



**22nd**

**ANNUAL REPORT**

**2008 - 2009**

**PHOENIX INTERNATIONAL LIMITED**



**BOARD OF DIRECTORS**

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

**COMPANY SECRETARY**

Mr. Narender Makkar

**AUDITORS**

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

**REGISTRAR & TRANSFER AGENT**

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

**REGISTERED OFFICE**

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

**Works**

Heseem Palace  
 No77/70A, Thirunermalai Main Road,  
 Nagalkeni, Chromepet,  
 Chennai, Pin- 600044,  
 Tamil Nadu, India

**CONTENTS**

**PAGE NO.**

<b>A. PHOENIX INTERNATIONAL LIMITED</b>	
Notice	2
Director Report	4
Report on Corporate Governance	7
Management Discussion & Analysis	11
Auditor Report	17
Balance Sheet	20
Profit & Loss Account	21
Schedules & Notes to Accounts	22-32
Cash Flow Statement	33
Auditors Certificate	33
Balance Sheet Abstract	34
<b>B. PHOENIX INDUSTRIES LIMITED</b>	
Auditors Report	35
Balance Sheet	38
Profit & Loss Account	39
Schedules & Notes to the Accounts	40-46
Cash Flow Statement	48
Balance Sheet Abstract	49
<b>C. PHOENIX CEMENT LIMITED</b>	
Auditors' Report	50
Balance Sheet	52
Profit & Loss Account	53
Schedules & Notes to the Accounts	54-57
Cash Flow Statement	57
Balance Sheet Abstract	58



## PHOENIX INTERNATIONAL LIMITED

---

### NOTICE

NOTICE IS HEREBY GIVEN THAT THE 22<sup>ND</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF PHOENIX INTERNATIONAL LIMITED WILL BE HELD ON WEDNESDAY THE 30<sup>TH</sup> DAY OF SEPTEMBER, 2009 AT 09.30 A.M. AT SRI SATHYA SAI INTERNATIONAL CENTRE, INSTITUTIONAL AREA, PRAGATI VIHAR, 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 31.03.2009 and Profit & Loss Account for the period ended on that date and Auditors and Directors' report thereon.
2. To appoint a Director in place of Mr. Narendra Aggarwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

#### SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass with or without modification(s) if any, the following resolution as an ordinary resolution:  
"RESOLVED THAT in supersession of the earlier resolution passed by the shareholders through postal ballot, the consent of the Company be and is hereby accorded in terms of section 293(1)(d) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and Articles of Association of the Company, to the Board of Directors of the Company for borrowing from time to time, any sum or sums of monies, on such terms and conditions and with or without security as the Board of Directors may in its discretion think fit notwithstanding that the money or monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate of the Paid-up Share Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided that the total amount so borrowed and remaining outstanding at any particular time shall not exceed the limit of Rs. 300.00 Crores (Rupees Three Hundred Crores)."  
  
"RESOLVED FURTHER THAT the Board of Directors or any Committee thereto /person(s) authorised by the Board, be and is/are hereby authorised to do all such acts, deeds, and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

Place: New Delhi  
Date: 30.07.2009

Narender Makkar  
Director

#### 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 30/09/2009.
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. All documents referred to in the accompanying notice and explanatory statements are available for inspection at the registered office of the Company on all working days between 10.30 a.m. to 4.00 p.m. up to the date of this Annual general meeting.
5. 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.
6. 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 had been transferred to "Investor Education and Protection Fund" established under sub-section (1) of section 205C.
7. Explanatory Statement relating to special business is annexed to this notice as required under Section 173(2) of the Companies Act, 1956.



**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No. 4**

As per the provisions of section 293(1)(d) of the company Act, the Board of Directors of the company cannot, except with the consent of the Company in General Meeting borrow monies, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of the paid-up Capital and free reserve of Company, that is to say, reserve not set apart for any specific purposes.

Presently, Company is permitted to borrow upto Rs. 50.00 Crores, apart from temporary loans obtained/to be obtained from the Bankers in the ordinary course of business, as approved by the shareholders through Postal Ballot.

In view of its expanding operation and/or diversified activities, it is expected that the limit of Rs. 50.00 Crores sanctioned by the member through postal ballot is not sufficient.

The Board of Directors of the Company have approved enhancement of borrowing power of the Company at its meeting held on 30<sup>th</sup> July, 2009 subject to the approval of the members in General Meeting.

The borrowing limit is proposed to be enhanced to the extent of sum(s) so borrowed under this resolution and remaining outstanding at any time shall not exceeding in the aggregate of Rs. 300.00 Crores (Rupees Three Hundred Crores) in excess of and in addition to the paid-up capital and free reserve of the company for the time being.

The consent of members is, therefore, sought under provisions of section 293(1)(d) of the Companies Act, 1956, to enable the Directors to borrow the aforesaid amount.

None of the directors is, in any way, concerned or interested in this resolution.

The Board of Directors recommends this enabling resolution for approval of the members.

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

**Item No. 2**

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

Mr. Narendra Aggarwal is Director in the following Companies:

1. Phoenix Real Time Services Limited
2. Phoenix Capital Services Limited
3. Phoenix Industries Limited
4. Phoenix Hydrocarbons Corporation Limited
5. Phoenix Footwear Private Limited
6. Phoenix Cement Limited
7. Phoenix International Finance Limited
8. Spartan Management Services (P) Limited
9. Mayflower Management services (P) Limited
10. Vanguard Services (P) Limited
11. Spartan Agro Industries Limited
12. Phoenix Land Development Limited
13. Phoenix Power Development Corporation Limited
14. Granada Footwear Private Limited

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

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

He does not hold any Share in the Company.



## PHOENIX INTERNATIONAL LIMITED

### DIRECTOR'S REPORT

Dear Shareholder,

The Directors of your company present the 22<sup>nd</sup> Annual Report along with the Audited Statement of Accounts of the company for the year ended 31<sup>st</sup> March 2009.

#### FINANCIAL RESULTS

	(Rs. In Lacs)	
	Year Ended 31.03.2009	Year Ended 31.03.2008
Sales & Other Income	1875.83	1999.99
Profit/(Loss) before depreciation	229.29	307.32
Less: Depreciation	148.85	148.66
Profit / (loss) after Depreciation but before Extra Ordinary Items	80.44	158.66
Add: Extra Ordinary Items	-	1609.95
Profit / (loss) after Extra Ordinary Items - but before Tax	80.44	1768.61
Less: Provision for Income Tax/Fringe benefit Tax	10.82	19.75
Profit / (Loss) After Tax	69.62	1748.86

#### OPERATIONAL PERFORMANCE / FUTURE PLANS

The Company has carried out shoes related activities at its unit at Chennai during the financial year under review. The Company achieved turnover of Rs. 1875.83 Lacs during the current year as compared to Rs. 1999.99 Lacs during previous year.

The Company is in process of widening the base of manufacturing and export.

During the year under review, the company has entered into Lease Agreement for lease of part of its Property situated at A-37, Sector - 60, Noida (Uttar Pradesh) to M/s Tata Teleservices Limited.

#### 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 31.03.2009.

#### PARTICULARS OF EMPLOYEES

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

#### DIRECTORS

Mr. Narendra Aggarwal, Director of the Company retires by rotation and being eligible offer himself for re-appointment.

#### DIRECTOR'S RESPONSIBILITY

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

- a) That in preparation of Annual Accounts for the year ended 31<sup>st</sup> March, 2009 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.



- b) 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, 2009 and of the Profit of the Company for the year ended on that date.
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) That the Annual Accounts for the year ended 31<sup>st</sup> March, 2009 has been prepared on a going concern basis.

**AUDITORS**

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

**SUBSIDIARY COMPANIES**

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

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

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

**CORPORATE GOVERNANCE**

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

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

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

**ACKNOWLEDGMENT**

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

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

Place: New Delhi  
Date: 30.07.2009

Narender Makkar  
Director & Company Secretary

Arun Kumar Sinha  
Director

Narendra Aggarwal  
Director



## REPORT ON CORPORATE GOVERNANCE

### (1) Company's Philosophy on Corporate Governance

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

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

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

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

### (2) Board of Directors

#### (A) Composition and Category of Directors

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

The composition of Board of Directors, their attendance at Board Meetings during the year ended 31<sup>st</sup> March 2009, the last Annual General Meeting and their Directorships/Committee Memberships in other Companies as on 31<sup>st</sup> March 2009 is as follows:

#### (B) Details of Meeting of Board of Directors held during the year ended on 31.03.2009

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. V.B. Oberoi*	Non-Executive & Independent Director	1*	N.A.	N.A.	N.A.	N.A.
Mr. Narendra Aggarwal	Non Executive and Independent Director	3	No	14*	3	Nil
Mr. Narender Makkar	Executive Director	5	Yes	14****	4	2
Mr. Arun K. Sinha	Non Executive and Independent Director	5	Yes	5	4	3
Mr. P.M. Alexander	Non Executive and Independent Director	2	Yes	14****	4	Nil

\* Mr. V.B. Oberoi (aged 84 years) expired on 14.07.2008

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

\*\*\* Out of them 3 Directorships are in Private Limited Companies

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

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

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

Date	No of Directors Present
30-04-2008	4
30-07-2008	3
30-08.2008	2
31-10-2008	3
29-01-2009	4



## PHOENIX INTERNATIONAL LIMITED

### Information to the Board

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

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

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

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

### 3. Audit Committee

#### (A) Constitution

The Audit Committee of the Board was constituted in the year 2000-01. The following were the members of the Committee during the year 2008-2009.

- |     |                       |                      |
|-----|-----------------------|----------------------|
| (A) | Mr. V.B. Oberoi*      | Independent Director |
| (B) | Mr. Narendra Aggarwal | Independent Director |
| (C) | Mr. Arun K. Sinha     | Independent Director |
| (D) | Mr. P. M. Alexander   | Independent Director |

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

\*Mr. V.B. Oberoi (aged 84 years) expired on 14.07.2008

#### (B) TERMS OF REFERENCE

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

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





10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as required.

**(C) Meeting and Attendance during the year**

Five meetings of the Committee were held during the year on 30-04-2008, 30-07-2008, 30-08-2008, 31-10-2008 and 29-01-2009. The attendance particulars are as follows:

Name of the Chairman /Member	Meeting	
	Held	Attended
Mr. V.B. Oberoi*	5	1
Mr. Narendra Aggarwal	5	3
Mr. Arun K.Sinha	5	5
P. M. Alexander	5	2

\*Mr. V.B. Oberoi (aged 84 years) expired on 14.07.2008

**(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 Aggarwal, Mr. Narender Makkar, 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. V.B. Oberoi*	1
2. Mr. Arun K.Sinha	2
3. Mr. Narendra Aggarwal	2
4. Mr. P.M. Alexander	1

\*Mr. V.B. Oberoi (aged 84 years) expired on 14.07.2008

**Remuneration to Directors**

Remuneration to Directors for the year 2008-2009.

a) Name	Designation	All elements of Remuneration package i.e. Salary benefits bonus, pension etc
1. Mr. Narender Makkar	Director & Company Secretary	10,62,088
b) Name	Particulars	Sitting Fees
Mr. V.B. Oberoi* Mr. Arun K.Sinha	Non Executive Directors	24,000/-
<b>Total</b>		<b>24,000/-</b>

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

**(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. V.B. Oberoi*      | Independent Director |
| (B) Mr. Narendra Aggarwal | Independent Director |
| (C) Mr. Arun K.Sinha      | Independent Director |
| (D) Mr. P.M. Alexander    | Independent Director |



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

\* Mr. V. B. Oberoi (aged 84 years) expired on 14.07.2008.

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

15/04/2008, 30/04/2008, 15/05/2008, 30/05/2008, 16/06/2008, 30/06/2008, 15/07/2008, 30/07/2008, 15/08/2008, 30/08/2008, 15/09/2008, 30/09/2008, 15/10/2008, 30/10/2008, 15/11/2008, 29/11/2008, 15/12/2008, 31/12/2008, 15/01/2009, 30/01/2009, 16/02/2009, 28/02/2009, 16/03/2009, 31/03/2009.

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

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

**(6) General Body Meeting**

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

Date & Time	Location
26 <sup>th</sup> September 2006 at 2:30 p.m.	MPCU, Shah Auditorium, 2 Raj Niwas Marg, Delhi – 110 054
29 <sup>th</sup> September 2007 at 9:30 a.m.	MPCU, Shah Auditorium, 2 Raj Niwas Marg, Delhi – 110 054
30 <sup>th</sup> September, 2008 at 9:30 a.m.	MPCU, Shah Auditorium, 2 Raj Niwas Marg, Delhi – 110 054

**(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 behaviour in all its business activities and has put in place mechanism of the reporting illegal or unethical behaviour. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified person. The reports received from any employee will be reviewed by the Ethics Office and the Corporate Governance and Shareholders'/Investors' Grievance Committee. The Directors and Senior Management are obliged to maintain confidentiality of such report and ensure that the whistle blowers are not subjected to any discriminatory practices.
- III. There are no pecuniary relationships or transactions with the Non-Executive Directors other than sitting fees paid to them.

