



27TH
ANNUAL REPORT
2013 – 2014

PHOENIX INTERNATIONAL LIMITED

CIN: L74899DL1987PLC030092

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

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr. Narender Makkar

AUDITORS

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

REGISTRAR & TRANSFER AGENT

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

REGISTERED OFFICE

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

Works

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

CONTENTS**PAGE NO.****A. PHOENIX INTERNATIONAL LIMITED**

| | |
|----------------------------------|-------|
| Notice | 1-2 |
| Director Report | 3-5 |
| Report on Corporate Governance | 6-10 |
| Management Discussion & Analysis | 11-17 |
| Auditor Report | 18-21 |
| Balance Sheet | 22 |
| Profit & Loss Account | 23 |
| Cash Flow Statement | 24 |
| Auditors Certificate | 24 |
| Significant Accounting Policies | 25-26 |
| Notes to Accounts | 27-37 |

B. PHOENIX INDUSTRIES LIMITED

| | |
|---------------------------------|-------|
| Auditors Report | 38-40 |
| Balance Sheet | 41 |
| Profit & Loss Account | 42 |
| Cash Flow Statement | 43 |
| Significant Accounting Policies | 44-45 |
| Notes to the Accounts | 46-52 |

C. PHOENIX CEMENT LIMITED

| | |
|---------------------------------|-------|
| Auditors' Report | 53-55 |
| Balance Sheet | 56 |
| Profit & Loss Account | 57 |
| Cash Flow Statement | 58 |
| Significant Accounting Policies | 59 |
| Notes to the Accounts | 60-63 |

D. CONSOLIDATED FINANCIAL STATEMENTS

| | |
|---------------------------------|-------|
| Auditors' Report | 64 |
| Balance Sheet | 65 |
| Profit & Loss Account | 66 |
| Cash Flow Statement | 67 |
| Significant Accounting Policies | 68-69 |
| Notes to the Accounts | 70-79 |

PHOENIX INTERNATIONAL LIMITED

CIN: L74899DL1987PLC030092

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

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



NOTICE

NOTICE IS HEREBY GIVEN THAT THE 27TH ANNUAL GENERAL MEETING OF THE MEMBERS OF PHOENIX INTERNATIONAL LIMITED WILL BE HELD ON TUESDAY THE 30TH DAY OF SEPTEMBER, 2014 AT 10.00 A.M. AT LOK KALA MANCH, 20 INSTITUTIONAL AREA, LODHI ROAD, NEW DELHI - 110003, TO TRANSACT THE FOLLOWING BUSINESS

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31.03.2014 and Profit & Loss Account for the period ended on that date and Auditors and Directors' report thereon.
2. To appoint a Director in place of Mr. Narender Makkar, (DIN: 00026857) who retires by rotation and being eligible offers himself for re-appointment
3. **Appointment of Auditors**

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

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

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

Place: New Delhi
Date: 05.08.2014

Narender Makkar
Chairman

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing a proxy must be lodged at the Registered Office of the Company at least 48 hours prior to the time of the meeting.
2. The register of members and shares transfer books of the Company will remain closed on 30/09/2014.
3. Members holding shares in physical form are requested to notify any changes in their address (es) immediately to the company at its registered office at 3rd Floor, Gopala Tower, 25, Rajendra Place, New Delhi-110008 and those who are holding in the electronic mode are requested to send the intimation for change of address (es) to their Depository Participant(s).
4. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days before the date of Annual General Meeting, so as to enable the management to keep the information ready.
5. Pursuant to the provision of Section 205A of the Companies Act, 1956, as amended, the dividend(s) which remain un-paid or un-claimed for a period of Seven years has been transferred to "Investor Education and Protection Fund" established under sub-section (1) of section 205C.
6. You are aware that the provisions of Companies Act, 2013 have been made effective. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued thereunder, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository. It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This is a golden opportunity for every shareholder of Phoenix International Limited to contribute to the cause of Green Initiative. We therefore invite all our shareholders to contribute to the cause by filling up the form to receive communication from the Company in electronic mode. You can download the registration form from the website of the Company www.phoenixindia.com
7. **Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
8. Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.phoenixindia.com for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
9. **Voting through electronic means:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 Company is offering e-voting facility to its members. Detailed procedure is given in the enclosed letter.

PHOENIX INTERNATIONAL LIMITED



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

Item No. 2

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

Mr. Narender Makkar is Director in other following Companies:

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

Mr. Narender Makkar is a member of Committee in the following Companies:

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



PHOENIX INTERNATIONAL LIMITED

DIRECTOR'S REPORT

Dear Shareholder,

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

FINANCIAL RESULTS

(₹ In Lacs)

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

OPERATIONAL PERFORMANCE/FUTURE PLANS

The Company has carried out shoes related activities at its unit at Chennai during the financial year under review. The Company achieved turnover of ₹ 3,778.34 Lacs during the current year as compared to ₹ 3,623.19 Lacs during previous year.

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

FIXED DEPOSITS

The Company has not accepted or invited deposits from public covered under the provision of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules 1975.

