

PHIL CORPORATION LIMITED

ANNUAL REPORT

2011 - 2012



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 or to the Company's Registrar & Share Transfer Agents, mentioning their Folio Numbers.

Company's Website : 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
B. S. Sridhara - Managing Director

Audit & Shareholders' Grievance Committee

Kavas D. Patel - Chairman
A. Y. Fazalbhoy - Member
Sadashiv V. Shet - Member
A. V. Gaikwad - Member

Remuneration Committee

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

Secretary & Compliance Officer

Teja Gadekar

Registered Office

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

Auditors

V. C. Shah & Company
Chartered Accountants, Mumbai

Solicitors

Gagrats,
Vigil Juris

Factory

Mauxi Road, Valpoi,
Sattari - Goa.

Executive Office

Excom House, 7 Saki Vihar Road, Mumbai - 400 072.

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, 2012.

2. Financial Results at a glance :

	Rs. in Lacs	Rs. in Lacs
	20011-12	2010-11
Sales & Services	128.43	119.24
Other Income	31.38	3.46
	<u>159.82</u>	<u>122.82</u>
Gross Operating Profit/(Loss)	(100.02)	(213.87)
Profit/(Loss) for the year	(100.02)	(190.46)

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 2011-12.

4. Management Discussion and Analysis Report :

i) Financial Results

Sales during the year were Rs. 128.43 lacs compared to Rs. 119.24 lacs during the previous financial year.

The loss for the year amounted to Rs. 100.02 lacs.

ii) Operations & Restructuring

The Company has been taking various initiatives and adopting different strategies for restructuring Company's business operations and particularly for ensuring steady development of Food Business, and the results are encouraging. One of the old issues i.e. settlement of redemption of Preference Shares, will hopefully be resolved during the coming year by negotiation and settlement, thereby completing the restructuring.

iii) Risks and Concerns

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

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 62 nos. of fixed deposits amounting to Rs. 10.73 lacs which remained unclaimed as of 31st March, 2012. In respect of unclaimed deposits and interest the Company has created Liquid Asset by transferring the equivalent amount to a separate Bank Account. The unclaimed deposits and interest 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 put for your approval.

The term of appointment of Shri K. D. Bhat as Managing Director came to an end on 31st March, 2012. He was appointed as Vice Chairman, and Shri B.S. Sridhara was appointed as the Managing Director with effect from 1st April, 2012. The Resolution pertaining to appointment of Shri B. S. Sridhara is put up for your approval.

9. Directors' Responsibility Statement:

The Board of Directors of the Company confirm :

- i. 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, 2012 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 2012.

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 state and clarify as under:

- a) In respect of Sales Tax, VAT, the Company has been able to make substantial payments during the current year. In respect of Gratuity the Company had funded the liability in respect of continuing employees and in respect of ex-employees and employees transferred to other associate Companies the Company is making the payments directly as mentioned in Note No. 21(4) of Notes to Accounts.
- b) As regards various disputed statutory liabilities 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 224(1B) of the Companies Act, 1956 for being eligible 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 : 25th May, 2012

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 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	7	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	Director	Non-Executive	-	-	1
Shri B. S. Sridhara	Managing Director*	Executive	-	-	-

85.71% Non-Executive

57.14% Independent

* W.e.f. 01.04.2012

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 period : 6	28th AGM held on 8th September, 2011	Dates of Board Meetings held during the year
	Attended	Attended	
Shri A.Y. Fazalbhoy	4	Y	26.04.2011
Shri Kavas D. Patel	3	Y	21.06.2011
Shri K.D. Bhat	6	Y	10.08.2011
Shri A.V. Gaikwad	6	Y	08.09.2011
Dr. J. C. Almeida	3	Y	11.11.2011
Shri Sadashiv V. Shet	6	Y	01.02.2012

Shareholding of Non-Executive Directors :

The shareholding of the Non-Executive Directors as on 31st March, 2012 is as follows :

Name of the Non-Executive Director	No. of Equity Shares held	% of paid up Equity Capital
1. Shri A.Y. Fazalbhoy (Chairman)	1374683	11.8%
2. Shri Kavas D. Patel	10,000	0.09%
3. Dr. J. C. Almeida	100	-
4. Shri Sadashiv V. Shet	Nil	-
5. Shri A.V. Gaikwad	1,200	0.01%

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. Fazalbhoy	--	Member
Shri Sadashiv V. Shet	--	Member
Shri A. V. Gaikwad	--	Member

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	2	26.04.2011
Shri A.Y. Fazalbhoy	3	21.06.2011
Shri Sadashiv V. Shet	2	10.08.2011
Shri A. V. Gaikwad	5	11.11.2011
		01.02.2012

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. Fazalbhoy – Member
4. Shri K. D. Bhat – 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.

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, except in case of Shri A. V. Gaikwad to whom Consultancy Fees have been paid as per approval of the Board / Shareholders.

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.

Service Contracts, Severance Pay, Restrictive Covenants and Notice period :

Managing Director (Shri K. D. Bhat) :

- Period of contract : Two years from 1st April, 2010
- Notice Period : By either party giving three Months notice in writing.
- Restrictive covenants/ Severance Pay : As per Board Resolution dated 30th July, 2009 and the Agreement entered into between Shri K. D. Bhat and 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, 2012 the sitting fees paid to Non-Executive Directors are as follows :

Name of the Director	Remuneration Rs.	Sitting fee Rs.	Total Rs.
Shri A.Y. Fazalbhoy	-	24,000/-	24,000/-
Shri Kavas D. Patel	-	18,000/-	18,000/-
Shri A. V. Gaikwad	*1,75,000/-	33,000/-	2,08,000/-
Dr. J. C. Almeida	-	12,000/-	12,000/-
Shri Sadashiv V. Shet	-	30,000/-	30,000/-

* Consultation Fees

The details of Remuneration paid to Shri K.D. Bhat, Managing Director are given below :

Name of the Director	Salary Rs.	Contribution to PF & Other Funds Rs.	Perquisites Allowances Rs.	Total Rs.
Shri K.D. Bhat Managing Director	5,40,000/-	64,800/-	2,30,372/-	8,35,172/-

Executive Committee of Directors :

This Non-Mandatory Committee was constituted in the year 1985 and its composition as at 31st March, 2012 is as follows :

- Shri A.Y. Fazalbhoy - Chairman
- Shri Kavas D. Patel - Vice Chariman
- Shri K.D. Bhat - Managing Director
- Shri A.V. Gaikwad - Director

Terms of Reference :

- i. Review and sanction of Capital Expenditure within delegated limits and recommendations to the Board for approval above its limits.
- ii. To examine and study new proposals for investment and recommend to the Board for approval of any expansion or diversification projects.
- iii. To formulate future strategies for business development.
- iv. To consider all administrative matters/approvals within its delegated powers.