**(8) Means of Communication**

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

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

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

**(10) Subsidiary Monitoring Framework**

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



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

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

Due to Labour problem, the company was forced to declare lockout at its manufacturing Unit located at A-37, Sector – 60 Noida, in the year 2000 and the commercial production at the Unit has been discontinued since then. But the company kept on carrying trading exports of shoe uppers. During the period from 2000 to 2007, the company has paid almost all the outstanding dues of the workers and made full and final payment to the banks and financial institutions.

The company has expanded the manufacturing and export base during the current year and achieved a turn over of Rs.1875.83 Lacs during the current year as compared to Rs. 1999.99 Lacs during the previous year.

During the current year the company plans to undertake the renovations/repairs of the Unit at Noida to start the manufacturing activities. The company also plans to expand the business activities at Chennai.

Your Company has documented structural and procedures in every area. Periodical reviews are conducted to assess the performance and provide speedy solutions for problems as and when founded.

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 : 30/09/2009 at 9: 30 A.M.  
 Place : Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi-110003

**(b) Financial Calendar (Tentative)**

Financial Results for the Quarter Ended:  
 30<sup>th</sup> June, 2009 - 30<sup>th</sup> July 2009  
 30<sup>th</sup> September, 2009 - End October, 2009  
 31<sup>st</sup> December, 2009 - End January, 2010  
 31<sup>st</sup> March, 2010 - End April, 2010

Approval of Audited Results for the year-ended 31.03.2009 - 30<sup>th</sup> July, 2009

(c) Date of book Closure - 30<sup>th</sup> September, 2009

**(d) Listing on Stock Exchanges:**

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

SI. No.	STOCK EXCHANGE	ADDRESS
(a)	Bombay Stock Exchange	The Bombay, Stock Exchange Phiroze Jeejeebhoy Tower, 25 <sup>th</sup> Floor, Dalal Street, Mumabi- 400 021
(b)	Delhi Stock Exchange	The Delhi Stock Exchange, DSE House, 3/1, Asaf Ali Road, New Delhi – 110002

The Company has paid Annual Listing Fees to Stock Exchanges.



(e) **Stock Exchange Code at BSE : 526481**

Stock Market Data: High and Low during each month in last financial year from April 2008 to March 2009 on Bombay Stock Exchange.

YEAR	MONTH	HIGHEST Rate (Rs.)	LOWEST Rate (Rs.)
2008	April	33.10	20.50
2008	May	31.50	25.05
2008	June	27.40	19.55
2008	July	21.20	17.40
2008	August	20.85	18.55
2008	September	19.70	12.80
2008	October	15.25	8.35
2008	November	10.14	7.79
2008	December	9.95	7.26
2009	January	10.10	7.23
2009	February	7.80	6.69
2009	March	7.46	6.23

(f) **Share Transfer System:**

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

(g) **Dematerialization of Shares:**

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

(h) (i) **Distribution of Shareholding as on 31<sup>st</sup> March, 2009.**

Shareholding of Nominal Value (Rs.)	Shareholders		Share Amount	
	Number	% to Total	Rs.	% to Total
1	2	3	4	5
Up to 5000	9434	91.548	1,74,63,850	10.402
5001 – 10,000	497	4.823	39,91,120	2.377
10,001-20,000	205	1.989	31,73,920	1.890
20,001-30,000	58	0.563	14,82,700	0.883
30,001-40,000	23	0.223	8,11,270	0.483
40,001-50,000	23	0.223	10,78,030	0.642
50,001-1,00,000	30	0.291	22,59,560	1.346
1,00,001- and above	35	0.340	13,76,35,150	81.977
	<b>10305</b>	<b>100.00</b>	<b>16,78,95,600</b>	<b>100.00</b>

**PHOENIX INTERNATIONAL LIMITED**



**(II) Shareholding Pattern as on 31.03.2009**

Category	No. of shares held	Percentage of shareholding
<b>A. Promoter's holding</b>		
1. Promoters		
- Indian Promoters	27,36,000	16.296
- Foreign Promoters	Nil	Nil
2. Persons acting in concert #	91,03,450	54.221
<b>Sub-Total:</b>	<b>1,18,39,450</b>	<b>70.517</b>
<b>B. Non-Promoters Holding</b>		
3. Institutional Investors		
a. Mutual Funds and UTI	Nil	Nil
b. Banks, Financial Institutions, Insurance Companies (Central/Sale Govt. Institutions/Non-Government Institutions)	Nil	Nil
c. FIs	Nil	Nil
<b>Sub Total</b>	<b>Nil</b>	<b>Nil</b>
4. Others		
a. Corporate Bodies	8,19,123	4.879
b. Indian Public	29,88,301	17.799
c. NRIs/OCBs	11,17,931	6.658
d. Any other (please specify) Clearing Members	24,655	0.147
e. Any other (please specify) Trust	100	0.001
<b>Sub-Total</b>	<b>49,50,110</b>	<b>29.484</b>
<b>Grand Total</b>	<b>1,67,89,560</b>	<b>100.000</b>

**(I) Registrar and Transfer Agent**

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

**(j) Plant Location**

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

**(k) Address for Correspondence**

Phoenix International Limited 3<sup>rd</sup> Floor, Gopala Tower, 25, Rajendra Place, New Delhi – 110 008

**NON MANDATORY REQUIREMENT**

The company has not adopted non-mandatory requirement.

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

Place: New Delhi  
Date: 30.07.2009

Narender Makkar  
Director

Narendra Aggarwal  
Director



## PHOENIX INTERNATIONAL LIMITED

---

ANNEXURE I

### INFORMATION ABOUT DIRECTORS SEEKING RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 (IV) (G) (I) OF THE LISTING AGREEMENT ENTERED WITH THE STOCK EXCHANGES:

#### Item No. 2

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

Mr. Narendra Aggarwal is Director in the following Companies:

1. Phoenix Real Time Services Limited
2. Phoenix Capital Services Limited
3. Phoenix Industries Limited
4. Phoenix Hydrocarbons Corporation Limited
5. Phoenix Footwear Private Limited
6. Phoenix Cement Limited
7. Phoenix International Finance Limited
8. Spartan Management Services (P) Limited
9. Mayflower Management services (P) Limited
10. Vanguard Services (P) Limited
11. Spartan Agro Industries Limited
12. Phoenix Land Development Limited
13. Phoenix Power Development Corporation Limited
14. Granada Footwear Private Limited

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

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

He does not hold any Share in the Company.



**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 2008-09.

**PHOENIX INTERNATIONAL LIMITED**

Place : New Delhi  
Date : 30.07.2009

Narnender Makkar  
Director

**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, 2009 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 one shareholder grievance is pending for a period exceeding one month against the Company as per the information furnished by the Registrar & Transfer Agent and records maintained by the company.

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

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

Place : New Delhi  
Date : 30.07.2009

(Rakesh Mathur)  
Membership No. 81851



**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, 2009	March 31, 2009
2. Holding company's Interest i) No. and Face Value of Shares ii) Extent of holding	Holding of 84,32,300 Equity Shares of Rs. 10/- each fully paid-up. 89.40%	Holding of 4,19,53,510 Equity Shares of Rs. 10/- each fully paid-up. 50.57%
3. Net aggregate amount of Subsidiary's Profit / Loss so far as they concerns the member of the Holding Company and not dealt with in the Holding Company's accounts i) For Subsidiary Financial Year ii) For Subsidiary previous financial year since it became Subsidiary	(0.20) lacs  (882.21) lacs	(0.07) lacs  (1152.51) 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 the Board of Directors  
**PHOENIX INTERNATIONAL LIMITED**

Place : New Delhi  
Date : 30.07.2009

Narender Makkar  
Director & Company Secretary

P.M. Alexander  
Director

Narendra Aggarwal  
Director





**AUDITORS' REPORT**

**TO THE MEMBERS OF PHOENIX INTERNATIONAL LIMITED**

We have audited the attached Balance Sheet of PHOENIX INDUSTRIES LIMITED as at 31<sup>st</sup> March, 2009, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in the paragraph 4 and 5 of the said Order, to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph '1' above, we report that:-
  - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (e) on the basis of the written representations received from the Directors of the Company as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - (f) in our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
    - in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009; and
    - in the case of the Profit & Loss Account, of the loss of the Company for the year ended on that date; and
    - in the case of the Cash Flow Statement of the cash flows of the company for year ended on that date.

**For RKM & Associates**  
Chartered Accountants

Place: New Delhi  
Date : 30.07.2009

**(Rakesh Mathur)**  
Prop.



## PHOENIX INTERNATIONAL LIMITED

### ANNEXURE REFERRED TO IN PARAGRAPH '1' OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF PHOENIX INTERNATIONAL LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH' 2009

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. However, the records need to be updated with regard to situation of fixed assets and sufficient description to make identification of fixed assets possible.
- (b) As explained to us, the fixed assets have been physically verified by the management at the end of the accounting year. As explained to us, no material discrepancies were noticed on comparison of physical quantities with those as per fixed assets register. In our opinion, the program of physical verification of fixed assets is reasonable having regard to the size of the company and nature of its fixed assets.
- (c) The Company during the year has not disposed off any substantial / major part of its fixed assets.
2. (a) As explained to us, the inventories have been physically verified by the management at the end of the accounting year. In our opinion, the frequency of physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. According to the information and explanations given to us, no material discrepancies have been noticed on physical verification of inventory as compared to the book records.
3. (a) According to the Information -and explanations to us, the Company during the year has not granted any loans, secured or unsecured, to companies, firms or others parties covered in the register maintained under Section 301 of the Companies Act, 1956 except an interest free loan of Rs. 330.00 lacs granted to its subsidiary company Phoenix Industries Ltd. The maximum amount involved during the year was Rs. 330.00 lacs and the year end balance of loan granted to subsidiary company was Rs. 330.00 lacs.
- (b) The company has not charged any interest on above loan granted to its subsidiary company. Other than the above, in our opinion, the terms and conditions of above loan granted by the Company are not prima facie, prejudicial to the interest of the Company.
- (c) The terms and conditions of the above loan granted to subsidiary company have not been stipulated in writing.
- (d) According to the information and explanations given to us, there is no overdue amount of loan granted to subsidiary company.
- (e) The Company has taken an interest free unsecured loans of Rs. 625.39 lacs from two companies / parties covered in the register maintained under Section 301 of the Companies Act, 1956. The opening balance of the unsecured loans taken was Rs. 625.39 lacs. The maximum amount involved during the year was Rs. 625.39 lacs and the year-end balance of the interest free unsecured loans were Rs. 87.00 lacs.
- (f) The above stated unsecured loans taken by the company are interest free. In our opinion, the terms and conditions of the same are prima facie, not prejudicial to the interest of the Company.
- (g) The terms of repayment of interest free unsecured loans obtained have not been stipulated in writing and as explained to us, the said unsecured loans are repayable on demand.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
5. (a) According to the information and explanations given to us, particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) Excluding certain transactions of purchase/sale of goods and material of special nature for which alternate quotations/source of supply was not available and on the basis of technical evaluation in respect of the quality of the items and because of the special type of work involved, the transactions entered into pursuant to such contracts and arrangements, in our opinion and according to the information and explanations given to us, have been made at prices which are prima facie reasonable having regard to the prevailing market price at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
7. According to the information and explanations given to us, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.



8. The Company has maintained Cost Accounting records as prescribed for Footwear and its components by the Central Government under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company. However, we have not made detailed examination of such records with a view to determine whether they are accurate and complete.
9. (a) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales-tax, wealth tax, customs duty, excise-duty, cess and other material statutory dues as applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales tax, customs duty, excise duty and cess were outstanding as at 31<sup>st</sup> March'2008 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the disputed statutory dues, which have not been deposited with appropriate authorities on account of any dispute, are as under: -

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

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

**For RKM & Associates**  
Chartered Accountants

Place: New Delhi  
Date : 30.07.2009

(Rakesh Mathur)  
Prop.



