

2<sup>nd</sup> September, 2014

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

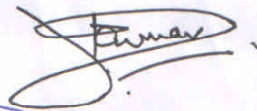
1.	Name of the Company	Phoenix Township Limited
2.	Annual financial statement for the year ended	March 31, 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable

For Phoenix Township  
Limited



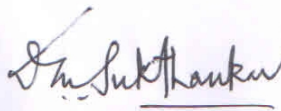
Dr. Prafulla R Hede  
Chairman

For Phoenix Township  
Limited



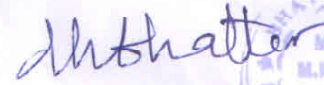
Lalan Kumar  
Chief Financial Officer

For Phoenix Township  
Limited



Mr. Dattatraya M.  
Sukthankar  
Chairman of Audit  
Committee

For Bhatler & Co.  
Chartered Accountant  
(Registration No.  
131092W)



Daulal H. Bhatler  
Proprietor  
Membership No. 16937





*21st Annual Report*  
*2013 - 2014*



**MEMBER**  
**HEIDE BUSINESS GROUP**



**Resort Unit**



**Phoenix Park Inn Resort  
Goa**

**Sequera Vado, Candolim, Goa - India 403 515.**



## HEDE BUSINESS GROUP

**REGD. OFFICE :**

Durga Bhavan, Hede Centre,  
Tonca, Panaji, Goa-403 001.

**CORP. OFFICE :**

Balaji Bhavan, 2<sup>nd</sup> Floor, 14, BEST Marg,  
Colaba, Mumbai- 400 001.

***OTHER LOCATIONS :***

- Phoenix Park Inn Resort  
Sequera Vado,  
Candolim,  
Goa - 403 515.
- Dr. Malbarao House,  
Rua Ismael Gracias,  
P. O. Box No. 181,  
Panaji, Goa - 403 001.
- Collem Mines,  
Collem Meta Vaddo,  
Goa - 403 410.

**Website : [www.hbgindia.com](http://www.hbgindia.com)**


**BOARD OF DIRECTORS**

: Dr. Prafulla R. Hede (DIN-00651441)  
Chairman  
Mr. Samit P. Hede (DIN - 01411689)  
Executive Director  
Mr. Paul D. T. Willcox (DIN - 01862872)  
Non - Executive Director  
Dr. Surendra A. Dave (DIN - 00001480)  
Non - Executive, Independent  
Mr. Pralhad B. Desai (DIN - 01274203)  
Non - Executive, Independent  
Mr. Dattatraya M. Sukthankar (DIN - 00034416)  
Non - Executive, Independent  
Dr. Ram S. Tarneja (DIN - 00009395)  
Non - Executive, Independent  
Mrs. Shibani M. Harlalka (DIN - 00507607)  
Alternate Director to Mr. Paul D. T. Willcox

**BANKERS**

: IDBI Bank  
HDFC Bank  
Axis Bank

**PRACTISING COMPANY SECRETARIES**

: MR. HITESH KOTHARI  
M/s. Kothari H. & Associates, Mumbai.

**AUDITORS**

: MR. DAULAL BHATTER  
M/s. Bhattar & Company  
Mumbai.

**COMPLIANCE OFFICER**

: MR. LALAN KUMAR

**REGISTRAR AND TRANSFER AGENTS**

: M/s. ADROIT CORPORATE SERVICES PVT. LTD.  
Mumbai.

**C O N T E N T S**

1. Notice .....	2-10	7. Balance Sheet .....	30
2. Directors Report .....	11-13	8. Profit & Loss Account .....	31
3. Corporate Governance .....	14-22	9. Cash Flow Statement .....	32
4. Management Discussion & Analysis ...	23-25	10. Significant Accounting Policies .....	33-34
5. Independent Auditors Report .....	26-27	11. Notes on Accounts & Schedules .....	35-48
6. Annexure to the Independent Auditors Report .....	28-29		



## NOTICE

**NOTICE** is hereby given that the Twenty-First Annual General Meeting of the Members of **Phoenix Township Limited** will be held on Tuesday, 23<sup>rd</sup> September, 2014 at 03:30 P.M. at Phoenix Park Inn Resort, Sequera Vado, Candolim, Goa - 403 515. to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2014 including audited Balance Sheet as at 31<sup>st</sup> March, 2014 and statement of Profit & Loss Account for the year ended on that date and the reports of Directors and the Auditors thereon.
2. To appoint a Director in place of Dr. Prafulla Hede (DIN-00651441), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** subject to ratification by the shareholders at every Annual General Meeting, M/s. Bhattar & Co, Chartered Accountants, Mumbai (ICAI Registration No. 131092W) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this 21<sup>st</sup> Annual General Meeting until the conclusion of the 24<sup>th</sup> Annual General Meeting of the Company and that their remuneration be fixed by the Audit Committee.”

### **SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Ram Sukhraj Tarneja (DIN: 00009395), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of this Annual General Meeting.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Surendra Ambalal Dave (DIN: 00001480), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of this Annual General Meeting.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with



Schedule IV to the Companies Act, 2013, Mr. Pralhad Bhagwant Desai (DIN: 01274203), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of this Annual General Meeting.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections, 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013. Mr. D.M. Sukthankar (DIN-00034416), Director of the Company who retires by rotation at the Annual General Meeting be and is hereby appointed as an independent Director of the Company to hold office for a term of five consecutive years from the date of the Annual General Meeting".

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:

**"RESOLVED THAT** in supersession of the earlier Resolution passed under Section 293(1)(d) of the Companies Act, 1956 at the Annual General Meeting of the Company held on September 19, 2012 and pursuant to the provisions of Section 180(1)(c) and all other applicable provision, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modification or reenactment thereof, for the time being in force), and the Articles of Association of the Company, consent, authority and approval of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board') of the Company, to borrow any sums of money at any time or from time to time as they may deem fit for the purpose of carrying on the business of the Company, so however, that the total amount of such borrowings outstanding at any given point of time shall not exceed Rs.500 Crore (Rupees Five Hundred Crore only) notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from cash credit arrangements, discounting of bills and other temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) will 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 purpose;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised and empowered to arrange or settle the terms and conditions on which such monies are to be borrowed from time to time as to interest, repayment, security or otherwise as it may think fit;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of the Company be and is hereby authorised to do all such acts, deeds, matters and things and give such directions as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and also to delegate to the extent permitted by law, all or any of the powers herein conferred to any Committee of Directors or the Managing Director or any Director(s) or any Key Managerial Personnel (KMPs) or any other Officer(s) of the Company.”

**By Order of the Board**

**Place :** Mumbai  
**Date :** 28<sup>th</sup> July, 2014.

**Samit Hede**  
Executive Director  
(DIN 01411689)



### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy, in order to be effective, should be duly completed and deposited at the registered office of the Company not less than 48 (forty-eight) hours before the commencement of the meeting.
2. Corporate members intended to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members/Proxy holders are requested to bring their copy of Annual Report and Attendance slip sent herewith, duly filled-in for attending the Meeting.
4. The Company has notified closure of Register of Members and the Share Transfer Books of the Company from Wednesday, 17th September, 2014 to Tuesday, 23rd September, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.
5. The Shareholders are requested to notify their change of address immediately to the Registrars & Transfer Agent – **Adroit Corporate Services Private Limited**. The Company or its registrar will not act on any request received directly from the shareholder holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant by the Shareholders.
6. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect to special business annexed hereto.
7. Equity shares of the Company are under compulsory Demat trading by all Investors. Those shareholders who have not dematerialized their equity shares are advised to dematerialize their shareholding, to avoid inconvenience in future.
8. Re-appointment of Directors: At the ensuing Annual General Meeting Dr. Prafulla Hede, having (DIN-00651441) liable to retire by rotation, and being eligible, offer themselves for re-appointment. The details pertaining to these Directors required to be provided pursuant to Clause 49 of the listing agreement are furnished in the statement on Corporate Governance published elsewhere in this Annual report.
9. Members intending to seek explanation / clarification about the Accounts at the Annual General Meeting are requested to inform the Company at least a week in advance of their intention to do so, so that relevant information may be made available, if the Chairman permits such information to be furnished.
10. The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs, are requested to register their e-mail IDs with their Depository Participant at the earliest, to enable the Company to use the same for serving documents to them electronically, hereinafter. Shareholders holding shares in physical form may kindly provide their e-mail IDs to the RTA sending an e-mail at **Adroit Corporate Services Private Limited**. The Annual Report of the Company would also be made available on the Company’s website [www.hbgindia.com](http://www.hbgindia.com).





## 11. E-Voting

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Shareholders with facility to exercise their right to vote at the 21<sup>st</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

### Process for E-Voting :

The Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting for AGM. The instructions for e-voting are as under:

- i) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii) Now, click on “Shareholders” tab to cast your votes.
- iii) Select the Electronic Voting Sequence Number “EVSN”- 140805013 along with “PHOENIX TOWNSHIP LIMITED” from the drop down menu and click on “SUBMIT” for voting.
- iv) Now, fill up the following details in the appropriate boxes :

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User – ID	For NSDL : 8 Character DP ID followed by 8 Digits Client ID For CDSL : 16 digits beneficiary ID	Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and have cast your vote earlier for EVSN of any Company, then your existing User Id and Password are to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.



Dividend Bank	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.
Details	<ul style="list-style-type: none"><li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li></ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN – 140805013 for the PHOENIX TOWNSHIP LIMITED on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) with a copy marked to [hiteshkotharics@gmail.com](mailto:hiteshkotharics@gmail.com)
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.



- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xviii) The E-voting period will commence from Wednesday, 17<sup>th</sup> September, 2014 at 10:00 Hrs. and will end on Friday, 19<sup>th</sup> September, 2014 at 18:00 Hrs. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form as on the cutoff date (record date) of 22<sup>nd</sup> August, 2014, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xx) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22/08/2014.
- (xxi) Mr. Hitesh Kothari, Partner of Kothari H. & Associates, Practicing Company Secretaries (Membership No. 6038, CP No. 5502) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxii) The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer’s report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxiii) The Results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer’s report shall be placed on the Company’s website [www.hbgindia.com](http://www.hbgindia.com) and on the website of CDSL within 2 (two) working days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

12. Information required to be provided under the Listing Agreement entered into with various Stock Exchanges, regarding the Directors who are proposed to be appointed / re-appointed is as below :

Particulars	DR. RAM S. TARNEJA	DR. SURENDRA A. DAVE
<b>Date of Birth</b>	07.12.1931	03.08.1936
<b>Date of Appointment</b>	14.10.2002	30.06.1998
<b>Qualifications</b>	B.A. (Hon.), M.A. (Virginia) & Ph.D. (Cornell University).	B.Com, Ph. D.
<b>Expertise in specific functional areas</b>	Dr. Tarneja has considerable amount of pioneering work to his credit on subjects like professional management and corporate governance.	Dr. Dave has wide experience in securities market & banking sector.



