimates

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

2. Fixed Assets

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

3. Valuation of Inventories

- Raw materials, stores and spares are valued at lower of cost or net realizable value.
- Work in progress is valued at lower of cost or net realizable value and includes cost of raw material, direct labour and proportionate overheads including fabrication charges.
- Finished goods and traded 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.
- Goods in transit are valued at lower cost or net realizable value.
- Cost is determined on FIFO basis for all categories of inventories.

4. Depreciation

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

5. Foreign Exchange Transactions

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

6. Sales

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



7. Export Benefits

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

8. Employee Benefits.

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

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

9. Investments

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

10. Impairment of Fixed Assets

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

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

11. Renovation Expenses

Renovation Expenses on building have been amortized over a period of 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 a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation, in respect of which the likelihood of outflow of resources, is remote, provision or disclosure will be made.

B) NOTES TO THE ACCOUNTS

1. Contingent Liabilities not provided for

		As at 31.03.2011 (Rs. In Lacs)	As at 31.03.2010 (Rs. In Lacs)
(a)	Income Tax, Sales Tax, Excise Duty and Custom Duty demands under Appeals	11.37	11.37
(b)	Corporate Guarantee for loans availed by Focus Energy Limited	19700	19700

- 2. The accounts of the Company have been prepared on going concern basis.
- 3. No Creditor has intimated about their status being of small scale industrial undertaking.
- 4. As the Company has unabsorbed depreciation and unabsorbed losses to the tune of Rs. 4629.13 lacs which are to be carried forward as per the provision of the Income Tax Act, 1961, in the opinion of the management there is no certainty that sufficient future taxable income will be available, the Company has not recorded cumulative Deferred Tax Assets/ Liabilities on account of timing differences as stipulated in Accounting Standard (AS-22)" Accounting for Taxes of Income"



PHOENIX INTERNATIONAL LIMITED

5. Disclosure pursuant to Accounting Standard -15

a) Consequent upon the adoption of Accounting Standard -15 (Revised)- Employee Benefits, in accordance with the stipulations contained therein, the company has adjusted Rs. 6,78,205/- towards the transitional effect of defined benefit obligation in respect of employee benefits up-to 31st March,2007 to the balance of General Reserve as on 1st April ,2007.

b) Defined Contribution Plan

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

Particulars	Amount (in Rs.)	Head under which shown in P& L Account
Contribution of Provident Fund	8,97,692	Contribution to Provident Fund

c) Retirement Benefits

No provision for gratuity has been made in the accounts as the management feels that the provision already made is sufficient to meet the liability as on 31.03.2011

6. Segment Reporting:-

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

7. Related Party Transactions:-

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

a) Key Managerial Personnel

Mr. Narender Kumar Makkar

Mr. Narender Aggarwal

Mr. Arun K. Sinha

Mr. P.M Alexander

b) Subsidiary Companies

Phoenix Cement Limited

Phoenix Industries Limited

c) Enterprises under direct/indirect common control:

Focus Energy Limited

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

Particulars	YEAR ENDED 31.03.2011			PERIOD ENDED 31.03.2010		
	Key Management Personnel	Subsidiary	Associates	Key Management Personnel	Subsidiary	Associates
Purchase of goods		-	-	-	-	-
Sales of Goods			160,055,250	-		115,192,671
Directors Remuneration and contribution to provident fund	1,874,936	-	-	15,33,174	-	-
Directors Sitting Fees	16,000	-	-	16,000	-	-
Outstanding as at the year end:						
Unsecured Loans	8,700,000	-	-	8,700,000	-	-
Investments (net of provisions)		157,951,683	-		157,951,683	-
Current Liabilities		-	-	-	-	-
Sundry Debtors		-	129,265,673	-	-	66,430,556
Loans granted		34,000,000	-	-	34,000,000	434,042,337
Advances recoverable in cash or in kind or for value to be received		16,496,543	459,701,206	-	16,478,069	451,752,986
Guarantee Given	-	-	1970,000,000	-	-	1,970,00,000

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

	Year Ended 31.03.2011	Year Ended 31.03.2010
Net Loss/Profit	Rs.10,948,024	Rs.74,01,128
Number of Equity Shares	1,67,89,560	1,67,89,560
Nominal Value of the share	Rs.10	Rs.10
Earnings / (Loss) per share (Basic and Diluted)	Rs.0.65	Rs. 0.44

9. 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.8.26 lacs (Previous Year Rs. 9.49 Lacs) made under operating lease have been recognized as an expense in the profit and loss account.

10. Prior Period expenditure have been included under normal head of expenses.

11. Auditors Remuneration is as under:-

	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
Audit Fees	66,180	66,180
Tax Audit Fees	16,545	16,545

12. Debit / Credit balances as on 31st March, 2011 in Debtors, Creditors, Loans & Advances and other Parties accounts are subject to confirmations.

13. 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.

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

Particulars	Outstanding Balance as on 31.03.2011 (Rs.)	Max Balance outstanding during the year (Rs.)
I. Loans & Advances in the nature of loans to Subsidiaries	3,40,00,000 (Nil)	3,40,00,000 (Nil)
II. Loans & Advances in the nature of loans to Associates	Nil	Nil
III. Loans & Advances in the nature of loans where there is no repayment schedule , no interest or interest below section 372(A) of Companies Act, 1956.	Nil	Nil
IV. Loans & Advances in the nature of loans to firms / Companies to which directors are interested	Nil	Nil
V. Investment by loane in the shares of parent company and subsidiary company when the company has made loan or advance In the nature of loan; - Phoenix Industries Limited	No. Shares 84,32,300 (84,32,300)	No. Shares 84,32,300 (84,32,300)

15. Previous period figures have been regrouped / rearranged wherever considered necessary to conform to the classification adopted in the current year.