## BALANCE SHEET AS AT 31'st MARCH, 2009

DESCRIPTION	SCHEDULE	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDERS' FUNDS</b>			
Share Capital	1	167,895,600	167,895,600
Reserves and Surplus	2	<u>468,306,727</u>	<u>461,344,602</u>
		<b>636,202,327</b>	<b>629,240,202</b>
<b>LOAN FUNDS</b>			
Secured Loans	3	335,440,072	352,145,827
Unsecured Loans		<u>8,700,000</u>	<u>62,539,326</u>
		<b><u>980,342,399</u></b>	<b><u>1,043,925,355</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	4	469,871,268	479,866,169
Less: Depreciation		<u>201,066,569</u>	<u>186,725,157</u>
Net Block		<u>268,804,699</u>	<u>293,141,012</u>
Capital work in progress		<u>254,778,820</u>	<u>225,057,792</u>
		<b>523,583,519</b>	<b>518,198,804</b>
<b>INVESTMENTS</b>			
	5		159,082,580
		<b>159,082,580</b>	
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	6	34,075,714	24,306,896
Sundry Debtors		62,556,399	96,260,881
Cash and Bank Balances		12,119,853	12,158,603
Loans and Advances		<u>619,213,583</u>	<u>660,735,142</u>
		<b><u>727,965,549</u></b>	<b><u>793,461,522</u></b>
<b>LESS : CURRENT LIABILITIES AND PROVISIONS</b>			
Liabilities	7	422,878,893	421,012,678
Provisions		<u>7,410,356</u>	<u>5,804,873</u>
		<b><u>430,289,249</u></b>	<b><u>426,817,551</u></b>
Net Current Assets		<b><u>297,676,300</u></b>	<b><u>366,643,971</u></b>
		<b><u>980,342,399</u></b>	<b><u>1,043,925,355</u></b>

Accounting Policies and Notes to the Accounts 13

## AS PER OUR REPORT OF EVEN DATE ATTACHED

For RKM & Associates  
Chartered AccountantsRakesh Mathur  
Prop.Place : New Delhi  
Date : 30.07.2009

For and on behalf of the Board of Directors

Narender Makkar  
Director & Company SecretaryNarendra Aggarwal  
Director



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

DESCRIPTION	SCHEDULE	YEAR ENDED 31 ST MARCH, 2009 (Rs.)	YEAR ENDED 31 ST MARCH, 2008 (Rs.)
<b>INCOME</b>			
Sales and Services	8	172,347,341	183,191,508
Other Income	9	15,235,918	16,807,715
		<u>187,583,259</u>	<u>199,999,223</u>
<b>EXPENDITURE</b>			
Manufacturing Expenses	10	104,824,284	116,316,025
Administrative and other Expenses	11	11,496,502	13,540,894
Interest	12	48,332,750	39,410,035
Depreciation		14,884,902	14,865,891
		<u>179,538,438</u>	<u>184,132,843</u>
<b>PROFIT FOR THE YEAR BEFORE EXTRA ORDINARY ITEM</b>		<b>8,044,821</b>	<b>15,188,175</b>
Add Extra Ordinary Item		-	160,995,078
<b>PROFIT AFTER EXTRA ORDINARY ITEMS BUT BEFORE TAX</b>		<b>8,044,821</b>	<b>176,861,458</b>
Less:- Tax paid/Adjustment for Earlier Year		92,696	
Less: -Provision for Income Tax		830,000	1,800,000
Less: -Provision for Fringe Benefit Tax		160,000	175,000
<b>PROFIT AFTER TAXATION</b>		<b>6,962,125</b>	<b>174,886,458</b>
Add Profit (Loss) Balance brought forward		237,023,907	62,137,448
<b>Balance carried to Balance Sheet</b>		<b>243,986,032</b>	<b>237,023,907</b>
<b>Earning per share-Basic and Diluted</b>		<b>0.41</b>	<b>10.42</b>
Accounting Policies and Notes to the Accounts	13		
<b>AS PER OUR REPORT OF EVEN DATE ATTACHED</b>			

For RKM & Associates  
Chartered Accountants

Rakesh Mathur  
Prop.  
Place : New Delhi  
Date : 30.07.2009

Narender Makkar  
Director & Company Secretary

Narendra Aggarwal  
Director

**PHOENIX INTERNATIONAL LIMITED**



DESCRIPTION	AS AT 31ST MARCH, 2009 (Rs.)	AS AT 31ST MARCH, 2008 (Rs.)
<b>SCHEDULE -1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
5,00,00,000 Equity Shares of Rs. 10/-each	500,000,000	500,000,000
1,00,00,000 4% Cumulative Redeemable Preference Shares of Rs. 100/-each	1,000,000,000	1,000,000,000
	<u>1,500,000,000</u>	<u>1,500,000,000</u>
<b>Issued, Subscribed and Paid up</b>		
167,89,560 Equity Shares of Rs. 10/- each fully paid up [Of the above 143,75,080 Equity Shares of Rs. 10/- each allotted as fully paid up bonus shares by capitalisation of accumulated profits and share premium]	167,895,600	167,895,600
	<u>167,895,600</u>	<u>167,895,600</u>
<b>SCHEDULE-2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>A. General Reserve</b>		
As per last Year	100,121,795	100,800,000
Less; Transitional effects on Account of AS-15 (Revised)		678,205
	<u>100,121,795</u>	<u>100,121,795</u>
<b>B. Share Premium Account</b>		
As per last year	124,198,900	124,198,900
<b>C. Profit &amp; Loss Account</b>		
(As per annexed Account)	243,986,032	237,023,907
	<u>468,306,727</u>	<u>461,344,602</u>
<b>SCHEDULE-3</b>		
<b>SECURED LOANS</b>		
<b>Term Loan</b>		
From Bank (Note a )	335,440,072	352,145,827
	<u>335,440,072</u>	<u>352,145,827</u>
<b>UNSECURED LOANS</b>		
Loan from Promotor/Share Holder	8,700,000	8,700,000
loan from Body Corporate	-	53,839,326
	<u>8,700,000</u>	<u>62,539,326</u>

**Notes:**

- a. Term Loan from Oriental Bank of Commerce of Rs 2166.67 lacs(Previous year Rs 2400.62 lacs) is secured by way of equitable mortgage of Leasehold Land and Building situated at A=37,Sector=60,Noida and first charge on entire Fixed Assets existing and future of the company. Repayable in 84 Equated monthly instalments of Rs 42,80,700/-after initial moratorium of 12 months from the date of disbursement due with in a year Rs 514.44 lacs( previous year Rs 514.44 lacs).
- b. Term Loan from Indian Bank of Rs 1187.72 lacs (previous year Rs. 1120.83) is secured by way of equitable mortgage of Leasehold Land and Building situated at A=37,Sector=60,Noida on first pari passu charge basis with O B C and first pari passu charge on entire Fixed Assets existing and future of the company with Oriental Bank of Commerce. Repayable in 84 Equated monthly instalments of Rs 31,50,100/-after holiday period of one year from the date of disbursement.due with in one year Rs 197.04 lacs ( previous year Rs Nil).

**PHOENIX INTERNATIONAL LIMITED**



**SCHEDULE-4**

**FIXED ASSETS**

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01-04-08	ADDITION DURING THE YEAR	SALE ADJUST- MENT	AS AT 31.3.2009	UPTO 31.03.08	FOR THE YEAR	SALE ADJUST- MENT	UPTO 31.03.09	AS AT 31.03.09	AS AT 31.03.08
	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)
Leasehold Land	35,715,590	-	-	35,715,590	-	-	-	-	35,715,590	35,715,590
Buildings	349,391,563	-	-	349,391,563	135,114,318	11,596,017	-	146,710,335	202,681,228	214,277,245
Wooden Structure	2,878,972	-	-	2,878,972	2,878,972	-	-	2,878,972	-	-
Plant & Machinery	40,467,296	-	-	40,467,296	24,530,549	1,603,377	-	26,133,926	14,333,370	15,936,747
Shoe Last & Moulds	-	-	-	-	-	-	-	-	-	-
Office & Other Equipments	14,042,712	937,403	(-11373773)	3,606,342	2,849,000	225,422	-	3,074,422	531,920	11,193,712
Vehicles	6,923,771	-	557,197	6,366,574	6,112,952	253,508	543,490	5,822,970	543,604	810,819
Electrical Installations	27,937,253	950,000	-	28,887,253	12,928,177	1,162,017	-	14,090,194	14,797,059	15,009,076
Furniture & Fixtures	2,509,012	48,666	-	2,557,678	2,311,189	44,561	-	2,355,750	201,928	197,823
<b>TOTAL</b>	<b>479,866,169</b>	<b>1,936,069</b>	<b>557,197</b>	<b>469,871,268</b>	<b>186,725,157</b>	<b>14,884,902</b>	<b>543,490</b>	<b>201,066,569</b>	<b>268,804,699</b>	<b>293,141,012</b>
Capital Work-in-progress:-										
Building under construction (B Block)	201,815,717	18,347,255	-	220,162,972	-	-	-	-	220,162,972	201,815,717
Machinery Pending Installation	23,242,075	-	-	23,242,075	-	-	-	-	23,242,075	23,242,075
AirConditioner	-	-	(+11373773)	11,373,773	-	-	-	-	11,373,773	-
	225,057,792	18,347,255	-	254,778,820	-	-	-	-	254,778,820	225,057,792
<b>Grand Total</b>	<b>704,923,961</b>	<b>20,283,324</b>	<b>557,197</b>	<b>724,650,088</b>	<b>186,725,157</b>	<b>14,884,902</b>	<b>543,490.00</b>	<b>201,066,569</b>	<b>523,583,519</b>	<b>518,198,804</b>
Previous Year	564,019,354	140,904,607	-	704,923,961	171,859,267	14,865,890	-	186,725,157	518,198,804	392,160,087

DESCRIPTION	AS AT 1.04.2008 (RS.)	ADDITIONS DURING THE YEAR (RS.)	SALES DURING THE YEAR (RS.)	AS AT 31.03.2009 (RS.)
-------------	-----------------------------	--	--------------------------------------	------------------------------

**SCHEDULE - 5**

**INVESTMENTS**

**LONG TERM TRADE INVESTMENTS - AT COST**

**UNQUOTED SHARES IN SUBSIDIARY COMPANIES**

**PHOENIX INDUSTRIES LIMITED**

84,32,300 Equity Shares of Rs. 10/- each fully

paid up.(Previous year 84,32,300)

148,084,590

148,084,590

Less:-Provision for diminution in value of Investments

120,979,863

27,104,727

120,979,863

27,104,727

**PHOENIX CEMENT LIMITED**

419,53,510 Equity Shares of Rs. 10/- each fully

paid up (Previous year 4,19,53510)

419,535,100

419,535,100

Less:-Provision for diminution in value of Investments

288,688,144

130,846,956

288,688,144

130,846,956

**SHARES IN OTHER COMPANIES**

**BLOOMSBURY TRADING PTE. LTD., SINGAPORE**

46,000 Equity Shares of Singapore Dollar 1/- each fully

paid up (Previous year 46,000)

1,130,597

1,130,597

**PHOENIX HYDRO CARBONS LIMITED**

10 Equity Shares of Rs. 10/- each fully

paid up( Previous year 10)

100

100

**PHOENIX FOOTWEAR PRIVATE LIMITED**

10 Equity Shares of Rs. 10/- each fully

paid up( Previous year 10)

100

100

**PHOENIX POWER DEVELOPMENT CORPN. LIMITED**

10 Equity Shares of Rs. 10/-each fully

paid up( Previous year 10)

100

100

159,082,580

159,082,580

**PHOENIX INTERNATIONAL LIMITED**



**Notes:**

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

DESCRIPTION	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
<b>SCHEDULE-6</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A. CURRENT ASSETS</b>		
<b>INVENTORIES (AS TAKEN, VALUED AND CERTIFIED BY THE MANAGEMENT)</b>		
Raw Materials	26,494,367	19,240,240
Work In Process	7,581,347	5,066,656
	<u>34,075,714</u>	<u>24,306,896</u>
Notes:		
a. Valuation of Inventories as per Accounting Policy No. 3		
b. Inventories include :-		
With third Parties	<u>3,529,580</u>	<u>2,817,026</u>
<b>SUNDRY DEBTORS - UNSECURED</b>		
<b>Debts outstanding for a period exceeding six months</b>		
- Considered Good	-	96,260,881
- Considered Doubtful	59,960,832	59,960,832
<b>Others debts</b>		
- Considered Good	62,556,399	-
- Considered Doubtful	-	-
	<u>122,517,231</u>	<u>156,221,713</u>
Less: Provision for Doubtful Debts	<u>59,960,832</u>	<u>59,960,832</u>
	<u>62,556,399</u>	<u>96,260,881</u>
<b>CASH AND BANK BALANCES</b>		
a) Cash in hand	3,571,810	316,924
b) Balance with Scheduled Banks in		
- Current Accounts	3,100,783	4,696,089
- Fixed Deposit *	5,447,260	7,145,590
	<u>12,119,853</u>	<u>12,158,603</u>
Notes: a. Balance in current account includes		
- uncashed dividend warrants	953,383	1,678,077
* Balance in Fixed deposits includes deposits pledged with banks, sales Tax	278,538	278,538
<b>B. LOANS AND ADVANCES (UNSECURED)</b>		
<b>(CONSIDERED GOOD UNLESS OTHERWISE STATED)</b>		
<b>Loans</b>		
- Considered Good	33,000,000	33,000,000
<b>Advances recoverable in cash or in kind or for value to be received</b>		
- Considered Good	554,889,492	602,615,677
- Considered Doubtful	456,206	456,206
	<u>555,345,698</u>	<u>636,071,884</u>
Less provision for Doubtful advances	<u>456,206</u>	<u>456,206</u>
	<u>587,889,492</u>	<u>635,615,677</u>
Due from subsidiary Companies	17,461,235	16,382,857
Advances Tax/Tax deducted at Source	11,385,957	6,259,708
Deposits-Considered Good	2,476,899	2,476,899
	<u>619,213,583</u>	<u>660,735,142</u>



