

**FORM A**  
(Pursuant to Clause 31(a) of Listing Agreement)

No	Particulars	Details
1	Name of the Company	<b>PHOENIX INTERNATIONAL LIMITED</b>
2	Annual Financial Statements for the year ended	<b>31.03.2014</b>
3	Type of Audit Observation	Un-qualified
4	Frequency of Observation	N.A.
5	To be Signed by: <ul style="list-style-type: none"> <li>• Director</li> <li>• Auditor of the Company</li> <li>• Audit Committee Chairman</li> </ul>	<div style="text-align: center;">   <b>Narender Kumar Makkar</b> </div> <div style="text-align: center;">   <b>For Pradip Bhardwaj &amp; Co</b> </div> <div style="text-align: center;">   <b>Narendra Aggarwal</b> </div> <div style="text-align: right;">      </div>



**27TH**  
**ANNUAL REPORT**  
2013 – 2014

**PHOENIX INTERNATIONAL LIMITED**

**CIN: L74899DL1987PLC030092**

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

**BOARD OF DIRECTORS**

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

**COMPANY SECRETARY**

Mr. Narender Makkar

**AUDITORS**

M/s Pradip Bhardwaj & Co.  
MZ-12A, Ansal Fortune Arcade,  
Sector-18, Noida - 201301

**REGISTRAR & TRANSFER AGENT**

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

**REGISTERED OFFICE**

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

**Works**

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

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# PHOENIX INTERNATIONAL LIMITED

**CIN: L74899DL1987PLC030092**

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

E-mail: gopala@phoenixindia.com Website: www.phoenixindia.com



## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 27TH ANNUAL GENERAL MEETING OF THE MEMBERS OF PHOENIX INTERNATIONAL LIMITED WILL BE HELD ON TUESDAY THE 30TH DAY OF SEPTEMBER, 2014 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 31.03.2014 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, (DIN: 00026857) who retires by rotation and being eligible offers himself for re-appointment
3. **Appointment of Auditors**

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-

**"RESOLVED THAT** pursuant to the provisions of Sections 139 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act, if any and the Rules framed there under, as amended from time to time, M/s Pradip Bhardwaj & Co., Chartered Accountants (ICAI Firm Registration No. 013697C) be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of Thirtyth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of pocket, travelling and living expenses, etc., as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

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

**Place: New Delhi**  
**Date: 05.08.2014**

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 30/09/2014.
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 3<sup>rd</sup> 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.
6. You are aware that the provisions of Companies Act, 2013 have been made effective. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued thereunder, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository. It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This is a golden opportunity for every shareholder of Phoenix International Limited to contribute to the cause of Green Initiative. We therefore invite all our shareholders to contribute to the cause by filling up the form to receive communication from the Company in electronic mode. You can download the registration form from the website of the Company [www.phoenixindia.com](http://www.phoenixindia.com)
7. **Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
8. Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website [www.phoenixindia.com](http://www.phoenixindia.com) for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
9. **Voting through electronic means:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 Company is offering e-voting facility to its members. Detailed procedure is given in the enclosed letter.

## 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 other following Companies:

Sr. No	Names of the Companies /bodies corporate/ firms/association of individuals	Nature of interest or concern / Change in interest or concern	Share holding	Date on which interest or concern arose /changed
1.	Phoenix International Limited - Listed Companies	Director	NIL	01.10.2005
2.	Phoenix Real Time Services Limited - Listed Companies	Director	NIL	31.01.2005
3.	Yellow Valley Leasing & Finance Limited - Listed Companies	Director	NIL	01.04.2003
4.	Savare Trade Enterprises Limited - Listed Companies	Director	NIL	01.04.2003
5.	Phoenix Power Development Corporation Ltd	Director	NIL	01.04.2003
6.	Phoenix Cement Limited	Director	NIL	28.01.2004
7.	Phoenix International Finance Limited	Director	NIL	10.01.2005
8.	Focus Energy Limited	Director	NIL	01.07.2008
9.	I Energizer India Private Limited	Director	NIL	31.03.2010
10.	OIL SEP ENGINEERS PRIVATE LIMITED	Director	5000	28.02.2011
11.	Sasson Agencies (P) Limited	Director	NIL	31.08.2006
12.	Indus Gas Transmission Limited	Director	NIL	10.01.2008
13.	S P REGINA RESOURCES PRIVATE LIMITED	Director	5000	10.09.2010
14.	Fitzroy Exports Private Limited	Director	NIL	28.08.2006
15.	Ban Tec India Private Limited	Director	NIL	19.07.2010
16.	Granada Services Private Limited	Director	NIL	02.09.2010

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).



## PHOENIX INTERNATIONAL LIMITED

### DIRECTOR'S REPORT

Dear Shareholder,

The Directors of your company present the 27th Annual Report along with the Audited Statement of Accounts of the company for the year ended 31st March 2014.

### FINANCIAL RESULTS

(₹ In Lacs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Sales & Other Income	3,778.34	3,623.19
Profit / (Loss) before Depreciation	358.84	362.18
Less: Depreciation	224.26	224.52
Profit / (loss) after Depreciation but before Extra Ordinary Items	134.58	137.66
Add: Extra Ordinary Items	-	-
Profit / (loss) after Extra Ordinary Items - but before Tax	134.58	137.66
Less: Provision for Income Tax/Fringe benefit Tax	50.20	40.00
Profit / (Loss) After Tax	84.38	97.66

### 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 ₹ 3,778.34 Lacs during the current year as compared to ₹ 3,623.19 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 31.03.2014.

### PARTICULARS OF EMPLOYEES

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

### DIRECTORS

Mr. 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 31<sup>st</sup> March, 2014 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 31<sup>st</sup> March, 2014 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

- (d) with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (e) That the Annual Accounts for the year ended 31<sup>st</sup> March, 2014 has been prepared on a going concern basis.

**AUDITORS**

The Auditors, M/s. Pradip Bhardwaj & Co, Chartered Accountant (ICAI Firm Registration No. 013697C, New Delhi, hold office until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appointed them to examine and audit the accounts of the Company for three years to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of Thirtyth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from M/s Pradip Bhardwaj & Co., to such appointment and also a certificate to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Companies Act, 2013 and rules made there under, as may be applicable.

**SUBSIDIARY COMPANIES**

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

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

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

**CORPORATE GOVERNANCE**

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

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

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

**ACKNOWLEDGMENT**

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

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

**Place: New Delhi**  
**Date: 05.08.2014**

Narender Makkar  
**Director & Company Secretary**

P.M. Alexander  
**Director**



## PHOENIX INTERNATIONAL LIMITED

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

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

		Current Year	Previous Year
A.	<b>CONSERVATION OF ENERGY</b>		
	1. (a) Energy conservation measures undertaken	Nil	Nil
	(b) Proposed energy conservation measures	Nil	Nil
	2. Impact of measures on reduction of energy consumption and consequent impact on the cost of production of goods	Nil	Nil
	3. The details of energy consumption:	Nil	Nil
	(a) Power and Fuel consumption		
	(b) Consumption per unit of production		
B.	<b>TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION</b>		
	1. Specific area in which R & D was carried out by the Company	Nil	Nil
	2. Benefits derived as a result of the above R&D	Nil	Nil
	3. Future plan of Action	Nil	Nil
	4. Expenditure on R & D	Nil	Nil
C.	<b>FOREIGN EXCHANGE EARNING &amp; OUTGO</b>		
	(a) Activities relating to exports: Initiatives taken to increase exports: Development of new export methods for products and services and export plans The Foreign exchange earning through exports were NIL during the year to UK. The efforts to broaden the export base to other countries are continuing.		
	(b) The foreign Exchange Earning & Outgo during the period are as under:		
	Foreign Exchange Earning	₹ 180.15 Lacs	₹ 91.25 Lacs
	Foreign Exchange Outgo	₹ 1,355.78 Lacs	₹ 1,232.43 Lacs

### CHAIRMAN AND DIRECTOR CERTIFICATION

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

- We have reviewed financial statements and the cash flow statement for the financial year ended on 31<sup>st</sup> March, 2014, and that to the best of our knowledge and belief:
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 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.
- 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.
- 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.
- We have indicated to the auditors and the Audit committee:-
  - significant changes, if any, in internal control over financial reporting during the year;
  - significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
  - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For and on behalf of the Board  
PHOENIX INTERNATIONAL LIMITED

Place: New Delhi  
Date: 05.08.2014

Narender Makkar  
Director & Company Secretary

P.M. Alexander  
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.

### (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.



## PHOENIX INTERNATIONAL LIMITED

The composition of Board of Directors, their attendance at Board Meetings during the year ended 31<sup>st</sup> March 2014, the last Annual General Meeting and their Directorships/Committee Memberships in other Companies as on 31<sup>st</sup> March 2014 is as follows:

### (B) Details of Meeting of Board of Directors held during the year ended on 31<sup>st</sup> March, 2014

Name of the Directors	Category	No. of Board Meeting Attended	Attendance at last AGM	No. of other Directorships in other Companies	As Member in Committees of other Companies	As Chairman in Committees of Other Companies
Mr. Arun K. Sinha	Non Executive and Independent Director	5	Yes	5	4	3
Mr. Narendra Agarwal	Non Executive Director	4	No	14**	3	Nil
Mr. Narender Makkar	Executive Director	5	Yes	16***	4	2
Mr. P.M. Alexander	Non Executive Director	5	YES	15****	4	Nil

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

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

\*\*\*\* Out of them 4 Directorships are in Private Limited Companies

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

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

Date of Board Meetings	No. of Directors Present
10.05.2013	3
13.08.2013	4
29.08.2013	4
11-11-2013	4
12-02-2014	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.



## PHOENIX INTERNATIONAL LIMITED

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### **(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 2013-2014.

- |                           |                      |
|---------------------------|----------------------|
| (A) Mr. Narendra Aggarwal | Director             |
| (B) Mr. Arun K. Sinha     | Independent Director |
| (C) Mr. P. M. Alexander   | 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 10.05.2013, 13-08-2013, 29-08-2013, 11-11-2013 and 12-02-2014. The attendance particulars are as follows:

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

### (4) Remuneration Committee

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

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

#### Terms of reference:

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

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

### Remuneration to Directors

Remuneration to Directors for the year 2013 – 2014:

#### (A)

Sr. No.	Name	Designation	All elements of Remuneration package i.e. Salary benefits bonus, pension etc
1.	Mr. Narender Makkar	Director & Company Secretary	₹ 18,90,000/-

#### (B)

Sr. No.	Name	Designation	Sitting Fees
1.	Mr. Arun Kr. Sinha	Non - Executive and Independent Director	₹ 20,000/-

### (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                      Director
- (B) Mr. Arun K. Sinha                              Independent Director
- (C) Mr. P. M. Alexander                      Director

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

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

03.06.2013, 24.06.2013, 15.07.2013, 29.07.2013, 05.08.2013, 16.09.2013, 21.10.2013, 10.02.2014, 24.02.2014

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

The number of complaints received during the year were 05 (Five) and there were 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;

<b>Date &amp; Time</b>	<b>Location</b>
30 <sup>th</sup> September, 2011 at 09:30 a.m.	Lok Kala Manch, 20 Institutional Area, Lodhi Road, New Delhi – 110003
30 <sup>th</sup> September, 2012 at 10:00 a.m.	Lok Kala Manch, 20 Institutional Area, Lodhi Road, New Delhi – 110003
30 <sup>th</sup> September, 2013 at 10:00 a.m.	Lok Kala Manch, 20 Institutional Area, Lodhi Road, New Delhi – 110003

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

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

**(7) Disclosure**

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

**(8) Means of Communication**

i. Quarterly Result	Un-audited quarterly and yearly results have been published.
ii. Whether the website also displays official news releases and presentation to institutional investors / analysts.	Website has been developed and is active. Steps taken to display it on website. Notice of Annual General Meeting along the Annual Report is being sent to each shareholder well within time frame.
iii. Newspapers where Audited Financial Results, Un-audited quarterly and yearly results are published	Pioneer Delhi English & Hindi Edition
iv. Whether Management Discussion and Analysis is a part of Annual Report or not.	YES
v. Annual Report	Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Director's Report, Auditors' Report and other important information is circulated to members and others entitled thereto.

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

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

**(10) Subsidiary Monitoring Framework**

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

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



## PHOENIX INTERNATIONAL LIMITED

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

The company has manufacturing facility of shoes uppers at Chennai and achieved a turnover of ₹ 2,503.26 Lacs during the current year as compared to ₹ 2,353.07 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 : 30/09/2014 at 10:00 A.M.

Place : Lok Kala Manch, 20, Institutional Area, Lodhi Road, New Delhi - 110003.

##### (b) Financial Calendar : 2014 - 15

(Tentative)

Financial Results for the Quarter Ended:

30 <sup>th</sup> June, 2014	–	9 <sup>th</sup> August, 2014
30 <sup>th</sup> September, 2014	–	13 <sup>th</sup> November, 2014
31 <sup>st</sup> December, 2014	–	11 <sup>th</sup> February, 2015
31 <sup>st</sup> March, 2015	–	12 <sup>th</sup> May, 2015

Approval of Audited Results for the year ended 31.03.2015 - 31<sup>st</sup> May, 2015

##### (c) Date of book Closure – 30<sup>th</sup> September, 2015

##### Listing on Stock Exchanges:

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

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

The Company has paid Annual Listing Fees to Stock Exchanges.

## PHOENIX INTERNATIONAL LIMITED



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

Stock Market Data: Highest & Lowest during each month in last financial year from April, 2013 to March, 2014 on Bombay Stock Exchange.

YEAR	MONTH	HIGHEST RATE (₹)	LOWEST RATE (₹)
2013	April	13.00	10.43
2013	May	13.60	7.80
2013	June	8.19	4.96
2013	July	6.06	4.95
2013	August	7.51	6.28
2013	September	9.55	7.82
2013	October	12.45	9.64
2013	November	13.00	12.36
2013	December	12.50	11.88
2014	January	13.70	12.47
2014	February	14.25	12.26
2014	March	12.22	8.14

### (d) 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.

### (e) Dematerialization of Shares:

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

### (i) Distribution of Shareholding as on 31<sup>st</sup> March, 2014

Shareholding of Nominal Value (₹)	Shareholders		Share Amount	
	Number	% to Total	In ₹	% to Total
1	2	3	4	5
Up to 5000	8404	90.375	15401850	9.173
5001 – 10,000	503	5.409	4035410	2.404
10,001-20,000	203	2.183	3087140	1.839
20,001-30,000	66	0.710	1705550	1.016
30,001-40,000	27	0.290	922760	0.567
40,001-50,000	29	0.312	1366150	0.814
50,001-1,00,000	27	0.290	2011200	1.198
1,00,001- and above	40	0.430	139335540	82.989
	<b>9299</b>	<b>100.00</b>	<b>16,78,95,600</b>	<b>100.00</b>

# PHOENIX INTERNATIONAL LIMITED



## (g) (ii) Shareholding Pattern as on 31<sup>st</sup> March, 2014

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

## (h) Registrar and Transfer Agent

Mas Services Limited, T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase-II, New Delhi -110020

## (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**

3<sup>rd</sup> Floor, Gopala Tower, 25, Rajendra Place, New Delhi – 110008

## NON MANDATORY REQUIREMENT

The company has not adopted non-mandatory requirement.