The powers delegated to this Committee as per Board Resolution dated 28th June, 2001 inter alia, include the following :

- a) Power to borrow moneys otherwise than on Debentures with limits.
- b) Power to invest the funds of the Company.
- c) Power to make loans.
- d) Purchase/disposal of fixed assets.
- e) Powers as per Article 162 of the Articles of Association.
- f) Powers in respect of operation/closing of Bank Accounts/Branches/Depots etc., and other administrative matters.

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 16 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 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) Sunaparant (Goa) (Konkani)
- (2) Gomantak Times (Goa) (English)

General Body Meeting Venue & Time of previous Three Annual General Meetings :

Day	Date	Time	Venue
Thursday	8th September, 2011	4.30 p.m.	Mapusa Residency (Tourist Hostel, Mapusa, Goa)
Wednesday	29th September, 2010	4.30 p.m.	Mapusa Residency (Tourist Hostel, Mapusa, Goa)
Friday	25th September, 2009	4.00 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 :

29th Annual General Meeting – Day, Date, Time and Venue

Day	Date	Time	Venue
Monday	10th September, 2012	4.00 p.m.	Mapusa Residency (Tourist Hostel, Mapusa, Goa)

There are no Special Resolutions for approval of the members by Postal Ballot system at the 29th Annual General Meeting

Financial Calendar :

- Financial Year : 1st April, 2011 to 31st March, 2012
- Unaudited Results : 1st Quarter - (April - June, 2011) August, 2011
- Unaudited Results : 2nd Quarter - (July - September, 2011) November, 2011
- Unaudited Results : 3rd Quarter - (October - December, 2011) February, 2012
- Unaudited Results : 4th Quarter - (January - March, 2012) May, 2012
- Accounts Approval / Audited Results : May, 2012

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

Book Closure :	Dividend Payment
From Tuesday 4th September, 2012 to Monday 10th September, 2012 (both days inclusive)	Not Applicable

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

The Bombay Stock Exchange, Mumbai
 Phiroze Jeejeebhoy Towers,
 Dalal Street, Mumbai 400 001
 Stock Code :
 Physical - 458
 Demat - 500458

Demat ISIN in NSDL & CSDL : INE601A01017

Revocation of Suspension of trading of Equity Shares on BSE :

The trading of Equity Shares listed on Bombay Stock Exchange Ltd. was suspended in the year 2005-06 because of the delay in payment of the listing fees. The listing fees were paid to the Stock Exchange and application for revocation of suspension was submitted earlier. However, the Company was declared as a 'Sick Company' by BIFR in January, 2007 and the application

for revocation of suspension was not being considered by Bombay Stock Exchange Ltd. since the Company was declared a Sick Company.

Subsequently, in August, 2008 BIFR passed the order discharging the Company from the purview of 'Sick Industrial Companies (Special Provisions) Act,' 1985 (SICA). On receipt of this order, the application for revocation of suspension was revived and all the particulars for the revocation of suspension which were required by the Bombay Stock Exchange were submitted. Our application for revocation of suspension of trading of securities was considered by the Internal Committee of Bombay Stock Exchange on 19th May, 2009 and the Internal Committee has decided to revoke the suspension subject to fulfillment of the conditions as mentioned in their approval letter dated 20th May, 2009.

We have been regularly in touch with the BSE in this regard and the revocation of suspension is being actively considered by BSE.

Shareholding Pattern as on 31st March, 2012

Category	No. of Shares held	% of Shareholding
Directors, their relatives and Promoter Group	58,61,073	50.31
Mutual Fund and UTI	5,300	0.04
Banks, Financial Institutions, Insurance Companies (Central/State Govt.) Institutions / Non-Governmental Insurance	43,100	0.36
Foreign Institutional Investors	1,000	0.01
Private Corporate Bodies	1,97,293	1.69
Indian Public	54,90,346	47.12
Non-resident Indians/OCBs	51,888	0.44
Total	1,16,50,000	100.00

Distribution of Shareholding as on 31st March, 2012

Share Range		Shares	% To Capital	No. of Holders	% to Total Holders
From	To				
1	500	24,30,826	20.87	13,640	87.84
501	1,000	8,96,914	7.70	1086	6.99
1001	2,000	6,88,703	5.91	423	2.72
2001	3,000	3,93,735	3.38	151	0.97
3001	4,000	2,26,555	1.94	63	0.41
4001	5,000	2,84,570	2.44	59	0.38
5001	10,000	5,08,527	4.37	69	0.44
10001	50,000	5,02,454	4.31	26	0.17
50001	and above	57,17,716	49.08	12	0.08
TOTAL		1,16,50,000	100.00	15,529	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, 2011	0	0
(ii) Received during the year	2	27
(iii) Resolved/Attended during the year.	2	27
(iv) Pending as on 31st March, 2012	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, 2012 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, 2012, 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
Firm Reg. No. 109818W

Place : Mumbai
Dated : 25th May, 2012

V. C. Shah
Partner
Membership No. 10360

DECLARATION

I, B. S. Sridhara, 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, 2012.

