

***PHIL CORPORATION LIMITED***

ANNUAL REPORT  
2013 - 2014



### **IMPORTANT COMMUNICATION TO MEMBERS**

The Ministry of Corporate Affairs has taken a “**Green Initiative**” in the Corporate Governance by allowing paperless compliances by the Companies, and issued circulars stating that service of notices/documents including Annual Reports can be effected to its members in electronic form.

In order to fully support this Green Initiative of the Ministry, members are requested to come forward and register their email addresses, and update the same from time to time.

Members holding their shares in demat form may please register their email addresses with their concerned Depository Participants.

Members holding their shares in physical form may intimate their email addresses either to the Company by sending a mail to [companysecretary@philproducts.com](mailto:companysecretary@philproducts.com) or to the Company's Registrar & Share Transfer Agents, mentioning their Folio Numbers.

Company's Website : [www.philproducts.com](http://www.philproducts.com)

**Board of Directors**

- A. Y. Fazalbhoy - Chairman
- K. D. Bhat - Vice Chairman
- Kavas D. Patel - Director
- Dr. J. C. Almeida - Director
- Sadashiv V Shet - Director
- A. V. Gaikwad - Director (Upto 31.01.2014)
- B. S. Sridhara - Managing Director (Upto 31.03.2014)
- P. Padmanabhan - Managing Director (From 01.04.2014)

**Audit & Shareholders' Grievance Committee**

- Kavas D. Patel - Chairman
- A. Y. Fazalbhoy - Member
- Sadashiv V. Shet - Member
- A. V. Gaikwad - Member (Upto 31.01.2014)
- Dr. J. C. Almeida - Member

**Remuneration Committee**

- Kavas D. Patel - Chairman
- A. Y. Fazalbhoy - Member
- Dr. J. C. Almeida - Member
- K. D. Bhat - Member
- Sadashiv V. Shet - Member

**Company Secretary Designate & Compliance Officer**

Pratika Shenvi Dessai

**Registered Office**

Vision House, Tivim Industrial Estate,  
Mapusa, Goa-403 526

**Auditors**

V. C. Shah & Co.,  
Chartered Accountants, Mumbai

**Solicitors**

Gagrats,  
Vigil Juris

**Factory**

Mauxi Road, Valpoi,  
Sattari - Goa.

**Registrars & Share Transfer Agents**

Datamatics Financial Services Ltd.,  
Plot No. B-5, Part B, Cross Lane, MIDC,  
Marol, Andheri (E), Mumbai - 400 093.

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**DIRECTORS' REPORT / MANAGEMENT DISCUSSION AND ANALYSIS****TO THE MEMBERS OF PHIL CORPORATION LIMITED**

1. The Directors present herewith the Annual Report along with the audited Accounts of the Company for the financial year ended 31st March, 2014.

**2. Financial Results at a glance :**

	Rs. in Lacs	Rs. in Lacs
	2013-14	2012-13
Sales & Services	226.88	127.14
Other Income	25.19	105.58
Total Income	252.07	232.72
Expenses	351.95	284.92
Profit/(Loss) before Extraordinary Item and Tax	(99.88)	(52.20)
Impairment Written Back	111.84	-
Profit/(Loss) before Tax	11.96	(52.20)
Tax Expenses	-	-
Profit/Loss for the year	11.96	(52.20)
Earning per share	0.10	(0.45)

**3. Dividend :**

In view of the operating cash loss made during the year and the accumulated losses, the Directors do not recommend any dividend for the financial year 2013-14.

**4. Management Discussion and Analysis Report :****i) Financial Results**

Sales during the period amounted to Rs. 226.88 lacs compared to Rs. 127.14 lacs during the previous financial year. The other income mainly consisted of refunds and interest received on deposits.

The Profit for the year was Rs. 11.96 lacs.

**ii) Operations & Restructuring**

The Company's efforts to restructure the business has been successful and the effort in the coming years will be to develop the food business.

**iii) Risks and Concerns**

Infusing funds for development of business and suitably managing the same, would be required to exploit fully the available opportunities.

**iv) Internal Control and Systems**

The Company has an adequate internal control system to review the risks and control measures, maintenance of proper accounting records and reliability of information and data.

**5. Corporate Governance :**

The Company has complied with the Corporate Governance requirements as per the Listing Agreement. Report on compliance with Corporate Governance and certificate from Auditors are given as Annexure –I to this Report.

**6. Conservation of Energy :**

*Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo :*

The details required under the Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 are given in Annexure –II to this Report.

**7. Fixed Deposits :**

The Company did not accept any fixed deposits during the year.

There were 10 nos. of fixed deposits amounting to Rs. 3.45 lacs which remained unclaimed as of 31st March, 2014. In respect of the unclaimed deposits, the Company has created fixed deposit by transferring the equivalent amount to a separate bank account. The unclaimed deposits are being paid out of the said bank account.

**8. Directors :**

In accordance with the provisions of the Companies Act, 1956 and Article 134 of the Articles of Association of the Company, Shri A Y Fazalbhoy and Shri Sadashiv V. Shet retire by rotation and are eligible for re-appointment. The resolutions pertaining to their re-appointment are placed for your approval.

**9. Directors' Responsibility Statement:**

The Board of Directors of the Company confirm :

- that in the preparation of the Annual Accounts the applicable Accounting Standards have been followed and there has been no material departure;

- ii. that the selected accounting policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the operating loss of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the annual accounts on a going concern basis.

**10. Qualifications in the Auditors' Report :**

There are no qualifications in the Auditors' Report regarding audited Accounts for the year ended 31st March 2014.

The Auditors have made certain comments and observations in their report in respect of non-payment of undisputed and disputed statutory dues. In respect of these matters we have to clarify that various disputed statutory liabilities which are stated as Contingent Liabilities, the Company has submitted its appeals before adjudication/appellate authorities and is of the opinion that the matters will be decided in Company's favour.

**11. Auditors :**

The members will be appointing the Auditors for the next financial year and to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and fixing their remuneration. The Company has received a Certificate from M/s. V. C. Shah & Co., Chartered Accountants, Mumbai, under Section 141 of the Companies Act, 2013 confirming their eligibility for their reappointment.

**12. Particulars of the employees :**

Particulars of the employees as required under Section 217(2A) of the Companies Act, 1956 are not applicable as the Company did not have any employee drawing remuneration in excess of the sums prescribed.

**13. Appreciation :**

The Directors place on record their appreciation of the excellent contribution made by the employees of the Company at all levels.

For and on behalf of Board of Directors

A. Y. Fazalbhoj  
Chairman

Place : Mapusa, Goa  
Dated : 12th May, 2014

## ANNEXURE – I REPORT ON CORPORATE GOVERNANCE

### Company's Philosophy on Corporate Governance :

The Company follows the philosophy of Corporate Governance to create an organisation culture that ensures good conscience, transparency, integrity and openness. The aim is to achieve desired goals with accountability and create a system that brings stability, growth, increased employee and customer satisfaction and increased shareholder value.

The Board of Directors appreciates the spirit behind Corporate Governance Code which will bring transparency in disclosure and communication. By initiating steps to improve Corporate Governance we can expect the resultant benefits to shareholders, employees and other stakeholders.

### Board of Directors – Composition :

The Board of Directors of your Company is led by Non-Executive Chairman Shri A.Y. Fazalbhoy. The composition of the Board of Directors is in conformity with clause 49 of the Listing Agreement with the Stock Exchange.

Name of the Director	Business Relationship	Executive/Non-Executive/Independent	No. of other Directorships	No. of other Committee Memberships	
				Chairman	Member
Shri A.Y. Fazalbhoy	Chairman	Promoter, Non-Executive	-	-	2
Shri Kavas D. Patel	Director	Independent, Non-Executive	5	2	1
Shri K. D. Bhat	Vice Chairman	Independent, Non-Executive	-	-	1
Dr. J. C. Almeida	Director	Independent, Non-Executive	-	-	1
Shri Sadashiv V. Shet	Director	Independent, Non-Executive	1	-	1
Shri A.V. Gaikwad (upto 31.01.2014)	Director	Non-Executive	-	-	1
Shri B. S. Sridhara (upto 31.03.2014)	Managing Director	Executive	-	-	-

85.71% Non-Executive

57.14% Independent

### NOTES :

1. Except the Managing Director the other Directors retire by rotation.
2. Number of other Directorships is given excluding Pvt. Ltd. Companies and Section 25 Bodies Corporates.
3. For Committee Membership / Chairmanship; the Committees considered are Audit Committee, Shareholders' Grievance Committee and Remuneration Committee.
4. None of the Directors is holding Membership of more than 10 Committees and Chairmanship of more than 5 committees as specified by Clause 49(I)(c)(ii) of the Listing Agreement.