16. Information pursuant to part IV of Schedule VI to the Companies Act, 1956 is attached.

17. Director's Remuneration

PARTICULARS	CURRENT YEAR ENDED 31.03.2011 (Rs.)	PREVIOUS YEAR ENDED 31.03.2010 (Rs.)
i. Whole Time Director		
- Salaries and Allowances	17,60,000	14,29,800
- Contribution to Provident & Other Funds	1,14,936	1,03,374
	18,74,936	15,33,174



PHOENIX INTERNATIONAL LIMITED

18. STATEMENT OF ADDITIONAL INFORMATION

i) PARTICULARS OF CAPACITY AND PRODUCTION

DESCRIPTION	UNIT	INSTALLED CAPACITY		PRODUCTION	
		YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED
		31.03.2011	31.03.2010	31.03.2011	31.03.2010
SHOE UPPER	PAIRS	Refer note 1 below	-	1,22,212	1,01,984
FOOTWEAR	PAIRS	Refer note 1 below	-	-	-
TOTAL		-	-	1,22,212	1,01,984

NOTE:-

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

ii) PARTICULARS OF RAW MATERIAL CONSUMED

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	IN RS.	IN RS.
Leather/ other Raw material	12,27,61,264	9,94,84,172

iii) PARTICULARS OF PURCHASES- FINISHED GOODS

DESCRIPTION	UNIT	YEAR ENDED		YEAR ENDED	
		QUANTITY 31.03.2011	VALUE (RS. IN LACS) 31.03.2011	QUANTITY 31.03.2010	VALUE (Rs. IN LACS) 31.03.2010
SHOE UPPER	PAIRS	-	-	-	-
		-	-	-	-

IV) OTHER ADDITIONAL INFORMATION

DESCRIPTION	YEAR ENDED 31.03.2011 (Rs. In Lacs)	PERCENTAGE	YEAR ENDED 31.03.2010 (Rs. In Lacs)	PERCENTAGE
A) Value of imports on C.I. F Basis	955.00		870.71	
B) Expenditure in Foreign Currency				
Interest	NIL		NIL	
C) Earnings in foreign Currency				
Export on FOB basis	-		81.77	
D) Value of imported / Indigenous Raw Material , stores , Spares and components consumed	1220.87		1014.01	

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

for and on behalf of the Board of Directors

Rakesh Mathur
Prop.
M.No. 81851

Narender Makkar
Director & Company Secretary

Narender Aggarwal
Director

Place: - New Delhi
Date:- 31.08.2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

	YEAR ENDING 31.03.2011	YEAR ENDING 31.03.2010
CASH FLOW FROM OPERATING ACTIVITIES		
A. Net Profit (Loss) Before Tax & Extraordinary Items	139.48	89.11
Add:- Extra Ordinary Items		-
Net Profit (Loss) Before Tax & Extraordinary Items	139.48	89.11
Adjusted for other Items		
Depreciation	221.25	220.26
Foreign Exchange (Net)	123.48	6.76
Interest (Net)	764.56	353.24
Profit on Sale of Investment	91.21	-
Loss on Sale of Investment	13.47	-
Adjustement for gratuity and leave encashment AS-15		-
Loss on Sale of Fixed Asset(Net)		-
Profit on Sale of Fixed Asset(Net)	-	0.05
Loss on sale of Assets held for sale		-
Provision for Discount and Doubtful Debts\Advances		-
provision for Inventory Written Down		-
Operative Profit(Loss) Before working Capital Changes	1,353.45	669.42
Adjusted For:		
Trade Recivables & Other Current Assets	97.02	(764.12)
Other Current Assets	3,097.06	(3,681.95)
Inventories	(0.92)	(83.02)
Trade & Other Payables	(3,499.38)	1,574.53
Cash Generated from Operations	1,047.23	(2,270.00)
Direct Tax Receipts (Net)	(47.71)	(57.50)
Net Cash from Operatives Activities	999.52	(2,327.50)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets\Capital WIP	(97.11)	(109.57)
Sale of Fixed Assets		-
Purchase of Investment		-
Foreign Exchange (Net)	(123.48)	-
Sale of Investment		-
Interest Received	3.34	142.59
Net Cash from Investing Activities	(217.25)	33.02
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Unsecured	200.00	-
Proceeds form Secured Loan		-
Repayment of Long Term Borrowings (Net)	(181.51)	2,795.09
Repayment of Unsecured Loan		-
Interest Paid	(767.90)	(495.83)
Net Cash from Financing Activities	(749.41)	2,299.26
Net Increases (Decreases) In cash and Cash Equivalents	32.86	(8.13)
Cash and Cash Equivalents as at 01.04.2010 (Opening Balance)	113.07	121.20
Cash and Cash Equivalents as at 31.03.2011(Closing Balance)	145.93	113.07

Nareder Makkar
Company Secretary

Narender Aggarwal
Director

AUDITOR'S CERTIFICATE

We have examined the above cash flow statement of Phoenix International Limited for the Period ended 31.03.2011. The statement has been prepared by the management in accordance with the listing requirements of the stock exchange in india and is based on and derived from teh audited financial statements of the Company for the year ended 31.03.2011

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

Rakesh Mathur
Prop.
M.No.81851

Place : New Delhi
Date: 31.08.2011



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	2011									
	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. Position of Mobilisation and Development of Funds (Rs. in Thousand)

Total Liabilities	N	I	L	Total Assets	N	I	L	
Source of Fund								
Paid-up Capital	N	I	L	Reserve & Surplus	N	I	L	
Secured Loans	N	I	L	Unsecured Loans	N	I	L	
Application Funds								
Net Fixed Assets	N	I	L	Investments	N	I	L	
Net Current Assets *	N	I	L	Misc. Expenditure	N	I	L	
Accumulated Losses	-							

iv Performance of Company

Turnover	N	I	L	Total Expenditure	N	I	L
Profit / (Loss) Before Tax	N	I	L	Profit / (Loss) After Tax	N	I	L
Earning Per Shares	N	I	L	Dividend Rate %	N	I	L

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

Item Code No. (ITC Code)	6	4	0	2	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 RKM & ASSOCIATES
Chartered Accountants
Firm Reg. No. 007536N

RAKESH MATHUR
(Prop.)
M.No. 81851

Place: New Delhi
Date : 31.08.2011

FOR AND ON BEHALF OF BOARD OF DIRECTORS

DIRECTOR

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, 2011, 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, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 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, 2011; 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: 31.08.2011

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' 2011

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.