For PHIL CORPORATION LIMITED

Place : Mapusa, Goa
Dated : 25th May, 2012

B. S. SRIDHARA
Managing Director

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	<u>0.00</u>
TOTAL	<u>0.00</u>
Total R & D Expenditure	
As percentage of turnover	Negligible %
 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

REPORT OF THE AUDITORS

TO
THE MEMBERS OF
PHIL CORPORATION LIMITED

1. We have audited the attached Balance Sheet of PHIL CORPORATION LIMITED, as of 31st March, 2012 the Statement of Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
 - (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 & Loss and Cash Flow statement comply with Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012, from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) In the case of the Statement of Profit and Loss, the loss of the Company for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

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

Place : Mumbai
Dated : 25th May, 2012

V. C. Shah
Partner
Membership No. 10360

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 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, 2012 for a period of more than six months from the date on which they became payable. In respect of Income Tax, Sales Tax, 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
Income Tax Act 1961	Income Tax-TDS	31028	April 2010 to March 2011
Under the Payment of Gratuity Act	Gratuity	1850510	Upto 31st March, 2012

(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	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
Excise Duty on Films.	2003-2005	Central Excise Tribunal	1,70,46,000
State Sales Tax \ CST \ CENTRAL EXCISE \ SERVICE TAX	1992-2006	Appellate Tribunal	4,69,81,313

(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. 1,02,18,388/- in the current financial year and Rs. 1,66,57,419/- in the preceding financial year.

(xi) In our opinion and according to information given to us, the Company does not owe 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 the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(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 (Auditors' 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 funds 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 : 25th May, 2012

V. C. Shah
Partner
Membership No. 10360

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at	As at
		31st March, 2012	31st March, 2011
		Rs.	Rs.
A. EQUITY AND LIABILITIES			
1. Shareholder's funds			
(a) Share Capital	2	12,65,00,000	12,65,00,000
(b) Reserves and surplus	3	(10,42,81,296)	(9,42,79,146)
		2,22,18,704	3,22,20,854
2. Non-current liabilities			
(a) Long-term provisions	4	5,25,195	35,89,579
		5,25,195	35,89,579
3. Current Liabilities			
(a) Trade payables	5	19,95,107	12,05,261
(b) Other current liabilities	6	1,42,04,794	73,12,911
(c) Short-term provisions	7	46,31,125	26,17,250
		2,08,31,026	1,11,35,422
TOTAL		4,35,74,925	4,69,45,855
B. ASSETS			
1. Non-current Assets			
(a) Fixed Assets			
(i) Tangible assets	8	3,51,58,746	3,72,96,322
(b) Non-current investments	9	10,000	10,000
(c) Long-term loans and advances	10	26,55,965	26,90,712
		3,78,24,711	3,99,97,034
2. Current Assets			
(a) Inventories	11	13,20,889	13,33,208
(b) Trade receivables	12	13,87,215	19,93,118
(c) Cash and cash equivalents	13	23,64,167	30,84,152
(d) Short-term loans and advances	14	6,47,943	5,38,343
(e) Other current assets	15	30,000	-
		57,50,214	69,48,821
TOTAL		4,35,74,925	4,69,45,855
Statement of Significant Accounting Policies	1		
Notes to the Accounts	21		
The notes referred to above form an integral part of Balance Sheet			

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

V. C. Shah
Partner
Membership No. 10360

Place : Mumbai
Date : 25th May, 2012

B.S. SRIDHARA
Managing Director

TEJA GADEKAR
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*

SADASHIV V. SHET - *Director*

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31ST MARCH, 2012**

	Particulars	Note No.	For the year ended	For the year ended
			31st March, 2012	31st March, 2011
			Rs.	Rs.
1.	Revenue from operations	16	1,28,43,780	1,19,35,794
2.	Other income	17	31,38,363	3,46,420
3.	Total Income (1 + 2)		1,59,82,143	1,22,82,214
4.	Expenses			
	(a) Cost of materials consumed	18a	95,53,952	88,52,395
	(b) Changes in inventories of finished goods	18b	(69,482)	17,85,415
	(c) Employee benefits expense	19	50,10,410	51,73,688
	(d) Depreciation	8	21,37,577	21,39,399
	(e) Other expenses	20	93,51,835	1,57,19,240
	Total Expenses		2,59,84,293	3,36,70,137
5.	Profit / (Loss) before extraordinary items and tax (3 - 4)		(1,00,02,150)	(2,13,87,923)
6.	Extraordinary items		-	4,03,38,005
7.	Profit / (Loss) before tax (5 - 6)		(1,00,02,150)	1,89,50,082
8.	Tax expense:			
	(a) Current tax expense relating to prior years		-	(41,12,199)
9.	Profit / (Loss) from continuing operations (7 - 8)		(1,00,02,150)	1,48,37,883
10.	Gain on disposal of assets attributable to the discontinuing operations		-	42,08,807
11.	Profit / (Loss) from discontinuing operations (10)		-	42,08,807
12.	Profit / (Loss) for the year (9 - 11)		(1,00,02,150)	1,90,46,690
13.	Earnings per share (of Rs 10/- each):			
	Basic		(0.86)	(1.83)
	Statement of Significant Accounting Policies	1		
	Notes To The Accounts	21		
	The Notes Referred to Above form an integral part of Profit and Loss account			

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

V. C. Shah
Partner
Membership No. 10360

Place : Mumbai
Date : 25th May, 2012

B. S. SRIDHARA
Managing Director

TEJA GADEKAR
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*

SADASHIV V. SHET - *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) 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.

(iii) INVESTMENT:

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

(iv) 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.

(v) TRADE RECEIVABLES :

Sundry Debtors are stated after making adequate provision for doubtful debts/advances.

(vi) RECOGNITION OF INCOME AND EXPENDITURE:

All income and expenditure are accounted on accrual basis.

(vii) 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.

(viii) 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.

(ix) 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.

(x) 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.