**Number of Board Meetings, Attendance at Board Meetings and previous Annual General Meeting:**

Name of the Director	Board Meetings held during the year:6	30th AGM held on 21st August 2013	Date of Board Meetings held during the year
	Attended	Attended	
Shri. A. Y. Fazalbhoj	4	Y	24.04.13
Shri. Kavas D. Patel	2	Y	21.05.13
Shri. K. D. Bhat	5	N	24.07.13
Shri. A. V. Gaikwad	2	N	21.08.13
Dr. J. C. Almeida	6	Y	05.11.13
Shri. Sadashiv V. Shet	6	N	06.02.14
Shri. B. S. Sridhara	6	Y	

**Shareholding of Non-Executive Directors :**

The shareholding of the Non-Executive Directors as on 31st March, 2014 is as follows :

Name of the Non-Executive Director	No. of Equity Shares held	% of paid up Equity Capital
1. Shri Kavas D. Patel	10000	0.09%
2. Dr. J. C. Almeida	100	-
3. Shri Sadashiv V. Shet	Nil	-
4. Shri A.V. Gaikwad	1200	0.01%
5. Shri K. D. Bhat	19600	0.17%

**Code of conduct :**

Guidelines for Philcorp Code of Conduct to be observed by all the employees of the Company including the Whole Time Directors are issued. The Board of Directors have approved and adopted the Philcorp Code of Conduct. All the members of the Board of Directors and senior personnel as per Clause 49 of the Listing Agreement have affirmed compliance with the Code of Conduct. A declaration to this effect signed by Managing Director (CEO) forms part of this report.

**Audit & Shareholders' Grievance Committee**

The Board has constituted the Audit and Shareholders' Grievance Committee of the following members :

Shri Kavas D. Patel -- Chairman

Shri A.Y. Fazalbhoj -- Member

Shri Sadashiv V. Shet -- Member

Shri J. C. Almeida -- Member

Shri A. V. Gaikwad -- Member (upto 31.01.14)

The composition of the Audit Committee is in conformity with clause 49(II)(A) of the Listing Agreement. Shri Kavas D. Patel, Chairman of the Committee is a member of the Institute of Chartered Accountants, England & Wales.

The Committee deals with all matters indicated in Clause 49(II-D) of the Listing Agreement. In all five Meetings of the Audit and Shareholders' Grievance Committee were held during the year and the attendance at the Meeting was as follows :

Name of the Member	No. of Audit Committee Meetings held during the period : 5	Dates of the Audit Committee Meetings held during the year
	Attended	
Shri Kavas D. Patel	1	24.04.2013
Shri A.Y. Fazalbhoj	3	21.05.2013
Shri Sadashiv V. Shet	5	24.07.2013
Shri A. V. Gaikwad	2	05.11.2013
Dr. J. C. Almeida	3	06.02.2014

**Remuneration Committee :**

The Remuneration Committee consists of the following Members :

1. Shri Kavas D. Patel -- Chairman
2. Dr. J. C. Almeida -- Member
3. Shri A. Y. Fazalbhoj -- Member
4. Shri K. D. Bhat -- Member
5. Shri Sadashiv V. Shet -- Member

The Committee is responsible for revising remuneration packages to Managing Director, Whole Time Directors, Senior Executives and Managers. No stock options are issued to the Directors or Employees.

One meeting of the Remuneration Committee was held on 6th February 2014 and the attendance at the Meeting was as follows :

Shri. A. Y. Fazalbhoj  
 Shri. Kavas D. Patel  
 Dr. J. C. Almeida  
 Shri. K. D. Bhat  
 Shri. Sadashiv V. Shet

**Remuneration Policy :**

**Non Executive Directors :** Presently no commission or any other remuneration except the sitting fees are paid to the Non-Executive Directors. Sitting fees are paid for attending the Board Meetings, Audit Committee Meetings and Remuneration Committee Meetings. The Company pays Rs. 3,000/- per meeting towards the sitting fees to Directors for attending the Board Meeting / Audit Committee Meeting / Remuneration Committee Meeting. No sitting fees are paid for Executive Committee Meetings.

The Company did not have any pecuniary relationship or transactions with any of the Non-Executive Directors.

Mr. A. V. Gaikwad has tendered his resignation on 31st January 2014 from the Board and the Board has appreciated the services provided to the Company by Mr. A. V. Gaikwad.

**Managing Director/Whole-time Director :**

As approved by the Shareholders, the Company has paid remuneration to Managing Director by way of salary and perquisites (Fixed component). No commission or incentive is paid or payable to the Managing Director. No sitting fees for attending Board Meetings or any other Committee Meetings of the Company are paid to Managing Director.

The Board approves the appointment and the terms and conditions of appointment and remuneration of Whole Time Directors (including Managing Director) on the basis of recommendations of the Remuneration Committee. The terms and conditions and remuneration payable to the present Managing Director are within the ceilings prescribed as per the Schedule XIII of the Companies Act, 1956.

Shri B. S. Sridhara the Managing Director of the Company, has resigned w.e.f. from 31.03.2014 and in his place Mr. P. Padmanabhan has taken charge of the Company as the Managing Director w.e.f. from

01.04.2014. The Board appreciated the services provided to the Company by Shri. B. S. Sridhara during his tenure as Managing Director of the Company.

**Remuneration paid to the Directors :**

Non-Executive Directors are paid sitting fees for attending the Board Meetings / Audit Committee Meetings / Remuneration Committee Meetings. During the Financial year ended 31st March, 2014 the sitting fees paid to Non-Executive Directors are as follows :

Name of the Director	Remu- neration Rs.	Sitting fee Rs.	Total Rs.
Shri A.Y. Fazalbhoj	-	24,000/-	24,000/-
Shri Kavas D. Patel	-	12,000/-	12,000/-
Shri A. V. Gaikwad	*2,60,000/-	12,000/-	2,72,000/-
Dr. J. C. Almeida	-	30,000/-	30,000/-
Shri Sadashiv V. Shet	-	36,000/-	36,000/-
Shri K. D. Bhat	-	18,000/-	18,000/-

**\* Consultation Fees**

The details of Remuneration paid to Shri B. S. Sridhara, Managing Director are given below :

Name of the Director	Salary Rs.	Contribution to PF & Other Funds Rs.	Perquisites Allowances Rs.	Total Rs.
Shri B. S. Sridhara Managing Director	6,48,000/-	77,760/-	10,94,278/-	18,20,038/-

**Share Transfer Committee & Share Transfer System :**

The Share Transfer Committee consists of two Directors of the Company. The Share Transfer Committee meets regularly. The Registrars and Share Transfer Agents process the physical Share Transfers and any defects while processing the Share Transfer Deeds are immediately intimated by objection letters by the Registrars and Share Transfer Agents to the concerned Transferor / Transferee.

In all 9 Meetings of Share Transfer Committee were held during the year.

**Means of Communication :**

The Unaudited quarterly results of the Company are taken on Record by the Directors and are communicated to the Bombay Stock Exchange where the Shares of the Company are listed. The Unaudited quarterly results are published as per Clause 41 of the Listing Agreement.

The Company publishes the results in the following newspapers :

- (1) Pudhari / Sunaparant (Goa) (Konkani)
- (2) Times of India (English)

**Venue & Time of previous three Annual General Meetings :**

Day	Date	Time	Venue
Wedes-day	21st August, 2013	4.00 p.m.	Mapusa Residency (Tourist Hostel, Mapusa, Goa)
Monday	10th September, 2012	4.30 p.m.	Mapusa Residency (Tourist Hostel, Mapusa, Goa)
Thurs-day	8th September, 2011	4.30 p.m.	Mapusa Residency (Tourist Hostel, Mapusa, Goa)

**Disclosures :**

The Company has complied with the statutory provisions, rules and regulations relating to the 'Capital Market' during the last three years and no penalties or strictures have been imposed by Stock Exchange or SEBI or any other Statutory Authority.

**GENERAL SHAREHOLDER INFORMATION :**

**31st Annual General Meeting – Day, Date, Time and Venue**

Day	Date	Time	Venue
<b>Tuesday</b>	<b>12th August, 2014</b>	<b>4.30p.m.</b>	<b>Mapusa Residency (Tourist Hostel, Mapusa, Goa)</b>

There are no Special Resolutions for approval of the members by Postal Ballot system at the 31st Annual General Meeting.