<b>Directorships held in other public companies (excluding foreign companies and section 25 Companies)</b>	<ul style="list-style-type: none"> <li>• NESCO Limited.</li> <li>• Otis Elevator Co (India) Ltd.</li> <li>• Jolly Board Limited.</li> <li>• Bharat Gears Limited.</li> <li>• Phillips Carbon Black Ltd.</li> <li>• Housing Development Finance Corporation Limited.</li> <li>• Transcorp International Limited.</li> <li>• Sowil Limited.</li> <li>• Givo Limited.</li> </ul>	<ul style="list-style-type: none"> <li>• Housing Development Finance Corporation Limited.</li> <li>• Indo- National Limited.</li> <li>• Shrenuj And Company Limited.</li> <li>• SBI DFHI Limited.</li> <li>• Escorts Limited.</li> <li>• Deccan Cements Ltd. Company Limited.</li> <li>• HDFC Pension Management Company Limited.</li> </ul>
<b>Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Shareholders/Investors Grievance Committee)</b>	<p>Audit Committee</p> <ul style="list-style-type: none"> <li>• Bharat Gears Limited (Chairman)*</li> <li>• NESCO Limited.</li> <li>• Otis Elevator Co (India) Ltd.</li> <li>• Transcorp International Limited. Shareholders / Investors Grievance Committee</li> <li>• Housing Development Finance Corporation Limited. (Chairman)*</li> </ul>	<p>Audit Committee</p> <ul style="list-style-type: none"> <li>• Escorts Limited (Chairman)*</li> <li>• Housing Development Finance Corporation Limited. (Chairman)*</li> <li>• Indo-National Limited.</li> <li>• Shrenuj and Company Limited. Shareholders / Investors Grievance Committee</li> <li>• Deccan Cements Limited.* (Chairman)*</li> <li>• Housing Development Finance Corporation Limited.</li> <li>• Escorts Limited. Risk Management Committee</li> <li>• HDFC Pension Management Company Limited.</li> </ul>
<b>Number of shares held in the Company</b>	Nil	Nil
<b>Name of Director</b>	<b>Mr. Dattatraya M.Sukthankar</b>	<b>Mr. Pralhad B. Desai</b>
<b>Date of Birth</b>	21/02/1932	25/08/1933
<b>Date of Appointment</b>	10/02/1993	22/11/1994
<b>Qualifications</b>	Master of Commerce, I.A.S.	B.Com, I.R.S.
<b>Expertise</b>	Mr. Sukthankar is recognized as an expert on issues related to urban development and management and has been associated with the housing sector for a number of years.	Mr. P. B. Desai has wide experience in the field of taxation.
<b>Directorships held in other Public Companies (excluding foreign and private companies).</b>	<ul style="list-style-type: none"> <li>• Housing Development Finance Corporation Limited.</li> <li>• HDFC Developers Limited.</li> <li>• IDFC AMC Trustee Company Limited.</li> </ul>	<ul style="list-style-type: none"> <li>• Hede Resources Limited.</li> <li>• Hindoostan Mills Limited.</li> </ul>
<b>Memberships / Chairmanships of committees of other public companies.</b>	<p>Audit Committee</p> <ul style="list-style-type: none"> <li>• IDFC AMC Trustee Company Limited</li> </ul>	<p>Audit Committee</p> <ul style="list-style-type: none"> <li>• Hindoostan Mills Limited</li> </ul> <p>Remuneration Committee-</p> <ul style="list-style-type: none"> <li>• Hindoostan Mills Limited.</li> </ul>
<b>Shareholding (No. of shares)</b>	Nil	Nil



**ANNEXURE TO NOTICE  
EXPLANATORY STATEMENT UNDER SECTION 102  
OF THE COMPANIES ACT, 2013**

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 (“Act”), sets out all material facts relating to the business mentioned at Item Nos. 3 to 8 of the accompanying Notice dated July 28, 2014:

**ITEM NO.3**

As per the provisions of Section 139 of the Act, no listed company can appoint or re-appoint an individual as auditor for more than one term of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/s. Bhatte & Co, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on May 21, 2014, proposed the appointment of M/s. Bhatte & Co as the statutory auditors of the Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of the twenty- fourth AGM of the Company (subject to ratification of their appointment at every AGM).

The Board commends the Resolution at Item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

**ITEM NOS. 4 TO 7**

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Dr. Ram S. Tarneja, Dr. Surendra A. Dave, Mr. Pralhad B. Desai and Mr. D.M. Sukthankar as Independent Directors at various times, in compliance with the requirements of the said clause.

As per the provisions of Section 149(4) which has come into force with effect from 1st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement which would be effective from October 1, 2014 inter alia stipulates the conditions for the appointment of Independent Directors by a listed company.

The above Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, the above Independent Directors fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members in General Meeting for their approval.

The brief profile of the Independent Directors to be appointed is given below:

➤ **Dr. Ram S. Tarneja**

Dr. Ram S. Tarneja holds a Doctorate in Human Resources from Cornell University. He also has a MA both from the University of Delhi and University of Virginia and a BA Honours from the University of Delhi. He was the former Managing Director of Bennett, Coleman &



Company Limited. He is a director on the Boards of several prominent companies in India. He does not any shares in the Company.

Mr. Tarneja has been on the Company's Board since 14<sup>th</sup> October, 2002.

➤ **Dr. Surendra A. Dave**

Dr. Surendra A. Dave is a Doctorate in economics and holds a Master's Degree in economics from the University of Rochester. Dr. Dave was the former Chairman of the Securities and Exchange Board of India and Unit Trust of India. He is a director on the Boards of several prominent companies in India. He does not any shares in the Company.

Dr. Dave has been on the Company's Board since 30<sup>th</sup> June, 1998.

➤ **Mr. Dattatraya M. Sukthankar**

Mr. Dattatraya M. Sukthankar was an officer of the Indian Administrative Service and was Secretary, Ministry of Urban Development, Government of India and later Chief Secretary to the Government of Maharashtra. Mr. Sukthankar is recognized as an expert on issues related to urban Development and management and has been associated with the Housing sector for a number of years.

Mr. Sukthankar has been on the Company's Board since 10<sup>th</sup> February, 1993.

➤ **Mr. Pralhad B. Desai**

Mr. Pralhad B. Desai has been the Ex-Director General of Income tax (Investigation), Income-tax Department and Ex-advisor (Taxation) with IDBI. He is a director on the Boards of several prominent companies in India.

Mr. Desai has been on the Company's Board since 22<sup>nd</sup> November, 1994.

**ITEM NO. 8**

Section 180 (1)(c) of the Companies Act, 2013 require the consent of the shareholders of a Company by way of Special Resolution at a General Meeting to enable the board of directors to borrow monies to be borrowed, together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), which may exceed the aggregate of the paid up share capital of the Company and its free reserve. Since the current borrowing powers of the Board of Directors may not be sufficient to facilitate the Board to borrow for the purpose of the business of the Company, the approval of the shareholders is being sought by special Resolution for enabling authority in favour of the Board to increase its borrowing power to Rs. 500.00 Crore in addition to the aggregate of the paid up share capital and free reserve of the Company. Hence, the approval of the members of the Company is being sought for the resolution set-out under Item no. 8 by way of Special Resolution.

The Board of Directors of your Company recommends the passing of the resolutions set-out under Item No. 8 of the Notice as Special Resolutions in terms of Section 180(1)(c) of the Companies Act, 2013.

None of the Directors of the, Key Managerial Personal of the Company or their relatives are deemed to be interested or concerned in the said Special Resolutions.

**By Order of the Board**

**Sd/-**  
**Samit Hede**  
Executive Director  
(DIN 01411689)

**Place :** Mumbai  
**Date :** 28<sup>th</sup> July, 2014.



## Directors' Report

Dear Fellow Shareowners,

Your Directors are pleased to present the Twenty-First Annual Report together with the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March 2014.

### FINANCIAL HIGHLIGHTS

The financial performance of the Company, for the year ended March 31, 2014 is summarized below:

(Amt. in Rs.)

Particulars	For The Year Ended March 31,	
	2014 (Amt In Rs.)	2013 (Amt In Rs.)
Total Income	<b>11,54,10,308</b>	9,88,29,483
Less: Total Expenditure	<b>11,09,97,594</b>	9,75,83,798
Profit Before Prior Period Items and <b>Extraordinary Items and Tax</b>	<b>44,12,714</b>	12,45,685
Less: Prior Period Items	<b>3,05,735</b>	1,66,219
<b>Profit Before Extraordinary Items and Tax</b>	<b>41,06,979</b>	10,79,466
Less: Extra-Ordinary Items	_____	_____
<b>Profit/(Loss) Before Tax</b>	<b>41,06,979</b>	10,79,466
Less: Tax Expense (Current Tax + Deferred Tax)	<b>15,76,438</b>	6,97,389
<b>Profit / (Loss) For The Year</b>	<b>25,30,542</b>	3,82,077

### RESULTS OF OPERATIONS

During the year under consideration the income of your Company has increased to Rs. 1154.10 Lac in the current year from Rs. 988.29 Lac earned in the previous year after registering a growth of 16.78%. The Profit before Tax (PBT) of the Company for the current year is Rs. 41.07 Lac and Rs.10.79 Lac in the corresponding previous year a growth of 280.63%. Similarly the Profit After Tax (PAT) for the current year is Rs. 25.30 Lac as compared to Rs. 3.82 Lac earned in the previous year after registering a growth of 562.30%.

### LISTING

Your Directors are pleased to inform you that the Securities of your Company got listed on BSE Limited on 07<sup>th</sup> April, 2014, pursuant to scheme of arrangement between Zuari Forex Limited and the Phoenix Township Limited. The Company has paid Listing Fees to the Stock Exchanges for the year 2014-15.

### DIVIDEND

To conserve resources which would assist in future growth of the Company, no dividend is recommended by the Board for the year.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Clause 49 of the Listing Agreement with the Stock Exchange, the Management Discussion and Analysis of the financial condition and results of consolidated operations of the Company under review, is annexed and forms an integral part of the Directors' Report.

**FIXED DEPOSIT**

During the year under review, the Company has not accepted any deposit under Section 58A of The Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1957.

**DIRECTORS**

Section 149 of the Companies Act, 2013 (the Act) which defines the composition of the Board has been notified effective April 1, 2014 and provides that an independent director shall not hold office for more than two consecutive terms of five years each provided that the director is re-appointed by passing a special resolution on completion of first term of five consecutive years.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 (the "Act") and the Articles of Association of the Company, Dr. Prafulla R. Hede, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Notice convening the Annual General Meeting includes the proposal for his re-appointment as the Director.

As on the date of this report, the Company's Board consists of the following Independent Directors:

1. Dr. Ram Sukhraj Tarneja.
2. Mr. Surendra Ambalal Dave.
3. Mr. Dattatraya Mahadeo Sukthankar.
4. Mr. Pralhad Bhagwant Desai.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As stipulated under the provisions contained in Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm as under:

- a. That in the preparation of the annual accounts, the applicable Accounting Standards read with the requirements set out under Schedule VI of the Companies Act, 1956 have been followed and there are no material departures from the same;
- b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates 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 and of the profit of the Company for that period;
- c. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That the Directors had prepared the annual accounts of the Company on a 'going concern' basis.