Note 2 Share Capital

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	Rs.	No. of Shares	Rs.
(a) Authorised				
Equity shares of Rs. 10 each with voting rights	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
Cumulative Redeemable Non-Convertible preference shares of Rs. 100 each	10,00,000	10,00,00,000	10,00,000	10,00,00,000
(b) Issued				
Equity shares of Rs. 10 each with voting rights of 1 share 1 vote	1,16,50,000	11,65,00,000	1,16,50,000	11,65,00,000
13.75% Cumulative Redeemable Non-Convertible preference shares of Rs. 100 each	1,00,000	1,00,00,000	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.				
© Subscribed and fully paid up				
Equity shares of Rs. 10 each with voting rights	1,16,50,000	11,65,00,000	1,16,50,000	11,65,00,000
Cumulative Redeemable Non-Convertible preference shares of Rs. 100 each	1,00,000	1,00,00,000	1,00,000	1,00,00,000
TOTAL	1,17,50,000	12,65,00,000	1,17,50,000	12,65,00,000

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
Issued / Subscribed/Fully Paid				
Equity shares with voting rights				
Year ended 31st March, 2012				
- Number of shares	1,16,50,000	-	-	1,16,50,000
- Amount (₹)	11,65,00,000	-	-	11,65,00,000
Year ended 31st March, 2011				
- Number of shares	1,16,50,000	-	-	1,16,50,000
- Amount (₹)	11,65,00,000	-	-	11,65,00,000
Issued / Subscribed/Fully Paid				
Cumulative Redeemable Non-Convertible preference shares				
Year ended 31st March, 2012				
- Number of shares	1,00,000	-	-	1,00,000
- Amount (₹)	1,00,00,000	-	-	1,00,00,000
Year ended 31st March, 2011				
- Number of shares	1,00,000	-	-	1,00,000
- Amount (₹)	1,00,00,000	-	-	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, 2012		As at 31st March, 2011	
	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
Abdullah Y. Fazalbhoy	13,74,683	11.80	13,74,683	11.80
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 Redemable 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, 2012	As at 31st March, 2011
	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 / transferred 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	(23,53,95,493)	(25,44,42,183)
Add: Balance in statement of profit and loss account	(1,00,02,150)	1,90,46,690
Closing Balance	(24,53,97,643)	(23,53,95,493)
TOTAL	(10,42,81,296)	(9,42,79,146)

Note 4 Long-term provisions

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rs.	Rs.
(a) Provision for employee benefits:		
(i) Provision for gratuity	5,25,195	35,89,579
TOTAL	5,25,195	35,89,579

Note 5 Trade payables

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rs.	Rs.
(a) Trade payables :		
(i) Other than acceptances	14,57,032	12,05,261
(ii) Related Party	5,38,075	-
TOTAL	19,95,107	12,05,261

Note 6 Other Current Liabilities

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rs.	Rs.
(a) Unpaid matured deposits	11,75,555	11,85,555
(b) Other payables		
(i) Statutory remittances	2,60,369	33,57,760
(ii) Trade / security deposits received	3,37,000	2,67,000
(iii) Advances against sale of property	1,08,10,000	-
(iv) Others		
Salary Payable	2,20,134	2,76,472
Expenses Payable	13,63,299	22,26,124
Expenses Payable to related parties	38,437	-
TOTAL	1,42,04,794	73,12,911

Note 7 Short-term provisions

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rs.	Rs.
(a) Provision for employee benefits:		
(i) Provision for bonus	7,39,072	7,04,072
(ii) Provision for compensated absences	1,57,295	2,09,000
(iii) Provision for gratuity	13,25,315	-
(iv) Provision for super annuation	61,500	-
(b) Provision - Others:		
(i) Provision for expenses	23,47,943	17,04,178
TOTAL	46,31,125	26,17,250

Note 8 Fixed Assets

A.	Tangible assets	Gross Block				
		Balance as at 1st April, 2011	Additions	Disposals	Other adjustment	Balance as at 31st March, 2012
		₹	₹	₹	₹	₹
	(a) Land					
	Freehold	2,20,050	-	-	-	2,20,050
	Leasehold	11,69,821	-	-	-	11,69,821
	(b) Buildings					
	Own use	7,04,45,312	-	-	-	7,04,45,312
	© Plant and Equipment					
	Owned	8,74,07,021	-	-	-	8,74,07,021
	(d) Furniture and Fixtures					
	Owned	1,00,79,500	-	-	-	1,00,79,500
	(e) Vehicles					
	Owned	13,81,846	-	-	-	13,81,846
	(f) Office equipment					
	Owned	19,96,979	-	-	-	19,96,979
	TOTAL	17,27,00,530	-	-	-	17,27,00,530
	Previous year	18,08,96,125	49,10,135	1,31,05,730	-	17,27,00,530

Note 8 Fixed Assets (contd.)

Tangible assets	Accumulated depreciation and impairment					Net Block		
	Depreciation Balance as on 1st April, 2011	Impairment Balance as on 1st April, 2011	Total as at 1st April, 2011	Depreciation expense for the year	Deduction on disposal of assets	Balance as on 31st March, 2012	Balance as on 31st March, 2012	Balance as on 31st March, 2011
	₹			₹		₹	₹	₹
(a) Land								
Freehold	-	-	-	-	-	-	2,20,050	2,20,050
Leasehold	-	-	-	-	-	-	11,69,821	11,69,821
(b) Buildings								
Own use	1,65,24,676	3,21,06,553	4,86,31,228	10,52,511	-	4,96,83,739	2,07,61,574	2,18,14,084
© Plant and Equipments								
Owned	5,87,63,444	1,69,44,137	7,57,07,581	6,31,997	-	7,63,39,578	1,03,62,293	1,09,94,289
(d) Furniture and Fixtures								
Owned	63,36,835	28,29,645	91,66,480	92,562	-	92,59,042	15,25,608	16,18,170
(e) Vehicles								
Owned	3,41,620	1,837	3,43,457	1,33,028	-	4,76,485	9,05,361	10,38,389
(f) Computers								
Owned	15,55,460	-	15,55,461	2,27,479	-	17,82,940	2,14,039	4,41,519
Total	8,35,22,035	5,18,82,172	13,54,04,207	21,37,577	-	13,75,41,784	3,51,58,746	3,72,96,322
Previous year	8,33,80,836	5,18,82,172	13,52,63,008	21,39,399	19,98,200	13,54,04,207	3,72,96,322	4,56,33,118

Note 9 Non-current investments

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rs.	Rs.
(a) Investment in government or trust securities (i) Trust Securities - Unquoted	10,000	10,000
TOTAL	10,000	10,000