PHOENIX INDUSTRIES LIMITED

- (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 2011 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, 2011, the accumulated losses of the company are more than its net worth. The Company has not incurred cash losses 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.
-



PHOENIX INDUSTRIES LIMITED

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 : Gurgaon

Date: 31.08.2011



PHOENIX INDUSTRIES LIMITED

BALANCE SHEET AS AT 31 ST, MARCH ,2011

DESCRIPTION	SCHEDULE	AS AS 31ST MARCH,2011(Rs)	AS AS 31ST MARCH,2010(Rs)
SOURCES OF FUNDS			
SHARE HOLDER'S FUNDS			
Share Capital	1	94,323,000	94,323,000
Reserves and Surplus	2	194,765,744	100,442,744
		<u>100,442,744</u>	
LOAN FUNDS			
Unsecured Loans	3	232,660,000	226,940,000
		<u>427,425,744</u>	<u>421,705,744</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	38,696,506	38,696,506
Less:- Depreciation		<u>32,318,715</u>	<u>30,936,074</u>
Net Block		6,377,791	7,760,432
INVESTMENT	5	98,178,505	98,178,505
CURRENT ASSETS , LOANS & ADVANCES			
Inventories	6	2,846,957	2,846,957
Sundry Debtors		4,859,632	2,166,818
Cash and Bank Balances		4,919,906	2,156,929
Loan and Advances		4,162,050	6,336,166
		<u>16,788,545</u>	<u>13,506,870</u>
LESS:- CURRENT LIABILITIES & PROVI-SIONS			
	7		
Liabilities		10,028,565	12,032,684
Provisions		<u>159,038</u>	<u>159,038</u>
		<u>10,187,603</u>	<u>12,191,722</u>
Net Current Assets		6,600,942	1,315,148
PROFIT & LOSS ACCOUNT		316,268,506	314,451,659
		<u>427,425,744</u>	<u>421,705,744</u>
ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	14		

AS PER OUR REPORT OF EVEN DATE ATTACHED

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

Rakesh Mathur
Prop.
Mem. No. 81851
Place : New Delhi
Date: 31.08.2011

For and on behalf of Board of Directors

Narender Aggarwal
Director

P.M Alexnder
Director



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

DESCRIPTION	SCHEDULE	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
INCOME			
Sales and Services	8		23,474
Other Income	9	51,755	2,310,000
		51,755	2,333,474
EXPENDITURE			
Manufacturing Expenses	10	436,728	902,873
Administrative Expenses	11	49,233	351,069
Other Expenses	12	—	1,000
Interest	13	—	162,840
Depreciation		1,382,641	1,382,641
		1,868,602	2,800,423
PROFIT /(LOSS) FOR THE YEAR		18,16,847	(466,949)
PROFIT /(LOSS) AFTER TAXATION		18,16,847	(466,949)
Add Balance brought forward		(314,451,659)	(313,984,710)
Less Adjusted Reserve & Surplus as per contra			
Loss carried to Balance Sheet		(316,268,506)	(314,451,659)
Earning per share- Basic and Diluted			
Accounting Policies and Notes to Accounts			

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR RKM & Associates

Chartered Accountants
Firm Reg. No.-007536N

Rakesh Mathur
Prop.

Mem. No. 81851
Place : New Delhi
Date: 31.08.2011

For and on behalf of Board of Directors

Narender Aggarwal
Director

P.M Alexander
Director



PHOENIX INDUSTRIES LIMITED

DESCRIPTION	AS AT 31ST,MARCH,2011 (Rs)	AS AT 31ST,MARCH,2010 (Rs)
SCHEDULE-1		
SHARE CAPITAL		
AUTHORISED		
1,000,000,000 Equity Shares of 10/- each.	100,000,000	100,000,000
	100,000,000	100,000,000
ISSUED, SUBSCRIBED AND PAID UP		
94,32,300 Equity shares of Rs. 10/- each fully paid up (Out of above 84,32,300 Equity shares are held by Holding Co. " Phoenix International Ltd." and balance share are held by Phoenix Cement Ltd. Subsidiary of Phoenix International Ltd)	94,323,000	94,323,000
	94,323,000	94,323,000
SCHEDULE- 2		
RESERVES AND SURPLUS GENERAL RESERVE		
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
	100,442,744	100,442,744
SCHEDULE- 3		
UNSCURED LOANS		
(interest free)		
Loan from Holding Company	34,000,000	34,000,000
Loan from Body Corporates	198,660,000	192,940,000
	232,660,000	226,940,000

SCHEDULE-4 FIXED ASSETS

(Rs.)

ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS AT 01.04.2010	ADDI- TION	SALE/ ADJUST- MENT	AS AT 31.03.2011	UP TO 31.03.2010	FOR THE YEAR	SALE/ ADJUST- MENT	UP TO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
PLANT AND MACHINERY	28,084,849	-	-	28,084,849	20,347,122	1,378,961	-	21,726,083	6,358,766	7,737,727
FURNITURE AND FIX- TURES	3,054,779	-	-	3,054,779	3,051,021	408	-	3,051,429	3,350	3,758
TEMPORARY- WOODEN STRUCTURE	2,210,664	-	-	2,210,664	2,210,664	-	-	2,210,664	-	-
ELECTRICAL INSTALLA- TIONS & EQUIPMENT	1,931,545	-	-	1,931,545	1,922,259	1,532	-	1,923,791	7,754	9,286
VEHICLES	1,541,755	-	-	1,541,755	1,541,755	-	-	1,541,755	-	-
OFFICE AND OTHER EQUIPMENT	1,872,914	-	-	1,872,914	1,863,253	1,740	-	1,864,993	7,921	9,661
TOTAL	38,696,506	-	-	38,696,506	30,936,074	1,382,641	-	32,318,715	6,377,791	7,760,432
PREVIOUS YEAR	38,696,506	-	-	38,696,506	29,553,433	1,382,641	-	30,936,074	7,760,432	-

PHOENIX INDUSTRIES LIMITED



DESCRIPTION	AS AT 31.03.2011 (Rs)	AS AT 31.03.2010 (Rs)
SCHEDULE-5		
INVESTMENTS		
LONG TERM INVESTMENT - AT COST		
TRADE		
UNQUOTED		
1,000 (Previous year 1,000) Equity shares of M/s Super Bazaar Co-Operative Store Ltd. Of Rs. 10/- each fully paid up.		
	10,010	10,010
NON TRADE		
Unquoted		
Shares in Subsidiary company		
12,46,000(previous year 12,46,000) Equity shares of Pelle Fine Leather Inc. (Foreign Company) of US \$ 1 each fully paid up Shares in Subsidiary of Holding Company		
	58,837,618	58,837,618
2,10,00,000(previous year 2,10,00,000) Equity shares of Phoenix Cement Limited of Rs 10/- each fully paid up		
	37,894,500	37,894,500
Shares in Other Company		
10 (Previous year 10) Equity shares of Phoenix Power Development Corporation Limited of Rs. 10/- each fully paid up.		
	100	100
QUOTED		
Shares in Other Companies		
24,600 (Previous year 24,600) Equity shares of Yellow Valley Leasing and Finance Limited of Rs. 10/- each fully paid up.		
	344,400	344,400
72,200(Previous year 72,200) Equity shares of Savare Trade Enterprises Ltd. Of Rs. 10/- each fully paid up.		
	1,091,877	1,091,877
	98,178,505	98,178,505
NOTE:		
Aggregate cost of Quoted investment	14.36 LACS	14.36 LACS
Aggregate Market Value of Quoter Investment	18.14 LACS	18.14 LACS
Aggregate Cost of Unquoted Investment	967.42 Lacs	967.42 Lacs

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

PHOENIX INDUSTRIES LIMITED



DESCRIPTION	AS AT 31ST,MARCH,2011 (Rs)	AS AT 31ST,MARCH,2010 (Rs)
SCHEDULE-6		
INVENTORIES		
(As taken , valued and certified by the Management)		
(Raw Materials	2,171,275	2,171,275
Finished Goods	675,682	675,682
	<u>2,846,957</u>	<u>2,846,957</u>
Sundry Debtors (Unsecured)		
Debts Outstanding for a period exceeding six months		
- Considered Good	22,059,106	19,366,292
- Considered Doubtful		
Other Debts		
- Considered Good		
- Considered Doubtful		
	<u>22,059,106</u>	<u>19,366,292</u>
Less: Provision for Doubtful Debts	<u>17,199,474</u>	<u>17,199,474</u>
	<u>4,859,632</u>	<u>2,166,818</u>
Cash and Bank Balances		
Cash in hand	2,567,283	67,283
Balance with Scheduled Banks		
- in Current Accounts	968,975	757,085
- In Fixed Deposits/ Margin Money	1,264,249	1,264,249
- Interest accrued on deposits	119,399	68,312
	<u>49,19,906</u>	<u>2,156,929</u>
* Balance in Fixed deposits includes deposits pledged with banks sales Tax authorities etc.	1,264,249	1,264,249
Loan and Advances (Unsecured) (Considered good)		
Advances recoverable in Cash or in Kind or for value to be received	3,802,037	5,959,321
Advances Income tax/ Tax deducted at Sources	37,576	54,408
Deposits	322,437	322,437
	<u>4,162,050</u>	<u>6,336,166</u>
SCHEDULE -7		
CURRENT LIABILITIES & PROVISIONS		
A) CURRENT LIABILITIES		
Sundry Creditors*	2,183,633	2,183,633
Other Liabilites	7,844,932	9,849,051
	<u>10,028,565</u>	<u>12,032,684</u>
B) PROVISIONS		
For Leave Encashment	76,615	76,615
For Gratuity	82,423	82,423
Fringe Benefit Tax		
	<u>159,038</u>	<u>159,038</u>

* Include due to SSI units Nil(Previous Year Nil) refer note no 9 of Schedule 14

PHOENIX INDUSTRIES LIMITED



	AS AT 31ST,MARCH,2011 (Rs)	AS AT 31ST,MARCH,2010 (Rs)
SCHEDULE- 8		
SALE & SERVICES		
Sales	-	23,474
		<u>23,474</u>
SCHEDULE-9		
Other Income	51087	
Excess Provision / Unclaimed Credit balances Written back	668	2,310,000
	51,755	<u>2,310,000</u>
SCHEDULE- 10		
Manufacturing Expenses		
Increase / Decreases In Stocks Raw Material		
Opening Stocks	2,171,275	2,256,286
Less:- cost of Raw Material Sold	-	85,011
	2,171,275	<u>2,171,275</u>
Less:- Closing Stock	2,171,275	2,171,275
Cost of Raw Material Sold	-	85,011
Increase / Decrease in Stocks		
Opening Stocks		
Work in Process	675,682	675,682
Finished Goods	675,682	675,682
Closing Stock		
Work in Process		
Finished Goods	675,682	<u>675,682</u>
Decrease in Stocks		
Salaries , Wages , Allowances and Bonus etc,	413,066	802,538
Contribution to Provident Fund , E. S. I. C etc.	23,662	15,324
	436,728	<u>902,873</u>
SCHEDULE- 11		
Administrative Expenses		
Rent , Rates & Taxes	20,262	26,500
Travelling and Conveyance	-	12,205
Insurance	-	5,872
Auditors Remuneration		
- Audit Fee	12,685	12,685
Legal and Professional Charges	16,176	275,399
Bank Charges	110	1,949
Miscellaneous Expenses	-	16,459
	49,233	<u>351,069</u>