**AUDITORS AND AUDITORS' REPORT**

M/s. Bhattar & Co, Chartered Accountants, Mumbai (Registration No.131092W) Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. A certificate to the effect that their appointment, if made, will be within the prescribed limits under Section 141 of the Companies Act, 2013, has been obtained from them. In accordance with Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Board on the recommendation of the Audit Committee recommends the re-appointment of M/s. Bhattar & Co as Statutory Auditor of the Company for the next 3 (three) consecutive financial years i.e. 2014-15, 2015-16, and 2016-17 subject to ratification by the shareholders at every Annual General Meeting.





### **SECRETARIAL AUDITOR**

As required under Section 204 of the Companies Act, 2013, the Board of Directors has in its meeting held on 26<sup>th</sup> May, 2014 appointed Mr. Hitesh Kothari, Practicing Company Secretaries, Mumbai holding ICSI Certificate of Practice No. 5502 as Secretarial Auditor for the financial year 2014-15.

In compliance with the directives issued by the Securities and Exchange Board of India (SEBI), Secretarial Audit is being conducted by Kothari H. & Associates, Practicing Company Secretary at specified periodicity and the reports are being submitted to respective stock exchanges.

### **PARTICULARS OF EMPLOYEES**

The Board hereby expresses their appreciation for the outstanding contribution made by its employees to the operations of the Company, which lead the Company to better results during the year.

No Employee of the Company draws remuneration in excess of limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

### **ENERGY CONSERVATION MEASURES, TECHNOLOGY ABSORPTION AND R & D EFFORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The provisions related to energy conservation, technology absorption under section 217(1)(e) of The Companies Act, 1956 read together with The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable.

During the period under review the Company has earned Rs.44,589,972 /- by way of Foreign Exchange.

### **REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS**

The Report on Corporate Governance and Management Discussion and Analysis for the year under review together with the certificate from the Auditor of the Company regarding compliance of the conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

### **ACKNOWLEDGEMENT**

Your Directors wish to express their grateful appreciation for co-operation and support received from customers, financial institutions, Banks, regulatory authorities, customers and members and the society at large. The Directors also thank Government of various countries, Government of India, Government of Goa, Government of Maharashtra and concerned Government Departments/Agencies for their co-operation.

Deep sense of appreciation is also recorded for the dedicated efforts and contribution of the employees at all levels, as without their focus, commitment and hard work, the Company's consistent growth would not have been possible, despite the challenging environment.

or and on behalf of the Board

**Samit P. Hede**  
(Executive Director)  
(DIN 01411689)

**Dr. P. R. Hede**  
(Chairman)  
(DIN 00361216)

Place : Mumbai

**Date : July 28, 2014**



## Report on Corporate Governance

The Securities of the Company are listed with stock exchange in the financial year 2014-2015, however, some of the best practices, in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India (Clause 49), followed internationally on Corporate Governance System and processes at Phoenix Township Limited is as follows:

### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Corporate Governance broadly refers to a set of rules and practices designed to govern the behavior of corporate enterprises. The Company's philosophy on Corporate Governance envisages accountability, responsibility and transparency in the conduct of the Company's business and its affairs vis-à-vis its employees, shareholders, bankers, lenders, government, suppliers, dealers etc. and accordingly lays great emphasis on regulatory compliances. The Company firmly believes that Corporate Governance is a powerful tool to sub serve the long term growth of the Company and continues to give high priority to the principles and practice of Corporate Governance and has accordingly benchmarked its practices with the existing guidelines of corporate governance as laid down in the Listing Agreements.

### **2. BOARD OF DIRECTORS (BOARD)**

#### (a) Composition:

The Company has an optimum combination of Executive and Non-Executive Directors, in conformity with Clause 49 of the Listing Agreement, to maintain the independence of the Board and to separate the Board functions of governance and management.

As on March 31, 2014, the Board consisted of 8 (Eight) Members including alternate director. All members of the Board are persons with considerable experience and expertise in Industry.

The Executive Director provides leadership to the Board and to the Management in strategizing and realizing business objectives and are supported by the Independent Director. The Independent Directors contribute by giving their valuable guidance and inputs with their independent judgment on the overall business strategies and performance.

None of the Directors on the Board is a Member of more than ten (10) Committees and Chairman of more than five (5) Committees (as specified in Clause 49 of the Listing Agreement), across all the companies in which he/she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

The Composition and the category of Directors on the Board of the Company as at March 31, 2014 were as under:

Category	Name of Directors
Chairman	Dr. Prafulla R. Hede
Executive Director	Mr. Samit P. Hede
Non-Executive Director	Mr. Paul D.T. Willcox
Alternate to Mr. Paul D.T. Willcox	Mrs. Shibani M. Harlalka
Non-Executive & Independent Directors	Dr. Ram S. Tarneja, Dr. Surendra A. Dave Mr. Dattatraya M. Sukthankar, Mr. Pralhad B. Desai



## (b) Number of Board Meetings

The Board meets at least once in each quarter *inter-alia* to review the quarterly results. In addition the Board also meets whenever necessary. The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliances, if any, During the Financial Year 2013-2014, 4 (Four) Board Meetings were held. These were on 29<sup>th</sup> June, 2013, 10<sup>th</sup> August, 2013, 27<sup>th</sup> December, 2013, 24<sup>th</sup> March, 2014.

## (c) Changes in Board Composition.

Effective from 1<sup>st</sup> April, 2013 till date no change has taken place in the Board composition.

## (d) Director's Attendance Record and Directorships:

Attendance at Board Meetings held during 2013-14 and at the last AGM, number of Directorships, Memberships / Chairmanships in Public Companies during 2013-14.

Name of Director	Category of Directorship	No. of Board meetings attended	Attended at the last AGM	Number of directorships in other Public Limited Companies	No. of Committee positions held in other Public Limited Companies
Dr. Prafulla R. Hede	Chairman Non-Executive & Non Independent	4	Yes	2	Nil
Mr. Samit P. Hede	Exe. Director, Exe. & Non Independent	4	Yes	2	Nil
Mr. Paul D.T. Willcox	Non-Executive Director	Nil	Nil	—	---
Dr. Ram S. Tarneja.	Non-Executive, Independent	4	No	9	5
Dr. Surendra A. Dave	Non-Executive, Independent	2	No	8	8
Mr. Dattatraya M. Sukthankar	Non-Executive, Independent	4	No	3	1
Mr. Pralhad B. Desai	Non-Executive, Independent	4	No	2	2
Mrs. Shibani M. Harlalka	Alternate Director to Mr. Paul D. T. Willcox	2	No	Nil	Nil

The number of directorships and the positions held on Board Committees by the directors are in conformity with the limits on the number of Directorships and Board Committee positions as laid down in the Companies Act, 1956 and the Listing Agreement as on 31<sup>st</sup> March, 2014.

Certificates have also been obtained from the Independent Directors confirming their position as Independent Directors on the Board of the Company in accordance with Section 149 of the Companies Act, 2013, read with Clause 49 of the Listing Agreement.



## (e) Remuneration of Directors:

All Executive Director(s) receive salary, allowances, perquisites and commission while Non-Executive Independent Directors receive sitting fees for attending Board and Committee meetings. Payment of remuneration to the Chairman & Managing Director and the Executive Directors is governed by an Agreement entered into between the Company and the Managerial Personnel, the terms and conditions of which have been duly approved by the Board and the shareholders of the Company.

The Remuneration (including perquisites and benefits) paid to the Executive Directors during the period ended 31<sup>st</sup> March, 2014, is as follows:

Name of Directors	Sitting Fees (in Rs.)	Salaries & Perquisites(in Rs.)	Total (in Rs.)
Dr. Prafulla R. Hede	20,000	—	20,000
Mr. Samit P. Hede	NIL	12,00,000	12,00,000
Mr. Paul D. T. Willcox	NIL	—	
Mrs. Shibani M. Harlalka	10,000	—	10,000
Dr. Ram S. Tarneja.	40,000	—	40,000
Dr. Surendra A. Dave	20,000	—	20,000
Mr. Dattatraya M. Sukthankar	40,000	—	40,000
Mr. Pralhad B. Desai	40,000	—	40,000

**3. BOARD COMMITTEES:**

In compliance with the Listing Agreement and the applicable laws, the Board constituted the following committees:

(a) Audit Committee. (b) Stakeholders Relationship Committee. (c) Nomination & Remuneration Committee.

The Board determines the constitution of the committees and the terms of reference for committee members including their roles and responsibilities.

**(a) Audit Committee**

The Audit Committee comprises of four (4) Non – Executive Independent Directors as members viz.

Sr. No.	Name of Committee Members	Designation
1	Mr. Dattatraya M. Sukthankar	Chairman
2	Mr. Pralhad B. Desai	Member
3	Dr. Surendra A. Dave	Member
4	Dr. Ram S. Tarneja.	Member

The Committee held 4 (Four) meetings during the year. All the members of the Audit Committee are Non-Executive and Independent Directors. All the members are financially literate and have accounting / related financial management expertise.



The responsibilities of the Audit Committee include, inter-alia, overseeing the financial reporting process to ensure proper disclosure of financial statements, recommending appointment/removal of external auditors and fixing their remuneration, reviewing the quarterly and annual financial statements before submission to the Board, reviewing the adequacy of the internal audit function including the structure and staffing of the internal audit department, ensuring compliance of internal control systems, reviewing findings of internal investigations, discussing the nature and scope of audit with statutory auditors, reviewing the Company's financial and risk management policies and looking into reasons of substantial defaults, if any, of non-payment to stakeholders, reviewing the functioning of the Whistle Blower mechanism and a mandatory review of Management Discussion and Analysis of financial condition and results of operations, statement of significant related party transactions submitted by management, management letters/ letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, the appointment, removal and terms of remuneration of the internal auditor and the approval of appointment of CFO.

The Audit Committee also advises the Management on the areas where internal control system can be improved.

#### COMPOSITION AND MEETINGS

During the period under review, the Audit Committee held 4 (four) meetings during the year ended 31<sup>st</sup> March, 2014, i.e. on 29<sup>th</sup> June, 2013, 10<sup>th</sup> August, 2013, 27<sup>th</sup> December, 2013, 24<sup>th</sup> March, 2014. Necessary quorum was present at all the meetings.

The details of meetings attended by the Directors are given below:

Sr. No.	Name of Committee Members	Category	No. of Meetings attended
a.	Mr. Dattatraya M. Sukthankar.*	Non- Executive & Independent	4
b.	Mr. Pralhad B. Desai	Non- Executive & Independent	4
c.	Dr. Surendra A. Dave	Non- Executive & Independent	2
d.	Dr. Ram S. Tarneja.	Non- Executive & Independent	4

\*Mr. Dattatraya M. Sukthankar, Chairman of the Audit – Committee could not be present at the previous Annual General Meeting held on September 28, 2013 due to pre occupation.