Note 10 Long-term loans and advances

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rs.	Rs.
(a) Security deposits (i) Unsecured, considered good	26,55,965	26,90,712
TOTAL	26,55,965	26,90,712

Note 11 Inventories

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rs.	Rs.
(a) Raw materials at cost	11,73,725	12,55,526
(b) Finished goods (At lower of cost and net realisable value)	1,47,164	77,682
TOTAL	13,20,889	13,33,208

Note 12 Trade receivables

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rs.	Rs.
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good	25,098	1,86,368
(b) Other Trade receivables Unsecured, considered good	9,13,960	18,06,750
© Private Companies in which any director is a director or member New Vision Printing Services Pvt. Ltd.	4,48,157	-
TOTAL	13,87,215	19,93,118

Note 13 Cash and cash equivalents

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rs.	Rs.
(a) Cash on hand	32,171	62,411
(b) Cheques, drafts on hand	-	1,72,530
© Balances with banks (i) In current accounts	11,42,999	16,60,215
(ii) In earmarked accounts For unpaid matured deposits	11,88,997	11,88,997
TOTAL	23,64,167	30,84,152

Note 14 Short-Term Loans and Advances

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rs.	Rs.
(a) Loans and advances to employees Unsecured, considered good	62,476	1,66,108
(b) Prepaid Expenses Unsecured, considered good	3,880	18,807
© Balances with government authorities Unsecured, considered good		
(i) TDS	56,367	36,964
(d) Others Unsecured, considered good		
(i) Legal matters	3,49,500	2,67,500
(ii) Miscellaneous Advances	1,75,720	48,964
	5,25,220	3,16,464
TOTAL	6,47,943	5,38,343

Note 15 Other current assets

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rs.	Rs.
(a) Others		
(i) Rent receivable	30,000	-
TOTAL	30,000	-

Note 16 Revenue from operations

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	Rs.	Rs.
(a) Sale of Products	1,28,43,780	1,19,24,416
TOTAL	1,28,43,780	1,19,24,416

Note	Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
		Rs.	Rs.
(i)	Sale of Products comprises:		
	Manufactured goods Processed Nuts	1,28,43,780	1,19,24,416
	Total - Sale of manufactured goods	1,28,43,780	1,19,24,416
	Total - Sale of products	1,28,43,780	1,19,24,416
(ii)	Other operating revenues comprise:		
	Sale of scrap	-	11,378
	Total - Sale of Scarp	-	11,378
	Total - Other operating revenues	1,28,43,780	1,19,35,794

Note 17 Other Income

Note	Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
		Rs.	Rs.
(i)	Interest income comprises: Interest from banks on deposits	99,942	1,01,018
	Total - Interest income	99,942	1,01,018
(ii)	Other non-operating income comprises: Rental income from property	6,34,124	-
	Reduction in Gratuity liability	17,39,069	-
	Sundry balance written off (Net)	6,14,746	-
	Miscellaneous income	50,482	2,45,402
	Total - Other non-operating income	30,38,421	2,45,402
	TOTAL	31,38,363	3,46,420

Note 18a Cost of Materials consumed

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	Rs.	Rs.
Opening Stock	12,55,526	9,66,703
Add: Purchases	94,72,152	91,41,218
Less: Closing Stock	11,73,725	12,55,526
Cost of material consumed	95,53,952	88,52,395
Material consumed comprises: Dry Nuts, cereals and pulses	95,53,952	88,52,395
TOTAL	95,53,952	88,52,395

Note 18b Changes in inventories of finished goods

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	Rs.	Rs.
Inventories at the end of the year: Finished goods	1,47,164	77,682
	1,47,164	77,682
Inventories at the beginning of the year: Finished goods	77,682	18,63,097
	77,682	18,63,097
Net (increase) / decrease	(69,482)	17,85,415

Note 19 Employee benefits expense

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	Rs.	Rs.
Salaries and wages	45,54,708	47,10,166
Contributions to provident and other funds	3,71,521	3,46,634
Staff welfare expenses	84,181	1,16,888
TOTAL	50,10,410	51,73,688

Note 20 Other Expenses

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	Rs.	Rs.
Auditor's Remunerations		
(I) Audit Fees	2,00,000	-
(ii) Other Services	36,000	-
(iii) Travelling and out of pocket Expenses including Service Tax	<u>29,170</u>	39,750
	2,65,170	2,75,750
Store Consumed	13,486	2,01,726
Rent	54,400	43,107
Power, Fuel & Lightings	3,81,109	3,81,539
Repairs and maintenance - Buildings	5,04,691	42,480
Repairs and maintenance - Machinery	2,58,819	39,408
Repairs and Maintenance - Others	1,12,596	4,92,552
Rates & Taxes	1,17,681	1,80,726
Freight and forwarding	2,96,884	4,48,355
Insurance	82,725	30,041
Legal & Professional Charges	22,50,121	20,35,534
Advertising and Sales Promotion	2,97,004	3,72,661
Postages and Telephone	3,05,786	3,68,203
Printing and Stationery	2,24,005	2,39,564
Security and housekeeping charges	2,24,678	5,79,314
Statutory Fees	2,53,837	4,11,355
Vehicle Expenses	14,31,204	17,32,182
Travel Expenses and Conveyance	10,10,182	29,57,865
Sales Tax Paid	7,66,298	15,37,832
Directors' Fees	1,17,000	87,000
Bad Debts	-	3,06,530
Sundry Balances Written off (Net)	-	22,99,741
Other Expenses	3,84,159	6,55,775
TOTAL	93,51,835	1,57,19,240