DESCRIPTION	AS AT 31ST,MARCH,2011 (Rs)	AS AT 31ST,MARCH,2010 (Rs)
SCHEDULE - 12		
Other Expenses		
Assets/ Amount Written off	—	1,000
	—	1,000
SCHEDULE- 13		
Interest		
Others	—	162,840
	—	162,840

SCHEDULE-14

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

1. a) **Basis of Preparation of Financial Statements**
The Financial Statements have been prepared under the historical cost convention, on accrual basis, in accordance with Generally Accepted Accounting Principles (GAAP) and comply in all respect with the mandatory applicable accounting standards and relevant provisions and presentational requirements of the Companies Act, 1956.
- b) **Use of Estimates**
The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) require Management to make estimates and assumptions that effect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.
2. **Fixed Assets**
Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. All costs relating to the acquisition and installation of Fixed Assets are capitalized and include financing costs relating to borrowed funds attributable to construction or acquisition to fixed assets up to the asset is put to use.
3. **Valuation of Inventories**
 - a) Raw materials, stores and spares are valued at lower of cost or net realizable value.
 - b) Works in progress are valued at lower of cost or net realizable value and includes cost of raw material, direct labor 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 Straight Line Method at the rates and in the manner prescribed under Schedule XIV to 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 the exchange rates prevailing on the last working day of the accounting year and loss or gain on conversion, if any has been charged to the Profit and Loss Account. Foreign Exchange differences relating to acquisition of fixed assets are adjusted to the carrying cost of the relevant fixed assets.
6. **Sales**
Export sales are accounted for on the basis of the date of Bill of Lading, Domestic sales are accounted for on the basis of ex-factory/ godown dispatches. Sales include excise duty but exclude discounts, sales tax and all other charges.
7. **Export Benefits**
Sale of advance licenses is accounted for on realization basis. Duty Drawbacks and Duty entitlement Pass Book benefits are accounted for on accrual basis.



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 and Leave Encashment is made on the basis of actuarial valuation.

9. Investments

Investment in subsidiary and other companies are treated as long-term investments and are stated at cost. Provision for diminution in the market value of long- term investments is made only if such decline is considered permanent by the management. 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 the impairment losses recognized for the asset no longer exist or have decreased. However , the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the assets in prior year.

11. Contingencies

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

B) NOTES TO THE ACCOUNTS

1. CONTINGENT LIABILITIES NOT PROVIDED FOR

	DESCRIPTION	As At 31.03.2011 (Rs. In lacs)	As at 31.03.2010 (Rs. In lacs)
a)	Guarantee given by the bankers on behalf of the Company (net of margin Money)	20.41	20.41

2. STATEMENT OF ADDITIONAL INFORMATION

I) PARTICULARS OF CAPACITY AND PRODUCTION

DISCRETION	LICENSED CAPACITY		INSTALLED CAPACITY		PRODUCTION		
	UNIT	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
SHOE UPPER	PAIRS	N.A					
FOOTWEAR	PAIRS	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 & SERVICE

Units	STOCK							
	Opening Stock				Closing Stock			
	As At 01.04.2011		As At 01.04.2010		As At 31.03.2011		As At 31.03.2010	
	Qty	Rs. value	Qty	Rs. Value	Qty	Rs. value	Qty	Rs. Value
Sports shoes pairs	36282	647088	36282	647088	36282	647088	36282	647088
Shoe upper pairs	137	788594	137	788594	137	788594	137	788594
Other								
Total	36419	1435682	36419	1435682	36419	1435682	36419	1435682



PHOENIX INDUSTRIES LIMITED

III) PARTICULARS OF MATERIALS CONSUMED

DESCRIPTION	UNIT	YEAR ENDED 31.03.2011		YEAR ENDED 31.03.2010	
		QTY	VALUE (Rs.)	QTY	VALUE (Rs.)
FINISHED LEATHER	SQ.DM		NIL		-
CHEMICAL			NIL		-
OTHERS			NIL		85011
TOTAL			NIL		85011

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

DESCRIPTION	YEAR ENDED 31.03.2011		YEAR ENDED 31.03.2010	
	Value (Rs.) Consumption	% of	Value (Rs) Consumption	% of
IMPORTED	-	-	-	-
INDIGENOUS	-	-	-	-
TOTAL	-	-	-	-

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

DESCRIPTION	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
RAW MATERIAL STORES & SPARES AND COPONENTS	-	-
CAPITAL GOODS	-	-

VI) EARNING/ EXPENDITURE IN FOREIGN CURRENCY

EARNING IN FOREIGN CURRENCY	NIL	NIL
REMITANCE IN FOREIGN CURRENCY	NIL	NIL
EXPENDITURE IN FOREIGN CURRENCY	NIL	NIL

- The accounts of the Company have been prepared on going concern basis.
- 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 (Bonded Store room) amounting to Rs. 2.04 lacs (Previous year Rs. 7.17 lacs) has been included in the value of finished goods stock. It does not have any impact on the Profit and Loss Account of the Company.
- Particulars of Earning per Share pursuant to Accounting Standard (As20) issued by the Institute of Chartered Accountants of India:-

	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
Net Loss	Rs. 18.68Lacs	Rs. 4.67 Lacs
No. of Equity Shares	94,32,300	94,32,300
Nominal Value of the Share	Rs. 10	Rs 10
Earning / (Loss) per Share (Basic)*	(0.19)	(0.05)

*The Company has not shown diluted earnings per share because the company has not issued any potential equity shares.