**Financial Calendar :**

Financial Year	: 1st April, 2013 to 31st March, 2014
Unaudited Results	: 1st Quarter - (April - June, 2013) By 14th August, 2013
Unaudited Results	: 2nd Quarter - (July - September, 2013) By 15th November, 2013
Unaudited Results	: 3rd Quarter - (October - December, 2013) By 15th February, 2014
Accounts Approval/ Audited Results	: By 31st May, 2014

**Dates of Book Closure (Both days inclusive) & Dividend payment date :**

Book Closure :	Dividend Payment
<b>From 7th to 12th August, 2014 (both days inclusive)</b>	Not Applicable

**Revocation of Suspension of trading of Equity Shares on BSE :**

The Company has complied with all the clauses of listing agreement subject to which Company's shares are listed again on Bombay Stock Exchange with effect from 24th September 2013.

**The Company's Equity Shares are listed on the Bombay Stock Exchange**

The Bombay Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001  
Stock Code : 500458  
ISIN No. of Equity Shares: INE601A01017

**Stock Price Data :**

All in Rs.

Month	High	Low	Close	No. of Shares	No. of Trades	Total Turnover
Sept 13	11.00	8.98	8.98	219	8	2132
Oct 13	8.54	2.84	2.98	183717	1553	797937
Nov 13	3.33	2.22	3.29	66882	671	191818
Dec 13	3.92	3.00	3.38	24208	200	77578
Jan 14	4.00	3.38	3.44	9556	79	35422
Feb 14	3.27	2.11	2.43	33944	127	87757
Mar 14	2.75	2.00	2.38	59524	254	142641

**Shareholding Pattern as on 31st March, 2014**

Category	No. of Shares held	% of Shareholding
Directors, their relatives and Promoter Group	58,61,073	50.30
Mutual Fund and UTI	5,300	0.05
Banks, Financial Institutions, Insurance Companies (Central/State Govt.) Institutions / Non-Governmental Insurance	43,100	0.37
Foreign Institutional Investors	1,000	0.01
Private Corporate Bodies	2,58,911	2.22
Indian Public	54,30,836	46.62
Non-resident Indians/OCBs	49,780	0.43
Total	1,16,50,000	100.00

**Distribution of Shareholding as on 31st March, 2014**

Shares Range		Shares	% to Capital	No. of Holders	% to Total Holders
From	To				
1	500	24,11,880	20.70	13,557	87.92
501	1000	8,79,606	7.55	1,065	6.91
1001	2000	6,88,313	5.91	422	2.74
2001	3000	3,77,502	3.24	145	0.94
3001	4000	2,35,902	2.03	66	0.43
4001	5000	2,83,525	2.43	59	0.38
5001	10000	4,96,466	4.26	69	0.45
10001	50000	5,01,190	4.30	27	0.18
50001	and above	57,75,616	49.58	10	0.07
TOTAL		1,16,50,000	100.00	15,420	100.00

**Status of Shareholders' Complaints/Service Requests received and attended during the period :**

As per the quarterly reports received from Registrars and Share Transfer Agents the status of complaints and service requests received and attended during the year is as follows :

	Complaints	Service Requests
(i) Pending as on 1st April, 2013	0	0
(ii) Received during the year	4	24
(iii) Resolved/Attended during the year.	4	24
(iv) Pending as on 31st March, 2014	0	0

**Registrars & Share Transfer Agents:**

Datamatics Financial Services Ltd.  
Plot No. B-5, Part B Cross Lane,  
MIDC, Andheri (East),  
Mumbai 400 093.

## ANNEXURE TO THE REPORT OF THE DIRECTORS

### CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

#### **The Shareholders of Phil Corporation Limited**

We have examined the compliance of conditions of Corporate Governance by Phil Corporation Limited, for the financial year ended 31st March, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement; except as mentioned in the report on Corporate Governance.

We state that in respect of investor grievances received during the financial year ended 31st March, 2014, no investor grievances are pending against the Company for a period exceeding one month as per records maintained by the Company which are presented to the Shareholders' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company or the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For V. C. Shah & Co.**  
*Chartered Accountants*

*Place : Mumbai*  
*Dated : 12th May, 2014*

**V. C. Shah**  
*Partner*  
*Membership No. 10360*

## DECLARATION

I, P Padmanabhan, Managing Director of Phil Corporation Ltd., hereby declare that all the members of the Board of Directors and Senior Management Personnel as defined by Clause 49 of the Listing Agreement have affirmed compliance with the code of conduct for the financial year ended 31st March, 2014.

**For PHIL CORPORATION LIMITED**

**P Padmanabhan**  
*Managing Director*

*Place : Mapusa, Goa*  
*Dated : 12th May, 2014*



## ANNEXURE –II – TO DIRECTORS’ REPORT

(Disclosure as per Notification GSR No. 1029 dated December 31, 1988)

### A. Conservation of Energy :

Energy conservation is a continuous programme and the Company has laid emphasis on creating awareness amongst employees for optimizing operations and improving efficiency of machinery and equipment. The Company is installing energy efficient devices in its new projects. The measures taken by the Company have resulted in saving in energy consumption.

### B. Technology Absorption :

Research and Development :

1. Specific areas in which R & D carried out by the Company :
  - Product/Process improvement and development.
  - Import Substitution of various components and spares.
  - Quality improvement.

2. Benefits derived as a result of R & D :
    - Improvement in quality and new product/process development.
  3. Future plan of action:
    - Continuous development of products and processes.
  4. Expenditure on R & D Rs. in lacs

Capital	-
Recurring	-
TOTAL	-
Total R & D Expenditure	
As percentage of turnover	-
  5. Imported Technology :
    - (a) Technology imported over past 5 years Nil
    - (b) Has the technology been fully developed N/A
- C. Foreign Exchange Earnings and Outgo :** Nil

## INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS OF  
PHIL CORPORATION LIMITED

### Report on the Financial Statements

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

### Management'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 & cash flows of the Company in accordance with accounting principles generally accepted in India, including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Forming an Opinion and Reporting on Financial Statements Act"), read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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.

### Auditor's 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the 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 Statement of Profit and Loss, "Profit" for the year ended on that date; and
- © In the case of the Cash Flow Statement, of the cash flows 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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss, And Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013
- 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.

**For V. C. Shah & Co.**  
*Chartered Accountants*  
*Firm Reg. No. 109818W*

*Place : Mumbai*  
*Dated : 12th May, 2014*

**V. C. Shah**  
*Partner*  
*Membership No. 10360*

## ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Report on Other Legal and Regulatory Requirements of our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) A substantial portion of the fixed assets has been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) There has been no substantial disposal of fixed assets during the year.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) 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 according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and these have been properly dealt with in the books of account.
- (iii) The Company has not granted nor taken any loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, Sub-Clause (b), (c), (d), (e), (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) Based upon the audit procedures performed and according to the information and explanations given to us, the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, such transactions exceeding the value of Rs. 5,00 lacs in respect of any party during the period have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any fixed deposits from the public during the year. There are unclaimed deposits in respect of which the Company has complied with the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. In respect of the orders passed by the Company Law Board in earlier years the Company has complied with the said orders.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We are informed that the Central Government has not prescribed maintenance of cost records under Section 209(i)(d) of the Companies Act, 1956 for any of the products of the Company.
- (ix) (a) According to the records of the Company, in respect of Provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Cess have been generally, regularly deposited during the year with the appropriate authorities. As per the explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at 31st March, 2014 for a period of more than six months from the date on which they became payable. In respect of Gratuity payments the extent of arrears of outstanding dues, as at the last day of the financial year for a period of more than six months from the date they became payable are given below:

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the Amount Relates
Under the Payment of Gratuity Act, 1972	Gratuity	2,80,830	Up to 31st March, 2014

(b) According to the records of the Company, Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute are given below :

Name of the statute (nature of dues)	Period to which the amount relates	A Forum where dispute is pending	Amount (Rs.)
Duty Drawback Rules	1989-1990	High Court, Mumbai	7,04,000
Foreign Trade (Development & Regulation) Act, 1992	1999-2000	DGFT/Jt.DGFT	1,92,73,000
State Sales Tax\ Central Sales Tax	1993-2004	Appellate Authorities	2,98,78,973
Central Excise\ Service Tax	1990-2004	Appellate Authorities	15,72,000

(x) The accumulated losses at the end of the financial year are more than 50% of the net worth. The Company has incurred cash loss of Rs. 85,58,111/- in the current financial year and Rs. 36,11,678/- in the preceding financial year.