NOTE NO 21 : NOTES TO THE ACCOUNTS

	2012 Rs.	2011 Rs.
<p>1. In accordance with the Scheme of Amalgamation (the "Scheme") as approved by the Hon'ble High Court of Bombay at Goa vide its orders dated 06-08-2010 the whole business and affairs of the erstwhile GOKHATAK ENTERPRISES LIMITED, the Wholly owned Subsidiary of the company (the "Transferor Company") have been transferred to and vested in the Company with effect from the Appointed Date i.e. 01-04-2008. The scheme has been given accordingly effect in the accounts of the financial year ending on 31st March, 2011.</p> <p>The amalgamation being in the nature of merger has been accounted for under "Pooling of interests method" of accounting as prescribed by Accounting Standard (AS) 14 "Accounting for Amalgamation" issued by the Institute of Chartered Accountants of India.</p> <p>As per the scheme all the assets and Liabilities of the Transferor Company have been taken at book value.</p> <p>As per the Scheme, w.e.f 1st April, 2008 upto 06-08-2010 erstwhile Transferor Company has been carrying its business in "trust" on behalf of the Company. All the income and Expenditure of the Transferor Company have been included in the Company.</p>		
<p>2. Contingent Liabilities not provided for:</p> <p>(i) Claims for Sales Tax/Excise/Service tax not accepted by the Company for which appeals are pending</p> <p>(ii) Claims against the Company not acknowledged as debts.</p> <p>(iii) Export obligations not fulfilled against EPCG licences.</p> <p>(iv) Duty drawback claim granted and later revoked.</p> <p>(v) The Income Tax Assessments have been completed upto the Assessment year 2008-09 and there is no demand raised by Income tax Department.</p> <p>(vi) Penalty imposed by Commissioner - Customs & Central Excise, Goa, in respect of CVD on bulk (semi-packed / semi-finished) films which were imported by Phil Marketing Services Pvt. Ltd. and given to Company for further packing and in respect of which excise duty has been paid by the Company. Customs, Excise & Service Tax Tribunal, Western Region have granted stay against the recovery of the penalty.</p>	<p>4,69,81,313</p> <p>1,32,25,000</p> <p>1,92,73,000</p> <p>7,04,000</p> <p>-</p> <p>1,70,46,000</p>	<p>4,73,85,313</p> <p>1,32,25,000</p> <p>1,92,73,000</p> <p>7,04,000</p> <p>-</p> <p>1,70,46,000</p>
<p>3. In respect of fixed assets the provision for impairment loss of Rs. 5,18,82,172/- on existing fixed assets is continued. Further the management has reviewed the realisable value of assets in use and are of the opinion that no further provision for impairment of fixed assets is considered necessary.</p>		
<p>4. Gratuity liability in respect of ex-employees and employees transferred to Associate Companies is being paid directly by the Company for which the necessary provision has been made in the Books of Accounts.</p>		
<p>5. 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.</p>		
<p>6. The realisability of Deferred Tax Assets of erstwhile subsidiary has been reviewed and adjustment has been made in the previous year.</p>		
<p>7. 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, 2012 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.</p>		
<p>8. On account of uncertainty of restructuring of business no segment reporting can be done.</p>		

	2012 Rs.	2011 Rs.
9. Earning Per Share Calculation.		
Net Profit (Loss) after Tax	(1,00,02,150)	(2,12,91,315)
No of Equity Shares	1,16,50,000	1,16,50,000
Earning Per Share (Basic)	(0.86)	(1.83)
Diluted	(0.86)	(1.83)
10. Transaction with Related Parties	-	-
a) List of Related Parties		
With whom transactions have taken place during the year		
New Vision Imaging Pvt. Ltd.		
New Vision Printing Services Pvt. Ltd.		
La Costa Enterprises Pvt. Ltd.		
Cherish Specialties Ltd.		
Performance Logistics Pvt. Ltd.		
b) Sales		
Cherish Specialties Ltd.	5,37,086	-
New Vision Imaging Pvt. Ltd.	13,39,923	12,07,601
Purchases		
Cherish Specialties Ltd.	15,11,750	-
New Vision Imaging Pvt. Ltd.	1,77,551	4,01,675
Advance Against Sale of Property		
Performance Logistics Pvt. Ltd.	1,08,10,000	-
For Expenses		
La Costa Enterprises Pvt. Ltd. (E-zv Travels)	5,35,035	-
Closing Balance		
New Vision Imaging Pvt. Ltd.	3,922 Cr	
New Vision Printing Services Pvt. Ltd.	4,48,157 Cr	
La Costa Enterprises Pvt. Ltd.	38,437 Cr	
Cherish Specialties Ltd.	5,34,153 Cr	
Performance Logistics Pvt. Ltd.	1,08,10,000 Cr	
11. Previous year's figures have been regrouped where necessary.		

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	For the year ended 31st March, 2012		For the year ended 31st March, 2011	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Net Profit/(Loss) before extraordinary items and taxes		(1,00,02,150)		1,90,46,690
<i>Adjustments for:</i>				
Depreciation and amortisation	21,37,577		21,39,399	
(Profit)/Loss on sale / write off of assets	-		(42,08,807)	
Interest Income	(99,942)		(1,01,019)	
Rental income from properties	(6,34,124)		-	
Liabilities/Provisions no longer required written back	(17,39,069)		41,12,199	
Sundry Balances written off	(6,14,746)		26,06,724	
		(9,50,304)		4548046
Operating Profit/(Loss) before working capital changes		(1,09,52,454)		23594736
<i>Changes in working capital :</i>				
<i>Adjustments for (increase)/decrease in Operating Assets:</i>				
Inventories	12,319		14,96,592	
Trade receivables	6,05,903		(31,60,864)	
Short-term advances	(1,09,600)		72,47,680	
Long-term advances	34,747		-	
Other current assets	(30,000)		-	
<i>Adjustments for increase/(decrease) in Operating Liabilities:</i>				
Trade payables	7,89,846		(3,96,90,746)	
Other current liabilities	75,06,629		-	
Short-term provisions	20,13,875		-	
Long-term provisions	(13,25,316)		-	
Cash generated from operations		94,98,403		(3,41,07,338)
Net income tax (paid) / refunds		(14,54,051)		(1,05,12,602)
		-		-
Net Cash Flow from / (used in) operating activities		(14,54,051)		(1,05,12,602)
CASH FLOW FROM INVESTING ACTIVITY				
Purchase of Fixed Assets	-		(5,18,798)	
Sale of Fixed Assets	-		(1,09,25,000)	
Rental income from properties	6,34,124		-	
Net Cash from investing Activities	6,34,124		1,04,06,202	
Net Cash Flow from investing Activities		6,34,124		1,04,06,202
CASH FLOW FROM FINANCING ACTIVITY				
Interest & Dividend received	99,942		1,01,019	
Net Cash from Financing Activities	99,942		1,01,019	
Net Cash Flow from Financing Activities		99,942		1,01,019
Net Increase in Cash & Cash Equivalents		(7,19,985)		(5,381)
Cash at the beginning of the year		30,84,152		30,89,533
Cash at the end of the year		23,64,167		30,84,152