**PHOENIX INTERNATIONAL LIMITED**



DESCRIPTION	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
<b>SCHEDULE - 7</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors *	153,267,618	164,301,280
Security Deposit	240,146,471	235,176,998
Unclaimed Dividend	946,791	946,791
Other Liabilities	28,365,115	20,587,609
Book Over draft	152,898	-
	<b>422,878,893</b>	<b>421,012,678</b>
<b>PROVISIONS</b>		
Gratuity	1,694,899	1,237,440
Leave Encashment	1,068,079	930,034
Taxation-Income Tax / Wealth Tax/ Fringe Benefit Tax	4,647,378	3,637,399
	<b>7,410,356</b>	<b>5,804,873</b>
Note: *Include due to SSI Units -NIL-(Previous Year NIL) Refer note no 3 of Schedule 13.		
<b>SCHEDULE - 8</b>		
<b>SALES AND SERVICES</b>		
Sales and Services	126,863,868	141,323,113
Export Entitlements/Benefits	1,058,847	3,449,689
Rent Received (Gross) (Tax deducted at source)	44,424,626	38,418,706
Rs 50,82,398 (Previous Year Rs 38,64,963)	<b>172,347,341</b>	<b>183,191,508</b>
<b>SCHEDULE - 9</b>		
<b>OTHER INCOME</b>		
Interest Received (Gross) (Tax deducted at source)		
Rs 85,764 (Previous Year Rs 19,190)	416,350	451,183
Sale of scrap	424,190	-
Profit on sale of fixed Assets	16,293	-
Credit / Unclaimed balances written back	6,313,313	-
Excess Provision written back (Net)	1,931,202	8,022,952
Other Receipts	6,134,570	8,333,580
	<b>15,235,918</b>	<b>16,807,715</b>
<b>SCHEDULE - 10</b>		
<b>MANUFACTURING EXPENSES</b>		
<b>Raw Material consumed</b>		
Opening Stocks	19,240,240	34,157,110
Add; Purchases	96,201,735	82,418,869
	<b>115,441,975</b>	<b>116,575,979</b>
Less; Closing Stocks	26,494,367	19,240,240
<b>(Increase)/Decrease in Stocks</b>	<b>88,947,608</b>	<b>97,335,739</b>
<b>(Increase)/Decrease in Stocks</b>		
Opening Stocks	-	767,852
Finished Goods	5,066,656	5,935,269
Work in Process	5,066,656	6,703,121
	<b>5,066,656</b>	<b>6,703,121</b>
Less:- Closing Stocks		
Finished Goods		5,066,656
Work in Process	7,581,347	5,066,656
	<b>7,581,347</b>	<b>5,066,656</b>
Fabrication Charges	(2,514,691)	1,636,465
Power and Fuel	4,968,571	5,328,837
	330,214	265,066
<b>Repairs and Maintenance:</b>		
- Building	261,914	170,217
- Others	424,081	354,370
Salaries, Wages, Allowance, Bonus, Exgratia etc.	685,995	524,587
Contribution to Provident Fund, E.S.I.C , etc.	10,668,015	9,623,801
Staff Welfare	971,823	827,716
	766,749	773,814
	<b>104,824,284</b>	<b>116,316,025</b>



DESCRIPTION	YEAR ENDED 31.03.2009 (Rs)	YEAR ENDED 31.03.2008 (Rs)
<b>SCHEDULE - 11</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
Rent , rates and taxes	2,832,356	3,389,566
Insurance	171,775	323,965
Auditors Remuneration:		
- Audit Fee	66,180	50,562
- Tax Audit Fee	16,545	5,618
Directors Sitting fee	24,000	48,000
Advertisement & Publicity and Business Promotion	162,983	369,994
Exchange Loss (Net)	1,851,923	337,361
Vehicle Maintenance	240,539	354,722
Telephone & Telex Expenses	315,761	350,033
Bank and Financial Charges	401,274	614,684
Legal & Professional Charges	1,881,679	4,529,554
Travelling and Conveyance	750,771	680,972
Miscellaneous Expenses	611,731	693,651
Freight Outward, Handling and Clearing Charges	1,362,821	1,225,838
Watch and Ward	806,164	566,374
	<u>11,496,502</u>	<u>13,540,894</u>
<b>SCHEDULE - 12</b>		
<b>INTEREST</b>		
Term Loan	47,677,778	39,331,070
Others	654,972	78,963
	<u>48,332,750</u>	<u>39,410,033</u>



**SCHEDULE-13**

**ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**(A) SIGNIFICANT ACCOUNTING POLICIES**

**1. a) Basis of Preparation of Financial Statements**

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

**b) Use of Estimates**

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

**2. Fixed Assets**

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

**3. Valuation of Inventories**

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

**4. Depreciation**

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

**5. Foreign Exchange Transactions**

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

**6. Sales**

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

**7. Export Benefits**

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

**8. Employee Benefits**

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

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



## PHOENIX INTERNATIONAL LIMITED

### 9. Investments

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

### 10. Impairment of Fixed Assets

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

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

### 11. Contingencies

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

## B) NOTES TO THE ACCOUNTS

### 1. Contingent Liabilities not provided for

	As at 31.03.2009 (Rs. in Lacs)	As at 31.03.2008 (Rs. in Lacs)
(a) Income Tax, Sales Tax, Excise Duty and Custom Duty demands under Appeals.	11.37	11.37
(b) Corporate Guarantee for loans availed by Focus Energy Limited.	19700.00	10832.00

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

3. No creditor has intimated about their status being of small scale industrial undertaking.

4. As the Company has unabsorbed depreciation and unabsorbed losses to the tune of Rs. 4730.62 lacs which are to be carried forward as per the provisions of the Income Tax Act, 1961, in the opinion of the management there is no certainty that sufficient future taxable income will be available, the Company has not recorded cumulative Deferred Tax Assets / Liabilities on account of timing differences as stipulated in Accounting Standard (AS-22) "Accounting for Taxes on Income".

### 5. Disclosure pursuant to Accounting Standard – 15

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

b) Defined Contribution Plan

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

Particulars	Amount (in Rs.)	Head under which shown in Profit & Loss Account
Contribution to Provident Fund	7,47,574	Contribution to Provident Fund

c) Defined Benefit Plan

Movement in net liability



Particulars	Gratuity (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
Present value of obligations as on 01.04.08 (A)	1237440	596000	930034	336000
Adjustment for increase (decrease) in opening obligation (B)	—	378157	—	300048
Interest Cost (C)	98995	77933	74403	50884
Current service cost (D)	249074	195046	168117	352857
Benefits paid (E)	Nil	Nil	(200769)	Nil
Actuarial loss on obligation (F)	109390	(9696)	96294	(109755)
Present value of obligations as on 31.03.2009 (G=A+B+C+D-E+F)	1694899	1237440	1068079	930034

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

Particulars	Gratuity (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
Present value of obligations (A)	1694899	1237440	1068079	930034
Estimated fair value of plan assets (B)	Nil	—	Nil	
Net liability (C=A-B)	1694899	1237440	1068079	930034
<b>Amount in the Balance Sheet</b>				
Liabilities	1694899	1237440	1068079	930034
<b>Amount charged to Profit &amp; Loss Account</b>				
Current Service Cost	249074	195046	168117	352857
Interest Cost	98995	77933	74403	50884
Actuarial(Gain)/Loss	109390	(9696)	96294	(109755)
	457459	263283	338814	293966
Head under which shown in the Profit & Loss account	Salary & benefits	Salary & benefits	Salary & benefits	Salary & benefits

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

Particulars	
Discount Rate	8%
Salary Escalation Rate	10%

f) This being the first year of implementation of AS-15 (Revised, 2005) previous year figures have not been given.

6. **Segment Reporting:-**

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

7. **Related Party Transactions:-**

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

a) **Key Managerial Personnel**

Mr. Narender Kumar Makkar  
 Mr. Narender Aggarwal  
 Mr. Arun K.Sinha



**b) Subsidiary Companies**

Phoenix Cement Limited  
Phoenix Industries Limited

**c) Enterprises under direct / indirect common control:**

Focus Energy Limited (Formerly known as Phoenix Overseas Limited)

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

Particulars	YEAR ENDED 31.03.2009			PERIOD ENDED 31.03.2008		
	Key Management Personnel	Subsidiary	Associates	Key Management Personnel	Subsidiary	Associates
Purchase of goods		-	3,52,632	-	-	5,05,844
Sales of Goods				-		3,245,52,591
Directors Remuneration and contribution to provident fund	10,62,088	-	-	7,97,088	-	-
Directors Sitting Fees	24,000	-	-	48,000	-	-
Outstanding as at the year end:						
Unsecured Loans	87,00,000	-	-	87,00,000	-	5,38,39,326
Investments (net of provisions)		15,79,51,683	-		15,79,51,683	-
Current Liabilities		-		-	-	
Sundry Debtors		-	4,98,30,923	-	-	3,24,52,291
Loans granted		3,30,00,000	-	-	3,30,00,000	-
Advances recoverable in cash or in kind or for value to be received		1,74,61,235	52,52,68,896	-	1,75,10,907	53,58,17,084
Guarantee Given	-	-	197,00,00,000	-	-	108,32,00,000

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

	Year Ended 31.3.2009	Year Ended 31.3.2008
Net Loss / Profit	Rs 80,44,821	Rs. 17,48,86,458
Number of Equity Shares	1,67,89,560	1,67,89,560
Nominal Value of the share	Rs.10	Rs.10
Earning / (Loss) per share (Basic and Diluted)	Rs 0.41	Rs. 10.42

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

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

(Rs. In Lacs)

SL. NO.	PARTICULARS	Year Ended 31.03.2009	Year Ended 31.03.2008
(i)	Provision made in earlier years for diminishing in value of fixed assets written back.	-	-
(ii)	Provision made in earlier year for discount / provision for doubt full debts / advances written back.	-	1,609.95
(iii)	Provision on accounts of settlement of outstanding dues with banks and financial institutions written back.	-	-
	TOTAL	-	1,609.95

**PHOENIX INTERNATIONAL LIMITED**



11. Prior Period expenditure of Rs.16.86 lacs have been included under normal head of expenses.  
 12. Auditors remuneration is as under:-

	YEARENDED 31.03.2009 (Rs.)	PERIOD ENDED 31.03.2008 (Rs.)
1. Audit Fees	66,180	50,562
2. Tax Audit Fees	16,545	5,618
13. Debit / Credit balances as on 31 <sup>st</sup> March, 2009 in Debtors, Creditors, Loans & Advances and other parties accounts are subject to confirmations.		
14. In the opinion of the management, the value on realization of Current Assets and Loans & Advances in the ordinary course of business would be at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities is adequate.		
15. Discloser of Loans/Advances and Investments in its own shares by the listed companies, their subsidiaries, associates etc. (as certified by the management)		

Particulars	Outstanding Balance as on 31.03.2009 (Rs.)	Max Balance outstanding during the year (Rs.)
I. Loans & Advances in the nature of loans to Subsidiaries.	3,30,00,000	3,00,00,000
II. Loans & Advances in the nature of loans to Associates.	Nil	Nil
III. Loans & Advances in the nature of loans where there is no repayment schedule, no interest or interest below Section 372(A) of Companies Act, 1956.	Nil	Nil
IV. Loans & Advance in the nature of loans to firms / companies to which directors are interested.	Nil	Nil
V. Investment by Loanee in the shares of parent company and subsidiary company when the company has made loan or advance in the nature of loan;	No. Shares	Amount (Rs.)
- Phoenix Industries Ltd.	84,32,300 (84,32,300)	2,71,04,727 (2,71,04,727)