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

Place: New Delhi

Date: 05.08.2014

Narender Makkar  
Director & Company Secretary

P.M. Alexander  
Director





ANNEXURE – 1

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

Name of the Director : Mr. 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 other following Companies:**

Sr. No	Names of the Companies /bodies corporate/ firms/ association of individuals	Nature of interest or concern / Change in interest or concern	Share holding	Date on which interest or concern arose /changed
1.	Phoenix International Limited - Listed Companies	Director	NIL	01.10.2005
2.	Phoenix Real Time Services Limited - Listed Companies	Director	NIL	31.01.2005
3.	Yellow Valley Leasing & Finance Limited - Listed Companies	Director	NIL	01.04.2003
4.	Savare Trade Enterprises Limited - Listed Companies	Director	NIL	01.04.2003
5.	Phoenix Power Development Corporation Ltd	Director	NIL	01.04.2003
6.	Phoenix Cement Limited	Director	NIL	28.01.2004
7.	Phoenix International Finance Limited	Director	NIL	10.01.2005
8.	Focus Energy Limited	Director	NIL	01.07.2008
9.	I Energizer India Private Limited	Director	NIL	31.03.2010
10.	OIL SEP ENGINEERS PRIVATE LIMITED	Director	5000	28.02.2011
11.	Sasson Agencies (P) Limited	Director	NIL	31.08.2006
12.	Indus Gas Transmission Limited	Director	NIL	10.01.2008
13.	S P REGINA RESOURCES PRIVATE LIMITED	Director	5000	10.09.2010
14.	Fitzroy Exports Private Limited	Director	NIL	28.08.2006
15.	Ban Tec India Private Limited	Director	NIL	19.07.2010
16.	Granada Services Private Limited	Director	NIL	02.09.2010

**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).



**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 2013 – 2014.

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

**Place: New Delhi**  
**Date: 05.08.2014**

Narender Makkar  
**Director & Company Secretary**

P.M. Alexander  
**Director**



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**AUDITOR'S REPORT ON CORPORATE GOVERNANCE**

**To,**

**THE MEMBERS OF PHOENIX INTERNATIONAL LIMITED**

We have examined the compliance of conditions of Corporate Governance by Phoenix International Limited ("Company") for the year ended on 31<sup>st</sup> March, 2014 as stipulated in the Clause 49 of the Listing Agreement in respect of equity shares of the said Company with the Stock Exchanges.

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

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

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

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

**For M/s Pradip Bharadwaj & Co,  
Chartered Accountants**

Place : New Delhi  
Date : 26.05.2014

**(Pradip Bhardwaj)**  
(Partner)  
M. No. : 500219

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, 2014	March 31, 2014
2. Holding company's Interest i) No. and Face Value of Shares ii) Extent of holding	Holding of 84,32,300 Equity Shares of ₹ 10/- each fully paid-up. 89.40%	Holding of 4,19,53,510 Equity Shares of ₹ 10/- each fully paid-up. 50.57%
3. Net aggregate amount of Subsidiary's Profit /Loss so far as they concerns the member of the Holding Company and not dealt with in the Holding Company's accounts i.) For Subsidiary Financial Year ii.) For Subsidiary previous financial year since it became Subsidiary	(₹ 20.47) Lacs (₹ 3,193.53) Lacs	(₹ 0.40) Lacs (₹ 5,559.08) Lacs
4. Net aggregate amount of Subsidiary's Profits / (Loss) so far as it concerns the member of the Holding Company and dealt with in the Holding Company's accounts i) For Subsidiary Financial Year ii) For Subsidiary previous financial year since it became Subsidiary	Nil Nil	Nil Nil
5. Change in the interest of Holding Company between the end of Subsidiary financial year and the end of Holding Company's financial year.	Not applicable	Not Applicable
6. Material change between the end of Subsidiary company financial year and the Holding Company's financial year i) Fixed Assets ii) Investments iii) Monies lent by the subsidiary iv) Monies borrowed by the subsidiary Other than for meeting current liabilities	Not applicable Not applicable Not applicable Not applicable	Not applicable Not applicable Not applicable Not applicable

For and on behalf of Board of Directors  
PHOENIX INTERNATIONAL LIMITED

Place: New Delhi  
Date : 05.08.2014

Narender Makkar  
Director & Company Secretary

Arun K. Sinha  
Director

Narendra Agarwal  
Director

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**Independent Auditors' Report****To the Board of Directors of Phoenix International Limited****Report on the Financial Statements**

We have audited the accompanying Consolidated Financial Statements of Phoenix International Limited ('the Company') and its subsidiaries, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2014, the Consolidated Profit and Loss account and Consolidated Cash Flows Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Company Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Opinion**

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

- (i) in the case of the consolidated balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2014;
- (i) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
- (ii) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

We did not audit the financial statements of the subsidiaries, whose financial statements reflect Total Assets (net) of ₹ 8939.34 Lacs as at March 31, 2014, Total Revenues of ₹ Nil at the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

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

**Date: 26.05.2014**  
**Place: New Delhi**

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



## PHOENIX INTERNATIONAL LIMITED

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

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

#### In respect of its fixed assets:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information. However, the records need to be updated with regard to the situation of fixed assets and sufficient description to make identification of fixed assets possible.  
(b) As explained to us, the company has physically verified certain assets, in accordance with phased program of verification, which in our opinion is reasonable, having regards to the size of the company. The discrepancies noticed at the time of such verification were properly dealt with in these books of accounts.  
(c) The Fixed Assets disposed off during the period, in our opinion, do not constitute a substantial parts of fixed assets of company and such disposal has, in our opinion, not affect the going concern status of the company.
2. (a) According to the information and explanation given to us, the inventories have been physically verified by the management at the end of accounting year.  
(b) In our opinion, the frequency and procedure of physical verification is reasonable in relation to the size of company and nature of its business.  
(c) According to the information and explanation given to us, the Company has maintained proper records of inventory and no material discrepancies have been noticed on physical verification of inventory as compared to the book records.
3. (a) The company during the year has not granted and / or taken any loans, secured or Unsecured, to companies, firm or other parties covered in the register maintained under section 301 of the companies Act, 1956 except an interest free loan of ₹ 4840.00 lacs granted to its subsidiary company Phoenix Industries Ltd. The maximum amount involved during the year was ₹ 4840.00 lacs and the year-end balance of loan granted to subsidiary company was ₹ 4840.00 lacs.  
(b) The company has not charged any interest on above loan granted to its subsidiary company. Other than the above, in our opinion, the other terms and conditions of above loan granted by the company are not prima facie, prejudicial to the interest of the company.  
(c) The term and condition of above loan granted to subsidiary company have not been stipulated in writing.  
(d) According to the information and explanations given to us, there is no overdue amount of loan granted to its subsidiary company.  
(e) The company has not taken any interest free unsecured loans during the year from parties covered in the register maintain under section 301 of the Companies Act, 1956. The opening balance of the unsecured loans taken was ₹ 87.00 lacs. The maximum amount involved during the year was ₹ 87.00 lacs and the year-end balance of the interest free unsecured loans was ₹ Nil.  
(f) The above stated unsecured loans taken by company are interest free. In our opinion, the term and condition of the same are prima facie, not prejudicial to the interest of the company.  
(g) The term of repayment of interest free unsecured loans obtained have not been stipulated in writing.
4. According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control procedures.
5. (a) According to the information and explanations given to us, particulars of contract or arrangements referred to in section 301 of the companies Act 1956 have been entered in the register required to be maintained under that section.  
(b) Excluding certain transactions purchase / sale of goods and material of special nature, for which alternate quotations / source of supply was not available and on the basis of technical evaluation in respect of the quality of items and because of special type of work involved, the transactions entered in to pursuant to such contracts and arrangements, in our opinion and according to the information and explanation given to us, have been made at prices which are prima facie reasonable having regard to the prevailing market price at the relevant time.
6. According to the information and explanations given to us, the company has not accepted any deposits from the public to which the provision of section 58A and 58AA of the companies Act, and the companies (Acceptance of deposits) Rules, 1975 apply.

7. In our opinion and according to the information and explanations given to us, the company has an effective internal audit system commensurate with size and nature of its business.
8. The Company has maintained Cost Accounting records as prescribed for Footwear and its components by the Central Government under section 209 (1) (d) of the Companies Act, 1956 for any of the products of the company. However, we have not made detailed examination of such records with a view to determine whether they are accurate and complete. However Cost Compliance report for the year ended 31st March 2014 has not been provided.
9. (a) According to the records of the company, the company is generally regular in deposit the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Excise duty, Custom Duty and other material statutory due as applicable to it.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of income-tax, sales-tax, wealth tax, excise duty, and cess were outstanding as at 31st March 2014, for a period for more than six month from the date they become payable
- (c). According to the information and explanations given to us, the disputed statutory dues, which have not been deposited with appropriate authorities on account of any dispute, are as under:-

Nature of the dues	Period to which relates	Amount involved ₹	Forum where dispute is pending
1. Sales Tax	1994-95	291,515	Hbn'ble Allahabad High Court, Allahabad
2. Wealth Tax	(i) 2002-03	465,431	Income Tax Appellate
	(ii) 2003-04	379,713	Tribunal, New Delhi
3 EPF, DLIF	03/2011 to 12/2012	1863744	Asst. P.F. Commissioner, Chennai.
4 Service Tax	(i) 2007-08	3090000	CESTAT, New Delhi.
	(ii) 2008-09	3954465	
	(iii) 2009-10	3090000	
	(iv) 2010-11	3090000	

10. The Company does not have accumulated losses at the end of financial year and also not incurred any cash losses during the current financial year (1.4.2013 to 31.3.2014) and also immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company during the year has not defaulted in repayment of dues to a financial institution, bank, or debenture holder.
12. According to the information and explanations given to us, the company has not granted any loans and advance on the basis of security by way of pledge of shares debenture and other securities.
13. The company is not chit fund, a nidhi or a mutual benefit fund / society. Accordingly, the provision of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
14. The company is not dealing in or trading in shares, securities debentures and other investment. Accordingly, the provision of 4 (xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the company has not availed any fresh term loan. Accordingly, the provision of 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
17. According to the information and explanations given to us, no funds raised on short term basis have been used for long term investment and vice-versa. Accordingly, the provision of 4 (xvii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.



## PHOENIX INTERNATIONAL LIMITED

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18. According to the information and explanations given to us, the company has not made a preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the company has not issued any debenture. Accordingly, the provision of 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
20. During the year covered by our report the Company has not raised any money by public issue. Accordingly, the provision of 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
21. During the course of our examination of the books and records of the company, no fraud on or by the company has been noticed or reported during the year covered by our audit.

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

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

Place : **New Delhi**  
Date : **26.05.2014**





PHOENIX INTERNATIONAL LIMITED  
CIN: L74899DL1987PLC030092

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014**

PARTICULARS	Note No	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	187,895,600	187,895,600
(b) Reserves and Surplus	3	514,213,852	505,775,772
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	463,362,019	506,774,526
(b) Other Long-Term Liabilities	5	56,489,169	48,046,259
(c) Long Term Provisions	6	1,447,807	2,104,026
<b>(3) Current Liabilities</b>			
(a) Trade Payables	7	152,105,005	266,511,076
(b) Other Current Liabilities	8	41,506,009	39,192,943
(c) Short-Term Provisions	9	18,063,500	13,043,500
<b>TOTAL</b>		<b>1,435,082,961</b>	<b>1,569,343,702</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>	10		
(i) Tangible Assets		383,116,020	405,928,911
(ii) Capital Work-in-Progress		23,242,075	23,242,075
<b>(b) Non-Current Investments</b>	11	159,082,580	159,082,580
<b>(c) Long Term - Loans and Advances</b>	12	508,964,241	507,533,640
<b>(2) Current Assets</b>			
(a) Inventories	13	68,937,877	65,110,803
(b) Trade Receivables	14	196,739,498	229,478,566
(c) Cash and Cash Equivalents	15	29,977,676	39,580,961
(d) Short Term Loans & Advances	16	57,688,898	131,003,317
(e) Other Current Assets	17	7,334,096	8,382,849
<b>TOTAL</b>		<b>1,435,082,961</b>	<b>1,596,343,702</b>
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 40		

As per our report of even date annexed

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

per **Pradip Bhardwaj**  
Partner  
M.No. 500219  
Place : New Delhi  
Dated : 26.05.2014

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

**Narender Makkar**  
Director  
Din No. : 00026857

**P. M. Alexander**  
Director  
Din No. : 00050022

PHOENIX INTERNATIONAL LIMITED  
CIN: L74899DL1987PLC030092

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	Note No	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
<b>I Revenue from Operations</b>	18	<b>353,217,240</b>	353,217,240
<b>II Other Income</b>	19	<b>9,101,623</b>	9,101,623
<b>III Total Revenue (I +II)</b>		<b>377,833,941</b>	362,318,863
<b>IV Expenses</b>			
Cost of Material Consumed	20	<b>178,430,702</b>	168,766,419
Changes in Inventories of finished goods, Work-in-progress and Stock-in-Trade	21	<b>(3,811,512)</b>	(1,245,148)
Employees' Benefit Expenses	22	<b>27,189,753</b>	25,995,640
Financial Costs	23	<b>71,400,849</b>	91,650,019
Depreciation	10	<b>22,452,802</b>	22,452,782
Miscellaneous Expenses Written off		—	7,140,233
Other Expenses	24	<b>68,740,267</b>	33,793,272
<b>Total Expenses (IV)</b>		<b>364,375,861</b>	348,553,217
<b>V Profit before Tax (III - IV)</b>		<b>13,458,080</b>	13,765,646
<b>VI Tax Expenses</b>			
(1) Current tax		<b>5,020,000</b>	4,000,000
(2) Deferred tax		—	—
<b>VII Profit/(Loss) for the year (V-VI)</b>		<b>8,438,080</b>	9,765,646
<b>VIII Earning per equity share:</b>			
Basic & Diluted	25	<b>0.50</b>	0.58
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 40		

As per our report of even date annexed

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

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

Place : New Delhi  
Dated : 26.05.2014

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

**Narender Makkar**  
Director  
Din No. : 00026857

**P. M. Alexander**  
Director  
Din No. : 00050022



PHOENIX INTERNATIONAL LIMITED  
CIN: L74899DL1987PLC030092

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

PARTICULARS	For the Year Ended 31st March, 2014 ₹	For the Year Ended 31st March, 2013 ₹
<b>A. Cash Flow from Operating Activities</b>		
Net Profit / (Loss) before Tax	13,458,080	13,765,646
<b>Adjustments for:</b>		
Depreciation & Amortization Exp.	22,425,802	29,593,015
Foreign Exchange (Net)	34,827,693	17,923,816
Interest (Net)	70,333,261	72,821,037
Loss on sale of Fixed Assets	338,727	8,002,311
Misc. Income Written back	—	(7,130,232)
<b>Operating profit before Working Capital Changes</b>	<b>141,383,563</b>	134,975,593
Trade receivables & Other current assets	107,102,240	590,951,586
Changes in Stock in Trade	(3,827,074)	(30,810,623)
Trade Payables & other liabilities	(107,729,224)	(85,159,019)
<b>Cash from Operating Activities</b>	<b>136,929,505</b>	609,957,537
Taxes paid	5,020,000	4,000,000
<b>Net cash from operating activities</b>	<b>131,909,505</b>	605,957,537
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets / CWIP	(611,638)	(980,821)
Foreign Exchange (Net)	(34,827,693)	(17,923,816)
Sale of Fixed Assets	660,000	3,933,452
Interest Received	1,067,588	905,166
<b>Net Cash used in investing activities</b>	<b>(33,711,743)</b>	(14,066,019)
<b>C. Cash flow from Financing Activities</b>		
Advances from Subsidiaries / Others	(1,430,601)	(450,000,000)
Repayment of Long Term Borrowing (Net)	(43,412,507)	(49,935,467)
Security Deposits (Paid) / Received	8,442,910	(1,786,015)
Interest Paid	(71,400,849)	(73,726,203)
<b>Net Cash from Financing Activities</b>	<b>(107,801,047)</b>	(575,447,685)
<b>Net Increases (Decreases) in cash and cash Equivalents</b>	(9,603,285)	16,443,833
<b>Cash and Cash Equivalent at the beginning</b>	39,580,961	23,137,128
<b>Cash and Cash Equivalent at the end of the Year</b>	<b>29,977,676</b>	39,580,961

As per our report of even date annexed

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

per Pradip Bhardwaj  
Partner  
M.No. 500219

Place : New Delhi  
Dated : 26.05.2014

For and on behalf of the Board of Directors

Narender Makkar  
Director  
Din No. : 00026857

P. M. Alexander  
Director  
Din No. : 00050022



## PHOENIX INTERNATIONAL LIMITED

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### SIGNIFICANT ACCOUNTING POLICIES

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

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

#### b) USE OF ESTIMATES

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

#### 2. FIXED ASSETS

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

#### 3. VALUATION OF INVENTORIES

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

#### 4. DEPRECIATION

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

#### 5. FOREIGN EXCHANGE TRANSACTION

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

#### 6. SALES

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

#### 7. EXPORT BENEFITS

Sale of advance licenses is accounted for on realizations basis, Duty Drawbacks and Duty entitlement Pass Book benefits are accounted for on accrual basis.