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

V. C. Shah
Partner
Membership No. 10360

Place : Mumbai
Date : 25th May, 2012

B.S. SRIDHARA
Managing Director

TEJA GADEKAR
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

SADASHIV V. SHET - Director

PHIL CORPORATION LIMITED

NOTICE

NOTICE is hereby given that the **29th ANNUAL GENERAL MEETING** of the Company will be held at **Mapusa Residency (Tourist Hostel), Near Kadamba Bus Stand, Mapusa, Goa - 403 507 on Monday the 10th September, 2012 at 4.00 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, 2012.
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 pass the following resolution as an Ordinary Resolution for re-appointment of Dr. J C Almeida as a Director of the Company :

"RESOLVED that Dr. J C Almeida be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. To consider and if thought fit, to pass with our without modification, the following resolution as an Ordinary Resolution for appointment of Shri B S Sridhara as the Managing Director :

"RESOLVED that pursuant to provisions of Section 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves appointment of Shri B S Sridhara as the Managing Director of the Company for a period of two years from 1st April 2012 to 31st March 2014 on the terms and conditions and the remuneration as approved by the Board of Directors and as contained in the Agreement dated 2nd April 2012 entered into between the Company and Shri B S Sridhara, the abstract of the terms of which have been circulated to the Members vide Company's Circular dated 12th April, 2012.

RESOLVED FURTHER 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 XIII of the Companies Act, 1956 or any amendments thereto, as may be agreed to by the Board of Directors and Shri B S Sridhara."

7. To consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution for continuation of appointment of Shri A.V.Gaikwad as Consultant and payment of remuneration to him:

"RESOLVED that pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded for continuing the services of Shri A.V.Gaikwad, Director, as a Consultant to the Company in respect of its business activities and various corporate matters, for the period from 1st November 2011 to 31st March 2013 on the remuneration and on other terms and conditions as approved by the Board of Directors in the meeting held on 23rd July 2012 and set out in the Agreement entered into by and between the Company and Shri A.V.Gaikwad;

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to modify the terms of the said Agreement as they deem fit and proper."

8. To consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution for commencement of new business in terms of Sub-Clause No.56 of Clause III (C) "Other Objects" of the Memorandum of Association of the Company:

"RESOLVED that pursuant to the provisions of Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, approval of the Members of the Company be and is hereby accorded for commencement of new business by the Company in accordance with Sub-clause No.56 of Clause III (C) "Other Objects" of the Memorandum of Association of the Company."

By Order of the Board of Directors

Teja M Gadekar
Company Secretary

Mapusa, Goa
Dated : 23rd July, 2012

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 Tuesday the 4th September, 2012 to Monday the 10th September, 2012 (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 2011-12 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 :

- I Name : SHRI A. Y. FAZALBHOY
Age : 58 years
Qualification : M.B. A.
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 Directorships in Public Limited Companies : NIL

- II Name : SHRI SADASHIV V. SHET
Age : 61 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 as required under Section 173 of the Companies Act, 1956 in respect of items of Special Business as per the Notice.

Item No. 5

Dr J C Almeida was appointed as a Director at the Board Meeting held on 31st January 2011 to fill the casual vacancy caused by resignation of Shri S V Muzumdar. If Shri Muzumdar had continued, he would have retired by rotation at the ensuing Annual General Meeting. Therefore, Dr J C Almeida's appointment is being taken up for approval of the Members.

As required under Clause 49 of the Listing Agreement, brief particulars of Dr J C Almeida are given below :

- 1) Name : DR J CALMEIDA
Age : 82 years
Qualification : Post Graduate in Economics; IAS (Retd) ; Doctorate from University of Lisvol, Portugal.
Experience : He was Secretary to Government of Goa, Daman & Diu, and later on became its Chief Secretary. He was also Secretary to Government of Arunachal Pradesh. He has functioned as MD and also the Chairman of EDC, Goa and the Chairman of Goa Public Service Commission. He is also a member of the Remuneration Committee.

Dr J C Almeida may be deemed to be interested in this Resolution since it pertains to his appointment as a Director. None of the other Directors is interested or concerned in this Resolution.

Item No. 6

The Board of Directors at its meeting held on 1st February 2012 considered the appointment of Mr B S Sridhara as the Managing Director. The Remuneration Committee at the meeting held on 1st February 2012 recommended the appointment of Shri B S Sridhara for a period of two years from 1st April 2012 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 1st February 2012 passed the resolution for appointment of Shri B S Sridhara as the Managing Director for a period of two years i.e. from 1st April 2012 to 31st March 2014 and to pay him remuneration as recommended by the Remuneration Committee, subject to approval of the Members in general meeting.

The appointment of Shri B S Sridhara as Managing Director is in accordance with the provisions of Schedule XIII of the Companies act, 1956. The main terms and conditions of appointment and remuneration payable to him are as follows :

- 1) REMUNERATION :
- Salary & perquisites :
- (i) Salary : Rs.54,000/- per month
- (ii) Perquisites : HRA : Rs.10,000/- per month
Special Pay : Rs. 8,000/- per month
- (iii) Other perquisites : He will also be entitled to reimbursement of Entertainment expenses, Petrol expenses, vehicle maintenance, Driver's salary, Internet and Periodicals, LTA and Medical benefits, and retention bonus as approved by the Remuneration Committee and the Board of Directors, subject, however, to the approval of the Members, and subject also to the ceiling for managerial remuneration as prescribed under the provisions contained in Schedule XIII of the Companies Act, 1956.
- iv) He will also be eligible for Provident Fund contributions by the Company at the prevailing rates, and Gratuity at the rate of half a month's salary for each completed year of service. He will also be eligible for Leave encashment @ one month's leave per annum, or accumulated leave at the end of the tenure.
- 2) 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.