DIVIDEND

To implement the plans and to expand the business activities, your Directors do not recommend any dividend for the year ended 31.03.2014.

PARTICULARS OF EMPLOYEES

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

DIRECTORS

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

DIRECTOR'S RESPONSIBILITY

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

- That in preparation of Annual Accounts for the year ended 31st March, 2014 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- That selected accounting policies were applied consistently and the Directors have made judgment and estimate that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2014 and of the Profit of the Company for the year ended on that date.
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in



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

AUDITORS

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

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

SUBSIDIARY COMPANIES

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

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

CORPORATE GOVERNANCE

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

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

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

ACKNOWLEDGMENT

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

For and on behalf of the Board
PHOENIX INTERNATIONAL LIMITED

Place: New Delhi
Date: 05.08.2014

Narender Makkar
Director & Company Secretary

P.M. Alexander
Director



PHOENIX INTERNATIONAL LIMITED

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

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

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

CHAIRMAN AND DIRECTOR CERTIFICATION

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

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

For and on behalf of the Board
PHOENIX INTERNATIONAL LIMITED

Place: New Delhi
Date: 05.08.2014

Narender Makkar
Director & Company Secretary

P.M. Alexander
Director

REPORT ON CORPORATE GOVERNANCE

(1) CORPORATE GOVERNANCE:

Sound Corporate Governance practices are guided by culture, conscience and mindset of an organization and are based on principles of openness, fairness, professionalism, transparency and accountability with an aim to building confidence of its various stakeholders and paving way for its long-term success. In Phoenix International Limited, Corporate Governance is defined as a systematic process by which companies are directed and controlled keeping in mind the long-term interests of all their stakeholders. Achievement of excellence in good Corporate Governance practices requires continuous efforts and focus on its resources, strengths and strategies towards ensuring fairness and transparency in all its dealings with its stakeholders including society at large. Corporate Governance has indeed assumed greater significance as the world has moved towards closer integration and free trade.

COMPANY'S PHILOSOPHY ON GOVERNANCE:

Your Company's philosophy on the Corporate Governance is founded upon a rich legacy of fair and transparent governance practices which are essentially aimed at ensuring transparency in all dealings and hence seeks to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. Your Company has continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies and prudent business plans, thereby ensuring that the Company pursues policies and procedures to satisfy its legal and ethical responsibilities. The Company's comprehensive written code of conduct serves as a guide for your company and its employees on the standards of values, ethics and business principles, which should govern their conduct. Your company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationships between itself and its stakeholders. Even in a fiercely competitive business environment that the Company is operating in, the management and employees of your Company are committed to uphold the core values of transparency, integrity, honesty and accountability, which are fundamental to the Company and for achieving Corporate Excellence.

CORPORATE GOVERNANCE PRACTICES:

The Company's Corporate Governance practices seek to go beyond the regulatory requirements and with a view to ensuring commitment to transparent, law abiding behavior and good Corporate Governance, the Company has put in place the following practices:-

(a) Code of Conduct:

The Company's Code of Conduct is based on the principle that business should be conducted in a professional manner with honesty, integrity and law abiding behavior and thereby enhancing the reputation of the Company. The Code ensures lawful and ethical conduct in all affairs and dealings of the Company.

(b) Business Policies:

The Business Policies of Company ensures transparency and accountability to its stakeholders. The policies provide motivation and support for professional development of employees, fair market practices and high level of integrity in financial reporting. The policies recognize Corporate Social Responsibility of the Company and also seek to promote health, safety and quality of environment.

(c) Prohibition of Insider Trading:

The Code on prevention of Insider Trading, which applies to the Board Members and all officers and employees, seeks to prohibit trading in the securities of the Company based on unpublished price sensitive information. Trading window remains closed so long unpublished price sensitive information is not made public.

(d) Risk Management:

The Company has developed and implemented a comprehensive risk management policy for risk identification, assessment and minimization procedure. The risk management procedures are clearly defined and periodically reviewed by the Board of Directors with a view to strengthening the risk management framework and to continuously review and reassess the risk that the Company may confront with.

(e) Environment Policy:

The Company is committed to conducting its business in a manner that values the environment and helps to ensure the safety and health of all its employees and society at large. The policy is aimed towards strengthening pollution prevention and control measures.

(f) Equal Employment Opportunity:

The employment policy of the Company assure that there shall be no discrimination or harassment against an employee or applicant on the grounds of race, color, religion, sex, age, marital status, disability, national origin, or any other factor made unlawful by applicable laws and regulations. The policy also ensures fair and respectful treatment of all fellow employees.

(2) Board of Directors

(A) Composition and Category of Directors

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



PHOENIX INTERNATIONAL LIMITED

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

(B) Details of Meeting of Board of Directors held during the year ended on 31st March, 2014

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

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

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

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

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

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

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

The maximum time gap between any two meetings did not exceed four calendar months.

Information to the Board

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

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



PHOENIX INTERNATIONAL LIMITED

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

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

(3) Audit Committee

(A) Constitution

The Audit Committee of the Board was constituted in the year 2000-01. The following were the members of the Committee during the year 2013-2014.

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

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

(B) Terms of Reference

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

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