- in view of the losses and uncertainty of future taxable income, the Company has not recorded Cumulative Deferred Tax Asset/ Liability on account of timing differences as stipulated in Accounting Standards (AS-22)-“ Accounting for Taxes on Income”



7. Auditors Remuneration is as under.

	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
1. Audit Fees	12685	12685

8. Debit/ Credit balances as on 31st March, 2011 in Debtors, Creditors, Loans , Advances and other parties account are subject to confirmations.
9. 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.
10. No Creditor has intimated about their status being of small scale industrial undertaking.
11. Prior period expenditure have been included under normal heads of expenses.
12. Previous year figures have been regrouped / rearranged wherever considered necessary to conform to the classification adopted in the current year.
13. Schedule 1 to 14 form integral parts of the Balance Sheet and Profit & Loss account and are duly authenticated.
14. Information pursuant to part IV of Schedule VI to the Companies Act, 1956 is attached.

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

Rakesh Mathur
Prop.
M.No.- 81851
Place: New Delhi
Date: 31.08.2011

Narender Aggarwal
Director

P.M Alexnder
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

	YEAR ENDED 31.03.2011 (Rs.)	YEAR ENDED 31.03.2010 (Rs.)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit(Loss) Before Tax Adjusted for		
Adjusted for other items:-	(18.17)	(4.67)
Dpreciation	13.83	13.83
Foreign Exchange (Net)	-	-
Interest(Net)	0.51	1.63
Profit on Sale of Fixed Assets	-	-
Loss on Sale of Investment		
Provision for subsidiary Advances / Loan		
Loss on Sale of Fixed Assets (Net)		-
Provision for Discount & Doubtful Debts		-
Operating Profit/(Loss) Before Working Capital Changes	(3.83)	10.79
Adjusted for;		
Trade & Other Recivables	(26.92)	-
Other Current Assets/ Loans and Advances	21.23	6.79
Inventories	-	0.85
Trade Creditors & Other Liabilities	(19.54)	(32.80)
Cash Generated from Operations	(29.06)	(14.37)
Direct Tax Receipts (Net)	-	-
Net Cash from Operating Activities	(29.06)	(14.37)
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	-	-
Sale of Investment		
Purchase of Investment	-	-
Interest Received	(0.51)	-
Net Cash from Investing Activities	-	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Unsecured Loans	57.20	10.00
Repayment of Long Term Borrowings (Net)	-	-
Interest Paid	-	(1.63)
Net Cash from Financing Activities	57.20	8.37
Net Increases (Decrease) in cash and Cash Equivalents	27.63	(6.00)
Cash and Cash Equivalents as at 01.04.2010 (Opening Balance)	21.56	27.56
Cash and Cash Equivalents as at 31.03.2010 (Closing Balance)	49.19	21.56

For R.K.M & Associates
CHARTERED ACCOUNTANTS
 Firm Reg.No. 007536N

RAKESH MATHUR
 Prop.
 M.NO.- 81851

Narender Aggarwal
 Director

P.M Alexander
 Director

Place - New Delhi
 Date:-31.08.2011



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	State Code	5	5
Balance Sheet Date	31	03	2011									
	Date	Month	Year									

ii Capital raised During the year (Amount Rs. in Thousand)

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

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

Total Liabilities	4	2	7	4	2	6	Total Assets	4	2	7	4	2	6
Source of Fund													
Paid-up Capital	9	4	3	2	3	Reserve & Surplus	1	0	0	4	4	3	
Secured Loans	-	Unsecured Loans	2	3	2	6	6	0					
Application Funds													
Net Fixed Assets	6	3	7	8	Investments	9	8	1	7	9			
Net Current Assets *	6	5	5	0	Misc. Expenditure	N	I	L					
Accumulated Losses	3	1	6	3	1	9							

iv Performance of Company

Turn Over	N	I	L	Total Expenditure	1	8	6	8	6	0			
Profit / (Loss) Before Tax	(1	8	1	6	8	5)	Profit / (Loss) After Tax	(1	8	1	6	8	5)
Earning Per Shares (in Rs.)	N	I	L	Dividend Rate %	N	I	L						

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

Item Code No. (ITC Code)	6	4	0	4	1	0	0	6	3	0	2	2	1	0	0	6	4	0	3	9	1	0	2																											
Product Description	S					P					O					R					T					S					H					O					E					S				

* Net of Current Liabilities & Provisions

Place: New Delhi
Date : 31.08.2011

NARENDRA AGGARWAL
Director

P.M. ALEXANDER
Director



AUDITOR'S REPORT

TO

THE MEMBERS OF PHOENIX CEMENT LIMITED

We have audited the attached Balance Sheet of **PHOENIX CEMENT LIMITED** as at 31st March 2011, 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, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 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, 2011 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 : Gurgaon
Date: 31.08.2011

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' 2011

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.