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

PARTICULARS	CURRENT YEAR ENDED 31.03.2009 (Rs.)	PREVIOUS YEAR ENDED 31.03.2008 (Rs.)
1. Whole Time Director		
- Salaries and Allowances	9,89,200	739,200
- Contribution to Provident & Other Funds	72,888	57,888
<b>Total</b>	<b>10,62,088</b>	<b>7,97,088</b>

**19. STATEMENT OF ADDITIONAL INFORMATION**

**(I) Particulars of Capacity and Production**

DESCRIPTION	UNIT	INSTALLED CAPACITY		PRODUCTION	
		YEARENDED 31.03.2009	YEARENDED 31.03.2008	YEARENDED 31.03.2009	YEARENDED 31.03.2008
SHOEUPPER	PAIRS	Refer note 1 below	-	93,920	1,04,562
FOOTWEAR	PAIRS	Refer note 1 below	-	93,920	1,04,562
<b>TOTAL</b>				<b>93,920</b>	<b>1,04,562</b>

**Note:**

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



(II) PARTICULARS OF RAW MATERIAL CONSUMED

PARTICULARS	CURRENT YEAR IN RS	PREVIOUS YEAR IN RS
Leather/other Raw Material	8,89,47,608	9,73,35,739

(III) PARTICULARS OF PURCHASES-FINISHED GOODS

DESCRIPTION	UNIT	YEARENDED		YEARENDED	
		QUANTITY 31.03.2009	VALUE (RS. IN LACS) 31.03.2009	QUANTITY 31.03.2008	VALUE (RS. IN LACS) 31.03.2008
SHOEUPPER	PAIRS	-	-	-	-

(IV) OTHER ADDITIONAL INFORMATION

DESCRIPTION	YEARENDED 31.03.2009 (Rs in Lacs)	PERCENTAGE	YEARENDED 31.03.2008 (Rs in Lacs)	PERCENTAGE
(A) Value of imports on C.I.F Basis	733.93	NIL	657.25	NIL
(B) Expenditure in Foreign currency Interest	NIL		NIL	
(C) Earnings in foreign currency Export on FOB basis	82.58		858.07	
(D) Value of imported/indigenous Raw Material ,stores, Spares and components consumed	864.32	NIL	989.72	NIL

for RKM & Associates  
Chartered Accountants

for and on behalf of the Board of Directors

RAKESH MATHUR  
Prop.

Narender Makkar  
Director & Company Secretary

Narendra Aggarwal  
Director

Place : New Delhi  
Date : 30.07.2009





CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2009

(Rs in Lacs)

	YEAR ENDING 31.03.2009	YEAR ENDING 31.03.2008
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
A. <b>Net Profit(Loss) Before Tax &amp; Extraordinary Items</b>	<b>80.45</b>	<b>158.66</b>
Add. Extra Ordinary items	-	1,609.95
<b>Net Profit(Loss) Before Tax &amp; Extraordinary Items</b>	<b>80.45</b>	<b>1,768.61</b>
Adjusted for other items		
depreciation	<b>148.85</b>	148.66
Foreign Exchange (Net)	<b>(18.52)</b>	(3.37)
Interest (Net)	<b>479.17</b>	389.59
Profit on Sale of Investment	-	-
Loss on Sale of investment	-	-
Adjustment for gratuity and leave encashment AS-15	-	(6.78)
Loss on sale of Fixed Assesr (Net)	-	-
Profit on Sale of Fixed Assesr(Net)	<b>0.16</b>	-
Loss on sale of Assets held for sale	-	-
Provision for Discount and Doubtful Debts\Advances	-	-
Provision for Inventory Write Down	-	-
<b>Operative Profit(Loss) Before Working Capital Changes</b>	<b>690.11</b>	<b>2,296.71</b>
Adjusted for;		
Trade Recivables & Other Current Assets	<b>337.03</b>	(353.38)
other current assets	<b>469.02</b>	(2,165.38)
Inventories	<b>(97.69)</b>	165.54
Trade & Other Payable	<b>50.65</b>	726.77
Cash Generated from Operations	<b>1,449.12</b>	670.26
Direct Tax Receipts (Net)	<b>(62.06)</b>	(52.43)
<b>Net Cash from Operatives Activities</b>	<b>1,387.06</b>	<b>617.83</b>
B. <b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets\Capital WIP	<b>(202.83)</b>	(1,409.05)
Sale of Fixed Assets	-	-
Purchase of Investment	-	-
sale of Investments	-	-
Interest Received	<b>4.16</b>	4.51
<b>Net Cash from Investing Activities</b>	<b>(198.67)</b>	<b>(1,404.54)</b>
C. <b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Unsecured	-	-
Proceeds from Secured Loan	-	1,004.61
Repayment of Long Term Borrowings (Net)	<b>(167.06)</b>	-
Repayment of unsecured loan	<b>(538.39)</b>	-
Interest Paid	<b>(483.33)</b>	(394.10)
<b>Net Cash from Financing Activities</b>	<b>(1,188.78)</b>	<b>610.51</b>
<b>Net Increase ( Decrease) in cash and Cash Equival</b>	<b>(0.39)</b>	<b>(176.20)</b>
Cash and Cash Equivalents as at 01.04.2008 (Opening)	<b>121.59</b>	297.79
<b>Cash and Cash Equivalents as at 31.03.2009 (Closing)</b>	<b>121.20</b>	<b>121.59</b>

Narender Makkar  
Director & Company Secretary

Narendra Aggarwal  
Director

AUDITOR'S CERTIFICATE

We have examined the above cash flow statement of Phoenix International Limited for the period ended 31.03.2009. The statement has been prepared by the management in accordance with the listing requirements of the stock exchange in india and is based on and derived from the audited financial statements of the company for the year ended 31.03.2009.

Place: New Delhi  
Dated: 30.07.2009

for RKM & ASSOCIATES  
(Rakesh Mathur)  
Prop.



INFORMATION PURSUANT TO PART-IV OF SCHEDULE-VI TO THE COMPANIES ACT, 1956  
Balance Sheet Abstract and Company's General Business Profile

(i) Registration Details:

Registration No. 0 5 5 - 3 0 0 9 2

State Code: 5 5

Balance Sheet Date: 3 1 0 3 0 9  
Date Month Year

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

Public Issue

0 0 0 0 0 N I L

Right Issue

0 0 0 0 0 N I L

Bonus Issue

0 0 0 0 0 N I L

Private Placement

0 0 0 0 0 N I L

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

Total Liabilities:

0 9 8 0 3 4 2

Total Assets

0 9 8 0 3 4 2

Sources of Funds:-

Paid-up Capital

0 1 6 7 8 9 6

Reserves & Surplus

0 4 6 8 3 0 6

Secured Loans

0 3 3 5 4 4 0

Unsecured Loans

0 0 0 8 7 0 0

Application of Funds:-

Net Fixed Assets

0 5 2 3 5 8 3

Investments

0 1 5 9 0 8 3

Net Current Assets

0 2 9 7 6 7 6

Misc. Expenditure

0 0 0 0 0 N I L

Accumulated Losses

0 0 0 0 0 0 -

(iv) Performance of Company :

Turnover

0 1 8 7 5 8 3

Total Expenditure

0 1 7 8 5 3 8

Profit Before tax

0 0 0 8 0 4 5

Profit after tax

0 0 0 6 9 6 2

Earning per Share

0 0 0 0 4 1

Dividend Rate %

0 0 0 0 0 N I L

(in Rs.)

(v) Generic Names of Three Principal Products/Services of company (as per monetary terms)

Item Code No. (ITC Code) 0 0 0 6 4 0 2

0 0 2 3 0 4 0 3

6 4 0 3 9 1 0 2

Product Description F O O T W E A R

S O Y A

S H O E U P P E R

Place : New Delhi  
Dated : 30.07.2009

Narender Makkar  
Director & Company Secretary

Narendra Agrawal  
Director



## AUDITOR'S REPORT

## TO THE MEMBERS OF PHOENIX INDUSTRIES LIMITED

We have audited the attached Balance Sheet of **PHOENIX INDUSTRIES LIMITED** as at 31<sup>st</sup> March, 2009, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in the paragraph 4 and 5 of the said Order, to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph '1' above, we report that:-
  - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit ;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
  - (c) the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
  - (d) in our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ;
  - (e) on the basis of the written representations received from the Directors of the Company as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
  - (f) in our opinion and to the best of our information and according to the explanations given to us, the said financial statements, **subject to non-inclusion of Financial Statement of "Pelle Fine Leather Inc., USA", a foreign subsidiary of the company** and read with other Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
    - in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009; and
    - in the case of the Profit & Loss Account, of the loss of the Company for the year ended on that date ; and
    - in the case of the Cash Flow Statement of the cash flows of the company for year ended on that date.

**For RKM & Associates**  
Chartered Accountants

(Rakesh Mathur)  
Prop.

Place: New Delhi  
Date : 30.07.2009

**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 31<sup>ST</sup> MARCH' 2009**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. However, the records need to be updated with regard to situation of fixed assets and sufficient description to make identification of fixed assets possible.
- (b) As explained to us, the fixed assets have been physically verified by the management at the end of the accounting year. As explained to us, no material discrepancies were noticed on comparison of physical quantities with those as per fixed assets register have been adjusted in the books of account.
- (c) The Company during the year has not disposed off any substantial / major part of its fixed assets.
2. (a) As explained to us, the inventories have been physically verified by the management at the end of the accounting year. In our opinion, the frequency of physical verification is reasonable.



- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. According to the information and explanations given to us, no material discrepancies have been noticed on physical verification of inventory as compared to the book records.
3. (a) According to the information and explanations given to us, the Company during the year has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, therefore, provisions of Clause 4(iii) (a), 4(iii)(b), 4(iii)(c) and 4(iii)(d) of Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (e) The Company has taken an interest free unsecured loans of Rs.2259.40 lacs from three parties / companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.2275.40 lacs and the year-end balance of interest free unsecured loans taken were Rs. 2259.40 lacs.
- (f) The above stated unsecured loans taken by the company are interest free. In our opinion, the terms and conditions of the same are prima facie, not prejudicial to the interest of the Company.
- (g) The terms of repayment of interest free unsecured loans obtained have not been stipulated in writing and as explained to us, the said unsecured loans are repayable on demand.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
5. (a) According to the information and explanations given to us, particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) Excluding certain transactions of purchase/sale of goods and material of special nature for which alternate quotations/source of supply was not available and on the basis of technical evaluation in respect of the quality of the items and because of the special type of work involved, the transactions entered into pursuant to such contracts and arrangements, in our opinion and according to the information and explanations given to us, have been made at prices which are prima facie reasonable having regard to the prevailing market price at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
7. In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
8. The Company has maintained Cost Accounting records as prescribed for Footwear and its components by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 for the products of the company. However, we have not made detailed examination of such records with a view to determine whether they are accurate and complete. As explained to us, the audit of the cost records shall be carried out by an independent firm of Cost Accountants.
9. (a) The Company is generally regular in depositing with the appropriate authorities the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other material statutory dues as applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, customs duty, excise duty and cess were outstanding as at 31<sup>st</sup> March 2009 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the disputed statutory dues, which have not been deposited with appropriate Authorities on account of any dispute, are as under :-
10. As at 31<sup>st</sup> March, 2009, the accumulated losses of the company are more than its net worth. The Company has not incurred cash losses during the current financial year covered by our audit but incurred cash losses in the immediately preceding financial year.
11. There are no outstanding dues of the Banks/ Financial Institution at the end of the current financial year as the Company has repaid all the outstanding dues to financial institution and banks. The Company has not issued any debentures.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.



13. According to the information and explanations given to us, the Company is not a Chit Fund or a Nidhi or a Mutual Benefit Fund / Society. Accordingly, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. According to the information and explanations given to us, the Company is not trading in shares, securities, debentures & other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company during the year has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
16. The Company during the year has not availed any term loans. Accordingly, the provisions of clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
17. According to the information and explanations given to us, no funds raised on short term basis have been used for long terms investment and vice versa.
18. The Company during the year has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, and the question of whether the price at which the shares have been issued is prejudicial to the interest of the Company does not arise. Accordingly, the provisions of clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
19. The Company during the year has not issued any debentures. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. The Company during the year has not raised any money by way of public issues. Accordingly, the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
21. During the course of our examination of the books and records of the Company, no fraud on or by the Company has been noticed or reported during the year covered by our audit.

For RKM & Associates  
Chartered Accountants

Place: New Delhi  
Dated: 30.07.2009

(Rakesh Mathur)  
Prop.