(xi) In our opinion and according to information given to us, the Company does not own any dues to Financial Institutions, Banks or Debenture holders. Therefore the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(xii) Based on our examination of the records and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of the clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

(xvi) According to the information and explanations given to us, the Company has not taken any term loan during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the Company has not raised any fund on short term or long term basis.

(xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.

(xix) The Company has not issued any debentures during the year.

(xx) During the year, the Company has not raised any money by public issue.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For V. C. Shah & Co.**  
Chartered Accountants  
Firm Reg. No. 109818W

Place : Mumbai  
Dated : 12th May, 2014

**V. C. Shah**  
Partner  
Membership No. 10360

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

Particulars	Note No.	As at	As at
		31st March, 2014	31st March, 2013
		Rs.	Rs.
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share Capital	2	12,65,00,000	12,65,00,000
(b) Reserves and surplus	3	(10,83,05,588)	(1,09,501,702)
		1,81,94,412	1,69,98,298
<b>2. Non-current liabilities</b>			
(a) Long-term provisions	4	7,97,853	3,79,312
		7,97,853	3,79,312
<b>3. Current Liabilities</b>			
(a) Trade payables	5	38,38,904	30,85,161
(b) Other current liabilities	6	1,25,32,978	28,02,694
(c) Short-term provisions	7	6,24,645	17,71,523
		1,69,96,527	76,59,378
<b>TOTAL</b>		3,59,88,792	2,50,36,988
<b>B. ASSETS</b>			
<b>1. Non-current Assets</b>			
(a) Fixed Assets			
(i) Tangible assets	8	2,73,12,403	1,68,41,388
(b) Non-current investments	9	-	10,000
(c) Long-term loans and advances	10	11,40,965	24,55,965
		2,84,53,368	1,93,07,353
<b>2. Current Assets</b>			
(a) Inventories	11	21,95,176	22,08,111
(b) Trade receivables	12	34,83,400	13,55,550
(c) Cash and cash equivalents	13	14,57,629	19,13,569
(d) Short-term loans and advances	14	3,99,219	1,78,719
(e) Other current assets	15	-	73,686
		75,35,424	57,29,635
<b>TOTAL</b>		3,59,88,792	2,50,36,988
<b>Statement of Significant Accounting Policies</b>	1		
<b>Notes to the Accounts</b>	21		
<b>The notes referred to above form an integral part of Balance Sheet</b>			

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

In terms of our report attached  
**For V. C. Shah & Co.**  
**Chartered Accountants**  
**Firm Reg No. 109818W**

**V. C. Shah**  
**Partner**  
**Membership No. 10360**

Date : 12th May, 2014

**P. PADMANABHAN**  
*Managing Director*

**PRATIKA SHENVI DESSAI**  
*Company Secretary-Designate*

**A. Y. FAZALBHOY** - *Chairman*

**K. D. BHAT** - *Vice Chairman*

**DR. J. C. ALMEIDA** - *Director*

**SADASHIV V. SHET** - *Director*

**KAVAS PATEL** - *Director*

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

	Particulars	Note No.	For the year ended	For the year ended
			31st March, 2014	31st March, 2013
			Rs.	Rs.
	<b>REVENUE</b>			
1.	Revenue from operations	16	2,26,88,284	1,27,14,650
2.	Other income	17	25,19,353	1,05,57,756
3.	<b>Total Income (1 + 2)</b>		<b>2,52,07,637</b>	<b>2,32,72,406</b>
4.	<b>Expenses</b>			
	(a) Cost of materials consumed	18a	1,86,62,147	94,49,950
	(b) Changes in inventories of finished goods	18b	(44,118)	(1,71,417)
	(c) Employee benefits expense	19	58,30,858	53,06,968
	(d) Depreciation	8	13,44,761	18,00,905
	(e) Other expenses	20	94,01,576	1,21,06,405
	<b>Total Expenses</b>		<b>3,51,95,224</b>	<b>2,84,92,811</b>
5.	<b>Profit / (Loss) before extraordinary items and tax (3 - 4)</b>		<b>(99,87,587)</b>	<b>(52,20,405)</b>
6.	Extraordinary items			-
	(a) Impairment written back		1,11,83,700	
7.	<b>Profit / (Loss) before tax (5 - 6)</b>		<b>11,96,113</b>	<b>(52,20,405)</b>
8.	Tax expense		-	-
9.	<b>Profit / (Loss) from continuing operations</b>		<b>11,96,113</b>	<b>(52,20,405)</b>
10.	<b>Profit / (Loss) for the year</b>		<b>11,96,113</b>	<b>(52,20,405)</b>
11.	<b>Earnings per share (of Rs 10/- each):</b>			
	Basic		0.10	(0.45)
	<b>Statement of Significant Accounting Policies</b>	1		
	<b>Notes To The Accounts</b>	21		
	<b>The Notes Referred to above form an integral part of Profit and Loss account</b>			

In terms of our report attached  
**For V. C. Shah & Co.**  
Chartered Accountants  
Firm Reg No. 109818W

**V. C. Shah**  
Partner  
Membership No. 10360

Date : 12th May, 2014

P. PADMANABHAN  
Managing Director

PRATIKA SHENVI DESSAI  
Company Secretary-Designate

## For and on behalf of the Board of Directors

A. Y. FAZALBHOY - Chairman

K. D. BHAT - Vice Chairman

DR. J. C. ALMEIDA - Director

SADASHIV V. SHET - Director

KAVAS PATEL - Director

## NOTE 1

### SIGNIFICANT ACCOUNTING POLICIES

(i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements have been prepared to comply in all material respect with the mandatory Accounting standard issued by the Institute of Chartered Accountants of India and the relevant provision of Companies Act 1956. The Financial Statement have been prepared under the historical cost convention on accrual basis except in case of assets for which provision for impairment is made and valuation is carried out. The Accounting policies have been consistently applied by the Company and are consistent with those used in previous year.

(ii) INVENTORIES:

The raw material & components, stores, packing materials and work-in-progress are valued at cost and finished goods are valued at lower of cost or net realizable value on "First in First out" basis. Excise and Custom Duties payable in respect of finished goods/imported material held in bond are provided for and consequently include cost of conversion and other cost incurred in bringing the inventories to their present location and conditions. Obsolete unserviceable and slow moving inventories are duly recognized and provided.

(iii) CASH FLOW STATEMENT:

Cash flows are reported using the indirect method, where by profit before tax is adjusted for effects of transactions of a non-cash nature, any deferrals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

(iv) EVENTS OCCURRING AFTER THE DATE OF BALANCE SHEET:

Events occurring after the date of the Balance Sheet, wherever material, are considered up to the date of approval of accounts by the Board of Directors.

(v) FIXED ASSETS, DEPRECIATION & IMPAIRMENT LOSS:

Fixed Assets are stated at cost net of modvat/cenvat. The cost includes all pre-operative expenses and the financing cost of borrowed fund relating to the construction period in the case of new projects. Depreciation has been provided on straight line basis at the rates prescribed in Schedule XIV of the Companies Act. 1956.

The carrying amounts of the fixed assets are reviewed at each Balance Sheet date to assess whether they are recorded in excess of their recoverable amounts. In case the recoverable amount of the Fixed Assets is lower than its carrying amount a provision is made for the Impairment loss.

(vi) RECOGNITION OF INCOME AND EXPENDITURE:

a) All income and expenditure are accounted on accrual basis.

b) SALES:

Sales are inclusive of Excise Duty, but net of Sales Tax, returns and trade discounts. Revenue from sales is recognized on transfer of all significant risk and rewards of ownership to the buyer.

(vii) FOREIGN CURRENCY TRANSACTIONS:

Transactions in Foreign Currencies are recorded at the exchange rate prevailing at the date of transaction. Foreign currency denominated Current Assets and Current Liabilities at year end exchange rates. The resulting gains or losses are recognised in the Statement of Profit & Loss. The premia or gain/losses arising from forward cover transactions are recognised in the Statement of Profit & Loss Account over the life of the forward contract.

(viii) INVESTMENT:

Long term investment are stated at cost, provision is made to recognize a decline, other than temporary, in the value of long term investments.