#### (b) Stakeholders Relationship Committee.

In order to comply with the provisions of Section 178 of the Companies Act, 2013, the nomenclature of Shareholders' / Investors' Grievance Committee was changed to Stakeholders Relationship Committee with revised role which also includes to consider and resolve the grievances of all stakeholders of the Company.

The Stakeholders Relationship Committee comprises of Three (3) Non-Executive Independent Directors as members viz. (1) Mr. Samit Hede (Chairman), (2) Mrs. Shibani Harlalka, (3) Dr. Ram S. Tarneja.

The Stakeholders Relationship Committee held its meetings on 10<sup>th</sup> August, 2013, and 24<sup>th</sup> March, 2014.



No queries / complaints were received by the Company from shareholders. There were no pending letters/ complaints. The status of Shareholders' complaints received upto 31<sup>st</sup> March, 2014 is as stated below:

No. of Complaints received during the period ended 31 <sup>st</sup> March, 2014	0
No. of Complaints resolved as on 31 <sup>st</sup> March, 2014	0
No of Complaints pending as on 31 <sup>st</sup> March, 2014	0
No. of pending share transfers as on 31 <sup>st</sup> March, 2014	0

**Name, Designation and Address of the Compliance Officer:**

Mr. Lalan Kumar.  
Compliance Officer.  
Phoenix Township Limited  
Balaji Bhavan, 2nd Floor,  
14, BEST Marg, Colaba,  
Mumbai - 400 001.  
Tel No.: (91-22) 6159 0900 | Fax No.: (91-22) 2202 8212  
E-mail: complaince@hbgindia.com

The details of meetings attended by the Directors are given below:

Sr. No.	Name of Committee Members	Category	No. of Meetings attended
a.	Mr. Samit Hede	Executive Director	2
b.	Mrs. Shibani Harlalka	Non- Executive Director	2
c.	Dr. Ram S. Tarneja	Non- Executive & Independent Director	2

**(c) Nomination & Remuneration Committee:**

In order to comply with the provisions of Section 178 of the Companies Act, 2013, the nomenclature of the Selection and Remuneration Committee was changed to 'Nomination and Remuneration Committee'.

The Committee comprises of Three (3) Non-Executive Independent Directors as members viz. (1) Dr. Ram S. Tarneja (Chairman), (2) Mr. Pralhad B. Desai, (3) Dr. Surendra A. Dave.

The role of the Nomination and Remuneration Committee is:

- To identify persons who are qualified to become directors or who can be appointed in the senior management.
- To recommend to the Board, the appointment/ removal of directors or senior management personnel.
- To carry out evaluation of every director's performance.
- To formulate criteria for determining qualifications, positive attributes and independence of a director.
- To recommend to the Board, a policy relating to remuneration for directors, key managerial personnel and other senior employees.

During the period under review, there was no meeting of the Committee during the year.



#### **4. Disclosures**

##### **4.1 Related Party Transaction**

The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. Declarations have been received from the senior management personnel to this effect.

##### **4.2 Statutory Compliance, Penalties and Strictures**

The Equity Shares Company have been listed on April 07, 2014, hence, there has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and there are no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

##### **4.3 Disclosure of Accounting Treatment**

The financial statements are prepared on accrual basis of accounting and in accordance with the Indian GAAP, provisions of the Companies Act, 1956 ('the Act') and comply in material aspects with the Accounting Standards notified under Section 211 (3C) of the Act read with the Companies (Accounting Standard) Rules, 2006.

##### **4.4 CEO / CFO Certification**

The Executive Director of the Company have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO Certification for the Financial Year ended March 31, 2014.

#### **INSIDER TRADING POLICY**

The Company has implemented an Insider Trading Policy to comply with the relevant Insider Trading Regulation. In accordance with the policy, the Company announces quiet period for designated employees from time to time.

The Company has a policy of observing a 'quiet period' from the last day of the end of the quarter till two trading days after the financial results is published. The Company may also announce 'quiet period' during and after the occurrence of certain events mentioned in the Insider Trading Policy.

The Company is strictly monitoring its Insider Trading Policy.

#### **5. Compliance with Other Mandatory Requirements**

##### **5.1 Management Discussion and Analysis Report**

A Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under Clause 49 (IV) (F) of the Listing Agreement.

#### **6. Compliance with Non- Mandatory Requirements**

##### **6.1 Means of Communication**

The Quarterly financial results of the Company will be published in the news papers namely Financial Express and Gomantak. At the same time the results are also displayed on the website of the Company [www.hbgindia.com](http://www.hbgindia.com).



The Company has created an exclusive E-mail id [complaine@hbgindia.com](mailto:complaine@hbgindia.com) for the investors. The investors can directly send their grievances to the Compliance Officer.

## 6.2 Auditors Certificate on Corporate Governance

The Auditors Certificate on compliance of Clause 49 of the listing agreement relating to Corporate Governance is published as an annexure to Directors Report.

## 6.3 Review of Governance practices

We have in this report attempted to present the governance practices and principles being followed at Phoenix Township Limited as evolved over the years, and as best suited to the needs of our Business and stakeholders.

Our disclosures and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the globally recognized practices of governance so as to meet the expectations of our stakeholders.

## 7. Details on General Body Meetings

### a. Date, Time and Venue for the last three Annual General Meetings held

Financial years	Dates	Time	Venues
2010-2011	30/11/2011	11.30 A.M.	Durga Bhavan, Hede Centre, Tonca, Panjim, Goa – 403 001.
2011-2012	29/09/2012	11.30 A.M.	Durga Bhavan, Hede Centre, Tonca, Panjim, Goa – 403 001.
2012-2013	28/09/2013	11.30 A.M.	Phoenix Park Inn Resort, Sequera Vado, Candolim, Goa – 403 515.

### b. Details of the Special Resolutions passed in the previous three AGM<sup>s</sup>

- 1. At the AGM held on 30<sup>th</sup> November, 2011 - NIL**
- 2. At the AGM held on 29<sup>th</sup> September, 2012:** Inter – Corporate Loans and Investments - Resolutions passed by the company pursuant to Section 372A of the Companies Act, 1956. And appointment of Mr. Samit Hede as Executive director for 5 years.
- 3. At the AGM held on 28<sup>th</sup> September, 2013 – NIL**

### c. Additional Shareholder Information

	Annual General Meeting
<i>Day, Date &amp; Time</i>	Tuesday, 23 <sup>rd</sup> September, 2014 at 3:30 P.M.
<i>Venue</i>	Phoenix Park Inn Resort, Sequera Vado, Candolim, Goa-403515.
<i>Financial year</i>	April to March
<i>Book Closure Date</i>	Wednesday, 17 <sup>th</sup> September, 2014 to Tuesday 23 <sup>rd</sup> September, 2014 (both days inclusive) for the purpose of Annual General Meeting and Final Dividend.
<b>Listed on Stock Exchanges</b>	<b>1. BSE Limited (BSE) P.J. Tower, Dalal Street, Fort, Mumbai – 400 001.</b>
<b>Stock Code / Symbol</b>	<b>BSE: 537839 / PHOENIXTN</b>



**FINANCIAL CALENDAR 2014-15 (TENTATIVE):**

Financial Reporting for the quarter ending June 30, 2014	2 <sup>nd</sup> Week of August, 2014
Financial Reporting for the quarter ending September 30, 2014	2 <sup>nd</sup> Week of November, 2014
Financial Reporting for the quarter ending December 31, 2014	2 <sup>nd</sup> Week of February, 2015
Financial Reporting for the quarter ending March 31, 2015	3 <sup>rd</sup> Week of May, 2015

**SHARE TRANSFER AGENTS AND SHARE TRANSFER SYSTEM**

Phoenix Township Limited has appointed **Adroit Corporate Services Private Limited** as Registrars and Transfer Agents (RTA) to handle the physical Share Transfer related work and for Electronic connectivity as per the directives of SEBI. The Company's equity shares are traded in the Stock Exchanges compulsorily in Demat mode. The Share Holders & Investors Grievances Committee meets periodically for dealing with matters concerning securities of the Company.

For transfer of shares in physical form, the Company has introduced transfer cum Demat facility to avoid unnecessary mailing of Certificates. Certificates duly transferred are returned to those, who opt to receive certificates in physical form.

There are no legal proceedings against the Company on any share transfer matter.

**SHAREHOLDING PATTERN**

Table below gives the pattern of shareholding by ownership and Share Class respectively:

**a. Pattern of shareholding as on 31<sup>st</sup> March, 2014**

	Category	No. of Shares held	%age of Shareholding
A.	<b>Promoters' Holding</b>		
1.	Promoters		
	Indian Promoters		
	Directors of Promoters Companies	2723276	19.47
	Bodies Corporate	7691159	55.00
	Trust	381625	2.73
2.	Foreign Promoters	Nil	0.00
	<b>Total A</b>	<b>10796060</b>	<b>77.20</b>
B.	Non-Promoters' Holding		
3.	Institutional Investors	—	—
a.	Mutual Funds and UTI	197400	1.41
b.	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Government Institutions)	—	—
c.	Foreign Institutional Investors (FIIs)	1000	0.01
	Sub-Total (i)	<b>198400</b>	<b>1.42</b>



4.	Others	—	—
a.	Body Corporate	684825	4.90
b.	Indian Public	2084575	14.91
c.	NRIs/OCBs	220400	1.58
d.	Any Other (Trusts)		
	<b>Sub-Total (ii)</b>	<b>2989800</b>	<b>21.38</b>
	<b>Total B: (i) + (ii)</b>	<b>3188200</b>	<b>22.80</b>
	<b>Grand Total: A + B</b>	<b>13984260</b>	<b>100.00</b>

**c. Dematerialization of Shares as on 30<sup>th</sup> June, 2014**

Particulars	No. of Equity Shares	% to Share Capital
NSDL	76,28,135	54.55%
CDSL	7,03,750	5.03%
Physical	56,52,375	40.42%
<b>TOTAL</b>	<b>1,39,84,260</b>	<b>100.00%</b>

**DEMATERIALIZATION**

The Company's equity shares are under compulsory Demat trading. The ISIN of the Scrip is INE977M01024. As on 30<sup>th</sup> June, 2014, Dematerialized shares accounted for 59.58% of the total equity. The Company has appointed **ADROIT CORPORATE SERVICES PRIVATE LIMITED** as RTA to handle the physical Share Transfer related work and for Electronic connectivity as detailed below:

**ADROIT CORPORATE SERVICES PRIVATE LIMITED**

17/20, Jaferbhoy Ind. Estate,  
1st Floor, Makwana Road,  
Marol Naka, Andheri (East),  
Mumbai - 400 072, Maharashtra.

Tel No.: 022-28590942, 022422704001 Fax No.: +91-22-28503748.

E-mail: sshetty@adroitcorporate.com, pratapp@adroitcorporate Web: www.adroitcorporate.com

**Contact Person: Mr Pratap Pujare**

**Details of Public Funding Obtained in the Last Three Years**

No capital has been raised from public in the last three years.