BALANCE SHEET AS AT 31 ST MARCH , 2009

DESCRIPTION	SCHEDULE	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>Share Holders' Funds</b>			
Share Capital	1	94,323,000	94,323,000
Reserves and Surplus	2	100,442,744	100,442,744
		<u>194,765,744</u>	<u>194,765,744</u>
<b>Loan Funds</b>			
Unsecured Loans	3	225,940,000	225,940,000
		<u>225,940,000</u>	<u>225,940,000</u>
		<u>420,705,744</u>	<u>422,705,744</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	4	38,696,506	39,569,082
Less: Depreciation		29,553,433	28,865,015
Net Block		9,143,073	10,704,067
<b>Investments</b>			
	5	98,178,505	98,178,505
<b>Current Assets, Loans and Advances</b>			
Inventories		2,931,968	3,691,968
Sundry Debtors		2,166,818	1,820,812
Cash and Bank Balances		2,756,664	2,247,470
Loans and Advances		7,015,169	9,171,252
		<u>14,870,619</u>	<u>16,931,502</u>
<b>Less :</b>			
<b>Current Liabilities and Provisions</b>			
Liabilities	7	15,323,663	18,937,506
Provisions		147,500	136,000
		<u>15,471,163</u>	<u>19,073,506</u>
<b>Net Current Assets</b>		<b>(600,544)</b>	<b>(2,142,004)</b>
<b>Profit &amp; Loss Account</b>		<b>313,984,710</b>	<b>313,965,176</b>
		<u>420,705,744</u>	<u>420,705,744</u>
<b>Accounting Policies and Notes to Accounts</b>	14		

AS PER OUR REPORT OF EVEN DATE ATTACHED

for RKM & ASSOCIATES  
Chartered Accountants

For and on behalf of the Board of Directors

RAKESH MATHUR  
Prop.

NARENDRA AGGARWAL  
Director

P.M.ALEXANDER  
Director

Place: New Delhi  
Date : 30.07.2009



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH, 2009

DESCRIPTION	SCHEDULE	YEARENDED 31.03.2009 (Rs.)	YEARENDED 31.03.2008 (Rs.)
<b>INCOME</b>			
Sales and Services	8	250,000	6,988,353
Other Income	9	2,959,633	3,100,601
		<u>3,209,633</u>	<u>10,088,954</u>
<b>EXPENDITURE</b>			
Manufacturing Expenses	10	1,351,124	8,162,540
Administrative Expenses	11	430,295	193,873
Other Expenses	12	-	221,204
Interest	13	59,949	6,545
Depreciation		1,385,299	1,564,621
		<u>3,226,667</u>	<u>10,148,783</u>
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>(17,034)</b>	<b>(59,830)</b>
<b>Less Provision for Fringe Benefit Tax</b>		<b>2,500</b>	<b>27,709</b>
<b>PROFIT/(LOSS) AFTER TAXATION</b>		<b>(19,534)</b>	<b>(87,539)</b>
Add Balance brought forward		(405,175,189)	(405,087,650)
Less Adjusted Reserve & Surplus as per contra		<u>91,210,013</u>	<u>91,210,013</u>
<b>Loss carried to Balance Sheet</b>		<b>(314,984,710)</b>	<b>(313,965,176)</b>
<b>Earning per share- Basic and Diluted</b>		<b>(0.00)</b>	<b>(0.01)</b>
<b>Accounting Policies and Notes to Accounts</b>	14		

AS PER OUR REPORT OF EVEN DATE ATTACHED

for RKM & ASSOCIATES  
Chartered Accountants

For and on behalf of the Board of Directors

RAKESH MATHUR  
Prop.

NARENDRA AGGARWAL  
Director

P.M.ALEXANDER  
Director

Place: New Delhi  
Date : 30.07.2009

**PHOENIX INDUSTRIES LIMITED**


DESCRIPTION	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
<b>SCHEDULE - 1</b>		
<b>Share Capital</b>		
<b>Authorised</b>		
1,00,00,000 Equity Shares of Rs. 10/- each.	100,000,000	100,000,000
<b>Issued, Subscribed and Paid up:</b>		
94,32,300 Equity Shares of Rs. 10/- each fully paid up.		
Out of above 84,32,300 Equity shares are held by Holding Co."		
Phoenix International Ltd." and balance share are held by		
Phoenix Cement Limited subsidiary of Phoenix International Limited	94,323,000	94,323,000
	<u>94,323,000</u>	<u>94,323,000</u>
<b>SCHEDULE - 2</b>		
<b>Reserves and Surplus General Reserve</b>		
As per last Balance Sheet	91,210,013	91,210,013
Less Adjusted as per Contra P&L/A/C	91,210,013	91,210,013
Share Premium Account	100,000,000	100,000,000
Investment Allowance Reserve	442,744	442,744
	<u>100,442,744</u>	<u>100,442,744</u>
<b>SCHEDULE - 3</b>		
<b>UNSECURED LOANS</b>		
<b>(Interest free )</b>		
Loan from Holding Company	33,00,000	33,000,000
Loan from Body Corporates	192,940,000	192,940,000
	<u>225,940,000</u>	<u>225,940,000</u>

**SCHEDULE - 4**
**Fixed Assets**

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.08 (Rs.)	Addition (Rs.)	Sale/ Adjustment (Rs.)	As at 31.3.09 (Rs.)	Upto 31.3.08 (Rs.)	For the 31.3.09 (Rs.)	Adjustment 31.3.09 (Rs.)	Upto 31.3.09 (Rs.)	As at 31.3.09 (Rs.)	As at 31.3.08 (Rs.)
Plant and Machinery	28,084,849	-	-	28,084,849	17,586,829	1,381,332	-	18,968,161	9,116,688	10,498,020
Furniture and Fixtures	3,054,779	-	-	3,054,779	3,049,919	694	-	3,050,613	4,166	4,860
Temporary - Wooden Structure	2,210,664	-	-	2,210,664	2,210,664	-	-	2,210,664	-	-
Electrical Installations & Equipments	1,931,545	-	-	1,931,545	1,919,195	1,532	-	1,920,727	10,818	12,350
Vehicles	2,414,331	-	872,576	1,541,755	2,238,636	-	696,881	1,541,755	-	175,695
Office and Other Equipments	1,872,914	-	-	1,872,914	1,859,772	1,741	-	1,861,513	11,401	13,142
<b>Total</b>	<b>39,569,082</b>	<b>-</b>	<b>872,576</b>	<b>38,696,506</b>	<b>28,865,015</b>	<b>1,385,299</b>	<b>696,881</b>	<b>29,553,433</b>	<b>9,143,073</b>	<b>10,704,067</b>
Previous year	39,569,082	-	-	39,569,082	27,300,394	1,564,621	-	28,865,015	10,704,067	12,268,688



**PHOENIX INDUSTRIES LIMITED**



DESCRIPTION	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
<b>SCHEDULE - 5</b>		
<b>Investments</b>		
<b>Long Term Investments-At cost</b>		
<b>Trade</b>		
<b>Unquoted</b>		
1,000 (Previous year 1,000) Equity shares of M/s Super Bazaar Co-operative Store Ltd. of Rs.10/-each fully paid up.	10,010	10,010
<b>Non Trade</b>		
<b>Unquoted</b>		
<b>Shares In Subsidiary company</b>		
12,46,000 ( previous year 12,46,000) Equity shares of Pelle Fine Leather Inc. (Foreign Company) of US\$ 1 each fully paid up	58,837,618	58,837,618
<b>Shares In Subsidiary of Holding Company</b>		
2,10,00,000 (previous year Nil) Equity shares of Phoenix Cement Limited of Rs 10/- each fully paid up	37,894,500	37,894,500
<b>Shares In Other Company</b>		
10 (Previous year 10) Equity shares of Phoenix Power Development Corporation Limited of Rs.10/- each fully paid up.	100	100
<b>Quoted</b>		
<b>Shares in other Companies</b>		
24,600 (Previous year 24,600) Equity shares of Yellow Valley Leasing and Finance Limited of Rs.10/- each fully paid up.	344,400	344,400
72,200 (Previous year 72,200) Equity shares of Savare Trade Enterprises Ltd. of Rs. 10/- each fully paid up.	1,091,877	1,091,877
	<u>98,178,505</u>	<u>98,178,505</u>
<b>Note:-</b>		
<b>Aggregate cost of Quoted investment</b>	<b>14.36 LACS</b>	<b>14.36 LACS</b>
<b>Aggregate Market Value of Quoted investment</b>	<b>18.14 LACS</b>	<b>18.14 LACS</b>
<b>Aggregate cost of Unquoted investment</b>	<b>967.42 lacs</b>	<b>967.42 lacs</b>
The Market value of Shares of Yellow Valley Leasing and Finance Ltd has been taken on the basis of last traded rate of Rs 26/80 per share as per Delhi Stock Exchange quotation.		
The Market value of Shares of Savare Trade Enterprises Ltd has been taken on the basis of last traded rate of Rs 16/- per share as per Delhi Stock Exchange quotation.		
<b>SCHEDULE - 6</b>		
<b>Inventories</b>		
<b>(As taken, valued and certified by the Management)</b>		
Raw Materials	2,256,286	2,256,286
Finished Goods	675,682	1,435,682
	<u>2,931,968</u>	<u>3,691,968</u>
<b>Sundry Debtors (Unsecured)</b>		
<b>Debts Outstanding for a period exceeding six months</b>		
- Considered Good	-	1,820,812
- Considered Doubtful	19,366,292	17,199,474
<b>Other Debts</b>		
- Considered Good	-	-
- Considered Doubtful	-	-
	<u>19,366,292</u>	<u>19,020,287</u>
<b>Less:- Provision for Doubtful Debts</b>	<b>17,199,474</b>	<b>17,199,474</b>
	<u>2,166,818</u>	<u>1,820,812</u>

PHOENIX INDUSTRIES LIMITED



DESCRIPTION	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
<b>Cash and Bank Balances</b>		
Cash in hand	67,283	66,910
Balance with Scheduled Banks		
- in Current Accounts	1,356,820	897,486
- in Fixed Deposits / Margin Money*	1,264,249	1,264,249
- interest accrued on deposits	68,312	18,825
	<u>2,756,664</u>	<u>2,247,470</u>
* Balance in Fixed deposits includes deposits pledged with banks, sales Tax authorities etc.	1,264,249	1,264,249
<b>Loans and Advances (Unsecured) (Considered good)</b>		
Advances recoverable in Cash or in Kind or for value to be received	6,638,324	8,774,950
Advance Income Tax /Tax deducted at sources	54,408	24,746
Deposits	322,437	371,556
	<u>7,015,169</u>	<u>9,171,252</u>
<b>SCHEDULE - 7</b>		
<b>Current Liabilities &amp; Provisions</b>		
<b>A) Current Liabilities</b>		
Sundry Creditors*	4,490,720	6,918,994
Other Liabilities	10,832,943	12,018,512
	<u>15,323,663</u>	<u>18,937,506</u>
<b>B) Provisions</b>		
For Leave Encashment	71,000	66,000
For Gratuity	74,000	70,000
Fringe Benefit Tax	2,500	-
	<u>147,500</u>	<u>136,000</u>
*Include due to SSI units NIL (Previous Year NIL) refer note no 11 of Schedule 14.		
<b>SCHEDULE - 8</b>		
<b>SALES &amp; SERVICES</b>		
Sales	250,000	6,988,353
	<u>250,000</u>	<u>6,988,353</u>
<b>SCHEDULE-9</b>		
<b>Other Income</b>		
Excess Provision/ Unclaimed Credit balances Written back	2,870,587	3,050,830
Interest Received (Gross) (Tax deducted at source Rs 12,830 (Previous Year Rs. 10,372)	71,741	49,621
Profit on Sale of fixed Assets	17,305	-
Misc. Income	-	150
	<u>2,959,633</u>	<u>3,100,601</u>

**PHOENIX INDUSTRIES LIMITED**



DESCRIPTION	YEAR ENDED 31.03.2009 (Rs.)		YEAR ENDED 31.03.2008 (Rs.)	
<b>SCHDEULE- 10</b>				
<b>Manufacturing Expenses</b>				
<b>Increase / Decrease in Stocks Raw Material</b>				
Opening Stocks	2,256,286		6,785,817	
Less; cost of Raw Material sold	-		4,529,532	
	<u>2,256,286</u>		<u>2,256,285</u>	
Less; Closing Stocks	<u>2,256,286</u>	-	<u>2,256,286</u>	-
<b>Cost of Raw Material Sold</b>				4,529,532
<b>Increase / Decrease in Stocks</b>				
<b>Opening Stocks</b>				
Work in Process	-		2,375,751	
Finished Goods	1,435,682		1,435,682	
	<u>1,435,682</u>		<u>3,811,433</u>	
<b>Closing Stocks</b>				
Work in Process			<u>1,435,682</u>	
Finished Goods	<u>675,682</u>	760,000	<u>1,435,682</u>	2,375,751
	<u>675,682</u>		<u>1,435,682</u>	-
<b>Decrease in Stocks</b>				
Salaries, Wages, Allowances and Bonus etc,		569,881		1,236,052
Contribution to Provident Fund, E.S.I.C. etc,		21,243		21,205
		<u>1,351,124</u>		<u>8,162,540</u>
<b>SCHEDULE - 11</b>				
<b>Administrative Expenses</b>				
Rent, Rates & Taxes		4,250		9,550
Travelling and Conveyance		17,107		23,024
Insurance		16,564		7,604
Auditors Remuneration				
- Audit Fee		12,685		12,921
- Tax Audit Fee				5,618
Legal and Professional charges		304,366		105,109
Bank Charges		56,917		4,443
Miscellaneous Expenses		18,406		25,604
		<u>430,295</u>		<u>193,873</u>
<b>SCHEDULE - 12</b>				
<b>Other Expenses</b>				
Assets / Amount Written off		-		221,204
		-		221,204
<b>SCHEDULE - 13</b>				
<b>Interest</b>				
Vehicle Term Loan		-		6,545
Cash Credit / Working Capital Loan		-		-
Others		59,949		-
		<u>59,949</u>		<u>6,545</u>

**SCHEDULE - 14**

**ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**(A) SIGNIFICANT ACCOUNTING POLICIES**

**1. a) Basis of Preparation of Financial Statements**

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

**b) Use of Estimates**

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

**2. Fixed Assets**

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. All costs relating to the acquisition and installation of Fixed Assets are capitalized and include financing costs relating to borrowed funds attributable to construction or acquisition of fixed asset up to the asset is put to use.