#### 8. RETIREMENT BENEFITS

- a) Contributions to Provident fund are made at the prescribed rates in the recognized funds and charged to the Profit and Loss A/c.
- b) Provision for Gratuity are to be made on the basis of actuarial valuation.
- c) Every employee who has completed five years or more of service gets a gratuity on leaving at 15 days salary (last drawn salary) for each completed year of service. Year end liability on account of retirement benefits to employees are provided and funded to approved Gratuity Fund under the Group Gratuity cum Life Assurance scheme of Life Insurance corporation of India.
- d) Leave encashment is accounted for on year to year basis and not accumulated to be encashed at the time of retirement.



## PHOENIX INTERNATIONAL LIMITED

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### 9. INVESTMENTS

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

### 10. IMPAIRMENT OF FIXED ASSETS

- (a) Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's Fixed Assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.
- (b) Reversal of impairment losses recognized in prior years is recorded when there is an indication that impairment losses recognized for the assets no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation ) had no impairment loss been recognized for the assets in prior year.

### 11. 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.

# PHOENIX INTERNATIONAL LIMITED



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. SHARE CAPITAL	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
	No's of Share	Value (₹)	No's of Share	Value (₹)
<b>(a) Authorized Share Capital</b>				
Equity Share @ ₹ 10/- each	50,000,000	500,000,000	50,000,000	500,000,000
4% Cumulative Redeemable Preference Share @ ₹ 100/- each	10,000,000	1,000,000,000	10,000,000	1,000,000,000
<b>TOTAL</b>	<b>60,000,000</b>	<b>1,500,000,000</b>	<b>60,000,000</b>	<b>1,500,000,000</b>

### (b) Issued, Subscribed and Fully Paid up

Equity Share @ ₹ 10/- each	16,789,560	167,895,600	16,789,560	167,895,600
4% Cumulative Redeemable Preference Share @ ₹ 100/- each	200,000	20,000,000	200,000	20,000,000
<b>TOTAL</b>	<b>16,989,560</b>	<b>187,895,600</b>	<b>16,989,560</b>	<b>187,895,600</b>

### (c) Detail of Shareholders holding more than 5% shares

Name of Shareholder	No. of Shares held	% age of Holding	No. of Shares held	% age of Holding
<b>(i) Equity Shares:</b>				
Vanguard Services Private Limited	3,120,000	18.58%	3,120,000	18.58%
Mayflower Management Services Private Limited	2,880,000	17.15%	2,880,000	17.15%
Sparton Management Services Private Limited	2,880,000	17.15%	2,880,000	17.15%
Ajay Kalsi	2,734,400	16.29%	2,734,400	16.29%
<b>TOTAL</b>	<b>11,614,400</b>	<b>69.18%</b>	<b>11,614,400</b>	<b>69.18%</b>

### (ii) Preference Shares:

IEnergizer IT Services Pvt. Ltd.	200,000	100.00%	200,000	100.00%
<b>TOTAL</b>	<b>200,000</b>	<b>100.00%</b>	<b>200,000</b>	<b>100.00%</b>

(d) Reconciliation of Shares Outstanding	No's of Share	Value (₹)	No's of Share	Value (₹)
<b>(i) Equity Shares:</b>				
Shares outstanding at the beginning of the year	16,989,560	187,895,600	16,989,560	187,895,600
Shares Issued during the year	—	—	—	—
Shares bought back during the year	—	—	—	—
Any other movement	—	—	—	—
<b>Shares outstanding at the end of the year</b>	<b>16,989,560</b>	<b>187,895,600</b>	<b>16,989,560</b>	<b>187,895,600</b>

### (ii) Preference Shares:

Shares outstanding at the beginning of the year	200,000	20,000,000	200,000	20,000,000
Shares Issued during the year	—	—	—	—
Shares bought back during the year	—	—	—	—
Any other movement	—	—	—	—
<b>Shares outstanding at the end of the year</b>	<b>200,000</b>	<b>20,000,000</b>	<b>200,000</b>	<b>20,000,000</b>

PARTICULARS	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
<b>3. RESERVE &amp; SURPLUS</b>				
<b>General Reserve</b>				
As per last Balance Sheet	100,121,793		100,121,793	
<b>Securities Premium Reserve Account</b>				
As per last Balance Sheet	124,198,900		124,198,900	
<b>Surplus in Profit &amp; Loss Account</b>				
Opening Balance	281,455,079		271,689,432	
Net Profit for the Current Year	8,438,080	289,893,159	9,765,647	281,455,079
<b>TOTAL</b>	514,213,852		505,775,772	

PARTICULARS	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
<b>4. LONG TERM BORROWINGS</b>	<b>Non Current</b>	<b>Current</b>	<b>Non Current</b>	<b>Current</b>
Term Loan from Bank : Secured	463,362,019	40,000,000	506,774,526	35,000,000
<b>TOTAL</b>	<b>463,362,019</b>	<b>40,000,000</b>	<b>506,774,526</b>	<b>35,000,000</b>

**Notes:**

Term Loan from Oriental Bank of Commerce of ₹ 5,033.62 Lacs (Previous year ₹ 5,417.74 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 ₹ 1,091.16 Lacs including interest (Previous Year ₹ 1,044.00 Lacs including interest).

Term Loan from Oriental Bank of Commerce Amount ₹ 1,473.50 Lacs are repayable over a period of 2 to 5 years.

PARTICULARS	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
<b>5. OTHER LONG TERM LIABILITY</b>				
Security Deposit	51,890,019		43,446,339	
Advances from customers – Other, Considered Goods	4,599,150		4,599,920	
<b>TOTAL</b>	56,489,169		48,046,259	

PARTICULARS	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
<b>6. LONG TERM PROVISION</b>				
Provision for Gratuity (As per Actuarial Certificate)	1,447,807		2,104,026	
<b>TOTAL</b>	1,447,807		2,104,026	

**PHOENIX INTERNATIONAL LIMITED**


PARTICULARS	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>7. TRADE PAYABLES</b>		
Payable against Supplies, Services & Others	152,105,005	266,511,076
<b>TOTAL</b>	<b>152,105,005</b>	<b>266,511,076</b>

PARTICULARS	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>8. OTHER CURRENT LIABILITIES</b>		
Current Maturity of Long Term Borrowing (Refer Note No. 4)	40,000,000	35,000,000
Payable to Others	1,177,026	3,351,905
Payable to Govt. Authority	328,983	841,038
<b>TOTAL</b>	<b>41,506,009</b>	<b>39,192,943</b>

PARTICULARS	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>9. SHORT TERM PROVISIONS</b>		
Taxation – Income Tax	18,063,500	13,043,500
<b>TOTAL</b>	<b>18,063,500</b>	<b>13,043,500</b>

**10. FIXED ASSETS**

(Figures in ₹)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	As at 01.04.2013	Additions for the Period	Sales/Transfer Adjustment	As at 31.03.2014	Up to 31.03.2013	For the Period	Sale/Transfer Adjustment	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
Land	35,715,590	–	–	35,715,590	–	–	–	–	35,715,590	35,715,590
Building	571,513,620	–	–	571,513,620	222,720,720	19,044,463	–	241,765,183	329,748,437	348,792,900
Plant and Machinery	43,262,197	309,892	1,310,813	42,261,276	32,669,464	1,774,680	312,086	34,132,058	8,129,218	10,592,733
Electrical Installation	28,219,953	–	–	28,219,953	18,974,993	1,292,242	–	20,267,235	7,952,718	9,244,960
Vehicles	6,629,432	–	–	6,629,432	6,248,360	98,658	–	6,347,018	282,414	381,072
Office and Other Equipment	4,090,523	143,498	–	4,234,021	3,476,047	97,564	–	3,573,611	660,410	614,476
Furniture & Fixtures	3,309,859	158,248	–	3,468,107	2,722,679	118,195	–	2,840,874	627,233	587,180
Wooden Structure	2,878,972	–	–	2,878,972	2,878,972	–	–	2,878,972	–	–
<b>TOTAL</b>	<b>695,620,146</b>	<b>611,638</b>	<b>1,310,813</b>	<b>694,920,971</b>	<b>289,691,235</b>	<b>22,425,802</b>	<b>312,086</b>	<b>311,804,951</b>	<b>383,116,020</b>	<b>405,928,911</b>
<b>Capital Work In Progress:–</b>										
Machinery	23,242,075	–	–	23,242,075	–	–	–	–	23,242,075	23,242,075
<b>TOTAL</b>	<b>23,242,075</b>	<b>–</b>	<b>–</b>	<b>23,242,075</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>23,242,075</b>	<b>23,242,075</b>
<b>GRAND TOTAL – Current Year</b>	<b>718,862,221</b>	<b>611,638</b>	<b>1,310,813</b>	<b>718,163,046</b>	<b>289,691,235</b>	<b>22,425,802</b>	<b>312,086</b>	<b>311,804,951</b>	<b>406,358,095</b>	<b>429,170,986</b>
<b>GRAND TOTAL – Previous Year</b>	<b>730,041,173</b>	<b>980,821</b>	<b>12,159,773</b>	<b>718,862,221</b>	<b>267,452,463</b>	<b>22,452,782</b>	<b>214,010</b>	<b>289,691,235</b>	<b>429,170,986</b>	<b>462,588,711</b>



**PHOENIX INTERNATIONAL LIMITED**


PARTICULARS	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	*Value (₹)	No. of Shares	Value (₹)
<b>11. NON-CURRENT INVESTMENTS</b>				
<b>Long Term Investments – At Cost</b>				
<b>Investments, Unquoted in Equity Instruments – fully paid up equity shares</b>				
Phoenix Industries Limited (Subsidiary Company)	8,432,200	27,104,727	8,432,200	27,104,727
Phoenix Cement Limited (Subsidiary Company)	41,953,510	130,846,956	41,953,510	130,846,956
Bloomsbury Trading PTE Limited, Singapore	46,000	1,130,597	46,000	1,130,597
Phoenix Hydro Carbons Limited	10	100	10	100
Phoenix Footwear Private Limited	10	100	10	100
Phoenix Power Development Corporation Limited	10	100	10	100
<b>TOTAL</b>	<b>50,431,740</b>	<b>159,082,580</b>	<b>50,431,740</b>	<b>159,082,580</b>

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

PARTICULARS	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
<b>12. LONG TERM LOANS &amp; ADVANCES</b>				
Unsecured, Considered Good				
Security Deposits		4,953,350		4,873,550
Loans and Advances to Related Parties *		500,431,259		500,431,259
Advances to suppliers – Others, Considered Good		3,579,632		2,228,831
<b>TOTAL</b>		<b>508,964,241</b>		<b>507,533,640</b>

\* ₹ 48,40,00,000 (Previous year ₹ 48, 40,00,000/–) advance given to M/s. Phoenix Industries Limited (Subsidiary Companies)

\* ₹ 1,64,25,744 (Previous year ₹ 1,64,25,744/–) advance given to M/s. Phoenix Cement Limited. (Subsidiary Companies)

PARTICULARS	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
<b>13. INVENTORIES</b>				
Raw Material		56,175,622		56,160,060
Work In Progress		10,846,031		8,950,743
Finished Goods		1,916,224		–
<b>TOTAL</b>		<b>68,937,877</b>		<b>65,110,803</b>

PARTICULARS	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
<b>14. TRADE RECEIVABLES</b>				
Outstanding for a period exceeding six months				
Unsecured, Considered good	187,219,426		171,913,967	
Less : Provision for Doubtful Debts	61,307,832	125,911,594	61,307,832	110,606,135
Other Receivables				
Unsecured, Considered good *		70,827,904		118,872,431
<b>TOTAL</b>		<b>196,739,498</b>		<b>229,478,566</b>

\* Including ₹ 5,52,39,153/– Current Year (Previous Year ₹ 11,59,71,730/–) receivable from related party (Focus Energy Ltd.)

PARTICULARS	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>15. CASH &amp; CASH EQUIVALENTS</b>		
(a) Balances with Scheduled Banks		
In current Accounts	25,364,145	25,028,527
In Deposit Accounts	1,451,560	11,184,057
(b) Cash in hand	26,815,705	36,212,584
	3,161,971	3,368,377
<b>TOTAL</b>	<b>29,977,676</b>	<b>39,580,961</b>

PARTICULARS	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>16. SHORT TERM LOANS &amp; ADVANCES</b>		
Unsecured, Considered good		
Due from Related Parties	2,687,008	91,194,387
Due from others	4,484,204	1,556,663
Balance with Govt. Authority	7,171,212	92,751,050
	50,517,686	38,252,267
<b>TOTAL</b>	<b>57,688,898</b>	<b>131,003,317</b>

PARTICULARS	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>17. OTHER CURRENT ASSETS</b>		
Prepaid Expenses	7,332,030	8,380,783
Interest accrued but not due	2,066	2,066
<b>TOTAL</b>	<b>7,334,096</b>	<b>8,382,849</b>

PARTICULARS	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
<b>18. REVENUE FROM OPERATIONS</b>		
Sales of Products	250,325,677	235,306,613
Sales of Services - Rent	118,021,392	117,910,627
<b>TOTAL</b>	<b>368,347,069</b>	<b>353,217,240</b>

PARTICULARS	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
<b>19. OTHER INCOME</b>		
Interest on Deposits, Margin Money etc.	1,067,588	905,166
Other Miscellaneous Income	2,163,361	2,191,445
Sundry Balance Written off	6,255,923	6,005,012
<b>TOTAL</b>	<b>9,486,872</b>	<b>9,101,623</b>

PARTICULARS	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
<b>20. COST OF MATERIAL CONSUMED</b>		
Inventory at the beginning of the year	56,160,060	26,594,585
Add: Purchase of Raw Material , components, packing material	178,446,264	198,331,894
Less: Inventory at the end of the year	56,175,622	56,160,060
<b>TOTAL</b>	<b>178,430,702</b>	<b>168,766,419</b>

PARTICULARS	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
<b>21. CHANGES IN FINISHED GOODS / WORK IN PROGRESS</b>		
<b>Closing Stock -</b>		
Finished Goods	1,916,224	—
Work in Progress	10,846,031	12,762,255
<b>Opening Stock -</b>		
Finished Goods	—	—
Work in Progress	8,950,743	8,950,743
<b>CHANGE IN INVENTORY</b>	<b>(3,811,512)</b>	<b>(1,245,148)</b>

PARTICULARS	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
<b>22. EMPLOYEES' BENEFIT EXPENSES</b>		
Salary & Benefits	24,795,727	23,894,567
Employer Contribution to Provident Fund & ESIC	1,778,895	1,192,043
Staff Welfare Expenses	615,131	909,030
<b>TOTAL</b>	<b>27,189,753</b>	<b>25,995,640</b>

PARTICULARS	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
<b>23. FINANCIAL COST</b>		
<b>(a) Interest paid:</b>		
On Term Loan	65,975,124	71,944,962
Others	5,425,725	1,781,241
<b>TOTAL</b>	<b>71,400,849</b>	<b>73,726,203</b>



## PHOENIX INTERNATIONAL LIMITED

PARTICULARS	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
<b>24. OTHER EXPENSES</b>		
Insurance Expenses	182,001	127,909
Rent Expenses	3,706,618	4,011,546
Rates & Taxes	179,763	362,879
Fabrication / Job Work Expenses	9,444,678	7,116,953
Power & Fuel Expenses	694,850	733,276
Statutory Audit Fee	100,000	100,000
Tax Audit Fee	25,000	25,000
Repairs & Maintenance - Building	430,963	433,032
- Others	849,268	1,392,485
Loss on Sale of Assets	338,727	8,002,311
Duties & Taxes Paid	6,725,137	2,119,397
Advertisement, Publicity & Business Promotion	139,171	99,569
Vehicle Running & Maintenance Expenses	210,275	123,590
Exchange Gain / (Loss)	34,827,693	17,923,816
Bank Charges	145,197	340,871
Freight Outward, Handling and Cleaning Expenses	6,440,606	4,481,125
Travelling & Conveyance Expenses	460,593	725,952
Legal & Professional Fees	1,556,207	1,410,240
Other Expenses	426,970	496,242
Printing & Stationery	271,209	285,662
Watch & Ward Expenses	1,235,599	972,535
Communication Expenses	349,742	432,698
<b>TOTAL</b>	<b>68,740,267</b>	<b>51,717,088</b>

PARTICULARS	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
<b>25. BASIC AND DILUTED EARNING PER SHARE</b>		
Net Profit After Tax (Rupees)	8,438,080	9,765,646
Weighted Average Number of Equity Shares	16,789,560	16,789,560
Nominal Value of Equity Shares (Rupees)	10	10
<b>Basic and Diluted Earning Per Share</b>	<b>0.50</b>	<b>0.58</b>

## 26. RELATED PARTY DISCLOSURE

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

### (a) Key Managerial Personnel (K M P)

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

### (b) Subsidiary Companies

Phoenix Industries Limited  
Phoenix Cement Limited

### (c) Enterprises under direct/indirect common control / Enfluence:

Focus Energy Limited  
Mayflower Management Services Pvt. Ltd.  
Granada Services Pvt. Ltd.