(ix) RETIREMENT BENEFITS:

- (a) Contribution to Provident Fund is made to Regional Provident Fund Commissioner. Contributions towards Super Annuation Fund and Gratuity are made to the schemes of Life Insurance Corporation of India based on premium actuarially assessed and intimated in terms of the policies taken with them. These contributions are charged to Profit & Loss Account.
- (b) Provision for incremental liability in respect of encashable privilege leave is made on the basis of independent actuarial valuation at the year end.

(x) EARNINGS PER SHARE:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xi) TAXES ON INCOME:

Income tax expenses comprise Current Tax and Deferred Tax charge or credit. Provision for Current Tax is made on the assessable income at the tax rate applicable to the relevant Assessment Year. The Deferred Tax Asset and Deferred Tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is virtual certainty of its realization, supported by convincing evidence. Deferred Tax Assets on account of other timing differences are recognized, only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amounts of Deferred Tax Assets are reviewed to reassure realization.

(xii) TRADE RECEIVABLES :

Trade Receivables are stated after making adequate provision for doubtful debts / advances.

(xiii) USE OF ESTIMATES :

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results and estimates are recognized in the period in which the results are known / materialized.

(xiv) BUSINESS SEGMENTS:

The Company is engaged mainly in the business of food processing. These, in the context of Accounting Standard 17 on Segment Reporting, as specified in the Companies (Accounting Standards) Rules, 2006, are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. Geographical Segment.

**Note 2 Share Capital**

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	Rs.	No. of Shares	Rs.
(a) Authorised				
Equity shares of Rs. 10 each with voting rights	<b>1,50,00,000</b>	<b>15,00,00,000</b>	1,50,00,000	15,00,00,000
Cumulative Redeemable Non-Convertible preference shares of Rs. 100 each	<b>10,00,000</b>	<b>10,00,00,000</b>	10,00,000	10,00,00,000
(b) Issued				
Equity shares of Rs. 10 each with voting rights of 1 share 1 vote	<b>1,16,50,000</b>	<b>11,65,00,000</b>	1,16,50,000	11,65,00,000
13.75% Cumulative Redeemable Non-Convertible preference shares of Rs. 100 each	<b>1,00,000</b>	<b>1,00,00,000</b>	1,00,000	1,00,00,000
These shares were due for redemption on 9th June, 2003. Proposal for settlement of redemption of the said preference shares and waiver of right to cumulative dividend has been submitted by the company. Dividend on non-convertible cumulative redeemable preference shares amounting to Rs. 41,25,000 upto the due date of redemption has not been provided since there have been no profits.				
(c) Subscribed and fully paid up				
Equity shares of Rs. 10 each with voting rights	<b>1,16,50,000</b>	<b>11,65,00,000</b>	1,16,50,000	11,65,00,000
Cumulative Redeemable Non-Convertible preference shares of Rs. 100 each	<b>1,00,000</b>	<b>1,00,00,000</b>	1,00,000	1,00,00,000
<b>TOTAL</b>	<b>1,17,50,000</b>	<b>12,65,00,000</b>	<b>1,17,50,000</b>	<b>12,65,00,000</b>

**Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	Opening Balance	Fresh Issue	Bonus	Closing Balance
<b>Issued / Subscribed/Fully Paid</b>				
Equity shares with voting rights				
Year ended 31st March, 2014				
- Number of shares	<b>1,16,50,000</b>	-	-	1,16,50,000
- Amount (₹)	<b>11,65,00,000</b>	-	-	11,65,00,000
Year ended 31st March, 2013				
- Number of shares	<b>1,16,50,000</b>	-	-	1,16,50,000
- Amount (₹)	<b>11,65,00,000</b>	-	-	11,65,00,000
<b>Issued / Subscribed/Fully Paid</b>				
Cumulative Redeemable Non-Convertible preference shares				
Year ended 31st March, 2014				
- Number of shares	<b>1,00,000</b>	-	-	1,00,000
- Amount (₹)	<b>1,00,00,000</b>	-	-	1,00,00,000
Year ended 31st March, 2013				
- Number of shares	<b>1,00,000</b>	-	-	1,00,000
- Amount (₹)	<b>1,00,00,000</b>	-	-	1,00,00,000

Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% holding in that class of shares	No. of Shares held	% holding in that class of shares
Equity shares with voting rights				
New Vision Group Holding Pvt. Ltd.	16,52,860	14.19	16,52,860	14.19
YasminAbdullah Fazalbhoy	15,42,923	13.24	15,42,923	13.24
Rialto Investments Ltd.	9,88,100	8.48	9,88,100	8.48
Polaroid Corporation	9,00,000	7.73	9,00,000	7.73
Non convertible Cumulative Redeemable preference shares				
General Insurance Corporation of India	50,000	50	50,000	50
New India Assurance Company Limited	50,000	50	50,000	50

Note 3 Reserves and Surplus

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
(a) Capital reserve		
Opening Balance	35,06,438	35,06,438
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing Balance	35,06,438	35,06,438
(b) Capital redemption reserve		
Opening Balance	4,20,00,000	4,20,00,000
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Closing Balance	4,20,00,000	4,20,00,000
© Securities premium account		
Opening Balance	9,56,09,909	9,56,09,909
Add: Premium on shares issued during the year	-	-
Less: Utilised during the year for	-	-
Closing Balance	9,56,09,909	9,56,09,909
(d) Surplus		
Opening Balance	(25,06,18,049)	(24,53,97,643)
Add: Balance in statement of profit and loss account	11,96,113	(52,20,405)
Closing Balance	(24,94,21,935)	(25,06,18,049)
<b>TOTAL</b>	<b>(10,83,05,588)</b>	<b>(10,95,01,702)</b>

**Note 4 Long-term provisions**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
(a) Provision for employee benefits:		
(i) Provision for gratuity	7,97,853	3,79,312
<b>TOTAL</b>	<b>7,97,853</b>	<b>3,79,312</b>

**Note 5 Trade payables**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
(a) Trade payables :		
(i) Other than acceptances	38,38,904	28,10,357
(ii) Related Party	-	2,74,804
<b>TOTAL</b>	<b>38,38,904</b>	<b>30,85,161</b>

**Note 6 Other Current Liabilities**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
(a) Unpaid matured deposits	3,45,000	10,33,000
(b) Other payables		
(i) Statutory remittances	4,91,711	6,51,055
(ii) Trade / security deposits received	-	2,72,820
(iii) Advances against sale of property	5,00,000	5,00,000
(iv) Others		
Salary Payable	2,51,735	2,51,330
Advances received from party	94,489	94,489
Advance for supplies from related party	1,08,50,043	-
<b>TOTAL</b>	<b>1,25,32,978</b>	<b>28,02,694</b>

**Note 7 Short-term provisions**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
(a) Provision for employee benefits:		
(i) Provision for bonus / LTA and Medical	51,247	62,228
(ii) Provision for Leave Encashment	80,942	2,65,979
(iii) Provision for Gratuity	-	4,32,089
(iv) Provision for super annuation	-	18,500
(b) Provision - Others:		
(i) Provision for expenses	4,92,456	9,92,727
<b>TOTAL</b>	<b>6,24,645</b>	<b>17,71,523</b>

**Note 8 Fixed Assets**

A.	Tangible assets	Gross Block				
		Balance as at 1st April, 2013	Additions	Disposals	Other adjustments	Balance as at 31st March, 2014
		₹	₹	₹	₹	₹
	(a) Land					
	Freehold	2,20,050	-	-	-	2,20,050
	Leasehold	-	-	-	-	-
	(b) Buildings	2,59,50,064	-	-	-	2,59,50,064
	(c) Plant and Equipment	7,61,04,596	37,458	3,15,97,797	8,72,475	4,36,71,782
	(d) Furniture and Fixtures	8,14,695	-	-	-	8,14,695
	(e) Vehicles	13,95,295	-	-	-	13,95,295
	(f) Computers	93,869	-	-	-	93,869
	(g) Capital work in progress	-	9,58,300	-	-	9,58,300
	<b>TOTAL</b>	<b>10,45,78,569</b>	<b>9,95,758</b>	<b>3,15,97,797</b>	<b>8,72,475</b>	<b>7,31,04,055</b>
	<b>Previous year</b>	<b>17,27,00,530</b>	<b>8,88,998</b>	<b>4,62,76,723</b>	<b>2,27,34,236</b>	<b>10,45,78,569</b>