**CORRESPONDENCE ADDRESS FOR INVESTOR**

Secretarial Department,  
Phoenix Township Limited  
Balaji Bhavan, 2<sup>nd</sup> Floor,  
14, BEST Marg, Colaba,  
Mumbai- 400 001.

Tel No.: +91-22-6159 0900, 2283 1312/1325 | Fax No.: +91-22-2202 8212

E-mail: complaine@hbgindia.com

**Contact person: Mr. Lalan Kumar, Compliance Officer.**



## Management Discussion & Analysis

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

The Indian economy continued to face the problems of high inflation, slow economic growth and high interest rates. As a result, no significant improvements were noticed either in Occupancy or the Room Rates. Even though no significant improvement is expected in the short term, the Hotel Industry is expected to grow substantially in the long run.

The Ministry of Tourism's 12<sup>th</sup> Five Year Plan Document demonstrates how tourism as a tool can be used for sustainable development, employment generation and poverty alleviation. The document has set specific goals to be achieved through tourism in the country. A threefold increase in plan allocation (Rs. 15,190 Crore for 2012-17 period as against Rs.5,169 Crore in the 11<sup>th</sup> Plan) for the tourism sector for the next five years is touted as a big recognition for this sector.

As per reports of the World Tourism and Travel Council, Travel & Tourism supported 53 million direct and indirect jobs, that is 9.2% of the total employment in India.

Over the next five years, Travel & Tourism jobs in India are expected to increase to a total 78 million jobs, when the shortfall of 180,000 guest rooms is bridged.

### **OPPORTUNITIES AND THREATS**

The hotel business is dependent on global and domestic economic conditions. Your Company also has the risk of heavy dependence on a few specific locations in India and on higher luxury segment.

According to WTTC, the Travel and Tourism Industry globally is expected to grow by 4.3% in 2014. This continues to be higher than the growth rates of other industries. With the rapid growth in domestic tourism and India becoming a preferred travel destination for international tourists and the proposed new visa policy, the outlook for the travel and tourism industry will be positive in 2014. Despite this, with the increase in the supply of hotel rooms and falling Average Room Rates (ARR), margins will continue to be under pressure. Escalating real estate prices, increasing cost of energy, inadequate infrastructure development and lack of trained manpower are some of the challenges that will need to be addressed urgently.

With a newly elected government at the centre and focus on infrastructure development, the travel and tourism industry is expected to receive a major boost.

### **OUTLOOK**

The last few years, the Indian Hotel Industry has been facing weak demand and an excess supply of rooms caused by optimism about the Indian growth story prior to 2008. This has led to new hotel openings by Indian and International hospitality brands. However, due to the economic slowdown, supply outpaced demand, suppressing Average Room Rates (ARR) and reducing occupancy.

As we look to the future, the Travel and Tourism industry has globally emerged as one of the fastest growing sectors, contributing significantly to economic growth and development. The World Travel and Tourism Council (WTTC) in its Annual Economic Impact Report 2014 estimate that the contribution of travel and tourism to the Indian GDP will be 7.3% in 2014. This is expected to grow by 7% p.a. reaching INR 14,000 billion by 2024.



India has potential to become a preferred tourist destination globally. The long term outlook for the Indian hospitality industry continues to be buoyant with growth outperforming the general economy. Inbound tourism continues to have modest growth of international tourists arrival and receipts. However, the domestic market will see strong growth with more Indians travelling, resulting in an expected revenue growth of 8.2% in the financial year 2014-2015.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has a proper adequate internal control system to ensure that all the assets are safe guarded and protected against the loss from unauthorized used or disposition and that transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive internal audit, periodical review by the management and documented policies, guidelines and procedures. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES**

The Company continues to lay emphasis on developing and facilitating optimum human performance. Performance management was the key word for the Company this year. Recruitment process has been strengthened to ensure higher competence levels.

---

**DECLARATION BY EXECUTIVE DIRECTOR**

**UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To

The Members of  
Phoenix Township Limited

I, Samit Hede, Executive Director of Phoenix Township Limited hereby declare that all the members of the Board of Directors and the senior management personnel have affirmed compliance with the Company's Code of Business Conduct and Ethics for the Financial Year ended 31<sup>st</sup> March, 2014.

For Phoenix Township Limited

**Samit Hede**  
Executive Director  
(DIN 01411689)

Place : Mumbai  
Date : July 28, 2014



**CERTIFICATION BY THE EXECUTIVE DIRECTOR ON FINANCIAL STATEMENTS OF THE COMPANY**

I, Samit Hede, Executive Director of Phoenix Township Limited, to the best of our knowledge and belief, certify that:

- (a) I have reviewed financial statements and the Cash Flow Statement for the year ended 31<sup>st</sup> March, 2014 and that to the best of our knowledge and belief state that:
  - i. these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best our knowledge the belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) significant changes in internal control during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**Samit Hede**  
Executive Director  
(DIN 01411689)

Place : Mumbai  
Date : July 28, 2014



## **INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
**PHOENIX TOWNSHIP LIMITED.**

We have audited the accompanying financial statements of Phoenix Township Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss Statement and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

### **AUDITORS' RESPONSIBILITY**

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

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

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

### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so

Required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow statement, of the cash flow for the year ended on that date



**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

For **Bhatter & Company**  
*Chartered Accountants*

**Sd/-**  
**Daulal H. Bhatter**  
*(Proprietor)*  
Membership No. : 16937  
FRN : 131092 W

Date : 25.05.2014  
Place : Mumbai



### **Annexure to the Independent Auditor's Report**

Referred to in paragraph 1 of our report of even date to the members of Phoenix Township Limited on the accounts of the company for the year ended 31<sup>st</sup> March, 2014.

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

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to and from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956;  
(a) The Company has not granted any interest free unsecured loans and advance to Associate Enterprises.  
(b) In our opinion the terms & conditions of such loans are prima facie not prejudicial to the interest of the company.  
(c) Therefore the question of overdue principal amount does not arise.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
(b) According to the information and explanation given to us, the transactions made in pursuance of such contract or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 5 lakhs or more in respect of any party have been made at prices which are reasonable having regards to the prevailing market prices.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section





- 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained in respect of manufacturing of polymer packaging films.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.
  10. (a) information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2013 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
  11. The Company has not accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
  12. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders except some instances of delay payment.
  13. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  14. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
  15. In our opinion the Company is not a dealer or trader in Shares, Mutual funds & other Investments. Investments whichever made by the company are in the name of the company.
  16. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
  17. In our opinion and according to the information and explanation given to us, the no term loans have been applied for the purposes for which they were obtained.
  18. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the Company during the year.
  19. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made preferential allotment of shares during the year as per the applicable provisions of the Companies Act, 1956.
  20. The Company has no outstanding debentures during the period under audit.
  21. The Company has not raised any money by public issue during the year.
  22. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For Bhatler & Company  
Chartered Accountants

**Sd/-**  
**Daulal H. Bhatler**  
(Proprietor)  
MNO. : 16937  
FRN : 131092 W

Date : 21.05.2014  
Place : Mumbai

**BALANCE SHEET AS AT 31ST MARCH, 2014**

Currency : Indian Rupees

Particulars	Note No.	As at 31st March 2014	As at 31st March 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2(1)	<b>216,808,680</b>	216,808,680
(b) Reserves and surplus	2(2)	<b>3,373,193</b>	842,652
		<b>220,181,873</b>	217,651,332
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	2(3)	<b>64,886,687</b>	92,554,630
(b) Deferred tax liabilities (Net)	2(4)	<b>16,092,944</b>	15,254,968
(c) Other long term liabilities	2(5)	<b>1,486,215</b>	1,535,755
(d) Long-term provisions		<b>82,465,846</b>	109,345,353
<b>(4) Current liabilities</b>			
(a) Short-term borrowings			
(b) Trade payables	2(6)	<b>15,495,229</b>	15,619,316
(c) Other current liabilities	2(7)	<b>20,701,783</b>	10,007,935
(d) Short-term provisions	2(8)	<b>1,918,110</b>	3,452,088
		<b>38,115,645</b>	29,079,339
<b>TOTAL</b>		<b>340,762,841</b>	356,076,024
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets	2 (9)		
(i) Tangible assets		<b>25,547,348</b>	244,977,017
(ii) Intangible assets			26,742,777
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
		<b>25,547,348</b>	271,719,794
(b) Non-current investments	2 (10)	<b>14,399,915</b>	13,847,071
(c) Deferred tax assets (net)			
(d) Long-term loans and advances	2 (11)	<b>11,233,500</b>	11,233,500
		<b>281,180,763</b>	296,800,365
<b>(2) Current Assets</b>			
(a) Inventories	2 (12)	<b>2,008,460</b>	1,433,836
(b) Trade receivables	2 (13)	<b>32,221,737</b>	29,429,725
(c) Cash and cash equivalents	2 (14)	<b>3,520,537</b>	6,952,774
(d) Short-term loans and advances	2 (15)	<b>21,831,344</b>	21,459,324
		<b>59,582,078</b>	59,275,659
<b>TOTAL</b>		<b>340,762,841</b>	356,076,024

See accompanying notes to the financial statements, as under

Significant Accounting Policies	1
Notes to the Balance Sheet	2
Other Notes	4

In terms of our report of even date

**For Bhatler & Co.**  
**Chartered Accountants**  
**Firm Registration No. 131092W**

Sd/-  
**Daulal H. Bhatler**  
*Proprietor*  
 Membership No. 16937  
 Place : Mumbai  
 Date : 21/05/2014

For AND ON BEHALF OF THE BOARD

Sd/-  
**Dr. P. R. Hede**  
*Chairman*

Sd/-  
**Samit P. Hede**  
*Executive Director*

Sd/-  
**Lalan Kumar**  
*Compliance Officer*



## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Currency : Indian Rupees

Particulars	Note No.	Year Ended March 31, 2014	Year Ended March 31, 2013
I. Revenue from operations	3(1)	111,191,792	95,550,622
II. Other income	3(2)	4,218,516	3,278,861
<b>III. Total Revenue (I + II)</b>		<b>115,410,308</b>	<b>98,829,483</b>
IV. Expenses:			
Changes in inventories of finished goods, work-in-progress	3(3)	-591,624	4,714
Employee benefits expense	3(4)	19,146,458	17,320,465
Finance costs	3(5)	5,510,191	6,362,188
Depreciation and amortization expense	2(9)	17,119,739	15,272,708
Other expenses	3(6)	69,812,830	58,623,723
<b>Total Expenses</b>		<b>110,994,847</b>	<b>97,583,798</b>
V. Profit before Prior Period items and extraordinary items and tax (III-IV)		4,412,741	1,245,685
VI. Prior Period items	3(7)	305,735	166,219
VII. Profit before extraordinary items and tax (V-VI)		4,106,979	1,079,466
VIII. Extraordinary items	0	0	
IX. Profit before tax (VII - VIII)		4,106,979	1,079,466
X. Tax Expenses:			
(1) Current Tax		738,463	67,460
(2) Deferred Tax	2(4)	837,975	629,929
XI. <b>Profit / (Loss) for the period from     continuing operations (VII-VIII)</b>		<b>2,530,541</b>	<b>382,077</b>
XII. Profit/(Loss) from discontinuing operations		0	0
XIII. Tax expense of discontinuing operations		0	0
XIV. Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)		0	0
XV. Profit/(Loss) for the year (XI + XIV)		2,530,541	382,077
Balance of Profit b/f from last year		0	0
Adjusted Against Amalgamation Account		0	0
Balance carried to Balance Sheet		2,530,541	382,077
XVI. Earnings per equity share:			
(1) Basic	3(8)	0.181	0.027
(2) Diluted		0	—