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

Name of the Related Party		Volume of Transactions	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Mr. Narender Makkar	Director Remuneration	1,890,000	138,800	45,400
Mr. Arun Kr. Sinha	Directors Sitting Fees	*16,000	4,000	–
Phoenix Industries Limited	Advance Recoverable	–	484,000,000	484,000,000
Phoenix Industries Limited	Investment (Net of Provision)	–	27,104,727	27,104,727
Phoenix Industries Limited	Advance Recoverable	–	199,020	199,020
Phoenix Cement Limited	Investment (Net of Provision)	–	130,846,956	130,846,956
Phoenix Cement Limited	Advance Recoverable	–	16,425,744	16,425,744
Focus Energy Limited	Sales of Goods	**19,98,82,534	55,239,153	115,971,730
Mayflower Management Services Pvt. Ltd.	Advance Recoverable	2,687,008	2,687,008	–
Granada Services Pvt. Ltd.	Rental Services	26,337,600	–	–

\*Director sitting fee to Mr. Arun Kumar Sinha during the F.Y. Ended 31/03/2013 is ₹ 20,000/-.

\*\*Sale of Goods to Focus Energy Ltd. during the F.Y. Ended 31/03/2013 is ₹ 21,57,22,314.

27. AUDITORS REMUNERATION	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
Audit Fees (including service tax)	112,360	112,360
Tax Audit Fees (including service tax)	28,090	28,090
<b>TOTAL</b>	<b>140,450</b>	<b>140,450</b>

## 28. DISCLOSURE WITH RESPECT TO EMPLOYEES' BENEFITS

Every employee who has completed five years or more of service gets a gratuity on leaving at 15 days salary (last drawn salary) for each completed year of service.

Year end liability on account of retirement benefits to employees are provided on actuarial valuation. Contribution to defined contribution scheme such as Provident Fund and Family Pension fund are charged to Profit & Loss Account as expenses.

	Year Ended 31st March, 2014 (₹)	Year Ended 31st March, 2013 (₹)
<b>Membership Data</b>		
Number of Employees	83	77
Qualifying Monthly Salary for Gratuity Computation	500,454	453,254
Average Past Service	4.59 Years	3.88 Years
Average Age	34.01 Years	32.36 Years
Average Outstanding Service of Employees upto Retirement	25.99 Years	27.64 Years
Estimated Term of Benefit Obligations	15 Years	–
<b>Financial Assumptions</b>		
Discount Rate	9.10%	9.10%
Rate of increase in Compensation levels	10.00%	10.00%
Rate of Return on Plan Assets		
<b>MOVEMENT IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET</b>		
Opening Net Liability	1,148,949	
Expenses as above	298,858	
Benefits paid directly by the enterprise	–	
Contributions paid into the Fund	–	
Closing Net Liability	1,447,807	



## PHOENIX INTERNATIONAL LIMITED

29. CONTINGENT LIABILITIES NOT PROVIDED FOR	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
Income Tax, Sales Tax, Service Tax, Excise Duty and Custom Duty Demands under Appeals	157.00 Lacs	157.00 Lacs
Employees Provident Fund, Pension Fund, Deposit Linked Insurance Fund Demands under Appeals	—	18.64 Lacs

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

### I) PARTICULARS OF CAPACITY AND PRODUCTION

DESCRIPTION	INSTALLED CAPACITY*		PRODUCTION	
	Year ended on 31st March, 2014	Year ended on 31st March, 2013	Year ended on 31st March, 2014	Year ended on 31st March, 2013
Shoes Upper	Refer note 1 below	—	110,455	142,019
Others	Refer note 1 below	—	3,020	1,738

Notes : Installed capacity is as certified by the Management.

### II) PARTICULARS OF STOCK, SALES & SERVICES

STOCKS							
UNIT	OPENING STOCK			Sales		Closing Stock	
	1st April, 2013		Production During the year	Year ended on 31st March, 2014		Year ended on 31st March, 2014	
	QTY.	(₹. In Lacs)	QTY.	QTY.	(₹ In Lacs)	QTY.	(₹ In Lacs)
Shoes Upper (Pairs)	8,962	89.51	110,455	109,799	2,323.10	9,618	127.62
Others	—	—	3,020	3,020	180.15	—	—
<b>TOTAL</b>	8,962	89.51	113,475	112,819	2,503.25	9,618	127.62

### III) PARTICULARS OF MATERIALS CONSUMED

DESCRIPTION	UNIT	Year ended on 31st March, 2014		Year ended on 31st March, 2013	
		QTY.	(₹ In Lacs)	QTY.	(₹ In Lacs)
Finished Leather	SQ. DM		1,610.23	8,768,932	1,540.11
Others			174.08		147.55
<b>TOTAL</b>		—	1,784.31	8,768,932	1,687.66

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

DESCRIPTION	Year ended on 31st March, 2014		Year ended on 31st March, 2013	
	Consumption (₹ In Lacs)	% of	Consumption (₹ In Lacs)	% of Consumption
Imported	1,355.78	75.98%	1,232.43	73.03%
Indigenous	428.53	24.02%	455.23	26.97%
<b>TOTAL</b>	1,784.31	100%	1,687.66	100%

# PHOENIX INTERNATIONAL LIMITED



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

DESCRIPTION	Year ended on 31st March, 2014 (₹ in lacs)		Year ended on 31st March, 2013 (₹ in lacs)	
Raw Material Stores & Spares and Component	–	1,355.93	–	1,598.46
Capital Goods	–	–	–	–

## VI) EARNING / EXPENDITURE IN FOREIGN CURRENCY

DESCRIPTION	Year ended on 31st March, 2014	Year ended on 31st March, 2013
Earnings in foreign currency	180.15	91.25
Remittance in foreign currency	–	–
Expenditure in foreign currency	–	–

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

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

## 32. DISCLOSURE OF LOAN/ADVANCES AND INVESTMENT IN ITS OWN SHARES BY THE LISTED COMPANIES, THEIR SUBSIDIARIES, ASSOCIATES ETC. CERTIFIED BY MANAGEMENT

PARTICULARS	For the Year Ended 31st March, 2014 (₹)		For the Year Ended 31st March, 2013 (₹)	
1. Loan & Advances in the nature of loan to Subsidiaries		500,425,744		500,425,744
2. Loan & Advances in the nature of loan to Associates		Nil		Nil
3. Loans & Advances in the nature of loans where there is no repayment schedule, no interest or interest below section 372(A) of Companies Act, 1956		Nil		Nil
4. Loans & Advances in the nature of loans to firms/ Companies to which directors are interested		5,515.00		5,515.00
5. Investment by loans in the shares of parent company and subsidiary company when the company has made loans or advances in the nature of loan:-				
Phoenix Industries Limited	84,32,300 (Nos.)	27,104,727.00	84,32,300 (No. of Shares)	27,104,727.00
Phoenix Cement Limited	4,19,53,510 (Nos.)	130,846,956.00	4,19,53,510 (No. of Shares)	130,846,956.00

## 33. DIRECTORS REMUNERATION

PARTICULARS	For the Year ended 31st March, 2014 (₹)	For the Year ended 31st March, 2013 (₹)
<b>1. Whole Time Director</b>		
–Salaries and Allowances	1,875,600	1,785,600
–Contribution to Provident & Other Funds	14,400	14,400
	1,890,000	1,800,000

34. Debit/Credit balances as on 31st March, 2014 in Debtors, Creditors, Loans & Advances and other Parties accounts are subjected to confirmations.

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

36. The accounts of the company have been prepared on going concern basis as per Accounting Standard (AS-1) "Disclosure of Accounting Policies".



## PHOENIX INTERNATIONAL LIMITED

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37. Unamortized Expense of ₹ Nil (Previous year of ₹ 71,40,233/-) has been recognized as an expense in the profit & loss account.
38. As the Company has unabsorbed depreciation and unabsorbed losses which are to be carried forward as per the provision of Income Tax Act, 1961. In the opinion of the management, there is no certainty that sufficient future taxable income will be available, the Company has not recorded cumulative Deferred Tax Assets on account of timing differences as stipulated in Accounting Standard (AS - 22) "Accounting for Taxes of Income"
39. The Company generally enters into cancelable operating leases for office premises, factory premises and residence of the employees, normally renewable on expiry. Lease payments amounting to ₹ 23.45 lacs (Previous Year ₹ 19.89 Lacs) made under operating lease have been recognized as an expense in the profit and loss account.
40. Previous year's figures have been regrouped/rearranged & reclassified as necessary.

As per our report of even date annexed

**For Pradip Bhardwaj & Co.**

Chartered Accountants  
FRN- 013697C

**per Pradip Bhardwaj**

**Partner**

M.No. 500219

For and on behalf of the Board of Directors

**Narender Makkar**

**Director**

**Din No. 00026857**

**P.M. Alexander**

**Director**

**Din No. 00050022**

Place : **New Delhi**

Date : **26.05.2014**





INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PHOENIX INDUSTRIES LIMITED

We have audited the accompanying financial statements of **PHOENIX INDUSTRIES LIMITED**, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements subject to non-inclusion of financial statement of "Pelle Fine Leather Inc. USA" a foreign subsidiary of the company. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

In our opinion and to the best of our information and according to the explanations given to us, the financial statements subject to non-inclusion of financial statement of "Pelle Fine Leather Inc. USA" a foreign subsidiary of the company give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - (b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
  2. As required by section 227(3) of the Act, we report that:
    - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
    - (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
    - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
    - (e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
    - (f) since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

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

Place : Gurgaon  
Date: 19.05.2014



## PHOENIX INDUSTRIES LIMITED

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' 2014

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of PHOENIX INDUSTRIES LIMITED on the accounts of the company for the year ended 31st March, 2014.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.  
(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 reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.  
(b) The company has taken interest free unsecured loans of ₹ 6769.40 lacs from three companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 6769.40 lacs and the year end balance was ₹ 6769.40 lacs.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
(b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act are interest free. In our opinion the terms & conditions of the same are prima facie not prejudicial to the interest of the company.  
(c) The terms of repayment of interest free unsecured loans taken have not been stipulated in writing and as explained to us the said unsecured loans are repayable on demand.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. The company has maintained cost records as prescribed for footwear and its components by the Central Government u/s 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, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. As at 31st March 2014, the accumulated losses of the Company are more than its net worth. The company has incurred cash loss during the financial year as well as in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.



## PHOENIX INDUSTRIES LIMITED

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12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by way of public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

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

Place : **Gurgaon**  
Date : **19.05.2014**

**PHOENIX INDUSTRIES LIMITED**  
**CIN: U74899DL1999PLC101593**  
**BALANCE SHEET AS AT 31st, MARCH, 2014**

PARTICULARS	Note No	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	<u>2</u>	94,323,000	94,323,000
(b) Reserves and Surplus	<u>3</u>	(220,957,788)	(218,910,378)
<b>(2) Non-Current Liabilities</b>			
Long Term Liability - Unsecured	<u>4</u>	676,940,000	676,940,000
<b>(3) Current Liabilities</b>			
(a) Other Current Liabilities	<u>5</u>	25,803,952	10,278,530
(b) Short - Term Provisions	<u>6</u>	82,423	82,423
<b>TOTAL</b>		<b>576,191,587</b>	<b>562,713,575</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) <i>Fixed assets</i>			
(i) Tangible assets	<u>7</u>	2,229,868	3,612,509
(b) Long term Loans and Advances	<u>8</u>	445,971	445,971
(c) Non Current Investment	<u>9</u>	98,178,505	98,178,505
<b>(2) Current Assets</b>			
(a) Inventories	<u>10</u>	2,555,624	2,555,624
(b) Trade Receivables	<u>11</u>	5,058,651	5,058,651
(c) Cash and Cash Equivalents	<u>12</u>	5,964,686	11,545,442
(d) Other Current Assets	<u>13</u>	461,758,282	441,316,873
<b>TOTAL</b>		<b>576,191,587</b>	<b>562,713,575</b>
<b>Notes forming part of the financial statements</b>		<b>1- 32</b>	

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

As per our report of even date  
For RKM & Associates  
**CHARTERED ACCOUNTANTS**  
Firm Reg. No. - 007536N

For and on behalf of the Board of Directors

(Rakesh Mathur)  
Prop.  
M.No. 81851

Narendra Aggarwal  
Director  
DIN No. 00027347

P. M. Alexnder  
Director  
DIN No. 00050022

PLACE : NEW DELHI  
DATED : 19.05.2014

## PHOENIX INDUSTRIES LIMITED

CIN: U74899DL1999PLC101593

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	Note No	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>I. Revenue from operations</b>			
Sale of Products / Raw Materials		—	—
<b>II. Other Income</b>	<u>28</u>	—	5,252
<b>Total Revenue</b>		—	5,252
<b>III. Expenses</b>			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	<u>29</u>	—	—
Employees' benefit expense	<u>30</u>	557,247	556,956
Depreciation and amortization expense		1,382,641	1,382,641
Other expenses	<u>31</u>	107,522	78,681
<b>Total Expenses</b>	<u>w</u>	2,047,410	2,018,278
<b>IV. Profit / (Loss) before Tax</b>		(2,047,410)	(2,013,026)
<b>V. Tax Expense</b>			
(1) Current tax			
(2) Deferred tax Asset / (Liability)			
<b>VI. Profit/(Loss) after Tax (IV - V)</b>		(2,047,410)	(2,013,026)
<b>VII. Tax Paid for Earlier Years</b>		—	—
<b>Profit / (Loss) for the year (VI - VII)</b>		(2,047,410)	(2,013,026)
Notes forming part of the financial statements	1- 32		

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

As per our report of even date  
For RKM & Associates  
CHARTERED ACCOUNTANTS  
Firm Reg. No. - 007536N

For and on behalf of the Board of Directors

(Rakesh Mathur)  
Prop.  
M.No. 81851

Narendra Aggarwal  
Director  
DIN No. 00027347

P. M. Alexnder  
Director  
DIN No. 00050022

PLACE : NEW DELHI  
DATED : 19.05.2014

**PHOENIX INDUSTRIES LIMITED**  
**CIN: U74899DL1999PLC101593**  
**Cash Flow Statement for the Year Ended 31st March, 2014**

PARTICULARS	For the Year Ended 31st March, 2014 ₹ in Lakh	For the Year Ended 31st March, 2013 ₹ in Lakh
<b>A. Cash Flow from Operating Activities</b>		
Net Profit /(Loss) before Tax	(20.47)	(20.13)
<b>Adjustments for</b>		
Depreciation	13.83	13.83
Interest Income	—	—
Miscellaneous Income-Provisions Written Back	—	—
Profit/(Loss) on Sale/Retirement of Fixed Assets	—	13.83
<b>Operating profit before Working Capital Changes</b>	<b>(6.65)</b>	<b>(6.30)</b>
Trade Receivables	—	—
Changes in Stock in Trade	—	—
Non-Current Assets (Other Fixed Assets)	—	—
Loans and Advances	—	29.38
Other Current Assets	(204.41)	(4,412.41)
Trade Payables	—	—
Other Current Liabilities	155.25	3.52
Short Term Provisions	—	—
Long Term Liabilities	—	4,442.80
<b>Cash generated from operating activities</b>	<b>(55.81)</b>	<b>56.99</b>
<b>Taxes paid</b>	<b>—</b>	<b>—</b>
<b>Net cash from operating activities</b>	<b>(55.81)</b>	<b>(56.99)</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	—	—
Sale of Fixed Assets	—	—
<b>Net Cash used in investing activities</b>	<b>—</b>	<b>—</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Unsecured Loans	—	—
Investments in Shares & Securities	—	—
TDS	—	—
<b>Net Cash from Financing Activities</b>	<b>—</b>	<b>—</b>
<b>Cash and Cash Equivalent at the beginning</b>	<b>115.46</b>	<b>58.47</b>
Net Cash flow during the Year	(55.81)	56.99
Exchange fluctuation on translation of foreign currency	—	—
<b>Cash and Cash Equivalent at the end of the Year</b>	<b>59.65</b>	<b>115.46</b>

As per our report of even date  
For RKM & Associates  
**CHARTERED ACCOUNTANTS**  
Firm Reg. No. 007536N

(Rakesh Mathur)  
Prop.  
M.No. 81851

PLACE : NEW DELHI  
DATED : 19.05.2014

For and on behalf of the Board of Directors

Narendra Aggarwal  
Director  
DIN No. 00027347

P. M. Alexnder  
Director  
DIN No. 00050022

**SIGNIFICANT ACCOUNTING POLICIES**

**Annexure - "A"**

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

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

**(b) USE OF ESTIMATES**

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

**2. FIXED ASSETS**

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

**3. VALUATION OF INVENTORIES**

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

**4. DEPRECIATION**

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

**5. FOREIGN EXCHANGE TRANSACTION**

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

**6. SALES**

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

**7. EXPORT BENEFITS**

Sale of advance licenses is accounted for on realizations basis, Duty Drawbacks and Duty entitlement Pass Book benefits are accounted for on accrual basis.