**Note 8 Fixed Assets (contd.)**

Tangible assets	Accumulated depreciation and impairment						Net Block		
	Depreciation Balance as on 1st April, 2013	Impairment Balance as on 1st April, 2013	Total as at 1st April, 2013	Depreciation expense for the year	Deduction on disposal of assets/ Adjustment-Depreciation	Deduction on disposal of assets/ Adjustment-Impairment	Balance as on 31st March, 2014	Balance as on 31st March, 2014	Balance as on 31st March, 2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹
(a) Land									
Freehold	-	-	-	-	-	-	-	2,20,050	2,20,050
Leasehold	-	-	-	-	-	-	-	-	-
(b) Buildings	68,39,862	1,42,33,370	2,10,73,232	5,94,046	-	1,11,83,700	1,04,83,578	1,54,66,486	48,76,832
(c) Plant and Equipments	5,25,79,019	1,28,83,588	6,54,62,607	5,05,473	2,23,22,255	97,84,335	3,38,61,490	98,10,292	1,06,41,989
(d) Furniture and Fixtures	5,76,889	-	5,76,889	96,360	-	-	6,73,249	1,41,446	2,37,805
(e) Vehicles	6,02,632	-	6,02,632	1,36,353	-	-	7,38,985	6,56,310	7,92,662
(f) Computers	21,821	-	21,821	12,529	-	-	34,350	59,519	72,049
(g) Capital work in progress	-	-	-	-	-	-	-	9,58,300	-
<b>Total</b>	<b>6,06,20,223</b>	<b>2,71,16,958</b>	<b>8,77,37,181</b>	<b>13,44,761</b>	<b>2,23,22,255</b>	<b>2,09,68,035</b>	<b>4,57,91,652</b>	<b>2,73,12,403</b>	<b>1,68,41,387</b>
<b>Previous year</b>	<b>8,56,59,612</b>	<b>5,18,82,172</b>	<b>13,75,41,784</b>	<b>18,00,905</b>	<b>2,68,40,294</b>	<b>2,47,65,214</b>	<b>8,77,37,181</b>	<b>1,68,41,387</b>	<b>3,51,58,746</b>

**Note 9 Non-current investments**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
(a) Investment in government or Trust securities		
(i) Trust Securities - Unquoted	-	10,000
<b>TOTAL</b>	<b>-</b>	<b>10,000</b>

**Note 10 Long-term loans and advances**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
(a) Security deposits		
(i) Unsecured, considered good	11,40,965	24,55,965
<b>TOTAL</b>	<b>11,40,965</b>	<b>24,55,965</b>

**Note 11 Inventories**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
(a) Raw materials at cost	18,32,477	18,89,530
(b) Finished goods (At lower of cost or net realisable value)	3,62,699	3,18,581
<b>TOTAL</b>	<b>2,195,176</b>	<b>22,08,111</b>

**Note 12 Trade receivables**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	-	-
Unsecured, considered Doubtful	1,09,066	84,862
Less: Provision made for Doubtful debts	1,09,066 (1,09,066)	84,862 (84,862)
-	-	-
(b) Other Trade receivables		
Unsecured, considered good	32,29,694	8,71,839
(c) Private Companies in which any director is a director or member New Vision Printing Services Pvt. Ltd.	2,53,706	4,83,711
<b>TOTAL</b>	<b>34,83,400</b>	<b>13,55,550</b>

**Note 13 Cash and cash equivalents**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
(a) Cash on hand	1,00,481	84,280
(b) Cheque, drafts on hand	1,02,436	22,003
(c) Balances with banks		
(i) In current accounts	9,09,711	7,74,286
(ii) In earmarked accounts For unpaid matured deposits	3,45,000	10,33,000
<b>TOTAL</b>	<b>14,57,629</b>	<b>19,13,569</b>

**Note 14 Short-Term Loans and Advances**

Particulars	As at 31st March, 2014	As at 31st March 2013
	Rs.	Rs.
(a) Loans and advances to employee Unsecured, considered good	7,537	7,537
(b) Prepaid Expenses Unsecured, considered good	43,771	20,001
(c) Balances with government authorities Unsecured, considered good		
(i) Tax Income	3,47,911	1,51,181
<b>TOTAL</b>	<b>3,99,219</b>	<b>1,78,719</b>

**Note 15 Other current assets**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.
(a) Others		
(i) Rent receivable	-	73,686
<b>TOTAL</b>	<b>-</b>	<b>73,686</b>

**Note 16 Revenue from operations**

	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
		Rs.	Rs.
(a)	Sale of Products	2,21,57,523	1,22,17,778
(b)	Sale of Service	5,30,761	4,96,872
	<b>TOTAL</b>	<b>2,26,88,284</b>	<b>1,27,14,650</b>

Note	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
		Rs.	Rs.
(i)	Sale of Products comprises:		
	Manufactured goods		
	Processed Nuts	2,21,57,523	1,22,17,778
	<b>Total - Sale of manufactured goods</b>	<b>2,21,57,523</b>	<b>1,22,17,778</b>
	<b>Total - Sale of products</b>	<b>2,21,57,523</b>	<b>1,22,17,778</b>
(ii)	Sale of Service	5,30,761	4,96,872
	<b>Total - Sale of Service</b>	<b>5,30,761</b>	<b>4,96,872</b>
	<b>Total - Revenue from Operations</b>	<b>2,26,88,284</b>	<b>1,27,14,650</b>

### Note 17 Other Income

Note	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
		Rs.	Rs.
(i)	Interest income comprises:		
	Interest from banks on deposits	74,571	80,946
	Interest from Others Deposits	39,503	-
	<b>Total - Interest income</b>	<b>1,14,074</b>	<b>80,946</b>
(ii)	Other non-operating income comprises:		
	Profit on sale of property	-	83,70,935
	Rental income from property	-	10,75,307
	Sundry balance written off (Net)	1,86,858	9,94,029
	Miscellaneous income	22,18,422	36,539
	<b>Total - Other non-operating income</b>	<b>24,05,280</b>	<b>1,04,76,810</b>
	<b>TOTAL</b>	<b>25,19,353</b>	<b>1,05,57,756</b>

### Note 18a Cost of Materials consumed

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs.	Rs.
Opening Stock	18,89,530	11,73,725
Add: Purchases	1,86,05,094	1,01,65,755
Less: Closing Stock	(18,32,477)	(18,89,530)
<b>Cost of material consumed</b>	<b>1,86,62,147</b>	<b>94,49,950</b>
Material consumed comprises:		
Dry Nuts, cereals and pulses	1,86,62,147	94,49,950
<b>TOTAL</b>	<b>1,86,62,147</b>	<b>94,49,950</b>



**Note 18b Changes in inventories of finished goods**

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs.	Rs.
Inventories at the end of the year:		
Finished goods	3,62,699	3,18,581
	3,62,699	3,18,581
Inventories at the beginning of the year:		
Finished goods	3,18,581	1,47,164
	3,18,581	1,47,164
<b>Net (increase) / decrease</b>	<b>(44,118)</b>	<b>(1,71,417)</b>

**Note 19 Employee benefits expense**

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs.	Rs.
Salaries and wages	52,26,388	44,37,596
Contributions to provident and other funds	3,36,748	6,92,746
Staff welfare expenses	2,67,722	1,76,626
<b>TOTAL</b>	<b>58,30,858</b>	<b>53,06,968</b>

**Note 20 Other Expenses**

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs.	Rs.
Store Consumed	11,850	11,389
Rent	1,73,400	1,92,600
Power, Fuel & Lightings	4,72,963	5,15,128
Rates & Taxes	2,88,828	6,24,301
Freight and forwarding	2,11,101	1,53,900
Insurance	67,690	73,246
Printing and Stationery	2,25,573	2,46,146
Security and housekeeping charges	3,44,600	4,29,446
Vehicle Expenses	8,27,290	8,10,534
Travel Expenses and Conveyance	10,98,051	12,86,829
Repairs and Maintenance - Buildings	72,291	2,86,675
Repairs and Maintenance - Machinery	80,360	1,80,304
Repairs and Maintenance - Others	61,606	1,95,680
Legal & Professional Fees	21,67,334	28,12,191
Auditor's Remunerations		
(i) Audit Fees	2,00,000	2,00,000
(ii) Other Services	36,000	36,000
(iii) Travelling and out of pocket Expenses including Service Tax	29,170	29,170

**Note 20 Other Expenses (Continued)**

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rs.	Rs.
Advertising and Sales Promotion	2,66,093	2,04,909
Postage and Telephone	3,85,357	4,06,482
Statutory fees	1,59,555	2,31,845
Stock Listing Reinstatement fees	-	9,93,264
Sales Tax Paid	3,88,580	8,86,987
Service Tax Paid	9,05,523	-
Excise Tax Paid	1,47,799	-
Directors Fees	1,32,000	99,000
Bad Debts	28,845	5,612
Provision for Doubtful debts	24,204	84,862
Assets scrapped	2,42,727	7,76,389
Other expenses	3,52,786	3,33,516
<b>TOTAL</b>	<b>94,01,576</b>	<b>1,21,06,405</b>