See accompanying notes to the financial statements, as under

Significant Accounting Policies	1
Notes to the Statement of Profit and Loss	3
Other Notes	4

In terms of our report of even date

**For Bhatler & Co.**  
Chartered Accountants  
Firm Registration No. 131092W

**For AND ON BEHALF OF THE BOARD**

Sd/-  
**Daulal H. Bhatler**  
Proprietor  
Membership No. 16937  
Place : Mumbai  
Date : 21/05/2014

Sd/-  
**Dr. P. R. Hede**  
Chairman

Sd/-  
**Samit P. Hede**  
Executive Director

Sd/-  
**Lalan Kumar**  
Compliance Officer



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

Currency : Indian Rupees

Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
<b>A. Cash Flow from Operating Activities</b>			
Net Profit before taxation		4,106,979	1,079,466
Adjustments for:			
Depreciation on fixed assets		17,119,739	15,272,708
Loss on sale of fixed assets		—	—
Interest expense		5,510,191	6,362,188
Deduct:			
Profit on sale of fixed assets		—	—
Interest income		162,323	139,757
Operating Profit before Working Capital changes		26,574,586	22,574,605
Adjustments for :			
(Increase) / Decrease in inventories		(574,624)	(97,325)
(Increase) / Decrease in trade receivables		(3,526,983)	3,268,819
(Increase) / Decrease in loans and advances		(372,020)	6,541,132
Increase/(Decrease) in liabilities		7,932,408	(2,658,668)
Increase/(Decrease) in provisions		(1,533,978)	(155,085)
<b>CASH GENERATED FROM OPERATIONS</b>		<b>28,499,389</b>	<b>29,473,478</b>
Income tax Paid		—	—
<b>Net Cash inflow from/ (outflow) from Operating activities</b>		<b>28,499,389</b>	<b>29,473,478</b>
<b>B. Cash Flow from Investing Activities</b>			
Purchase of investments		552,844	—
Purchase of fixed assets		855,987	(40,396,086)
Sale Proceeds from investments		—	—
Sale Proceeds from fixed assets		—	—
Interest received		162,323	139,757
Dividend received		—	—
<b>Net Cash inflow from/ (outflow) from Investing activities</b>		<b>1246508</b>	<b>(40,256,329)</b>
<b>C. Cash Flow from Financing Activities</b>			
Proceeds from issue of shares including premium		—	—
Proceeds from borrowings		—	—
Repayment of borrowings		(27,667,943)	20,500,375
Interest paid		(5,510,191)	(6,362,188)
Dividend paid		—	—
<b>Net Cash inflow from/ (outflow) from Financing activities</b>		<b>(33,178,134)</b>	<b>14,138,187</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(3,432,327)</b>	<b>3,355,336</b>
Opening Cash and Cash Equivalents		—	—
Cash in hand		1,346,417	1,268,545
Bank balances		5,606,357	2,328,893
		<b>6,952,774</b>	<b>3,597,438</b>
Closing Cash and Cash Equivalents		—	—
Cash in hand		742,263	1,346,417
Bank balances		2,778,275	5,606,357
		<b>3,520,538</b>	<b>6,952,774</b>
Non cash transactions:			
1			
2			

In terms of our report of even date

**For Bhatler & Co.**  
Chartered Accountants  
Firm Registration No. 131092W

**For AND ON BEHALF OF THE BOARD**

Sd/-  
**Daulal H. Bhatler**  
Proprietor  
Membership No. 16937  
Place : Mumbai  
Date : 21/05/2014

Sd/-  
**Dr. P. R. Hede**  
Chairman

Sd/-  
**Samit P. Hede**  
Executive Director

Sd/-  
**Lalan Kumar**  
Compliance Officer

**Note : 1****Significant Accounting Policies****CORPORATE INFORMATION**

**PHOENIX TOWNSHIP LIMITED** (the company) is a Public limited company incorporated on 10/02/1993 under the provisions of the Indian Companies Act, 1956 having Corporate Identity Number (CIN) U67190GA1993PLC001327. (Its shares are listed in Bombay Stock Exchange on dated 07.04.2014 with (CIN L67190GA1993PLC001327). The Registered office situated at PANJI, State GOA. The company is engaged in providing Services relating to hotel business.

**1. Significant Accounting Policies****a) Basis of Preparation of Financial Statements**

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 ('the Act'), and the accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

**b) Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in India (Indian GAAP) requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

**c) Fixed Assets / Intangible Assets**

Fixed Assets are stated on cost less accumulated depreciation. The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the working condition for its intended use.

**d) Depreciation**

- Leasehold Improvements are amortized over the period of lease or estimated period of useful life of such improvement, whichever is lower.
- Depreciation on other fixed assets is provided on written down value Method on a pro rata basis over its economic useful lives, estimated by the management or at the rates prescribed under Schedule XIV of the Act whichever is higher.

**Accompanying notes to the financial statements for the year ended March 31, 2014**

<b>Fixed Assets</b>	<b>Rates adopted (WDV)</b>	<b>Schedule XIV Rates (WDV)</b>
Office Building	5%	5%
Plant & Machinery	13.91%	13.91%
Furniture & Fixtures	18.10%	18.10%
Vehicles	25.89%	25.89%
Office Equipment	13.91%	13.91%
Computer & Software	32.72%	32.72%

- Assets costing less than or equal to Rs. 5,000 are depreciated fully in the year of purchase.

**e) Inventories****Inventories: Phoenix Park Inn Resort**

Stock of food and beverages and operating supplies and consumables stores are valued at cost (FIFO). As the market value of these items of the stock is unascertainable to their basic nature.

As the turnover of the company is in respect of hotel stay and food and beverages it is not possible to quantitative wise details of the turnover. However the breakup of food and beverages is provided as under:-

**f) Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- **Service Income**

Service income is recognised as per the terms of the contract when the related services are rendered. It is stated net of service tax.

- **Interest income**

Interest income is recognized on time proportion basis.

**g) Investments**

Investments are classified under Non-current and current categories.

‘Non-current Investments’ are carried at acquisition /amortized cost. A provision is made for diminution other than temporary on an individual basis.

‘Current Investments’ are carried at the lower of cost or fair value on an individual basis.

**h) Retirement and Other Employee Benefits**

The Company provides for retirement benefits to employees. However there is no liability on this account at end of the year under the applicable laws.

**i) Leases**

Lease Rent pertains to Agricultural Land taken on Lease & sub-lease for 99 years by the Company.

**j) Taxation**

Provision for Income Tax has been made in accordance with the provision of Income Tax Act, 1961. Deferred tax liability is provided for on the basis of timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.



**Accompanying notes to the financial statements for the year ended March 31, 2014**

**NOTE 2 : Notes to the Balance Sheet**

**1. Contingent Liabilities** (as applicable)

(a) Guarantees :

Particulars	As at March 31, 2014	As at March 31, 2013
Guarantees given by Banks on behalf of the Company	1,990,000	850,000
<b>TOTAL</b>	<b>1,990,000</b>	850,000

**NOTE 3 : Notes to the Statement of Profit and Loss**

**1. Information pursuant to para 5(viii) of the General Instructions to the Statement of Profit and Loss**

(e). Earnings in foreign currency (on accrual basis):

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Earnings in foreign currency	44,589,972	43,967,183

**2. Information pursuant to para 5(ii) and 5(iii) of the General Instructions to the Statement of Profit and Loss**

(f). Particulars of services rendered: (for service companies)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Room Services	86,035,360	73,017,979
Food & Beverages	25,156,432	22,532,643
<b>TOTAL</b>	<b>111,191,792</b>	95,550,622

**3. Auditor Remuneration**

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
As Auditor	70,000	70,000
For taxation matter	30,000	30,000
For reimbursement of expenses	—	—
Service Tax	12,360	12,360
<b>TOTAL</b>	<b>112,360</b>	112,360

**Accompanying notes to the financial statements for the year ended March 31, 2014****NOTE 4 : Other Notes****1. Related Party disclosures****a. List of related parties**

<b>Name of the Party</b>	<b>Relationship</b>
Colaba Real Estate P.Ltd.	Associate Company
Dr. Prafulla R Hede-Mine Owner A/c	Associate Firm
Hede Consultancy Co. Pvt. Ltd.	Associate Company
Hede Investments Pvt. Ltd. A/c	Associate Company
Sanquelim Investments Pvt. Ltd. A/c	Associate Company

**b. Balance Outstanding of Related Parties :**

<b>Name of Party</b>	<b>Receivable/Payable</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Inter Company & Directors	Payable, Loans & Advances	<b>30,214,585</b>	43,123,479

**2. Prior period comparatives**

Previous year's figures are presented as per the Revised Schedule VI to make comparables with current year. However, groupings of previous year's figures presented in these financial statements are not matching with those presented in previous year's financial statements.

In terms of our report of even date

**For Bhatler & Co.**  
Chartered Accountants  
Firm Registration No. 131092W

**For AND ON BEHALF OF THE BOARD**

**Sd/-**  
**Daulal H. Bhatler**  
*Proprietor*  
Membership No. 016937

**Sd/-**  
**Dr. P. R. Hede**  
*Chairman*

**Sd/-**  
**Samit P. Hede**  
*Executive Director*

**Sd/-**  
**Lalan Kumar**  
*Compliance Officer*

Place : Mumbai  
Date : 21/05/2014





**Accompanying notes to the financial statements for the year ended March 31, 2014**

**NOTE 2 : Notes to the Balance Sheet**

**1. SHARE CAPITAL**

a. Details of authorised, issued and subscribed share capital

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Authorised Capital</b>		
20,200,000 Equity Shares of Rs.10/- each	<b>202,000,000</b>	202,000,000
78,00,000 Preference Shares of Rs. 10/-each	<b>78,000,000</b>	78,000,000
<b>Issued Capital</b>		
13984260 Equity Shares of Rs.10/- each	<b>139,842,600</b>	139,842,600
7696608 Preference Shares of Rs. 10/-each	<b>76,966,080</b>	76,966,080
<b>Subscribed and Paid up</b>		
13984260 Equity Shares of Rs.10/- each	<b>139,842,600</b>	139,842,600
7696608 Preference Shares of Rs. 10/-each	<b>76,966,080</b>	76,966,080
	<b>216,808,680</b>	216,808,680

b. Information on shareholders

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	No of Equity Shares Held	Percentage	No of Equity Shares Held	Percentage
Dr. Prafulla Hede	<b>2572303</b>	<b>18.39</b>	2572303	18.39
Hede Consultancy Company Pvt. Ltd.	<b>2274880</b>	<b>16.27</b>	2274880	16.27
Hede Investments Pvt. Ltd.	<b>1223140</b>	<b>8.75</b>	1223140	8.75
Hede Transport Pvt. Ltd.	<b>1043015</b>	<b>7.46</b>	1043015	7.46
Sanquelim Investments Pvt. Ltd.	<b>1058178</b>	<b>7.57</b>	1058178	7.57