**8. RETIREMENT BENEFITS**

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

**9. INVESTMENTS**

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

**10. IMPAIRMENT OF FIXED ASSETS**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's Fixed Assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever



## PHOENIX INDUSTRIES LIMITED

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the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

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

### 11. CONTINGENCIES

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



NOTES TO ACCOUNTS

1. Contingent Liabilities Not Provided For :	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
Guarantee given by the bankers on behalf of Company (Net of Margin Money)	20.41 Lacs		20.41 Lacs	
<b>2. SHARE CAPITAL</b>	<b>Nos of Share</b>	<b>Value in ₹</b>	<b>Nos of Share</b>	<b>Value in ₹</b>
<b>(a) Authorised Capital</b>				
Equity Shares @ 10/ each	10,000,000	100,000,000	10,000,000	100,000,000
<b>TOTAL</b>	<b>10,000,000</b>	<b>100,000,000</b>	<b>10,000,000</b>	<b>100,000,000</b>
<b>(b) Issued, Subscribed and fully paid up</b>				
Equity Shares @ 10/ each	9,432,300	94,323,000	9,432,300	94,323,000
<b>TOTAL</b>	<b>9,432,300</b>	<b>94,323,000</b>	<b>9,432,300</b>	<b>94,323,000</b>
<b>(c) Disclosure for Shareholding</b>	<b>No. of</b>	<b>% age</b>	<b>No. of</b>	<b>% age</b>
<b>Name of Shareholder</b>	<b>Shares held</b>	<b>of Holding</b>	<b>Shares held</b>	<b>of Holding</b>
<b>Phoenix International Limited</b>	<b>8,432,300</b>	<b>89.40%</b>	<b>8,432,300</b>	<b>89.40%</b>
(Holding Company)				
<b>Phoenix Cement Limited</b>	<b>1,000,000</b>	<b>10.60%</b>	<b>1,000,000</b>	<b>10.60%</b>
(Subsidiary of Phoenix International Ltd.)				
<b>TOTAL</b>	<b>9,432,300</b>	<b>100%</b>	<b>9,432,300</b>	<b>100%</b>
<b>(d) Reconciliation of Shares Outstanding</b>	<b>Nos of Share</b>	<b>Value</b>	<b>Nos of Share</b>	<b>Value</b>
<b>Shares outstanding at the beginning of the year</b>	<b>9,432,300</b>	<b>94,323,000</b>	<b>9,432,300</b>	<b>94,323,000</b>
Shares Issued during the year	—	—	—	—
Shares bought back during the year	—	—	—	—
Any other movement	—	—	—	—
<b>Shares outstanding at the end of the year</b>	<b>9,432,300</b>	<b>94,323,000</b>	<b>9,432,300</b>	<b>94,323,000</b>
<b>3. RESERVES &amp; SURPLUS</b>				
<b>General Reserve</b>				
- As per last Balance Sheet	91,210,013		91,210,013	
Less : adjusted as per Contra P & L A/c	(91,210,013)	—	(91,210,013)	—
<b>Share Premium Account</b>		<b>100,000,000</b>		<b>100,000,000</b>
<b>Investment Allowance Reserve</b>		<b>442,744</b>		<b>442,744</b>
<b>Profit &amp; Loss Account - Balance</b>				
Opening Balance	(319,353,122)		(317,340,096)	
Net Loss for the Current Year	(2,047,410)	(321,400,532)	(2,013,026)	(319,353,122)
<b>TOTAL</b>		<b>(220,957,788)</b>		<b>(218,910,378)</b>

4. OTHER LONG TERM BORROWINGS	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
<b>Unsecured Loans</b>				
From Phoenix International Limited - Holding Company	484,000,000		484,000,000	
From Focus Energy Limited	189,940,000		189,940,000	
From Spartan Agro Industries Limited	3,000,000		3,000,000	
<b>TOTAL</b>	676,940,000		676,940,000	
<b>5. OTHER CURRENT LIABILITIES</b>				
Others - Against Supplies & Services	2,183,633		2,486,642	
Other Payables	23,620,319		7,791,888	
<b>TOTAL</b>	25,803,952		10,278,530	
<b>6. SHORT TERM PROVISIONS</b>				
Gratuity	82,423		82,423	
<b>TOTAL</b>	82,423		82,423	

7. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2013	Addition During the Year	Deletions During the Year	As at 31st March, 2014	Upto 31st March, 2013	For the Year	Adjustment During the Year	Total Upto 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
<b>TANGIBLE ASSETS</b>										
Furniture & Fixtures	3,054,779	–	–	3,054,779	3,052,245	408	–	3,052,653	2,126	2,534
Office Equipments	1,872,914	–	–	1,872,914	1,868,473	1,740	–	1,870,213	2,701	4,441
Electrical Installations	1,931,545	–	–	1,931,545	1,926,855	1,532	–	1,928,387	3,158	4,690
Plant & Machinery	28,084,849	–	–	28,084,849	24,484,005	1,378,961	–	25,862,966	2,221,883	3,600,844
Vehicles	1,541,755	–	–	1,541,755	1,541,755	–	–	1,541,755	–	–
Temporary Structures	2,210,664	–	–	2,210,664	2,210,664	–	–	2,210,664	–	–
<b>Current Year total</b>	38,696,506	–	–	38,696,506	35,083,997	1,382,641	–	36,466,638	2,229,868	3,612,509
<b>Previous Year total</b>	38,696,506	–	–	38,696,506	33,701,356	1,382,641	–	35,083,997	3,612,509	–

8. LONG TERM LOANS & ADVANCES	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
<b>(Unsecured, Considered Good)</b>				
Security Deposits	322,437		322,437	
Loans and Advances to Related Parties *	123,534		123,534	
<b>TOTAL</b>	445,971		445,971	

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

**PHOENIX INDUSTRIES LIMITED**


9. NON CURRENT INVESTMENTS	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
	Nos of Share	Value in ₹	Nos of Share	Value in ₹
<b>Long Term Investments - At Cost</b>				
<b>Unquoted - Trade</b>				
Super Bazaar Co-operative Store Ltd.	1,000	10,010	1,000	10,010
<b>Unquoted - Non Trade</b>				
Pelle Fine Leather Inc. (Foreign Company)	1,246,000	58,837,618	1,246,000	58,837,618
Phoenix Cement Limited (Subsidiary of Phoenix International Limited)	21,000,000	37,894,500	21,000,000	37,894,500
Phoenix Power Development Corporation Limited	10	100	10	100
<b>Quoted</b>				
Yellow Valley Leasing and Finance Limited	24,600	344,400	24,600	344,400
Savare Trade Enterprises Ltd.	72,200	1,091,877	72,200	1,091,877
<b>TOTAL</b>	<b>22,343,810</b>	<b>98,178,505</b>	<b>22,343,810</b>	<b>98,178,505</b>

**Note:**

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

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

10. INVENTORIES	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>Stock in Trade</b>		
Raw Material	1,879,942	1,879,942
Finished Goods	675,682	675,682
<b>TOTAL</b>	<b>2,555,624</b>	<b>2,555,624</b>

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

12. CASH & CASH EQUIVALENTS	31st March, 2014 (₹)		31st March, 2013 (₹)	
<b>(i) Balances with Scheduled Banks</b>				
In current Accounts	1,100,233		6,680,989	
In Deposit Accounts	2,297,170	3,397,403	2,297,170	8,978,159
<b>(ii) Cash on hand</b>		<b>2,567,283</b>		2,567,283
<b>TOTAL</b>		<b>5,964,686</b>		11,545,442



## PHOENIX INDUSTRIES LIMITED

13. OTHER CURRENT ASSETS	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Other Receivables	461,740,550	441,299,141
Interest accrued but not due	1,591	1,591
Advances Taxes & Withholding Taxes	16,141	16,141
<b>TOTAL</b>	<b>461,758,282</b>	<b>41,316,873</b>

### 14. SEGEMENTAL REPORTING

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

### 15. RELATED PARTY DISCLOSURE

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

#### (a) Key Managerial Personnel

Mr. Narendra Aggarwal

Mr. P.M. Alexander

#### (b) Enterprise under direct/Indirect common control:

Focus Energy Limited

Phoenix International Ltd.

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

Name of the Related Party	Nature of Transaction	Volume of Transactions	Outstanding Amount as on 31.03.2014	Outstanding Amount as on 31.03.2013
Phoenix International Limited	Receivable on Current A/c	—	199,020	199,020
Phoenix International Limited	Unsecured Loan	—	484,000,000	484,000,000
Focus Energy Limited	Payble on Current A/c	2,468,202	16,864,759	19,332,961
Focus Energy Limited	Unsecured Loan	—	189,940,000	189,940,000

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

In the opinion of Management, the value on realization of current and non current assets in the ordinary course of business would be at least equal to the amount at which they are stated in the Balance Sheet and provision for all loans and liabilities is adequate.

17. PAYMENT TO AUDITORS	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Audit Fees	39,326	39,326
<b>TOTAL</b>	<b>39,326</b>	<b>39,326</b>

18. BASIC AND DILUTED EARNING PER SHARE		
Net Profit / (Loss) After Tax	(2,047,410)	(2,013,026)
Number of Equity Shares	9,432,300	9,432,300
Nominal Value of Equity Shares (Rupees)	10.00	10.00
<b>Basic and Diluted Earning Per Share (Rupees)</b>	<b>(0.22)</b>	<b>(0.21)</b>

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

# 19. DISCLOSURE WITH RESPECT TO EMPLOYEE'S BENEFITS

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

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

## (I) PARTICULARS OF CAPACITY AND PRODUCTION

DESCRIPTION	UNIT	LICENSED CAPACITY		INSTALLED CAPACITY		PRODUCTION	
		YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
SHOES UPPER	PAIRS	N.A	N.A	—	—	—	—
FOOTWEAR	PAIRS	N.A	N.A	—	—	—	—

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

## (II) PARTICULARS OF STOCKS AND SALES & SERVICES

UNIT	STOCKS							
	OPENING STOCK				CLOSING STOCK			
	As at 01.04.2014		As at 01.04.2013		As at 31.03.2014		As at 31.03.2013	
	QTY.	Amount (In ₹)	QTY.	Amount (In ₹)	QTY.	Amt. (In ₹)	QTY.	Amt. (In ₹)
Sport Shoes Pairs	36282	647,088	36282	647,088	36282	647,088	36282	647,088
Shoes Upper Pairs	137	28,094	137	28,094	137	28,094	137	28,094
Others								
<b>TOTAL</b>	<b>36419</b>	<b>675,182</b>	<b>36419</b>	<b>675,182</b>	<b>36419</b>	<b>675,182</b>	<b>36419</b>	<b>675,182</b>

## (III) PARTICULARS OF MATERIALS CONSUMED

DESCRIPTION	UNIT	As at 31.03.2014		As at 31.03.2013	
		QTY.	Amt. (In ₹)	QTY	Amt. (In ₹)
FINISHED LEATHER	SQ. DM	NIL	NIL	NIL	NIL
CHEMICAL		NIL	NIL	NIL	NIL
OTHERS		NIL	NIL	NIL	NIL
<b>TOTAL</b>		<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

## (IV) VALUE OF IMPORTED/INDIGENEOUS RAW MATERIAL, STORE SPARES AND COMPONENTS CONSUMED

DESCRIPTION	As at 31.03.2014		As at 31.03.2013	
	Amt. (In ₹) Consumption	% of	Amt. (In ₹) Consumption	% of
IMPORTED	NIL	NIL	NIL	NIL
INDIGENEOUS	NIL	NIL	NIL	NIL
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>



## PHOENIX INDUSTRIES LIMITED

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

DESCRIPTION	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
RAW MATERIAL STORES & SPARES AND COMPONENTS	NIL	NIL
CAPITAL GOODS	NIL	NIL

### (VI) EARNING / EXPENDITURE IN FOREIGN CURRENCY

DESCRIPTION	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
EARNING IN FOREIGN CURRENCY	NIL	NIL
REMITTANCE IN FOREIGN CURRENCY	NIL	NIL
EXPENDITURE IN FOREIGN CURRENCY	NIL	NIL

21. The accounts of the Company have been prepared on going concern basis.
22. As per accounting policy of the Company, the valuation of closing stock of Finished Goods has been done by including Excise Duty. In the current year, the excise duty payable on finished goods lying at factory (Bounded Store Room) amounting to ₹ Nil (Previous year ₹ Nil) has been included in the value of finished goods stock. It does not have any impact on the Profit & Loss Account of the Company.
23. In view of the losses and uncertainty of future taxable income, the Company has not recorded Cumulative Deferred Tax Assets/Liability on account of timing differences as stipulated in Accounting Standards (AS-22)-"Accounting for Taxes on Income"
24. Debit / Credit balance as on 31st March, 2014 in Debtors, Creditors, Loans, Advances and other parties account are subject to confirmations.
25. In the opinion of the management, the value on realization of Current Assets and Loans & Advances in the ordinary course of business would be at least equal to the amount at which they are stated in the Balance Sheet and provision for all known Liabilities is adequate.
26. No Creditor has intimated about their status being of small industrial undertaking.
27. Prior Period expenditure have been included under normal heads of expenses.