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, 2011, 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 : Gurgaon
Date: 31.08.2011



BALANCE SHEET AS AT 31st, MARCH,2011

DESCRIPTION	SCHEDULE	AS AS 31ST MARCH,2011(Rs)	AS AS 31ST MARCH,2010(Rs)
SOURCES OF FUNDS			
Share Capital	1	<u>829,535,700</u>	<u>829,535,700</u>
		829,535,700	829,535,700
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	2	201,388	201,388
Less:- Depreciation		<u>201,388</u>	<u>201,388</u>
Net Block		-	-
Plant & Machinery for Re-export		<u>22,874,720</u>	<u>22,874,720</u>
INVESTMENT	3	199,612,500	199,612,500
CURRENT ASSETS , LOANS & ADVANCES			
Cash and Bank Balances	4	146,996	146,996
Loan and Advances		<u>95,121,208</u>	<u>95,121,208</u>
		<u>95,268,204</u>	<u>95,268,204</u>
LESS:- CURRENT LIABILITIES & PROVISIONS			
Liabilities	5		43,855,156
		<u>44,036,198</u>	
Provisions			-
		<u>44,036,198</u>	<u>43,855,156</u>
Net Current Assets		51,232,006	
PROFIT & LOSS ACCOUNT		555,816,474	555,635,432
		<u>829,535,700</u>	<u>829,535,700</u>
ACCOUNTING POLICIES AND NOTES TO ACCOUNTS			
AS PER OUR REPORT OF EVEN DATE ATTACHED			
	6		

FOR RKM & Associates
 For and on behalf of Board of Directors
 Chartered Accountants
 Firm Reg. No. - 007536N

Rakesh Mathur
 Prop.
 M.No. 81851

Narender Makkar
 Director

Narender Aggarwal
 Director

Place :- New Delhi
 Date: 31.08.2011



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st, MARCH 2011

DESCRIPTION	SCHEDULE	YEAR ENDED 31ST,MARCH,2011 (Rs)	YEAR ENDED 31ST,MARCH,2010 (Rs)
INCOME			
Excess Provision / Unclaimed Balances Written Back		-	-
		-	-
EXPENDITURE			
Rent, Rates & Taxes			4,000
Insurance		14,129	14,151
Professional Charges		158,640	16,382
Audit Fees		8,273	8,273
Bank Charges		-	2,963
Watch & Ward		-	202,320
Sundry Expenses(Net)		-	90
Travelling Expenses		-	500
		181,042	248,679
PROFIT/ (LOSS) FOR THE YEAR		(181,042)	(248,679)
Add: Profit/ (Loss) brought Forward		(555,635,432)	(555,386,753)
Balance Carried to Balance Sheet		(555,816,474)	(555,635,432)
Earning Per Share - Basic and Dilluted		-	-

**ACCOUNTING POLICIES AND NOTES TO ACCOUNTS
AS PER OUR REPORT OF EVEN DATE ATTACHED**

FOR RKM & Associates
For and on behalf of Board of Directors
Chartered Accountants
Firm Reg. No. - 007536N

Rakesh Mathur
Prop.
M.No. 81851

Narender Makkar
Director

Narender Aggarwal
Director

Place :- New Delhi
Date: 31.08.2011



PHOENIX CEMENT LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

DESCRIPTION	AS AT 31ST,MARCH,2011 (Rs)	AS AT 31ST,MARCH,2010 (Rs)
SCHEDULE-1		
SHARE CAPITAL		
AUTHORISED		
1,000,000,000 Equity Shares of 10/- each.	10,000,000,000	10,000,000,000
	10,000,000,000	10,000,000,000
ISSUED, SUBSCRIBED AND PAID UP		
8,29,53,570 Equity shares of Rs. 10/- each fully paid up	829,535,700	829,535,700
	829,535,700	829,535,700

NOTES: Out of the total paid up Share Capital

- 1) 58,200,000 Equity shares allotted pursuant to a contract without payment in Cash.
- 2) 41,953,510 Equity shares are held by the holding Company Phoenix International Limited
- 3) 21,000,000 Equity shares are held by one of the subsidiary of the holding company namely Phoenix Industries Limited.

SCHEDULE-2										
FIXED ASSETS										
										(Rs.)
GROSS BLOCK					DEPRECIATION				NET BLOCK	
ASSETS	AS AT 01.04.2010	ADDITION	SALE/ ADJUSTMENT	AS AT 31.03.2011	UP TO 31.03.2010	FOR THE YEAR	SALE/ ADJUSTMENT	UP TO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
FURNITURE & FIXTURES	51,342	-	-	51,342	51,342	-	-	51,342	-	-
OFFICE & OTHER EQUIPMENTS	150,046	-	-	150,046	150,046	-	-	150,046	-	-
	201,388	-	-	201,388	201,388	-	-	201,388	-	-
PLANT & MACHINERY FOR RE- EXPORT	22,874,720	-	-	22,874,720	-	-	-	-	22,874,720	22,874,720
CURRENT YEAR	23,076,108	-	-	23,076,108	201,388	-	-	201,388	22,874,720	22,874,720
PREVIOUS YEAR	23,076,108	-	-	23,076,108	201,388	-	-	201,388	22,874,720	22,874,720

SCHEDULE-3				
INVESTMENTS				
DESCRIPTION	AS AT 01.04.2010 (Rs)	ADDITION(Rs)	SALE (Rs)	AS AT 31.03.2011 (Rs)
LONG TERM INVESTMENT - AT COST (NON TRADE)				
UNQUOTED				
Shares in Subsidiary Company				
40,00,000(Previous year 40,00,000) Equity Shares of	176,440,000	-	-	176,440,000
Build Well Cement Ltd(Foreign Company) of US \$ 1 each fully paid up				
Shares in Other Company				
10,00,000(Previous year 10,00,000) Equity Shares of	23,172,500	-	-	23,172,500
Phoenix Industries Ltd of Rs. 10/- each fully paid up				
	199,612,500	-	-	199,612,500