**3. Valuation of Inventories**

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

**4. Depreciation**

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

**5. Foreign Exchange Transactions**

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

**6. Sales**

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

**7. Export Benefits**

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

**8. Retirement Benefits**

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

**9. Investments**

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

**10. Impairment of Fixed Assets**

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

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

**11. Contingencies**

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

**PHOENIX INDUSTRIES LIMITED**



**(B) NOTES TO THE ACCOUNTS**

**1. CONTINGENT LIABILITIES NOT PROVIDED FOR**

DESCRIPTION	As At 31.03.2009 (Rs. In lacs)	As At 31.03.2008 (Rs. In lacs)
a) Guarantee given by the bankers on behalf of the Company (net of Margin Money)	20.41	20.41
b) Sales Tax Demand under Appeal The company has contested the additional demands for Sales Tax which is pending in appeals with Appellate Authorities. No provision have been considered necessary in the accounts as the Company is hopeful of getting the full relief the appears	NIL	13.43

**2. STATEMENT OF ADDITIONAL INFORMATION**

**(I) PARTICULARS OF CAPACITY AND PRODUCTION**

DISCRETION	LINCISED CAPACITY		INSTALLED CAPACITY		PRODUCTION		
	UNIT	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008
SHOE UPPER FOOTWEAR	PAIRS PAIRS	N.A. N.A.	NA N.A.	Refer note below Refer note below	Refer note below Refer note below	- -	- -

**Notes:-**

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

**(ii) PARTICULARS OF STOCKS AND SALES & SERVICE**

Units	Stock				Closing Stock			
	Opening Stock		Closing Stock		As at 31.3.09		As at 31.3.08	
	As at 1.4.08	As at 1.4.07	As at 31.3.09	As at 31.3.08	Qty Rs.	Value	Qty Rs.	Value
Sports shoes pairs	Qty Rs.	Value	Qty Rs.	Value	Qty Rs.	Value	Qty Rs.	Value
Shoe upper pairs	36,282	1,407,088	36,282	1,407,088	36,282	647,088	36,282	1,407,088
Other	137	28,594	137	28,594	137	28,594	137	28,594
Total	-	-	-	-	-	-	-	-
	36,419	1,435,682	36,419	1,435,682	36,419	675,682	36,419	1,435,682

**(iii) PARTICULARS OF MATERIALS CONSUMED**

DESCRIPTION	UNIT	YEAR ENDED 31.03.2009,		YEAR ENDED 31.03.2008	
		QTY	VALUE (RS)	QTY	VALUE (RS)
FINISHED LEATHER	SQ. DM	-	-	-	-
CHEMICAL		-	-	-	-
OTHERS			250,000		6,905,283
TOTAL			250,000		6,905,283

It is not practically possible to give item wise details of consumption of chemicals and others as the item comprise therein are of diverse nature and individual items being also less than 10% of the value of theraw material consumed.



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

DESCRIPTION	YEAR ENDED 31.03.09		YEAR ENDED 31.03.2008	
	VALUE (RS) CONSUMPTION	% OF	VALUE (RS) CONSUMPTION	% OF
IMPORTED	-	-	-	-
INDIGENOUS	-	-	-	-
TOTAL	-	-	-	-

(v) VALUE OF IMPORTS ON C.I.F BASIS

DISCRIPTION	YEAR ENDED 31.03.2008	YEAR ENDED 31.03.2007
RAW MATERIAL STORES& SPARES AND COMPONENTS	-	-
CAPITAL GOODS	-	-

(VI) EARNING / EXPENDITURE IN FOREIGN CURRENCY

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

- The accounts of the Company have been prepared on going concern basis.
- As per accounting policy of the Company, the valuation of closing stock of Finished Goods has been done by including Excise duty. In the current year, the excise duty payable on finished goods lying at factory (Bonded Store room) amounting to Rs. 2.04 lacs (Previous year Rs. 7.17 lacs) has been included in the value of finished goods stock. It does not have any impact on the Profit and Loss Account of the Company.
- Particulars of Earning per Share pursuant to Accounting Standard (AS - 20) issued by the Institute of Chartered Accountants of India:

	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008
Net Loss	Rs. (0.17) lacs	Rs. (0.59) lacs
No. of Equity Shares	94,32,300	94,32,300
Nominal Value of the Share	Rs. 10/-	Rs. 10/-
Earning / (Loss) per Share (Basic)*	(0.00)	(0.00)

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

- In view of the losses and uncertainty of future taxable income, the Company has not recorded cumulative Deferred Tax Asset / Liability on account of timing differences as stipulated in Accounting Standard (AS-22) - "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.
- Auditors remuneration is as under.

	YEAR ENDED 31.03.2009 (Rs.)	YEAR ENDED 31.03.2008 (Rs.)
1. Audit Fees	12,685	12,921
2. Tax Audit Fees	-	5,618

- Debit / Credit balances as on 31<sup>st</sup> March, 2009 in Debtors, Creditors, Loans, Advances and other parties accounts are subject to confirmations.

**PHOENIX INDUSTRIES LIMITED**



9. In the opinion of the management, the value on realization of Current Assets and Loans & Advances in the ordinary course of business would be at least equal to the amount at which they are stated in the Balance Sheet and provisions for all known liabilities is adequate.
10. No creditor has intimated about their status being of small scale industrial undertaking.
11. Prior period expenditure have been included under normal heads of expenses.
12. Previous year figures have been regrouped / rearranged wherever considered necessary to conform to the classification adopted in the current year.
13. Schedule 1 to 14 form integral part of the Balance Sheet and Profit & Loss account and are duly authenticated.
14. Information pursuant to part IV of Schedule VI to the Companies Act. 1956 is attached.

**for RKM & Associates**  
Chartered Accountants

Rakesh Mathur  
Prop.

Narendra Aggarwal  
Director

P.M. Alexander  
Director

Place: New Delhi  
Date : 30.07.2009



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2009

(RS IN LACS)

	YEAR ENDED 31.03.2009 (Rs.)	YEAR ENDED 31.03.2008 (Rs.)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) Before Tax Adjusted For		
Adjusted for other items:-	(0.17)	(0.59)
Depreciation	13.85	15.64
Foreign Exchange(Net)		
Interest (Net)	0.43	0.06
Profit on Sale of Fixed Assets	0.17	
Loss on Sale of investment		
Provision for subsidiary Advances/Loan		
Loss on sale of Fixed Assets (Net)		
Provision for Discount & Doubtful Debts		
<b>Operating Profit/(Loss) Before Working Capital Changes</b>	<b>13.83</b>	<b>15.11</b>
Adjusted for;		
Trade & other Recivables	(3.46)	(18.20)
Other Current Assets/ Loans and Advances	21.56	5.60
Inventories	7.60	69.05
Trade Creditors & Other Liabilities	(36.02)	(70.05)
Cash Generated from Operations	3.41	1.51
Direct Tax Receipts (Net)	(0.03)	(0.30)
Net Cash from Operating Activities	3.38	1.21
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	1.59	0
Sale of Investment		
Purchase of Investment	-	-
Interest Received	0.72	0.01
Net Cash from Investing Activities	2.31	0.01
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Unsecured Loans	-	-
Repayment of Long Term Borrowings (Net)	-	(16.00)
Interest Paid	(0.60)	(0.07)
Net Cash from Financing Activities	(0.60)	(16.07)
	5.09	(14.85)
Net Increase ( Decrease) in cash and Cash Equivalents	5.09	(14.85)
Cash and Cash Equivalents as at 01.04.2008 (Opening Balance)	22.47	37.32
Cash and Cash Equivalents as at 31.03.2009 (Closing Balance)	27.56	22.47

for RKM & Associates  
Chartered Accountants

Rakesh Mathur  
Prop.

Narendra Aggarwal  
Director

P.M. Alexnder  
Director

Place: New Delhi  
Date : 30.07.2009





**PART - IV**  
**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

(i) Registration Details:

Registration No.

State Code:

Balance Sheet Date:     
Date Month Year

(ii) Capital raised during the year (Amount Rs. In Thousand)

Public Issue

Right Issue

Bonus Issue

Private Placement

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

Total Liabilities:

Total Assets

Sources of Funds:-

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds:-

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

(iv) Performance of Company:

Turnover

Total Expenditure

Profit Before tax

Profit after tax

Earning per Share

Dividend Rate %

(in Rs.)

(v) Generic Names of Three Principal Products/Services of company (as per monetary terms)

Item Code No. (ITC Code)

Product Description

Place : New Delhi  
Date: 30.07.2009

Narendra Aggrawal  
DIRECTOR

P.M. Alexander  
DIRECTOR



## AUDITOR'S REPORT

TO

## THE MEMBERS OF PHOENIX CEMENT LIMITED

We have audited the attached Balance Sheet of **PHOENIX CEMENT LIMITED** as at 31<sup>st</sup> March' 2009, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in the paragraph 4 and 5 of the said Order, to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph '1' above, we report that:-
  - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (e) on the basis of written representations received from the Directors of the Company as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, **subject to non-inclusion of Financial Statement of Buildwell Cement Ltd, a foreign subsidiary of the company** and read with other Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
    - in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009 and;
    - in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
    - in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For RKM & Associates  
Chartered Accountants

(Rakesh Mathur)  
Prop.

Place : New Delhi  
Dated: 30.07.2009

**ANNEXURE REFERRED TO IN PARAGRAPH '1' OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF PHOENIX CEMENT LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH' 2008**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at the end of the accounting year except Capital Assets lying in the Customs bonded Warehouse. As explained to us, no material discrepancies were noticed on comparisons of physical quantities with those as per fixed assets register.  
The Company during the year has not disposed off any substantial / major part of its fixed assets.
2. (a) The Company does not have any inventories. Accordingly, the provisions of clause 4 (ii) (b) and 4 (ii) (c) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
3. (a) According to the information and explanations given to us, the Company during the year has not granted/ taken any loans, secured or unsecured, to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of Clause 4(iii) (b), 4(iii) (c) and 4(iii) (d), 4(iii) (e), 4(iii) (f), 4(iii) (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.



4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5.
  - a) According to the information and explanations given to us, particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section and
  - b) There are no transactions of purchase of goods, materials and services & sale of goods, materials and services made in pursuance of contracts or arrangement required to be entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs 5 lacs in respect of any party during the year.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
7. In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
8. The Central Government has not prescribed for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
9.
  - (a) The Company is regular in depositing with the appropriate authorities the undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, service tax, wealth tax, customs duty, excise duty, cess and other material statutory dues as applicable to it.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty were outstanding as at 31<sup>st</sup> March 2009 for a period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to us, there are no amounts in respect of sales tax, income tax, customs duty, service tax, wealth tax, excise duty and cess which have not been deposited with the appropriate authorities on account of any dispute .
10. As at 31<sup>st</sup> March, 2009, the accumulated losses of the Company are more than fifty percent of its net worth. The Company has incurred cash losses during the current financial year and also in the immediately preceding financial year.
11. The Company has not borrowed any loan from banks and / or financial Institution and the company have not issued any debentures.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. According to information and explanations given to us, the Company is not a Chit Fund, a Nidhi or a Mutual Benefit Fund / Society. Accordingly, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
14. According to the information and explanations given to us, the Company is not trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company during the year has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4 (xv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
16. The Company during the year has not availed any term loans. Accordingly, the provisions of clause 4 (xvi) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
17. According to the information and explanations given to us, no funds raised on short term basis have been used for long term investment and vice versa.
18. The Company has not made any preferential allotment of shares to any company or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (xviii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
19. The Company has not issued any debentures. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
20. The Company during the year has not raised any money by way of public issues. Accordingly, the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
21. During the course of our examination of the books and records of the Company, no fraud on or by the Company has been noticed or reported during the year covered by our audit.