28. OTHER INCOME	Current Year 31st March, 2014 (₹)	Previous Year 31st March, 2013 (₹)
Sundry Balance Written Back	—	5,252
<b>TOTAL</b>	<b>—</b>	<b>5,252</b>

29. CHANGE IN STOCK IN TRADE	Current Year 31st March, 2014 (₹)	Previous Year 31st March, 2013 (₹)
Opening Stock - Raw Material / Finished Goods	2,555,624	2,555,624
Closing Stock - Raw Material / Finished Goods	2,555,624	2,555,624
<b>Change in Stock in Trade</b>	<b>—</b>	<b>—</b>

30. EMPLOYEES' BENEFIT EXPENSES	Current Year 31st March, 2014 (₹)	Previous Year 31st March, 2013 (₹)
Salary & Wages	540,624	540,624
Contribution to Provident Fund/ESIC	16,332	16,332
<b>TOTAL</b>	<b>557,247</b>	<b>556,956</b>

31. OTHER EXPENSES	Current Year 31st March, 2014 (₹)	Previous Year 31st March, 2013 (₹)
Filing Fees	10,113	18,530
Bank Charges	520	645
Audit Fees	39,326	39,326
Legal & Professional fees	10,563	6,180
Other expenses	47,000	2,000
Advertisement & Publicity Exp.	—	12,000
<b>TOTAL</b>	<b>107,522</b>	<b>78,681</b>



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

**As Per Our Report of Even Date**

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

**For RKM & Associates**  
**CHARTERED ACCOUNTANTS**  
Firm Reg. No. 007536N

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

Narendra Aggarwal  
**Director**  
**DIN No. 00027347**

P.M. Alexander  
**Director**  
**DIN No. 00050022**

PLACE: NEW DELHI  
DATED: 19.05.2014



## PHOENIX CEMENT LIMITED

### INDEPENDENT AUDITOR'S REPORT

TO

#### THE MEMBERS OF PHOENIX CEMENT LIMITED

We have audited the accompanying financial statements of **PHOENIX CEMENT LIMITED**, which comprise the Balance Sheet as at **March 31, 2014**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

In our opinion and to the best of our information and according to the explanations given to us, the financial statements subject to non-inclusion of financial statement of "**Buildwell Cement Limited**" a foreign subsidiary of the company, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - (e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Rakesh Mathur  
Prop.  
M.No.81851

Place : **Gurgaon**  
Date : **19.05.2014**



**THE ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE OUR REPORT OF EVEN DATE TO THE MEMBERS OF PHOENIX CEMENT LIMITED ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2014.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. The company does not have inventories, hence this clause is presently not applicable.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.  
(b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
(b) As per information & explanations given to us and in our opinion, there are no transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2014 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. As at 31st March 2014, the accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash loss during the current financial year and also in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company 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 loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments.



## PHOENIX CEMENT LIMITED

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15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by way of public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

**for R.K.M & ASSOCIATES**

Chartered Accountants

Firm Reg. No. 007536N

Rakesh Mathur

**Prop.**

**M.No.81851**

Place : **Gurgaon**

Date : **19.05.2014**



**PHOENIX CEMENT LIMITED**  
CIN: U74899DL1995PLC065806  
**BALANCE SHEET AS AT 31st, MARCH, 2014**

PARTICULARS	Note No	Current Year 31st March, 2014 (₹)	Previous Year 31st March, 2013 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	<u>2</u>	829,535,700	829,535,700
(b) Reserves and Surplus	<u>3</u>	(555,948,027)	(555,907,743)
<b>(2) Current Liabilities</b>			
(a) Other current liabilities	<u>4</u>	44,154,822	44,114,538
<b>Total</b>		<b>317,742,495</b>	<b>317,742,495</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets		—	—
(ii) Plant & Machinery for Re Export	<u>5</u>	22,874,720	22,874,720
<b>(b) Long term loans and advances</b>	<u>6</u>	95,108,279	95,108,279
<b>(C) Non Current Investment</b>	<u>7</u>	199,612,500	199,612,500
<b>(2) Current Assets</b>			
(a) Cash and cash equivalents	<u>8</u>	146,996	146,996
<b>Total</b>		<b>317,742,495</b>	<b>317,742,495</b>
<b>Notes on Financial Statement</b>	<b>1 to 19</b>		

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

As per our report of even date

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

For and on behalf of the Board of Directors

Rakesh Mathur  
Prop.  
Mem. No. 81851

**Narender Makkar**  
**Director**  
Din No. : 00026857

**Narendra Aggarwal**  
**Director**  
Din No. : 00027347

Place : **New Delhi**  
Date : **19.05.2014**

PHOENIX CEMENT LIMITED  
CIN: U74899DL1995PLC065806

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2014**

PARTICULARS	Note No	Current Year 31st March, 2014 (₹)	Previous Year 31st March, 2013 (₹)
<b>I. Other Income</b>			
<b>Total Revenue</b>		—	—
<b>II. Expenses</b>			
Other expenses	12	40,284	36,228
<b>Total Expenses</b>		40,284	36,228
<b>III. Profit / (Loss) before tax (I - II)</b>		(40,284)	(36,228)
<b>IV. Tax Expense</b>			
(1) Current tax		—	—
(2) Deferred tax Asset / (Liability)		—	—
<b>V. Profit / (Loss) after tax (III - IV)</b>		(40,284)	(36,228)
<b>VI. Profit / (Loss) for the year (III - IV)</b>		(40,284)	(36,228)
<b>Basic &amp; Diluted</b>			
Earning per Share	11	(0.0005)	(0.0004)
<b>Notes on Financial Statement</b>	<b>1 to 20</b>		

As per our report of even date annexed

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

For and on behalf of the Board of Directors

Rakesh Mathur  
Prop.  
Mem. No. 81851

**Narender Makkar**  
Director  
Din No. : 00026857

**Narendra Aggarwal**  
Director  
Din No. : 00027347

Place : **New Delhi**  
Date : **19.05.2014**



PHOENIX CEMENT LIMITED  
CIN: U74899DL1995PLC065806

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

PARTICULARS	For the Year Ended 31st March, 2014 (₹)		For the Year Ended 31st March, 2013 (₹)	
<b>A. Cash Flow from Operating Activities</b>				
Net Profit /(Loss) before Tax	(40.284)	—	(36.228)	—
<b>Adjustments for</b>				
Depreciation	—	—	—	—
Interest Income	—	—	—	—
Miscellaneous Income-Provisions Written Back	—	—	—	—
Profit/(Loss) on Sale/Retirement of Fixed Assets	—	—	—	—
		(40.284)		(36.228)
<b>Operating profit before Working Capital Changes</b>				
Trade Receivables	—	—	—	—
Changes in Stock in Trade	—	—	—	—
Non-Current Assets (Other Fixed Assets)	—	—	—	—
Other Current Assets	—	—	—	—
Trade Payables	—	—	—	—
Other Current Liabilities	40.284	—	36.228	—
Short Term Provisions	—	—	—	—
Long Term Provisions	—	—	—	—
		40.284		36.228
Cash generated from operating activities	—	—	—	—
Taxes paid	—	—	—	—
<b>Net cash from operating activities</b>	—	NIL	—	NIL
<b>B. Cash flow from Investing Activities</b>				
Purchase of Fixed Assets	—	—	—	—
Sale of Fixed Assets	—	—	—	—
<b>Net Cash used in investing activities</b>	—	NIL	—	NIL
<b>C. Cash flow from Financing Activities</b>				
Interest Income	—	—	—	—
Investments in Shares & Securities	—	—	—	—
<b>Net Cash from Financing Activities</b>	—	NIL	—	NIL
<b>Cash and Cash Equivalent as on 01.04.2012</b>		146.996		146.996
Net Cash flow during the Year	—	NIL	—	NIL
Exchange fluctuation on translation of foreign currency	—	—	—	—
<b>Cash and Cash Equivalent as on 31.03.2013</b>		146.996		146.996
<b>Notes:</b>				
Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard (AS 3):				
Cash Flow Statements as specified in the Companies (Accounting Standards) Rules, 2006.				

As Per Our Report of Even Date Annexed

**For RKM & Associates**

Chartered Accountants

Firm Reg. No. - 007536N

Rakesh Mathur

Prop.

Mem. No. 81851

Place : New Delhi

Date : 19.05.2014

For and on behalf of the Board of Directors

Narender Makkar

**Director**

Din No. : 00026857

Narendra Aggarwal

**Director**

Din No. : 00027347



**Annexure - "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.

**3. DEPRECIATION**

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

**4. FOREIGN EXCHANGE TRANSACTION**

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

**5. INVESTMENTS**

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

**6. IMPAIRMENT OF FIXED ASSETS**

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

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

**7. CONTINGENCIES**

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

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

Rakesh Mathur  
Prop.  
Mem. No. 81851

Place : **New Delhi**  
Date : **19.05.2014**

For and on behalf of the Board of Directors

Narender Makkar  
**Director**  
Din No. : 00026857

Narendra Aggarwal  
**Director**  
Din No. : 00027347

NOTES TO ACCOUNTS

DESCRIPTION	YEAR ENDED 31st MARCH, 2014 (₹)		YEAR ENDED 31st MARCH, 2013 (₹)	
1. Contingent Liabilities Not Provided For				
	–	–	–	–
2. SHARE CAPITAL				
(a) Authorised Capital	1,000,000,000	10,000,000,000	1,000,000,000	10,000,000,000
<b>TOTAL</b>	<b>1,000,000,000</b>	<b>10,000,000,000</b>	<b>1,000,000,000</b>	<b>10,000,000,000</b>

(b) Issued, Subscribed and Fully Paid Up	82,953,570	829,535,700	82,953,570	829,535,700
<b>TOTAL</b>	<b>82,953,570</b>	<b>829,535,700</b>	<b>82,953,570</b>	<b>829,535,700</b>

**Out of the above total paid up share capital**

1) 58,200,000 Equity shares allotted pursuant to a contract without payment in cash

**(c) Disclosure for Shareholding** (holding more than 5%)

Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Phoenix International Limited</b> (Holding Company)	41,953,510	51%	41,953,510	51%
<b>Phoenix Industries Limited</b> (Subsidiary of Phoenix International Ltd.)	21,000,000	25%	21,000,000	25%
<b>Phoenix Real Time Services Ltd.</b>	20,000,000	24%	20,000,000	24%
<b>TOTAL</b>	<b>82,953,510</b>	<b>100%</b>	<b>82,953,510</b>	<b>100%</b>

(d) Reconciliation of Shares Outstanding	Nos of Share	Amount (In ₹)	Nos of Share	Amount (In ₹)
Shares outstanding at the beginning of the year	82,953,570	829,535,700	82,953,570	829,535,700
Shares Issued during the year	–	–	–	–
Shares bought back during the year	–	–	–	–
Any other movement	–	–	–	–
<b>Shares outstanding at the end of the year</b>	<b>82,953,570</b>	<b>829,535,700</b>	<b>82,953,570</b>	<b>829,535,700</b>

3. RESERVES & SURPLUS	₹	₹	₹	₹
<b>General Reserve</b>				
– As per last Balance Sheet				
<b>Profit &amp; Loss Account– Balance</b>				
Opening Balance	(555,907,743)		(555,871,515)	
Net Loss for the Current Year	(40,284)	(555,948,027)	(36,228)	(555,907,743)
<b>TOTAL</b>		<b>(555,948,027)</b>		<b>(555,907,743)</b>

DESCRIPTION	YEAR ENDED 31st MARCH, 2014 (₹)	YEAR ENDED 31st MARCH, 2013 (₹)
<b>4. OTHER CURRENT LIABILITIES</b>		
<b>Other advances</b>		
From Related Parties*	17,747,882	16,425,744
Others– Against Supplies & Services	24,010,074	24,010,074
Other Payables	3,396,866	3,678,720
<b>TOTAL</b>	<b>44,154,822</b>	<b>44,114,538</b>

\* Payable to Phoenix International Limited– Holding Company ₹ 1,64,25,744/-

#### 5. FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
PARTICULARS	AS AT 1st APRIL, 2013	ADDITIONS DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31st MARCH, 2014	UP TO 31st MARCH, 2013	FOR THE YEAR	ADJUST- MENTS FOR DELETION DURING THE YEAR	TOTAL UPTO 31st MARCH, 2014	AS AT 31st MARCH, 2014	AS AT 31st MARCH, 2013
<b>TANGIBLE ASSETS</b>										
<i>(Not under Lease)</i>										
Furniture & Fixtures	51,342	–	–	51,342	51,342	–	–	51,342	–	–
Office Equipments	150,046	–	–	150,046	150,046	–	–	150,046	–	–
<b>TOTAL</b>	201,388	–	–	201,388	201,388	–	–	201,388	–	–
Plant & Machinery	22,874,720	–	–	22,874,720	–	–	–	–	22,874,720	22,874,720
<b>Current Year</b>	23,076,108	–	–	23,076,108	201,388	–	–	201,388	22,874,720	22,874,720
<b>Previous Year</b>	23,076,108	–	–	23,076,108	201,388	–	–	201,388	22,874,720	–

6. LONG TERM LOANS & ADVANCES	YEAR ENDED 31st MARCH, 2014 (₹)	YEAR ENDED 31st MARCH, 2013 (₹)
<b>(Unsecured, Considered Good)</b>		
Security Deposits *	5,044,179	5,044,179
Loans and Advances to Others	90,064,100	90,064,100
<b>TOTAL</b>	<b>95,108,279</b>	<b>95,108,279</b>

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



7. CURRENT INVESTMENTS	YEAR ENDED 31st MARCH, 2014 (₹)		YEAR ENDED 31st MARCH, 2013 (₹)	
	No. of Share	Value	No. of Share	Value
<b>Long Term Investments– At Cost</b>				
<b>Unquoted– Non Trade</b>				
<b>Build Well Cement Ltd. (Foreign Company)</b>	4,000,000	176,440,000	4,000,000	176,440,000
<b>Phoenix Industries Limited</b> (Subsidiary of Phoenix International Ltd.)	1,000,000	23,172,500	1,000,000	23,172,500
<b>TOTAL</b>		199,612,500		199,612,500

8. CASH & CASH EQUIVALENTS	YEAR ENDED 31st MARCH, 2014 (₹)		YEAR ENDED 31st MARCH, 2013 (₹)	
(i) Balances with Scheduled Banks In current Accounts		119,496		119,496
(ii) Cash on hand		27,500		27,500
<b>TOTAL</b>		146,996		146,996

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

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.

10. PAYMENT TO AUDITORS	YEAR ENDED 31st MARCH, 2014 (₹)		YEAR ENDED 31st MARCH, 2013 (₹)	
Audit Fees		28,090		28,090
<b>TOTAL</b>		28,090		28,090

11. BASIC AND DILUTED EARNING PER SHARE:	YEAR ENDED 31st MARCH, 2014 (₹)		YEAR ENDED 31st MARCH, 2013 (₹)	
Net Profit / (Loss) After Tax		(40,284)		(36,0228)
Number of Equity Shares		82,953,570		82,953,570
Nominal Value of Equity Shares (Rupees)		10		10
Basic and Diluted Earning Per Share (Rupees)		(0.0005)		(0.004)

12. OTHER EXPENSES	YEAR ENDED 31st MARCH, 2014 (₹)		YEAR ENDED 31st MARCH, 2013 (₹)	
Auditors Remuneration		28,090		28,090
Legal & Professional fees		7,192		5,618
Filing Fees		5,002		1,520
Travelling & Conveyance		–		1,000
<b>TOTAL</b>		40,284		36,228

#### 13. SEGMENT REPORT

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

#### 14. RELATED PARTY DISCLOSURES

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



## PHOENIX CEMENT LIMITED

**(a) Key Managerial Personnel**

1. Narender Makkar
2. Narendra Aggarwal

**(b) Enterprise under direct/Indirect common control:**

1. Focus Energy Ltd.
2. Phoenix International Limited
3. Phoenix Industries Limited

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

Name of the Party	Nature of Transaction	Volume of Transaction	Outstanding Amount as on 31.03.2014	Outstanding Amount as on 31.03.2013
Phoenix International Limited	Unsecured Loans	–	<b>16,425,744</b>	16,425,744
Phoenix Industries Limited	Long Term Investment	–	<b>23,172,500</b>	23,172,500
Focus Energy Limited	Payable on Current Account	40,284	<b>1,322,138</b>	1,281,854

15. AS-22 regarding taxes on income is not presently applicable to the company as it has not commenced any business activity.
16. The accounts of the Company have been prepared on going concern basis.
17. In view of losses and uncertainty of future taxable income, the Company has not recorded cumulative Deferred Tax Assets/Liabilities on account of timing differences as stipulated in Accounting Standard (AS-22) "Accounting for Taxes on income"
18. Other statutory information is presently not applicable as the company has not started any business activities.
19. "Figures for the previous year have been regrouped / rearranged wherever necessary to confirm to the classification adopted in the current year."
20. Debit/Credit Balances as on 31st March, 2014 in Loans & Advances and other parties' accounts are subject to confirmations.