SCHEDULES TO THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

NOTE NO 21 : NOTES TO THE ACCOUNTS

	2014 Rs.	2013 Rs.
<b>1. Contingent Liabilities not provided for:</b>		
(i) Claims for Sales Tax/Excise/Service tax not accepted by the Company for which appeals are pending.	<b>3,14,50,973</b>	3,34,93,973
(ii) Claims against the Company not acknowledged as debts.	<b>11,33,669</b>	11,33,669
(iii) Export obligations not fulfilled against EPCG licences.	<b>1,92,73,000</b>	1,92,73,000
(iv) Duty drawback claim granted and later revoked.	<b>7,04,000</b>	7,04,000
(v) Capital Commitments on unexecuted Contract.	<b>8,68,545</b>	-
(vi) The Income Tax Assessments have been completed upto the Assessment year 2010-11 and there is no demand raised by Income tax Department.		
<b>2.</b> In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business. The provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably necessary.		
<b>3.</b> In respect of fixed assets the provision for impairment loss of Rs.61,48,923/- on existing Fixed Assets. The food processing factory was partially working in the past when impairment provision was made in respect of all assets including food processing factory. During the current year the company has decided to focus on growth in sale of food products and has taken steps to renovate the factory building to get HACCP Certification which certifies maintenance of hygiene and sanitation standards in production of food products. Accordingly, the management has reviewed the realizable value of factory building in use and have written back partially the impairment loss of Rs. 1,11,83,700/-		
<b>4.</b> The Company has effected transfer of Lease Hold rights of the plot obtained from GIDC and the sale of factory building built thereon. However formal consent of GIDC is awaited.		
<b>5.</b> The Company has continued the Gratuity Scheme of LIC and has made provision for Gratuity, after considering the corpus with LIC under the scheme, on actual ascertainment of liability.		
<b>6.</b> The Company has unabsorbed depreciation and carried forward losses etc available for set off under Income Tax Act 1961. However in view of present uncertainty regarding generation of sufficient future taxable income, Net Deferred Tax Asset in respect of related credit for the year has not been recognised in the accounts on prudent basis.		
<b>7.</b> The names of Micro, Small and Medium Enterprises to whom the company owes sums exceeding Rs. 1 Lakh each and which are outstanding for more than 30 days as at 31st March, 2014 are NIL as the vendors of the company have not filed intimation about their recognition as "Supplier" under the provisions of The Micro Small & Medium Enterprises Development Act 2006.		
<b>8</b> The company operates mainly in food processing segment.		
<b>9. Earning Per Share Calculation.</b>		
Net Profit (Loss) after Tax	<b>11,96,113</b>	(52,20,405)
No of Equity Shares	<b>1,16,50,000</b>	1,16,50,000
Earning Per Share (Basic)	<b>0.10</b>	(0.45)
Diluted	<b>0.10</b>	(0.45)

	2014 Rs.	2013 Rs.
10. Related party relationships have been identified by the management and relied upon by the auditors.		
<b>11. Transaction with Related Parties</b>		
<b>a) List of Related Parties</b>		
<b>With whom transactions have taken place during the year</b>		
<b>Associate Company</b>		
New Vision Imaging Private Limited		
New Vision Printing Services Private Limited		
La Costa Enterprises Private Limited		
Cherish Specialties Limited		
Performance Logistics (India) Private Limited		
<b>Key Management Personnel</b>		
A. Y. Fazalbhoj		
B. S. Sridhara		
<b>b) Sales</b>		
Cherish Specialties Limited	15,74,761	17,80,628
New Vision Printing Services Private Limited	27,065	14,766
<b>c) Purchases</b>		
New Vision Printing Services Private Limited	6,18,359	2,55,066
<b>d) Advance Against Supplies</b>		
Cherish Specialties Limited	1,08,50,043	-
<b>e) Sale of Property</b>		
Performance Logistics (India) Private Limited	-	2,50,00,000
<b>f) Expenses</b>		
La Costa Enterprises Private Limited (E-ZY Travels)	32,700	2,76,776
New Vision Printing Services Private Limited	1,46,042	2,07,784
A. Y. Fazalbhoj (Lease Rent & Maintenance)	2,40,000	2,40,000
B. S. Sridhara (Director's remuneration)	18,20,038	15,45,119
<b>g) Closing Balance</b>		
New Vision Printing Services Pvt. Ltd.	2,53,706 Dr	4,83,711 Dr
Cherish Specialties Ltd.	1,08,50,043 Cr	2,74,804 Cr
12. Previous year's figures have been regrouped where necessary.		

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

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash flow from operating activities</b>				
Net Profit/(Loss) before extraordinary items and tax		(99,87,587)		(52,20,405)
<i>Adjustments for:</i>				
Depreciation and amortisation	13,44,761		18,00,905	
(Profit)/Loss on sale / write off of assets	2,42,727		(75,94,550)	
Bad Debts	28,845		-	
Interest Income	(1,14,074)		(80,946)	
Rental income from properties	-		(10,75,307)	
Sundry Balances written off	(1,86,858)		(9,94,029)	
		13,15,401		(79,43,927)
Operating Profit/(Loss) before working capital changes		(86,72,186)		(1,31,64,332)
<i>Changes in working capital:</i>				
<i>Adjustments for (increase)/decrease in Operating Assets:</i>				
Inventories	12,935		(8,87,222)	
Trade receivables	(21,27,850)		31,665	
Short-term advances	(2,20,500)		4,69,224	
Long-term advances	13,15,000		2,00,000	
Other current assets	73,686		(43,686)	
<i>Adjustments for increase/(decrease) in Operating Liabilities:</i>				
Trade payables	7,53,743		(20,94,679)	
Other current liabilities	98,48,798		(89,42,217)	
Short-term provisions	(11,46,878)		(11,40,723)	
Long-term provisions	4,18,541		(1,45,883)	
Cash generated from operations		89,27,475		(1,25,53,521)
Net income tax (paid) / refunds		2,55,289		(2,57,17,853)
		-		-
<b>Net Cash Flow from / (used in) operating activities</b>		2,55,289		(2,57,17,853)
<b>CASH FLOW FROM INVESTING ACTIVITY</b>				
Purchase of Fixed Assets	(9,95,758)		(8,88,998)	
Sale of Fixed Assets	1,20,952		2,50,00,000	
Sale of Investment	49,503		-	
Rental income from properties	-		10,75,307	
Net Cash from investing Activities	(8,25,303)		2,51,86,309	
<b>Net Cash Flow from investing Activities</b>		(8,25,303)		2,51,86,309
<b>CASH FLOW FROM FINANCING ACTIVITY</b>				
Interest & Dividend received	1,14,074		80,946	
Net Cash from Financing Activities	1,14,074		80,946	
<b>Net Cash Flow from Financing Activities</b>		1,14,074		80,946
Net Increase in Cash & Cash Equivalents		(4,55,940)		(4,50,598)
Cash at the beginning of the year		19,13,569		23,64,167
Cash at the end of the year		14,57,629		19,13,569

As per our report attached  
M/s. V. C. Shah & Co.  
Chartered Accountants  
Firm Reg No. 109818W

V. C. Shah  
Partner  
Membership No. 10360

Date : 12th May, 2014

P. PADMANABHAN  
Managing Director

PRATIKA SHENVI DESSAI  
Company Secretary

For and on behalf of the Board of Directors

A. Y. FAZALBHOY - Chairman

K. D. BHAT - Vice Chairman

DR. J. C. ALMEIDA - Director

KAVAS PATEL - Director

SADASHIV V. SHET - Director

# PHIL CORPORATION LIMITED

## NOTICE

NOTICE is hereby given that the **31st ANNUAL GENERAL MEETING** of the Company will be held at **Mapusa Residency (Tourist Hostel), Near Kadamba Bus Stand, Mapusa, Goa - 403 507 on Tuesday the 12th August, 2014 at 4.30 p.m. to transact the following :**

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report, Auditors' Report and the audited Balance Sheet and Profit and Loss Account for the financial year ended 31st March, 2014.
2. To appoint a Director in place of Shri A Y Fazalbhoy, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Sadashiv V Shet, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification, the following resolution as ordinary resolution for appointment of Shri P Padmanabhan as the Managing Director.