For RKM & Associates  
Chartered Accountants

(Rakesh Mathur)  
Prop.

Place : New Delhi  
Dated: 30.07.2009



BALANCE SHEET AS AT 31ST MARCH 2009

DESCRIPTION	SCHEDULE	AS AT 31 ST MARCH, 2009 (Rs)	AT 31 ST MARCH, 2008 (Rs)
<b>SOURCES OF FUNDS</b>			
Share Capital	1	829,535,700	829,535,700
		<u>829,535,700</u>	<u>829,535,700</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	2	201,388	201,388
Less : Depreciation		<u>201,388</u>	<u>201,388</u>
Net Block			
Plant & Machinery for Re-export		<u>22,874,720</u>	<u>22,874,720</u>
		22,874,720	22,874,720
<b>INVESTMENTS</b>			
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	3	199,612,500	199,612,500
<b>ADVANCES</b>			
Cash and Bank Balances	4	134,959	125,847
Loans and advances		<u>95,121,230</u>	<u>95,135,326</u>
		<u>95,256,189</u>	<u>95,261,173</u>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>			
Liabilities	5	43,594,462	43,592,392
Provisions		<u>43,594,462</u>	<u>43,592,392</u>
<b>Net Current Assets</b>		<b>51,661,727</b>	<b>51,668,781</b>
<b>PROFIT &amp; LOSS ACCOUNT</b>		<b>555,386,753</b>	<b>555,379,699</b>
		<u>829,535,700</u>	<u>829,535,700</u>
<b>ACCOUNTING POLICIES AND NOTES TO ACCOUNTS</b>	6		

AS PER OUR REPORT OF EVEN DATE ATTACHED

For RKM & Associates  
CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors

RAKESH MATHUR  
Prop.

NARENDER MAKKAR  
DIRECTOR

NARENDRA AGGARWAL  
DIRECTOR

Place : New Delhi  
Date : 30.07.2009


**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009**

	YEARENDED 31ST MARCH, 2009 (Rs)	YEARENDED 31ST MARCH, 2008 (Rs)
<b>INCOME</b>		
Excess Provision / Unclaimed Balances Written back	269,210	579,562
	<u>269,210</u>	<u>579,562</u>
<b>EXPENDITURE</b>		
Salaries, Wages & allowances	-	100,500
Rent, Rates & Taxes	7,000	5,050
Insurance	28,225	33,052
Professional Charges	25,000	201,685
Audit Fees	8,273	8,427
Bank Charges	5,088	5,421
Watch & Ward	202,320	202,320
Sundry Expenses(Net)	358	84
Travelling Expenses		27,011
	<u>276,264</u>	<u>583,550</u>
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>(7,054)</b>	<b>(3,988)</b>
Add: Profit /(Loss) brought forward	<u>(555,379,699)</u>	<u>(555,375,712)</u>
Loss carried to Balance Sheet	<u>(555,386,753)</u>	<u>(555,379,699)</u>
Earning Per Share - Basic and Diluted	<b>(0.00)</b>	<b>(0.00)</b>

**ACCOUNTING POLICIES AND  
NOTES TO ACCOUNTS**

6

AS PER OUR REPORT OF EVEN DATE ATTACHED

**For RKM & Associates**  
 CHARTERED ACCOUNTANTS

for and on behalf of Board of Directors

**RAKESH MATHUR**  
 Prop.

**NARENDER MAKKAR**  
 DIRECTOR

**NARENDER AAGGARWAL**  
 DIRECTOR

 Place : New Delhi  
 Date : 30.07.2009



SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Rs)

DESCRIPTION	AS AT 31 ST MARCH, 2009	AS AT 31 ST MARCH, 2008
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,000,000,000 Equity Shares of 10/- each.	10,000,000,000	10,000,000,000
	10,000,000,000	10,000,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
8,29,53,570 Equity shares of Rs. 10/- each fully paid up	829,535,700	829,535,700
	829,535,700	829,535,700

Notes: Out of the total paid up Share Capital

- 5,82,00,000 Equity shares allotted pursuant to a contract without payment in cash.
- 4,19,53,510 Equity shares are held by the holding Company Phoenix International limited
- 21,00,0000 Equity shares are held by one of the subsidiary of the holding company namely Phoenix Industries Limited.

**SCHEDULE - 2 FIXED ASSETS**

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	AS AT 01.04.2008	ADDITION	SALE/ ADJUSTMENT	AS AT 31.03.2009	UP TO 31.03.2008	FOR THE YEAR	SALE/ ADJUSTMENT	UP TO 31.03.2009	AS AT 31.03.2009	AS AT 31.03.2008
FURNITURE & FIXTURES	51,342	-	-	51,342	51,342	-	-	51,342	-	-
OFFICE & OTHER EQUIPMENTS	150,046	-	-	150,046	150,046	-	-	150,046	-	-
	201,388	-	-	201,388	201,388	-	-	201,388	-	-
PLANT & MACHINERY FOR RE-EXPORT	22,874,720	-	-	22,874,720	-	-	-	22,874,720	22,874,720	22,874,720
CURRENT YEAR	23,076,108	-	-	23,076,108	201,388	-	-	201,388	22,874,720	22,874,720
PREVIOUS YEAR	23,076,108	-	-	23,076,108	201,388	-	-	201,388	22,874,720	22,874,720

**SCHEDULE - 3 INVESTMENTS**

(Rs)

DESCRIPTION	AS AT 01.04.2008	ADDITION	SALE	AS AT 31.03.2009
<b>LONG TERM INVESTMENTS-AT COST (NON TRADE)</b>				
<b>UNQUOTED</b>				
<b>Shares in Subsidiary company</b>				
40,00,000 (Previous year 40,00,000) Equity Shares of Build Well Cement Ltd (Foreign Company) of US \$ 1 each fully paid up	176,440,000	-	-	176,440,000
<b>Shares in other company</b>				
10,00,000( Previous year 10,00,000) Equity Shares of Phoenix Industries Ltd of Rs. 10/- each fully paid up	23,172,500	-	-	23,172,500
	199,612,500	-	-	199,612,500

**PHOENIX CEMENT LIMITED**



DESCRIPTION	AS AT 31 ST MARCH, 2009 (Rs)	AS AT 31 ST MARCH, 2008 (Rs)
<b>SCHEDULE - 4</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>A) CURRENT ASSETS</b>		
Cash and Bank Balances		
Cash in Hand	27,500	27,500
Balance with Scheduled Banks:		
- In current accounts	<u>107,459</u>	<u>98,347</u>
	<b>134,959</b>	<b>125,847</b>
<b>B) LOANS AND ADVANCES</b>		
<b>(Unsecured- Considered Good)</b>		
Share Application Money Pending Allotments	83,000,000	83,000,000
Advances for allotment of land	7,064,100	7,064,100
Deposit with Customs Authorities	5,044,179	5,044,179
Prepaid Expenses	<u>12,951</u>	<u>27,047</u>
	<b>95,121,230</b>	<b>12,135,326</b>
<b>SCHEDULE - 5</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A) CURRENT LIABILITIES</b>		
Advance against Plant & Machinery	24,010,074	24,010,074
Other liabilities*	<u>19,584,388</u>	<u>19,582,318</u>
	<b>43,594,462</b>	<b>43,592,392</b>
<b>B) PROVISIONS</b>		
	-	-
* Due to Holding Company Phoenix International Ltd.	<b>16,396,396</b>	<b>16,382,857</b>

**SCHEDULE - 6**

**ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**A) SIGNIFICANT ACCOUNTING POLICIES**

**1. a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

**b) USE OF ESTIMATES**

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

**2. FIXED ASSETS**

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

**3. DEPRECIATION**

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

**4. FOREIGN EXCHANGE TRANSACTION**

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



5. INVESTMENTS

Investments in subsidiary and other companies are treated as long term investments and are stated at cost. Provision for 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 the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the assets in prior year.

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

B) NOTES TO THE ACCOUNTS

1. CONTINGENT LIABILITIES NOT PROVIDED FOR:

(Rs. in lacs)

YEAR ENDED 31.03.2009 YEAR ENDED 31.03.2008

Appeal against Draw back Refund claim by Customs with Commissioner of Customs

Appeal, Mumbai. The matter has been decided in the favour of the Company.

The show cause notice and order in original of Commissioner of

Customs (Appeal Mumbai) has been set aside. The department has filed appeal

234.90

234.90

with Mumbai High Court which is still pending

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

3. The company had paid a deposit of Rs. 70.64 Lacs in earlier years to the Madhya Pradesh Audhyogic Kendra Vikas Nigam (Gwalior) Ltd. 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 landowners had filed a petition against the notification for acquisition of land by the Government in the High Court, which has been decided in the favour of landowners. The company has requested the authorities for refund of the amount, which has been considerably delayed. The Government is likely to issue de-notification in the near future and the deposit will be refunded in due course.

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

5. In view of losses and uncertainty of future taxable income, the Company has not recorded cumulative Deferred Tax Assets / liabilities on account of timing differences as stipulated in Accounting Standard (AS-22) - "Accounting for Taxes on income".

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

	YEAR ENDED 31.03.2009 (Rs.)	YEAR ENDED 31.03.2008 (Rs.)
Net Profit / (Loss)	(7054)	(3988)
Number of Equity shares	8,29,53,570	8,29,53,570
Normal Value of the share (Rs.)	10	10
Earning per share (Rs.) (Basic and Diluted)	(0.00)	(0.00)

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

i. Earnings in foreign Currency	-	-
ii. Expenditure in foreign Currency	-	-
iii. Remittance in Foreign Currency	-	-
iv. Value of Imports on CIF Basis	-	-
v. Directors Remuneration	-	-





PART - IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(i) Registration Details:

Registration No.   -

State Code:

Balance Sheet Date:        
Date Month Year

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

Public Issue

Right Issue

Bonus Issue

Private Placement

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

Total Liabilities:

Total Assets

Sources of Funds:-

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds:-

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

(iv) Performance of Company :

Turnover

Total Expenditure

Profit/(Loss) Before tax  
+    -       (7)

Profit/(Loss) After tax  
        (7)

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

Dividend Rate %

(v). Generic Names of Three Principal Products/Services of company (as per monetary terms)

Item Code No. (ITC Code)         Production Description

Item Code No. (ITC Code)         Production Description

Item Code No. (ITC Code)         Production Description

Product has been abandoned

Place: New Delhi  
Date: 30.07.2009

Narender Makkar  
DIRECTOR

Narendra Aggarwal  
DIRECTOR



**MEMBERS/PROXY HOLDERS ATTENDING THE ANNUAL GENERAL MEETING  
MAY PLEASE NOTE THAT NO GIFTS/COUPONS WILL BE DISTRIBUTED**

**ATTENDANCE SLIP**

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

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

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

I hereby record my presence at the 22nd Annual General Meeting of the Company held on Wednesday the 30th day of September, 2009 at 9.30 A.M at SRI SATHYA SAI INTERNATIONAL CENTRE, INSTITUTIONAL AREA, PRAGATI VIHAR, LODHI ROAD, NEW DELHI-110003.  
Please tick (✓) in the Box

MEMBER       PROXY

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

**NOTE:**

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

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

**PROXY FORM  
PHOENIX INTERNATIONAL LID.**

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

I/We of ..... of .....  
being a Share holder(s) of .....  
the above named Company, hereby appoint ..... of ..... or  
failing him/her ..... of .....  
as my/our proxy to vote for me/our behalf at the 22nd Annual General Meeting of the Company held on Wednesday the 30th September, 2009  
at 9.30 A.M. at SRI SATHYA SAI INTERNATIONAL CENTRE, INSTITUTIONAL AREA, PRAGATI VIHAR, LODHI ROAD, NEW DELHI-110003.

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

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

Signed this ..... day of ..... 2009

\_\_\_\_\_  
Signature of Shareholder

**NOTES:**

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