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

Rakesh Mathur  
Prop.  
Mem. No. 81851

Place : **Gurgaon**  
Date : **19.05.2014**

For and on behalf of the Board of Directors

Narender Makkar  
**Director**  
Din No. : 00026857

Narendra Aggarwal  
**Director**  
Din No. : 00027347

**Independent Auditors' Report****To the Board of Directors of Phoenix International Limited****Report on the Financial Statements**

We have audited the accompanying **CONSOLIDATED FINANCIAL STATEMENTS OF PHOENIX INTERNATIONAL LIMITED** ('the Company') and its subsidiaries, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2014, the Consolidated Profit and Loss account and Consolidated Cash Flows Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Company Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Opinion**

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

- (i) in the case of the consolidated balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2014;
- (i) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
- (ii) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

We did not audit the financial statements of the subsidiaries, whose financial statements reflect Total Assets (net) of ₹ 8939.34 Lacs as at March 31, 2014, Total Revenues of ₹ Nil at the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

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

**Date: 26.05.2014**  
**Place: New Delhi**

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

## PHOENIX INTERNATIONAL LIMITED

CIN : L74899DL1987PLC030092

## Consolidated Balance Sheet As at 31st March, 2014

PARTICULARS	Note No	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	187,895,600	187,895,600
(b) Reserves and Surplus	3	388,518,096	382,104,272
<b>Minority Interest</b>		53,629,959	53,693,394
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	656,302,019	699,714,526
(b) Other Long-Term Liabilities	5	56,489,169	48,046,259
(c) Long Term Provisions	6	1,530,230	2,186,449
<b>(3) Current Liabilities</b>			
(a) Trade Payables	7	151,905,991	266,312,056
(b) Other Current Liabilities	8	95,039,039	77,160,267
(c) Short-Term Provisions	9	18,063,500	13,043,500
<b>TOTAL</b>		<b>1,609,373,603</b>	<b>1,730,156,323</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>	10		
(i) Tangible Assets		385,345,892	409,541,424
(ii) Capital Work-in-Progress		46,116,795	46,116,795
<b>(b) Non-Current Investments</b>	11	237,854,902	237,854,902
<b>(c) Long Term - Loans and Advances</b>	12	104,092,747	102,662,146
<b>(2) Current assets</b>			
(a) Inventories	13	71,493,501	67,666,427
(b) Trade Receivables	14	201,599,134	234,338,197
(c) Cash and Cash Equivalents	15	36,089,358	51,273,399
(d) Short Term Loans & Advances	16	519,445,588	572,318,593
(e) Other Current Assets	17	7,335,686	8,384,440
<b>TOTAL</b>		<b>1,609,373,603</b>	<b>1,730,156,323</b>
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 46		

As per our report of even date annexed

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

For and on behalf of the Board of Directors

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

**Narender Makkar**  
 Director  
 DIN: 00026857

**P. M. Alexander**  
 Director  
 DIN : 00050022

Place : New Delhi  
 Dated : 26.05.2014

## PHOENIX INTERNATIONAL LIMITED

CIN : L74899DL1987PLC030092

## Consolidated Profit and Loss Account for the year ended 31st March, 2014

PARTICULARS	Note No	For the Year Ended 31st March, 2014 ₹	For the Year Ended 31st March, 2013 ₹
<b>I. Revenue from Operations</b>	18	368,347,069	353,217,240
<b>II. Other Income</b>	19	9,486,872	9,106,875
<b>III. Total Revenue (I +II)</b>		<b>377,833,941</b>	362,324,115
<b>IV. Expenses</b>			
Cost of Material consumed	20	178,430,702	168,766,420
Changes in inventories of finished goods, Work-in-progress and Stock-in-Trade	21	(3,811,512)	(1,245,148)
Employees' Benefit Expenses	22	27,747,000	26,552,596
Financial Costs	23	71,400,849	73,726,203
Depreciation		23,808,443	23,835,423
Miscellaneous Expenses Written off		—	7,140,233
Other Expenses	24	68,888,073	51,832,056
<b>Total Expenses</b>		<b>366,463,555</b>	350,607,783
<b>V. Profit before Tax (III - IV)</b>		11,370,386	11,716,333
<b>VI. Tax Expenses</b>			
(1) Current tax		5,020,000	4,000,000
(2) Deferred tax		—	—
<b>VII. Profit/(Loss) for the year (V-VI)</b>		<b>6,350,386</b>	7,716,333
<b>VIII. Earning per equity share:</b>			
Basic & Diluted	25	0.38	0.46
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 46		

As per our report of even date annexed

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

For and on behalf of the Board of Directors

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

**Narender Makkar**  
 Director  
 DIN: 00026857

**P. M. Alexander**  
 Director  
 DIN : 00050022

Place : New Delhi  
 Dated : 26.05.2014

PHOENIX INTERNATIONAL LIMITED

CIN : L74899DL1987PLC030092

Consolidated Cash Flow Statement for the Year Ended 31st March, 2014

PARTICULARS	For the Year Ended 31st March, 2014 ₹	For the Year Ended 31st March, 2013 ₹
<b>A. Cash Flow from Operating Activities</b>		
Net Profit /(Loss) before Tax	11,370,386	11,716,333
<b>Adjustments for</b>		
Depreciation & Amortized Expenses	23,808,443	30,975,656
Interest (Net)	70,333,261	72,821,037
Foreign Exchange (Gain)\Loss	34,827,693	17,923,816
Loss on sale of Fixed Assets	338,727	8,002,311
Misc. Income Written back	—	(7,130,232)
<b>Operating profit before Working Capital Changes</b>	<b>140,678,510</b>	134,308,921
Trade Receivables & Other Current Assets	86,660,825	149,511,776
Changes in Stock in Trade	(3,827,074)	(30,810,623)
Trade Payables & Other Liabilities	(92,163,512)	(84,770,504)
<b>Cash from Operating Activities</b>	<b>131,348,749</b>	168,239,569
Taxes Paid	5,020,000	4,000,000
<b>Net Cash from Operating Activities</b>	<b>126,328,749</b>	164,239,569
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(611,638)	(980,821)
Foreign Exchange (Net)	(34,827,693)	(17,923,816)
Sale of Fixed Assets	660,000	3,933,000
Interest Received	1,067,588	905,166
<b>Net Cash used in Investing Activities</b>	<b>(33,711,743)</b>	(14,066,471)
<b>C. Cash Flow from Financing Activities</b>		
Repayment of Long Term Borrowing (Net)	(43,412,507)	(55,654,962)
Security Deposits (Paid) / Received	8,442,910	—
Advances from Subsidiaries / Others	(1,430,601)	1,351,255
Interest Paid	(71,400,849)	(73,726,203)
<b>Net Cash from Financing Activities</b>	<b>(107,801,047)</b>	(128,029,910)
<b>Net Increases (Decreases) in cash and cash Equivalents</b>	<b>(15,184,041)</b>	22,143,188
<b>Cash and Cash Equivalent at the beginning</b>	<b>51,273,399</b>	29,130,211
<b>Cash and Cash Equivalent at the end of the Year</b>	<b>36,089,358</b>	51,273,399

As per our report of even date annexed

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

For and on behalf of the Board of Directors

per Pradip Bhardwaj  
Partner  
M.No. 500219

Narender Makkar  
Director  
DIN: 00026857

P. M. Alexander  
Director  
DIN : 00050022

Place : New Delhi  
Dated : 26.05.2014

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**1. SIGNIFICANT ACCOUNTING POLICIES****1. BASIS OF PREPARATION OF FINANCIAL STATEMENT**

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

(b) **USE OF ESTIMATES**

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

**2. FIXED ASSETS**

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

**3. VALUATION OF INVENTORIES**

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

**4. DEPRECIATION**

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

**5. FOREIGN EXCHANGE TRANSACTION**

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

**6. SALES**

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

**7. EXPORT BENEFITS**

Sale of advance licenses is accounted for on realizations basis, Duty Drawbacks and Duty entitlement Pass Book benefits are accounted for on accrual basis.

**8. RETIREMENT BENEFITS**

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



## PHOENIX INTERNATIONAL LIMITED

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- (c) The Company operates defined benefits plans for its employees, viz, gratuity. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year end.
- (d) Leave encashment is accounted for on year to year basis and not accumulated to be encashed at the time of retirement.

### 9. INVESTMENTS

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

### 10. IMPAIRMENT OF FIXED ASSETS

- (a) Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's Fixed Assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.
- (b) Reversal of impairment losses recognized in prior years is recorded when there is an indication that impairment losses recognized for the assets no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation ) had no impairment loss been recognized for the assets in prior year.

### 11. 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.



# PHOENIX INTERNATIONAL LIMITED



## NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS

2. SHARE CAPITAL	As at 31st March, 2014		As at 31st March, 2013	
	No of Shares	Value (₹)	No of Share	Value (₹)
<b>(a) Authorized Share Capital</b>				
Equity Share @ ₹ 10/- each	500,00,000	500,000,000	50,000,000	500,000,000
4% Cumulative Redeemable Preference Share @ ₹ 100/- each	100,00,000	1,000,000,000	10,000,000	1,000,000,000
<b>TOTAL</b>	<b>60,000,000</b>	<b>1,500,000,000</b>	<b>60,000,000</b>	<b>1,500,000,000</b>

### (b) Issued, Subscribed and Fully Paid up

Equity Share @ ₹ 10/- each	16,789,560	167,895,600	16,789,560	167,895,600
4% Cumulative Redeemable Preference Share @ ₹ 100/- each	200,000	20,000,000	200,000	20,000,000
<b>TOTAL</b>	<b>16,989,560</b>	<b>187,895,600</b>	<b>16,989,560</b>	<b>187,895,600</b>

### (c) Disclosure for Shareholding (holding more than 5%)

Name of Shareholders	No. of Shares held	% age of Holding	No. of Shares held	% age of Holding
<b>(i) Equity Shares:</b>				
Vanguard Management Services Pvt. Ltd.	3,120,000	18.58%	3,120,000	18.58%
Mayflower Management Services Pvt. Ltd.	2,880,000	17.15%	2,880,000	17.15%
Sparton Management Services Pvt. Ltd.	2,880,000	17.15%	2,880,000	17.15%
Ajay Kalsi	2,734,400	16.29%	2,734,400	16.29%
<b>TOTAL</b>	<b>11,614,400</b>	<b>69.18%</b>	<b>11,614,400</b>	<b>69.18%</b>

### (ii) Preference Shares:

IEnergizer IT Services Pvt. Ltd.	200,000	100%	200,000	100%
<b>TOTAL</b>	<b>200,000</b>	<b>100%</b>	<b>200,000</b>	<b>100%</b>

### (d) Reconciliation of Shares Outstanding

	No of Share	Value (₹)	No of Share	Value (₹)
<b>(i) Equity Shares:</b>				
<b>Shares outstanding at the beginning of the year</b>	<b>16,989,560</b>	<b>187,895,600</b>	<b>16,989,560</b>	<b>187,895,600</b>
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>16,989,560</b>	<b>187,895,600</b>	<b>16,989,560</b>	<b>187,895,600</b>
<b>TOTAL</b>	<b>16,989,560</b>	<b>187,895,600</b>	<b>16,989,560</b>	<b>187,895,600</b>

### (ii) Preference Shares:

<b>Shares outstanding at the beginning of the year</b>	<b>200,000</b>	<b>20,000,000</b>	<b>200,000</b>	<b>20,000,000</b>
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>200,000</b>	<b>20,000,000</b>	<b>200,000</b>	<b>20,000,000</b>

### 3. RESERVE & SURPLUS

	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Capital Reserve on Consolidation	505,751,449	505,751,449
General Reserve	100,121,793	100,121,793
Security Premium Reserve	224,198,900	224,198,900
Investment Allowance Reserve	442,744	442,744
Profit & Loss Account - Balance	(441,996,790)	(448,410,614)
<b>TOTAL</b>	<b>388,518,096</b>	<b>382,104,272</b>

### 4. LONG TERM BORROWINGS

	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
	Non Current	Current	Non Current	Current
<b>Secured Loan</b>				
Loan From Banks	463,362,019	40,000,000	506,774,526	35,000,000
<b>Unsecured Loan</b>				
From Related Party	192,940,000	—	192,940,000	—
<b>TOTAL</b>	<b>656,302,019</b>	<b>40,000,000</b>	<b>699,714,526</b>	<b>35,000,000</b>

Term Loan from Oriental Bank of Commerce of ₹ 5,033.62 Lacs (Previous year ₹ 5,417.74 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 ₹ 1,091.16 Lacs including interest (Previous Year ₹ 1,044.00 Lacs including interest).

Term Loan from Oriental Bank of Commerce Amounting ₹ 1,473.50 Lacs are repayable over a period of 2 to 5 years.

### 5. OTHER LONG TERM LIABILITIES

	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Security Deposit	51,890,019	43,446,339
Advances from customers-Other, Considered goods	4,599,150	4,599,920
<b>TOTAL</b>	<b>56,489,169</b>	<b>48,046,259</b>

### 6. LONG TERM PROVISIONS

	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Provision for Gratuity (As per Actuarial Certificate)	1,530,230	2,186,449
<b>TOTAL</b>	<b>1,530,230</b>	<b>2,186,449</b>

### 7. TRADE PAYABLES

	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Payables against Supplies, Services & Others	151,905,991	266,312,056
<b>TOTAL</b>	<b>151,905,991</b>	<b>266,312,056</b>

# PHOENIX INTERNATIONAL LIMITED



## 8. OTHER CURRENT LIABILITIES

	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Current Maturity of Long Term Borrowing (Refer note no. 4)	40,000,000	35,000,000
Others - Against Supplies & Services	54,705,807	41,319,229
Payable to Govt Authority	333,233	841,038
<b>TOTAL</b>	<b>95,039,039</b>	<b>77,160,267</b>

## 9. SHORT TERM PROVISIONS

	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Taxation - Income Tax	18,063,500	13,043,500
<b>TOTAL</b>	<b>18,063,500</b>	<b>13,043,500</b>

## 10. FIXED ASSETS

(Amount in ₹)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	As at 01.04.2013	Additions for the Period	Sales/ Transfer Adjustment	As at 31.03.2014	Up to 31.03.2013	For the Period	Sale/ Transfer Adjustment	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
Land	35,715,590	—	—	35,715,590	—	—	—	—	35,715,590	35,715,590
Building	571,513,620	—	—	571,513,620	222,720,720	19,044,463	—	241,765,183	329,748,438	348,792,901
Plant and Machinery	71,347,046	309,892	1,310,813	70,346,125	57,153,469	3,153,641	312,086	59,995,024	10,351,102	14,193,578
Electrical Installation	30,151,498	—	—	30,151,498	20,901,848	1,293,774	—	22,195,622	7,955,876	9,249,650
Vehicles	8,171,187	—	—	8,171,187	7,790,115	98,658	—	7,888,773	282,414	381,072
Office and Other Equipment	6,113,483	143,498	—	6,256,981	5,494,566	99,304	—	5,593,870	663,111	618,917
Furniture & Fixtures	6,415,983	158,248	—	6,574,231	5,826,266	118,603	—	5,944,869	629,362	589,717
Wooden Structure	5,089,636	—	—	5,089,636	5,089,636	—	—	5,089,636	—	—
<b>Current year – Total</b>	<b>734,518,043</b>	<b>611,638</b>	<b>1,310,813</b>	<b>733,818,868</b>	<b>324,976,619</b>	<b>23,808,443</b>	<b>312,086</b>	<b>348,472,976</b>	<b>385,345,892</b>	<b>409,541,424</b>
<b>Capital Work In Progress:-</b>										
Plant and Machinery – For Re Export	22,874,720	—	—	22,874,720	—	—	—	—	22,874,720	22,874,720
Machinery	23,242,075	—	—	23,242,075	—	—	—	—	23,242,075	23,242,075
<b>Current year – Total</b>	<b>46,116,795</b>	<b>—</b>	<b>—</b>	<b>46,116,795</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>46,116,795</b>	<b>46,116,795</b>
<b>GRAND TOTAL - Current Year</b>	<b>780,634,838</b>	<b>611,638</b>	<b>1,310,813</b>	<b>779,935,663</b>	<b>324,976,619</b>	<b>23,808,443</b>	<b>312,086</b>	<b>348,472,976</b>	<b>431,462,687</b>	<b>455,658,219</b>
<b>GRAND TOTAL - Previous Year</b>	<b>791,813,787</b>	<b>—</b>	<b>—</b>	<b>791,813,787</b>	<b>301,355,206</b>	<b>23,835,423</b>	<b>—</b>	<b>301,355,206</b>	<b>490,458,581</b>	<b>511,839,553</b>