3) OTHER TERMS AND CONDITIONS:

The Managing Director shall also be entitled to :

- (i) free telephone facility and
- (ii) reimbursement of all reasonable expenses incurred bona fide in connection with the business of the Company.

As required under Clause 49 of the Listing Agreement, brief particulars of Shri B S Sridhara who is proposed to be appointed as Managing Director are given below :

Name : SHRI B S SRIDHARA
Age : 61 years
Qualification : B.Sc, LL.B, F.C.S.
Experience : He has over 38 years of professional experience in various industries, in manufacturing as well as service sectors. He has been handling Company Secretarial matters in listed and un-listed Companies for about 25 years. He has handled Legal portfolio in different companies for over 15 years, mainly dealing with civil, criminal and labour laws, commercial taxes, service tax and central excise issues. He has additional exposure of handling HRD and Industrial Relations in different capacities in various Companies.
He has been handling Secretarial, Legal and HRD functions in this organisation for the past 10 years.

Shri B S Sridhara is interested in this Resolution 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 B S Sridhara and the Company is available for inspection by members of the Company on any working day between 10.00 a.m. and 1.00 p.m. at the Registered Office of the Company.

Item No.7

Shri A.V. Gaikwad has served the Company in various capacities for the past 22 years. He was engaged as a Consultant from 1st November 2009 for a period of 2 years in respect of Company's business activities and various corporate matters as per the consent accorded by the Members in the AGM held on 25th September 2009. The Board of Directors at its meeting held on 23rd July 2012 has taken a decision to continue the engagement of services of Shri A.V. Gaikwad as Consultant for a further period from 1st November 2011 to 31st March 2013 by enlarging the scope of his consultancy and on revised terms and conditions as given below, subject to the consent of the Members

- i) Shri A.V.Gaikwad will act as a Consultant to the Company in respect of Company's business activities, its corporate matters and assist the Company in finding a strategic business partner for furtherance of its objectives;
- ii) He will devote such reasonable time as may be required for purposes of this assignment;
- iii) His term of appointment will be for the period from 1st November 2011 to 31st March 2013;
- iv) He will be paid a consultancy fee of Rs. 6,00,000/- for the entire period of this assignment subject to TDS. This fee may be paid @ Rs. 20,000/- per month until February 2013, and the balance fee may be paid at the end of March 2013;
- v) He will be reimbursed travelling and conveyance expenses and other out-of-pocket expenses incurred by him for any outstation travel in carrying out this assignment;
- vi) He will be free to act as a consultant to any other party during the said term;
- vii) This arrangement may be terminated by either party, before the end of the tenure, by giving to the other party an advance notice of minimum three months;
- viii) The remuneration payable to him for this assignment shall be in addition to the sitting fees he would receive for attending Board/Committee meetings.

Shri A.V.Gaikwad is interested in this Resolution since it pertains to his appointment and payment of remuneration to him. No other Director has any interest or concern in this Resolution.

A copy of the Agreement entered into between Shri A.V. Gaikwad and the Company is available for inspection by members of the Company on any working day between 10.00 a.m. and 1.00 p.m. at the registered office of the Company.

Item No.8

After the global exit of M/s Konica from the business of Photography, the Company has discontinued all activities related to photography business, and is continuing only its food processing activity in its factory at Valpoi, Goa. It is decided to explore and diversify further into a new business opportunity in order to increase the revenues. Property development has become one of the upcoming and fast growing businesses in the State of Goa. The Company has decided to pursue this business since there is huge potential for the same. The Sub-clause No.56 of Clause III (C: Other Objects) of the Memorandum of Association of the Company allows the Company to pursue this new business activity. The said Sub-clause is reproduced below:

“56. To carry on all or any of the business of builders and contractors, architects, decorators, merchants and dealers in stone, sand, lime, bricks, cement, timber, hardware, and other building materials and acting as house agents.”

In order to commence this new business which is within the framework of the Memorandum of Association of the Company, the approval of the Members by a Special Resolution is required as per the provisions of Section 149(2A) of the Companies Act, 1956. The Members are accordingly requested to pass this resolution as a Special Resolution.

None of the Directors is interested or concerned in this resolution.

A copy of the Memorandum & Articles of Association of the Company is available for inspection by Members of the Company on any working day between 10.00 a.m. and 1.00 p.m. at the registered office of the Company.

By Order of the Board of Directors

Teja M Gadekar
Company Secretary

Mapusa, Goa.
Dated : 23rd July 2012

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

PHIL CORPORATION LIMITED

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

*DPID No.		Folio No.	
*Client ID No.		No. of Shares held	

ATTENDANCE SLIP

Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I/we hereby record my/our presence at the **29th Annual General Meeting of the Company at Mapusa Residency (Tourist Hostel), Near Kadamba Bus Stand, Mapusa, Goa-403 507 on Monday, the 10th September, 2012 at 4.00 p.m.**

Full Name of the Shareholder (in Capitals)	Signature of the Shareholder
Full Name of the Proxy (in Capitals)	Signature of the Proxy

* Applicable in case of Beneficial Owners of Dematerialised Shares.

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PHIL CORPORATION LIMITED

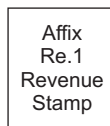
Regd. Office : Vision House, Tivim Industrial Estate, Mapusa, Goa-403 526

*DPID No.		Folio No.	
*Client ID No.		No. of Shares held	

PROXY FORM

I/We _____
of _____ in the District of _____ being
a member/members of the above-named Company, hereby appoint _____
of _____, or failing him / her _____
of _____, as my/our proxy to vote for me/us on my/our behalf on poll
at the **29th Annual General Meeting of the Company, to be held on Monday, the 10th September, 2012 at 4.00 p.m.** and any adjournment thereof.

Signed this _____ day of _____ 2012.



* Applicable in case of Beneficial Owners of Dematerialised Shares.

Signature

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 or to the Company's Registrar & Share Transfer Agents, mentioning their Folio Numbers.

Company's Website : www.philproducts.com

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