**Accompanying notes to the financial statements for the year ended March 31, 2014****NOTE 2 : Notes to the Balance Sheet**

## c. Reconciliation of number of shares

Particulars	Equity Shares		Preference Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	13984260	139,842,600	7696608	76,966,080
Shares Issued during the year (Alloted pursuant to merger)	0	0	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	13984260	139,842,600	7696608	766,966,080

**2. RESERVES AND SURPLUS**

Particulars	As at March 31, 2014	As at March 31, 2013
<b>a. Capital Reserves</b>		
Opening Balance	425,000	425,000
(+) Current Year Transfer	0	0
(-) Written Back in Current Year	0	0
Closing Balance	425,000	425,000
<b>b. Securities Premium Account</b>		
Opening Balance	0	0
Add : Securities premium credited on Share issue	0	0
Less : Premium Utilised for various reasons		
Premium on Redemption of Debentures	0	0
For Issuing Bonus Shares	0	0
Closing Balance	0	0
<b>c. Surplus</b>		
Opening balance	417,652	35,575
(+) Net Profit/(Net Loss) For the current year	2,530,541	382,077
(+) Transfer from Reserves	0	0
(-) Proposed Dividends	0	0
(-) Tax on Proposed Dividends	0	0
(-) Transfer to Reserves	0	0
Closing Balance	2,948,193	417,652
<b>GRAND TOTAL</b>	<b>3,373,193</b>	<b>842,652</b>



Accompanying notes to the financial statements for the year ended March 31, 2014

**NOTE 2 : Notes to the Balance Sheet**

**3. LONG-TERM BORROWINGS**

Particulars	As at March 31, 2014	As at March 31, 2013
<b>SECURED</b>		
<b>Term loans</b>		
<b>(a) From Banks</b>		
1) <b>HDFC Bank Ltd.</b> (Against Hypothecation of car)	<b>20,075</b>	218,062
From other parties		
1) EDC Ltd. Interrst Accrued and due on Term Loan (Secured against Equitable Mortgage of the Building and Landed Property and Building Situated at Candolim and personal Gurantee of Directors)	<b>26,920,105</b> <b>870,272</b>	36,887,440 1,103,045
2) Kotak Mahindra Prime Ltd. (Hypothecation of Motor Car)	<b>842,250</b>	1,187,671
3) IDBI Bank Ltd (WCTL)	<b>5,047,715</b>	0
<b>(b) Cash Credit</b>		
IDBI Bank Ltd (Secured by Receivable)	<b>971,685</b>	920,042
IDBI Bank-Zuari Forex	<b>0</b>	9,114,891
<b>TOTAL</b>	<b>34,672,102</b>	49,431,151

Particulars	As at March 31, 2014	As at March 31, 2013
<b>UN-SECURED</b>		
<b>Other loans and advances</b>		
From Directors & Others	<b>30,214,585</b>	43,123,479
<b>TOTAL</b>	<b>30,214,585</b>	43,123,479
<b>TOTAL OF SECURED AND UN-SECURED</b>	<b>64,886,687</b>	92,554,630



**Accompanying notes to the financial statements for the year ended March 31, 2014**

**NOTE 2 : Notes to the Balance Sheet**

**4 DEFERRED TAX LIABILITY (Net)**

The major components of deferred tax liability / asset as recognised in the financial statement is as follows:

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Deferred Tax Liability</b>		
Excess of net block of fixed assets as per books of accounts over net block for tax purpose	<b>16,092,944</b>	15,254,968
	<b>16,092,944</b>	15,254,968
<b>Deferred Tax Asset</b>		
Provision for Employee benefits	0	0
Expenses disallowed under Sec 43B	0	0
Carry forward business loss and unabsorbed depreciation	0	0
Others	0	0
	<b>0</b>	0
Net	<b>16,092,944</b>	15,254,968
Deferred Tax Charge / (Credit) for the year	<b>837,975</b>	629,929

**5. OTHER LONG-TERM LIABILITIES**

Particulars	As at March 31, 2014	As at March 31, 2013
Time share Money	<b>1,486,215</b>	1,535,755
<b>Total</b>	<b>1,486,215</b>	1,535,755

**6. TRADE PAYABLES**

Particulars	As at March 31, 2014	As at March 31, 2013
Trade Payables	<b>15,495,229</b>	15,619,316
Due to Micro and Small Enterprises	0	0
Other than Micro and Small Enterprises	0	0
	<b>15,495,229</b>	15,619,316



**Accompanying notes to the financial statements for the year ended March 31, 2014**

**NOTE 2 : Notes to the Balance Sheet**

**7. OTHER CURRENT LIABILITIES**

Particulars	As at March 31, 2014	As at March 31, 2013
Advances towards Compensation for use	<b>4,811,980</b>	4,972,380
Payments towards Cost of Soft Furnishing	<b>729,849</b>	754,177
Payments towards Legal Professional Fees.	<b>1,312,826</b>	1,356,586
Advance towards Customer Services	<b>7,218,592</b>	7,459,212
Sponsorship Payable	<b>52,182</b>	11,782
Security Deposit	<b>100,000</b>	100,000
Duties & Taxes	<b>3,405,146</b>	2,823,142
Other Liabilities	<b>249,666</b>	4,832,375
Inter Company Bal	<b>2,821,542</b>	-12,301,718
<b>Total</b>	<b>20,701,783</b>	10,007,935

**8. SHORT-TERM PROVISIONS**

Particulars	As at March 31, 2014	As at March 31, 2013
Provison for taxation (MAT)	<b>738,463</b>	67,460
Provison for expenses	<b>1,179,647</b>	3,384,628
<b>Total</b>	<b>1,918,110</b>	3,452,088

**10. NON-CURRENT INVESTMENTS**

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Other Investments (Refer B below)</b>		
(a) Investment Properties	<b>559,094</b>	0
Investment in Equity instruments	<b>0</b>	0
Equity Share	<b>64,000</b>	70,250
Investment in Trust	<b>8,875,000</b>	8,875,000
Goodwill	<b>4,901,821</b>	4,901,821
	<b>14,399,915</b>	13,847,071
<b>TOTAL</b>	<b>14,399,915</b>	13,847,071
Less : Provision for dimunition in the value of Investments	<b>0</b>	
	<b>14,399,915</b>	13,847,071
Aggregate amount of quoted investments (Market value of ` __ (Previous Year ` __)	<b>0</b>	0
Aggregate amount of unquoted investments	<b>64000</b>	70,250



**Accompanying notes to the financial statements for the year ended March 31, 2014**

**NOTE 2 : Notes to the Balance Sheet**

**9 FIXED ASSETS : PTL**

PARTICULARS	Gross Block				As at March 31, 2014	Depreciation rate	Accumulated Depreciation				Net Block	
	As at April 1, 2013	Additions (Deletions) during the Year	Acquired through business combinations	Revaluations / (Impairments)			As at April 1, 2013	Depreciation charge for the year	Adjustment due to revaluations	Adjustments On disposals	As at March 31, 2014	As at March 31, 2013
Tangible Assets												
Agricultural Land	49642808	0	0	0	49642808		0	0	0	0	0	49642808
Land	13279878	0	0	0	13279878		0	0	0	0	0	13279878
Buildings	207493341	13792541	0	0	221285882	0.0500	68174299	7655579	0	0	0	139319042
Plant & Machinery	48457445	2525398	0	0	50982843	0.1391	21281913	4131399	0	0	0	26532862
Office Equipment	3501236	3492596	0	0	6993832	0.1391	1766167	727168	0	0	0	1735009
Gymkhana Equipment	616750	0	0	0	616750	0.1391	469573	20472	0	0	0	147177
Motor Car	3189644		0	0	3189644	0.2589	2410582	201699	0	0	0	1124604
Computer	70848	2624807	0	0	2695655	0.4000	205999	995862				0
Mattress & Linen	2153559	29164	0	0	2182723	0.1391	1296861	123223	0	0	0	856698
Furniture & Fixture	22570469	5033259	0	0	27603728	0.1810	15300960	2228801	0	0	0	6879365
WIP	26641778	-26641778	0	0	0		0	0	0	0	0	26742777
Total	377617756	855987	0	0	378473744		110906354	16082205	0	0	0	266259280



**Accompanying notes to the financial statements for the year ended March 31, 2014**

**NOTE 2 : Notes to the Balance Sheet**

**9 FIXED ASSETS : PPIR**

PARTICULARS	Gross Block				Depreciation rate	As at April 1, 2013	Accumulated Depreciation			Net Block	
	As at April 1, 2013	Additions (Deletions) during the Year	Acquired through business combinations	Revaluations / (Impairments)			As at March 31, 2014	As at April 1, 2013	Depreciation charge for the year		Adjustment due to revaluations
Tangible Assets											
Agricultural Land			0	0			0	0	0	0	0
Land			0	0			0	0	0	0	0
Buildings			0	0	0.0500		0	0	0	0	0
Plant & Machinery	2283767	108591	0	0	0.1391		331682	0	0	331682	2060676
Office Equipment			0	0			0	0	0	0	0
Gymkhana Equipment			0	0			0	0	0	0	0
Motor Car	1334653		0	0	0.2589		345542	0	0	345542	989111
Computer	444149	37380	0	0	0.4000		196298			196298	285231
Matress & Linen			0	0			0	0	0	0	0
Furniture & Fixture	844823	34435	0	0	0.1810		164012	0	0	164012	715246
WIP	101000	15300	0	0			0	0	0	0	116300
Total	5008391	195706	0	0			1037534	0	0	1037534	4166563



Accompanying notes to the financial statements for the year ended March 31, 2014

**NOTE 2 : Notes to the Balance Sheet**

**11. LONG-TERM LOANS AND ADVANCES**

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Security &amp; Other Deposits</b>		
Lease Deposit	<b>11,233,500</b>	11,233,500
<b>TOTAL</b>	<b>11,233,500</b>	11,233,500

**12. INVENTORIES**

Particulars	As at March 31, 2014	As at March 31, 2013
Finished goods	<b>2,008,460</b>	1,433,836
<b>TOTAL</b>	<b>2,008,460</b>	1,433,836

**13. TRADE RECEIVABLES**

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Trade receivables outstanding for a period less than six months</b>		
Secured, considered good	<b>0</b>	0
Unsecured, considered good	<b>10,130,160</b>	7,313,865
Doubtful	<b>0</b>	0
Less: Provision for doubtful debts	<b>0</b>	0
	<b>10,130,160</b>	7,313,865
<b>Trade receivables outstanding for a period exceeding six months</b>		
Secured, considered good	<b>0</b>	0
Unsecured, considered good	<b>22,091,577</b>	22,115,860
Doubtful	<b>0</b>	0
Less: Provision for doubtful debts	<b>0</b>	0
	<b>22,091,577</b>	22,115,860
	<b>32,221,737</b>	29,429,725