11. NON-CURRENT INVESTMENTS

	As at 31st March, 2014		As at 31st March, 2013	
	No of Share	Value (₹)	No of Share	Value (₹)
<b>Long Term Investments - At Cost</b>				
<b>Unquoted - Trade</b>				
Super Bazaar Co-operative Store Ltd.	1,000	10,010	1,000	10,010
<b>Unquoted - Non -Trade</b>				
Pele Fine Leather Inc. (Foreign Company)	1,246,000	58,837,618	1,246,000	58,837,618
Build Well Cement Ltd. (Foreign Company)	4,000,000	176,440,000	4,000,000	176,440,000
Bloomsbury Trading PTE Limited, Singapore	46,000	1,130,597	46,000	1,130,597
Phoenix Hydro Carbons Limited	10	100	10	100
Phoenix Footwear Private Limited	10	100	10	100
Phoenix Power Development Corporation Limited	20	200	20	200
<b>Quoted</b>				
Yellow Valley Leasing and Finance Limited	24,600	344,400	24,600	344,400
Savare Trade Enterprises Ltd.	72,200	1,091,877	72,200	1,091,877
<b>TOTAL</b>	<b>5,389,840</b>	<b>237,854,902</b>	<b>5,389,840</b>	<b>237,854,902</b>

12. LONG TERM LOANS & ADVANCES

	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>Unsecured, Considered Goods</b>		
Security Deposits	10,319,966	10,240,166
Loans and Advances to Others	90,064,100	90,064,100
Loans and Advances to Related Parties	129,049	129,049
Advances to Suppliers- Other, Considered goods	3,579,632	2,228,831
<b>TOTAL</b>	<b>104,092,747</b>	<b>102,662,146</b>

13. INVENTORIES

	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Raw Material	58,055,564	58,040,002
Work In Progress	10,846,031	8,950,743
Finished Goods	2,591,906	675,682
<b>TOTAL</b>	<b>71,493,501</b>	<b>67,666,427</b>

14. TRADE RECEIVABLES

	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>Outstanding for a period exceeding six months</b>		
Unsecured, considered goods	209,278,537	193,973,071
Less : Provision for Doubtful Debts	78,507,306	78,507,306
<b>Other receivables</b>		
Unsecured, considered goods	15,588,750	2,900,701
Receivables from Related Parties	55,239,153	115,971,730
<b>TOTAL</b>	<b>201,599,134</b>	<b>234,338,197</b>

**15. CASH & CASH EQUIVALENTS**

	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
<b>Balances with Scheduled Banks</b>				
In current Accounts	26,583,874		31,829,012	
In Deposit Accounts	3,748,730	30,332,604	13,481,227	45,310,239
<b>Cash in hand</b>		5,756,754		5,963,160
<b>TOTAL</b>		36,089,358		51,273,399

**16. SHORT TERM LOANS & ADVANCES**

	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
<b>Unsecured, Considered good</b>				
Due from Others	466,217,553		442,855,798	
Due from Related Parties	2,687,008	468,904,561.00	91,194,387	534,050,184.50
<b>Balance with Govt Authority</b>		50,541,027		38,268,408
<b>TOTAL</b>		519,445,588		572,318,593

\*Current Year ₹ 26,87,008 of Direct/indirect common control (Mayflower Management Service Pvt. Ltd.) and Previous Year ₹ 9,11,387/- of Focus Energy Ltd.

**17. OTHER CURRENT ASSETS**

	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Prepaid Expenses	7,332,030	8,380,783
Interest accrued but not due	3,656	3,657
<b>TOTAL</b>	7,335,686	8,384,440

**18. REVENUE FROM OPERATIONS**

	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
Sales of Products	250,325,677	235,306,613
Sales of Services - Rent	118,021,392	117,910,627
<b>TOTAL</b>	368,347,069	353,217,240

**19. OTHER INCOME**

	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
Interest on Deposits, Margin Money etc.	1,067,588	905,166
Other Receipts / Misc. Income	2,163,361	2,196,697
Sundry Balance Written off	6,255,923	6,005,012
<b>TOTAL</b>	9,486,872	9,106,875

20. COST OF MATERIAL CONSUMED

	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
Inventory at the beginning of the year	58,040,002	28,474,527
Add: Purchase of Raw Material , components, packing material	178,446,264	198,331,895
Less: Inventory at the end of the year	58,055,564	58,040,002
<b>TOTAL</b>	<b>178,430,702</b>	<b>168,766,420</b>

21. CHANGES IN FINISHED GOODS/WORK IN PROGRESS

	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
<b>Closing Stock-</b>		
Finished Goods	2,591,906	675,682
Work in Progress	10,846,031	8,950,743
<b>Opening Stock-</b>		
Finished Goods	675,682	675,682
Work in Progress	8,950,743	7,705,595
<b>Changes in Inventory</b>		
<b>TOTAL</b>	<b>(3,811,512)</b>	<b>(1,245,148)</b>

22. EMPLOYEES' BENEFIT EXPENSES

	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
Salary & Allowances	25,336,351	24,435,191
Employer Contribution to Provident Fund & ESIC	1,795,518	1,208,375
Staff Welfare Expenses	615,131	909,030
<b>TOTAL</b>	<b>27,747,000</b>	<b>26,552,596</b>

23. FINANCIAL COST

	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
<b>Interest paid:</b>	<b>25,336,351</b>	<b>24,435,191</b>
On Term Loan	65,975,124	71,944,962
Others	5,425,725	1,781,241
<b>TOTAL</b>	<b>71,400,849</b>	<b>73,726,203</b>

24. OTHER EXPENSES

	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
Insurance Expenses	182,001	127,909
Rent , Rates & Taxes	3,886,381	4,374,425
Fabrication Expenses	9,444,678	7,116,953
Power & Fuel Expenses	694,850	733,276
Statutory Audit Fee	167,416	167,416
Tax Audit Fee	25,000	25,000
Repairs & Maintenance - Building	430,963	433,032
Repairs & Maintenance - Others	849,268	1,392,485
Duties & Taxes Paid	6,725,137	2,119,397
Advertisement, Publicity & Business Promotion	139,171	111,569
Vehicle Running & Maintenance Expenses	210,275	123,590
Foreign exchange (Gain)/Loss	34,827,693	17,923,816
Bank Charges	145,717	341,516
Freight Outward, handling and cleaning Expenses	6,440,606	4,481,125
Travelling & Conveyance Expenses	460,593	726,952
Legal & Professional Fees	1,573,962	1,440,568
Miscellaneous Expenses	489,085	499,821
Printing & Stationary	271,209	285,662
Watch & Ward Expenses	1,235,599	972,535
Loss on Sale of Fixed Assets	338,727	8,002,311
Communication Charges	349,742	432,698
<b>TOTAL</b>	<b>68,888,073</b>	<b>51,832,056</b>

25. BASIC AND DILUTED EARNING PER SHARE

	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
Net Profit After Tax (₹)	<b>6,350,386</b>	7,716,333
Weighted Average Number of Equity Shares	<b>16,789,560</b>	16,789,560
Nominal Value of Equity Shares (₹)	<b>10</b>	10
<b>Basic and Diluted Earning Per Share</b>	<b>0.38</b>	0.46



## PHOENIX INTERNATIONAL LIMITED

### 26. DETAILS OF SUBSIDIARIES

Subsidiaries:

The consolidated financial statements have been prepared in accordance with the requirement of Accounting Standard (AS - 21) "Consolidated Financial Statements". The Consolidated Financial Statements comprise the financial statements of Phoenix International Limited (Parent Company) and its following two Subsidiary companies (collectively referred to as "the Group") for the accounting year specified their against.

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2013	Accounting Period
Phoenix Industries Limited	India	*100%	01.04.2013 to 31.03.2014
Phoenix Cement Limited	India	**76%	01.04.2013 to 31.03.2014

\* Including 10.60% held by Phoenix Cement Limited, which is also subsidiary of the Parent Company.

\*\* Including 25.32% held by Phoenix Industries Limited, which is also subsidiary of the Parent Company.

### 27. AUDITORS REMUNERATION IS AS UNDER:-

	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
Audit Fees	167,416	167,416
Tax Audit Fees	25,000	25,000
<b>TOTAL</b>	<b>192,416</b>	<b>192,416</b>

### 28. RELATED PARTY DISCLOSURE

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

**(a) Key Managerial Personnel**

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

**(b) Enterprise under direct/Indirect common control/influence:**

Focus Energy Limited  
Spartan Agro Industries Ltd.  
Granada Services Pvt. Ltd.  
Mayflower Management Services Pvt. Ltd.

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

(Amount in ₹)

Name of the Related Party	Nature of Transaction	Volume of Transactions	As at 31st March, 2014	As at 31st March, 2013
Mr. Narender Kumar Makkar	Directors Remuneration	1,890,000	138,800	45,400
Mr. Arun Kr. Sinha	Directors Sitting Fees	16,000	4,000	—
Spartan Agro Industries Ltd.	Unsecured Loans	—	3,000,000	3,000,000
Focus Energy Limited	Sales of Goods	199,882,534	55,239,153	115,971,730
Focus Energy Limited	Unsecured Loans	—	192,940,000	189,940,000
Granada Services Pvt. Ltd.	Rental Services	26,337,600	—	—
Mayflower Management Services Pvt. Ltd.	Advances to suppliers	2,687,008	2,687,008	—



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

Every employee who has completed five years or more of service gets a gratuity on leaving at 15 days salary (last drawn salary) for each completed year of service.

Year end liability on account of retirement benefits to employees are provided on actuarial valuation. Contribution to defined contribution scheme such as Provident Fund and Family Pension fund are charged to Profit & Loss Account as expenses.

**30. CONTINGENT LIABILITIES NOT PROVIDED FOR:**

	<b>For the Year Ended 31st March, 2014 ₹ in Lacs</b>	<b>For the Year Ended 31st March, 2013 ₹ in Lacs</b>
Income Tax, Sales Tax, Service Tax, Excise Duty and Custom Duty Demands under Appeals	157.00	157.00
Employees Provident Fund, Pension Fund, Deposit Linked, Insurance Fund Demands under Appeals	–	18.64

31. Figures relating to Subsidiary Companies have been reclassified, wherever necessary, to bring them in line with the Parent Company's Financial Statements.
32. The Consolidated Financial Statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the company's separate financial statement except as otherwise stated.
33. The Consolidated Financial Statement of the Group have been prepared based on a line by line consolidation of the financial statements of the Parent Company and its two Subsidiary Companies by adding together the book value of like items of assets, liabilities, income & expenses after fully eliminating intra-group balances and intra-group transactions and unrealized profit & losses.
34. The difference between the cost of investment in the Subsidiary Companies and the Parent Company's holding (as on date of consolidation) of proportion of equity shares of subsidiary companies on the date of acquisition / disposal has been recognized in the Consolidated Financial Statements as Capital Reserve / Goodwill as the case may be.
35. The share of Minority interest's in the net worth of Subsidiary Companies is identified and presented in the Consolidated Balance Sheet separately from the equity of the parent company Shareholders.
36. The Consolidated Financial Statement under report do not include financial statement of "Pele Fine Leather Inc.", USA which is foreign Subsidiary Company of Phoenix Industries Ltd. and financial statements of "Build Well Cement Ltd." which is foreign Subsidiary Companies of Phoenix Cement Ltd.
37. One of the Subsidiary Company Phoenix Cement Limited had paid a deposit of ₹ 70.00 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 favour of the land owners. The Management has requested the authorities for refund of the amount which has been considerably delayed. The Government is likely to issue identification in the near future and the deposit will be refunded in due course.
38. Prior Period expenditure have been included under normal head of expenses.
39. The accounts of the company have been prepared on Going Concern basis.
40. Long Term Loan & Advances include custom duty paid in earlier years amounting to ₹ 50.44 Lacs by one of the Subsidiary Company Phoenix Cement Ltd., which is refundable by the custom department.
41. Based on the guiding principles given in Accounting Standard (AS-17) "SEGMENT REPORTING", there are no separate reportable segments.
42. The Company generally enters into cancellable operating leases for office premises, factory premises and residence of the employees, normally renewable on expiry. Lease payment amounting to ₹ 23.45 Lacs (Previous Year ₹ 18.20 Lacs) made under operating lease have been recognized as an expenses in the Profit & Loss Account.



## PHOENIX INTERNATIONAL LIMITED

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43. Unamortized Expense of ₹ Nil (Previous year of ₹ 71,40,233/-) has been recognized as an expense in the profit & loss account.
44. No Creditors has intimated about their status being of small scale industrial undertaking.
45. As the company has unabsorbed depreciation and unabsorbed losses which are to be carried forward as per the provision of Income Tax Act, 1961. In the opinion of the management, there is no certainty that sufficient future taxable income will be available, the Company has not recorded cumulative Deferred Tax Income Assets / Liabilities on account of timing differences as stipulated in Accounting Standard (AS - 22) "Accounting of Taxes of Income".
46. Previous year's figures have been regrouped/rearranged & reclassified as necessary.

As Per Our Report of Even Date Annexed

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

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

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

**Narender Makkar**  
Director  
DIN: 00026857

**P. M. Alexander**  
Director  
DIN : 00050022

Place : New Delhi  
Dated : 26.05.2014

**PHOENIX INTERNATIONAL LIMITED****Form No: MGT-11****PROXY FORM****AGM 2014**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: **PHOENIX INTERNATIONAL LIMITED****CIN :-L74899DL1987PLC030092****Regd. Office:** 3<sup>rd</sup> Floor, Gopala Tower, 25 Rajendra Place, New Delhi-110008

Folio / DP ID –Client ID No:

Name of the member (s) &amp; Address:

E-mail.id: Folio No / DP ID and Client ID:

I / we being member (s) of ..... shares of the above named Company, hereby appoint

**1. Name** ..... **E Mail id:** .....**Address** .....

..... Signature: -----of failing him

**2. Name** ..... **E Mail id:** .....**Address** .....

..... Signature: -----of failing him

**3. Name** ..... **E Mail id:** .....**Address** .....

..... Signature: -----of failing him

as my / our proxy to attend and vote (on poll) for me / us and on my / our behalf at the 27<sup>th</sup> Annual General Meeting of the Company, to be held on **Tuesday the 30<sup>th</sup> September 2014 at 10.00 AM at Lok Kala Manch, 20, Institutional Area New Delhi – 110003** and at any adjournment thereof in respect of such resolution as are indicated below:

Reso No	Description	For	Against
1.	Consideration and adoption of Annual Audited Accounts and Report for the Financial Year ended 31 <sup>st</sup> March, 2014		
2.	Re – Election of Mr. Narender Kumar Makkar (DIN:00026857) as Director of the Company, who retires by rotation		
3.	Appointment of M/s Pradip Bhardwaj & Co., as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of Thirtyth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), pursuant to the provisions of Sections 139 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act, if any and the Rules framed there under, as amended from time to time		

Signed this .....day of ..... 2014

Affix  
Revenue  
Stamp

Signature of Shareholder /Proxy Holders: .....

**Note:** This proxy form in order to be effective should be duly completed and deposited at the Registered Office of the company, not less than 48 Hours before the commencement of the meeting