DESCRIPTION	AS AT 31ST,MARCH,2011 (Rs)	AS AT 31ST,MARCH,2010 (Rs)
SCHEDULE-4		
CURRENT ASSETS, LOANS & ADVANCES		
A) CURRENT ASSETS		
Cash and Bank Balances	27500	27,500
Cash in Hand		
Balance with Scheduled Banks :		
- In current account	119,496	119,496
	146,996	146,996
B) LOANS AND ADVANCES		
(Unsecured - Considered Good)		
Share Application Money Pending Allotments	83,000,000	83,000,000
Advances for allotment of Land	7,064,100	7,064,100
Deposits with Customs Authorities	5,044,179	5,044,179
Prepaid Expenses	12,929	12,929
	95,121,208	95,121,208
SCHEDULE -5		
CURRENT LIABILITIES & PROVISIONS		
A) CURRENT LIABILITIES		
Focus Energy (Inter corporate)	1,223,331	1,039,895
Advance against Plant & Machinery	24,010,074	24,010,074
Other Liabilities *	18,802,793	18,805,187
	44,036,198	43,855,156
B) PROVISIONS		
	-	
	44,036,198	43,855,156

* Includes Rs. 16425744/- Due to Holding Company Phoenix International Ltd.

SCHEDULE-6

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention on accrual basis, in accordance with Generally Accepted Accounting Principles (GAAP) and comply in all 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.



PHOENIX CEMENT LIMITED

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.

B. NOTES TO THE ACCOUNTS

1. CONTINGENT LIABILITIES NOT PROVIDED FOR:

	YEAR ENDED 31.03.2011 (Rs. In lacs)	YEAR ENDED 31.03.2010 (Rs. In lacs)
Appeal against Draw back Refund claim by Customs with Commissioner of Customs Appeal, Mumbai. The matter has been decided in the favour of the Company. The show cause notice and order in original of Commissioner of Customs (appeal Mumbai) has been set aside. The department has filed appeal with Mumbai High Court which is still pending.	–	234.90

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

3. 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.

4. Loans and advances include custom duty paid in earlier years amounting to Rs. 50.44 lacs which is refundable by the custom department. The company is making efforts for refund of this amount from custom Authorities.

5. 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"

6. Particulars of earning per share pursuant to Accounting Standard (AS-20)

PHOENIX CEMENT LIMITED

	YEAR ENDED 31.03.2011 (Rs.)	YEAR ENDED 31.03.2010 (Rs.)
Net Profit / (Loss)	(181,042)	(248,679)
Number of Equity shares	82,953,570	82,953,570
Normal Value of the share (Rs.)	10	10
Earning per share (Rs.) (Basic and Diluted)	-	-

7. Additional information pursuant to Part- II of Schedule VI of the Companies Act, 1956:-

I- Earnings in foreign Currency	-	-
II- Expenditure in foreign Currency	-	-
III- Remittance in Foreign Currency	-	-
Iv-Value of Imports on CIF Basis	-	-
V-Directors Remunerations	-	-

8. Auditors remuneration is as under :

	YEAR ENDED 31.03.2011 (Rs.)	YEAR ENDED 31.03.2010 (Rs.)
Audit Fees	8,273	8,273

9. Debit/Credit Balances as on 31st March, 2011 in Loans & Advances and other parties' accounts are subject to confirmations.

10. 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.

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

12. Information Pursuant to part IV of Schedule VI of the Companies Act, 1956 is attached.

13. Schedule 1 to 6 form integral part of the Balance Sheet and Profit & Loss Account and are duly authenticated.

For and on behalf of Board of Directors

For RKM & Associates

Chartered Accountants
Firm Reg. No. 007536N

Rakesh Mathur
Corp.
M.No. 81851

Narender Makkar
Director

Narender Aggarwal
Director

Place: New Delhi

Date: 31.08.2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

		(Rs. In Lacs)	
		YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/ (Loss) Befor Tax Adjusted For	(1.81)	(2.48)
	Operating Profit/ (Loss) Before Working Capital Changes	(1.81)	(2.48)
	Adjusted for;		
	Other Current Assets / Loans and Advances	-	-
	Trade Creditors & Other Liabilities	1.81	2.60
	Net Cash from Operating Activities	-	0.12
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase Investment	-	-
	Net Cash from Investing Activities	-	-
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Net Increase (Decrease) In cash and Cash Equivalents	-	0.12
	Cash and Cash Equivalents as at 01.04.2010 (Opening Balance)	1.47	1.35
	Cash and Cash Equivalents as at 31.03.2011 (Closing Balance)	1.47	1.47

For and on behalf of Board of Directors

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

Rakesh Mathur
Corp.
M.No 81851
Place : New Delhi
Date: 31.08.2011

Narender Makkar
Director

Narender Aggarwal
Director



PART - IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

i Registration Details

Registration No. - State Code

Balance Sheet Date

ii Capital raised During the year

Right Issue

Bonus Issue Private Placement

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

Total Liabilities Total Assets

Source of Fund

Paid-up Capital Reserve & Surplus

Secured Loans Unsecured Loans

Application Funds

Net Fixed Assets Investments

Net Current Assets * Misc. Expenditure

Accumulated Losses

iv Performance of Company

Turnover Total Expenditure

+ - Profit/(Loss) Before tax + - Profit/(Loss) After tax

Please tick Appropriate box + for Profit, for loss Earning per Share (in Rs.)

Dividend Rate %

v Generic Names of Three Principal Products/Services of the Company (as monetary terms)

Item Code No. (ITC Code) Production Description

Product Description Production Description

Item Code No. (ITC Code) Production Description

Product has been abandoned

RAKESH MATHUR
(Prop.)
M.No. 81851

DIRECTOR

DIRECTOR

Place: New Delhi
Date : 31.08.2011



**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 23rd Annual General Meeting of the Company held on Thursday the 30th day of September, 2011 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
failing him/her of
as my/our proxy to vote for me/our behalf at the 23rd Annual General Meeting of the Company held on Thursday the 30th September, 2011 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.....2011

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.