**14. CASH AND CASH EQUIVALENT**

Particulars	As at March 31, 2014	As at March 31, 2013
Cash in hand	<b>742,263</b>	1,346,417
Balance with Schedule Banks	<b>1,400,116</b>	5,000,543
Balances with Bank in Fixed Deposit Receipt	<b>1,378,158</b>	605,814
	<b>3,520,537</b>	6,952,774





**Accompanying notes to the financial statements for the year ended March 31, 2014**

**NOTE 2 : Notes to the Balance Sheet**

**15. SHORT-TERM LOANS AND ADVANCES**

Particulars	As at March 31, 2014	As at March 31, 2013
b. Others (specify nature)		
TCS Paid on Liquor Purchases	11,410	75,850
TDS Travel Agent	0	95,960
Deposit on empty bottles	1,501,600	1,500,900
Prepaid Expenses	346,728	416,478
Guest Ledger Balance	122,055	120,342
Deposit against Gas Supply	100,000	100,000
Staff Advances	39,680	69,295
Advances of ZFL	17,500,000	17,500,000
Other Advances	2,209,870	1,580,499
	<b>21,831,344</b>	21,459,324

**NOTE 3: Notes to the Profit & Loss Accounts**

**1. REVENUE FROM OPERATIONS**

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Room Revenues	86,035,360	73,017,979
Food & Beverages	25,156,432	22,532,643
	<b>111,191,792</b>	95,550,622

**2. OTHER INCOME**

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Revenue from Shop Rental	155,104	153,426
Laundry Income	187,633	227,498
Sight Seeing & Transports	328,960	311,452
Foreign Exchange	136,984	144,975
Sale of Tobacco	54,457	27,637
Telephone, Fax Etc.	53,383	18,102
Revenue from Ayur Spa	1,187,478	0
Devidend	9,429	0
Miscellaneous Income	928,288	1,193,385
Agricultural Income	231,552	385,920
Interest on FDR Received	162,323	139,757
Scrap Sales	60,762	181,244
Banquet Rent	722,163	454,945
Sundry Creditors Cr/Dr Bal W/off	0	40,520
	<b>4,218,516</b>	3,278,861

**NOTE 3: Notes to the Profit & Loss Accounts****3. CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS**

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
<b><u>Opening Inventory</u></b>		
Finished Goods	<b>1,331,797</b>	1,336,511
Work-In-Progress	<b>0</b>	0
	<b>1,331,797</b>	1,336,511
<b><u>Closing Inventory</u></b>		
Finished Goods	<b>1,923,421</b>	1,331,797
Work-In-Progress		
	<b>1,923,421</b>	1,331,797
	<b>-591,624</b>	4,714

**4. EMPLOYEE BENEFIT EXPENSES**

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Salaries and incentives	<b>18,281,112</b>	16,551,736
Staff -Conveyance	<b>865,346</b>	768,729
	<b>19,146,458</b>	17,320,465

**5. FINANCE COST**

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Interest expense	<b>5,510,191</b>	6,362,188
	<b>5,510,191</b>	6,362,188

**NOTE 3 : Notes to the Profit & Loss Accounts****6. OTHER EXPENSES**

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Room Expenses	<b>5,181,630</b>	7,773,078
Food & Beverages Expenses	<b>14,498,238</b>	12,634,879
Heat, Light & Power Expenses	<b>8,432,833</b>	9,260,446
Basic & Incentive Management Fees	<b>889,939</b>	818,751
Franchise Fees	<b>4,621,427</b>	4,041,566
Printing & Stationary	<b>289,797</b>	335,817
Legal & Professional Fees	<b>1,805,347</b>	520,881
Books & Periodicals	<b>47,688</b>	41,554
Postage, Telex & Telephones	<b>56,924</b>	58,753
Membership & Subscriptions, RCI enrollment fees	<b>200,740</b>	167,637
Miscellaneous Exp.	<b>14,450</b>	5,028
Bank Charges	<b>69,961</b>	216,765
Lease Rent	<b>0</b>	190,000
Fines and Penalties	<b>43,421</b>	704,739
Audit Fees	<b>119,298</b>	386,125
Business Promotion Expenses	<b>52,585</b>	0
Bad Debts	<b>261,746</b>	125,240
Telephone, Fax Expenses	<b>726,073</b>	670,251
Travelling & Desk Expenses	<b>7,066,260</b>	4,232,183
Repairs & Maintenance	<b>13,068,762</b>	5,160,016
Staff welfare exp	<b>2,671,986</b>	3,654,951
Tobacco Expenses	<b>0</b>	17,953
Laundry Expenses	<b>2,279,037</b>	2,120,573
Laundry & Uniform Expenses	<b>75,392</b>	43,607
Commission on Credit Card	<b>113,697</b>	138,428
Licence, Rates & Taxes	<b>45,090</b>	727,374
Advertisement Expenses	<b>796,701</b>	244,297
Insurance Charges	<b>391,780</b>	158,294
Security Charges	<b>591,786</b>	558,237
Entertainment Expenses	<b>307,657</b>	225,899
Sitting Fees	<b>170,000</b>	160,000
Freight & Handling	<b>266,009</b>	169,720
General Expenses	<b>339,975</b>	319,660
Spa and Parlor Exp	<b>795,115</b>	164,177
Incentive Management Fees	<b>3,521,488</b>	2,576,844
	<b>69,812,830</b>	58,623,723

**NOTE 3 : Notes to the Profit & Loss Accounts****7. EXCEPTIONAL ITEMS**

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Prior Period Item	<b>305,735</b>	166,219
	<b>305,735</b>	166,219

**8. EARNINGS PER EQUITY SHARES**

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>Basic Earnings per Share</b>		
Profit/(Loss) attributable to Equity shareholders	<b>2,530,541</b>	386,792
Weighted average number of equity shares	<b>13,984,260</b>	13,984,260
<b>Basic Earnings Per Share</b>		
<b>Face value per Share</b>	<b>0.181</b>	0.028
<b>Dilutive Earnings per Share</b>		
Profit after adjusting interest on potential equity shares	<b>0</b>	0
Weighted average number of equity share after considering potential equity shares	<b>0</b>	0
<b>Dilutive Earnings per Share</b>		

**10. EXTRA ORDINARY ITEMS**

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Broad Heading (as applicable)	<b>0</b>	0
	<b>0</b>	0

**11. DISCONTINUING OPERATIONS**

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Profit/ (Loss) from discontinuing operations		
Broad Heading (as applicable)	<b>0</b>	0
Tax expenses of discontinuing operations		
Broad Heading (as applicable)	<b>0</b>	0



## Phoenix Township Limited

Registered Office : Durga Bhavan, Hede Centre, Tonca, Panaji, Goa - 403 001.  
Corp. Office : Balaji Bhavan, 2<sup>nd</sup> Floor, 14 BEST Marg, Colaba, Mumbai - 400 001.  
CIN : U67190GA1993PLC001327 • Website : www.hbgindia.com • Tel. No. : 022-6159 0900

### ATTENDANCE SLIP

(To be signed and handed over at the entrance of the meeting venue)

Regd. Folio No.: \_\_\_\_\_ DP ID\*: \_\_\_\_\_

No. of Shares held: \_\_\_\_\_ Client ID\*: \_\_\_\_\_

Full Name of the Member (in Block Letters) : \_\_\_\_\_

Name of the Proxy: \_\_\_\_\_

(To be filled-in if the Proxy Form has been duly deposited with the Company)

I hereby record my presence at the **TWENTY FIRST ANNUAL GENERAL MEETING** of the Company on **Tuesday, September 23, 2014 at 3:30 p.m.** at the Phoenix Park Inn Resort, SequeraVado, Candolim, Goa – 403 515.

Members / Proxy's Signature  
(To be signed at the time of handing over this slip)

\* Applicable for members holding shares in electronic form.

**Note:** Members are requested to bring their copies of the Annual Report to the meeting

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



## Phoenix Township Limited

Registered Office : Durga Bhavan, Hede Centre, Tonca, Panaji, Goa - 403 001.  
Corp. Office : Balaji Bhavan, 2<sup>nd</sup> Floor, 14 BEST Marg, Colaba, Mumbai - 400 001.  
CIN : U67190GA1993PLC001327 • Website : www.hbgindia.com • Tel. No. : 022-6159 0900

### PROXY FORM - MGT - 11

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

**CIN** : U67190GA1993PLC001327

**Name of the Company** : PHOENIX TOWNSHIP LIMITED

**Registered Office** : Durga Bhavan, Hede Centre, Tonca, Panaji, Goa – 403 001, India

Name of the Member (s): .....

Registered Address: .....

E-mail Id: ..... Folio No / Client Id: ..... DP ID: .....

I / We, being the member(s) of \_\_\_\_\_ shares of the above mentioned company, hereby appoint

1. Name: .....

Address:.....

E-mail Id: .....

Signature: ....., or failing him/her

2. Name: .....

Address:.....

E-mail Id: .....

Signature: ....., or failing him/her

3. Name: .....

Address:.....

E-mail Id: .....

Signature: .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Twenty-First Annual General Meeting of the Company to be held on the 23<sup>rd</sup> day of September, 2014 at 3.30 p.m. at Phoenix Park Inn Resort, SequeraVado, Candolim, Goa – 403 515 and at any adjournment thereof, in respect of such resolutions as are indicated below:

**ORDINARY RESOLUTION**

Resolution No. 1 : Adoption of Audited Financial Statements for the financial year ended March 31, 2014 together with reports of the Auditors and Board of Directors thereon

Resolution No. 2 : Re-appointment of Dr. Prafulla Hede, Director, who retires by rotation

Resolution No. 3 : Appointment of M/s. Bhattar & Co. as Statutory Auditors for a period of 3 years and fixing their remuneration.

**SPECIAL RESOLUTION**

Resolution No. 4 : Appointment of Dr. Ram Sukhraj Tarnejaas an Independent Director for a period of 5 years.

Resolution No. 5 : Appointment of Mr. Surendra Ambalal Dave as an Independent Director for a period of 5 years.

Resolution No. 6 : Appointment of Mr. Pralhad Bhagwant Desai as an Independent Director for a period of 5 years.

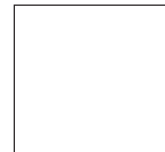
Resolution No. 7 : Appointment of Mr. Dattatraya M. Sukthankar as an Independent Director for a period of 5 years.

Resolution No. 8 : Increase in the borrowing power in terms of Section 180 (1)(c) of the Companies Act, 2013.

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

Signature of Shareholder (s)

Signature of Proxy Holder (s)



**Note : This form of proxy in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

REGISTERED POST

***If undelivered, please return to :***  
**PHOENIX TOWNSHIP LIMITED**  
Balaji Bhavan, 2nd Floor,  
14, BEST Marg, Colaba,  
Mumbai - 400 001.