**“RESOLVED That** pursuant to Section 196 read with Section 197 and Schedule V of the Companies Act 2013 and pursuant to Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014, the Company hereby approves appointment of Shri P Padmanabhan as the Managing Director of the Company for a period of two years from 1st April 2014 to 31st March 2016, on the terms and conditions and the remuneration as approved by the Board of Directors and as contained in the Agreement dated 1st April 2014 entered into between the Company and Shri P Padmanabhan, the abstract of the terms of which have been circulated to the members vide Company's circular dated 10th April 2014.

**FURTHER RESOLVED THAT** the Board of Directors be and is hereby empowered and authorised to vary such terms and conditions of the Agreement including any increase or enhancement in remuneration not exceeding the limits specified in Schedule V of the Companies Act 2013 or any amendments thereto, as may be agreed to by the Board of Directors and Shri P Padmanabhan.”

By Order of the Board of Directors

Pratika Shenvi Dessai  
Company Secretary - Designate

Mapusa, Goa  
Dated : 12th May, 2014

Registered Office :  
Vision House, Tivim Industrial Estate,  
Mapusa, Goa 403 526.

## NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. Members/Proxies should fill in and bring the attendance slip for attending the meeting. Members who hold shares in dematerialised form should bring their Client ID and DPID numbers for their identification of attendance at the meeting.
3. For the purpose of Annual General Meeting the **Register of Members and Transfer Books shall remain closed from Thursday the 7th August, 2014 to Tuesday the 12th August, 2014 (both days inclusive).**
4. The Company has already transferred unclaimed Dividend declared upto the financial year ended 31st March, 2001 to Investor Education and Protection Fund as required under the provisions of Section 205A and Section 205C of the Companies Act, 1956. For subsequent years from the financial year 2001-02 to 2013-14 because of the losses incurred by the Company no Dividend has been recommended / declared.

## INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

As required under Clause 49 of the Listing Agreement the particulars of Directors who are proposed to be re-appointed are given below :

1. Name : SHRI AY FAZALBHOY  
Age : 60 years  
Qualification : MBA  
Experience : Shri A Y Fazalbhoj has been engaged in business and involved in the Imaging industry for the past three decades.He has been on the Board of Directors of the Company since 1983. He is also a member of Audit & Shareholders' Grievance Committee and Remuneration Committee.  
Other Directorship in Public Limited Companies NIL
2. Name : SHRI SADASHIV .V. SHET  
Age : 63 years  
Qualification : B.A.(Econ), B.Com., LL.B., FCS.  
Experience : He has vast experience in handling Accounts and Company Secretarial matters in various Companies. He is a Fellow Member of the Institute of Company Secretaries of India and one of the seniormost among the Practising Company Secretaries in the State of Goa. He is also on the Board of GKB Ophthalmics Ltd. He is also a member of the Audit & Shareholders' Grievance Committee of the Company.

## **ANNEXURE TO NOTICE**

Explanatory Statement setting out material facts under Companies Act 2013 in respect of items of Special Business as per the Notice.

### **Item No.5**

The Board of Directors at its meeting held on 6th February 2014 considered the appointment of Shri P Padmanabhan as the Managing Director. The Remuneration Committee at the meeting held on 6th February 2014 recommended the appointment of Shri P Padmanabhan for a period of two years from 1st April 2014 and payment of remuneration to him subject to the approval of the Board and of the Members in general meeting.

Accordingly the Board of Directors at the meeting held on 6th February 2014 passed the resolution for appointment of Shri P Padmanabhan as the Managing Director for a period of two years from 1st April 2014 to 31st March 2016 and to pay him remuneration as recommended by the Remuneration Committee, subject to the approval of the Members in general meeting.

The appointment of Shri P Padmanabhan as Managing Director is in accordance with the provisions of Schedule V of Companies Act, 2013. The main terms and conditions of appointment and remuneration payable to him are as follows :

I) TERM OF APPOINTMENT: 2 years from 1st April 2014 to 31st March 2016.

ii) REMUNERATION:

(a) Fixed remuneration of Rs.75,000/- per month.

(b) Incentive on sales achieved per year, based on a formula worked out by the Remuneration Committee, which shall be subject to a ceiling so, however, that the overall remuneration payable shall not exceed the limits prescribed under the provisions of Schedule XIII of the Companies Act, 1956 or any amendments thereof .

iii) MINIMUM REMUNERATION:

The above mentioned remuneration will be paid as minimum remuneration in case of loss or inadequacy of profits in any financial year during the tenure of appointment.

iv) OTHER TERMS AND CONDITIONS:

The Managing Director shall also be entitled to free mobile/telephone facility and reimbursement of all reasonable expenses incurred bona fide in connection with the business of the Company.

Mr. P Padmanabhan is interested in this agreement/contract since it pertains to his appointment and payment of his remuneration. No other Director has any interest or concern in this Resolution.

A copy of the Agreement entered into between Shri P Padmanabhan and the Company is available for inspection by members of the Company on any working day between 10.00 am to 1.00 pm at the Registered Office of the Company.

By Order of the Board of Directors

Pratika Shenvi Dessai  
Company Secretary - Designate

Mapusa, Goa.  
Dated : 12th May, 2014

Registered Office :  
Vision House, Tivim Industrial Estate,  
Mapusa, Goa 403 526.



**PHIL CORPORATION LIMITED**

CIN: L33208GA1983PLC000520  
Vision House, Tivim Industrial Estate,  
Mapusa, Goa 403 526

**ATTENDANCE SLIP**  
31st Annual General Meeting

Reg. Folio/DP & Client No: \_\_\_\_\_ No. of Shares Held: \_\_\_\_\_

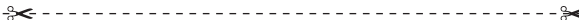
I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the 31st Annual General Meeting of the Company at Mapusa Residency (Tourist Hostel), Near Kadamba Bus Stand, Mapusa, Goa 403 507 at 4.30 pm on Tuesday, the 12th August, 2014.

Member's Name : \_\_\_\_\_

Proxy's Name : \_\_\_\_\_

Member's/Proxy's Signature \_\_\_\_\_

- Note: 1. Please fill this attendance slip and hand it over at the entrance of the Hall.  
 2. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting .  
 3. Authorized Representatives of Corporate members shall produce proper authorization issued in their favour.



**Form No. 7.11**  
**Proxy Form**

*[Pursuant to section 105(6) & rule 7.17]*

CIN :  
Name of the company :  
Registered office :

I/We,  
being  
the

Name of the member (s) :  
Registered address :  
E-mail Id :  
Folio No / Client Id :  
DP ID :

member (s) of ..... shares of the above named company, hereby appoint

- |                                  |                                  |
|----------------------------------|----------------------------------|
| 1. Name: .....                   | 2. Name: .....                   |
| Address: .....                   | Address: .....                   |
| E-mail Id: .....                 | E-mail Id: .....                 |
| Signature: ....., or failing him | Signature: ....., or failing him |
| 3. Name: .....                   |                                  |
| Address: .....                   |                                  |
| E-mail Id: .....                 |                                  |
| Signature: ....., or failing him |                                  |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the ..... Annual general meeting / Extraordinary general meeting of the company, to be held on the ..... day of ..... At ..... a.m. / p.m. at ..... (place) and at any adjournment thereof in respect of such resolutions as are indicated below:

- Resolution No.  
 1.....  
 2.....  
 3.....

Signed this ..... day of ..... 20 .....

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

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



### **IMPORTANT COMMUNICATION TO MEMBERS**

The Ministry of Corporate Affairs has taken a “**Green Initiative**” in the Corporate Governance by allowing paperless compliances by the Companies, and issued circulars stating that service of notices/documents including Annual Reports can be effected to its members in electronic form.

In order to fully support this Green Initiative of the Ministry, members are requested to come forward and register their email addresses, and update the same from time to time.

Members holding their shares in demat form may please register their email addresses with their concerned Depository Participants.

Members holding their shares in physical form may intimate their email addresses either to the Company by sending a mail to [companysecretary@philproducts.com](mailto:companysecretary@philproducts.com) or to the Company's Registrar & Share Transfer Agents, mentioning their Folio Numbers.

Company's Website : [www.philproducts.com](http://www.philproducts.com)

BOOK - POST

**PHIL**

If undelivered, please return to:  
Phil Corporation Ltd., Vision House, Tivim Industrial Estate, Mapusa, Goa - 403 526.