



***PINCON SPIRIT LIMITED***

37th Annual Report

Be High On Life

PINCON



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Randhaner Bandhan

PINCON™

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- সোয়াবিন তেল
- ভেজিটেবিল তেল





## CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>	MR. MONORANJAN ROY	<i>Managing Director</i>
	MR. ARUP THAKUR	<i>Director &amp; CFO</i>
	MR. SUBRATA BASU	<i>Director</i>
	MR. JBS NEGI	<i>Director – Independent</i>
	MR. KUNAL SAXENA	<i>Director – Independent</i>
	MS. MOU ROY	<i>Additional Director – Independent</i>

**COMPANY SECRETARY** MR. ADITYA KARWA

**CORPORATE IDENTIFICATION NUMBER** L67120WB1978PLC031561

**REGISTERED OFFICE** 7, RED CROSS PLACE  
“WELLESLEY HOUSE”, 3RD FLOOR  
KOLKATA – 700 001

**CORPORATE OFFICE** SAMSKRUTI CHAMBERS  
NO. 103, 3RD FLOOR  
K.H.ROAD, SHANTHI NAGAR  
BANGALORE- 560027

**AUDITOR’S** M/s. D.N.MISRA & CO  
54, GANESH CH. AVENUE, 1ST FLOOR  
KOLKATA-700013

**BANKER** ANDHRA BANK  
PUNJAB NATIONAL BANK  
INDIAN OVERSEAS BANK  
CORPORATION BANK  
VIJAYA BANK  
TAMILNAD MERCANTILE BANK LTD.

**REGISTRAR** S. K. INFOSOLUTIONS PVT. LTD.  
34/1A SUDHIR CHATTERJEE STREET  
KOLKATA- 700 006

**SOLICITOR** KHATIAN & CO.  
EMERALD HOUSE  
1B OLD POST OFFICE STREET  
KOLKATA - 700001

**WEBSITE** [www.pinconspirit.in](http://www.pinconspirit.in)

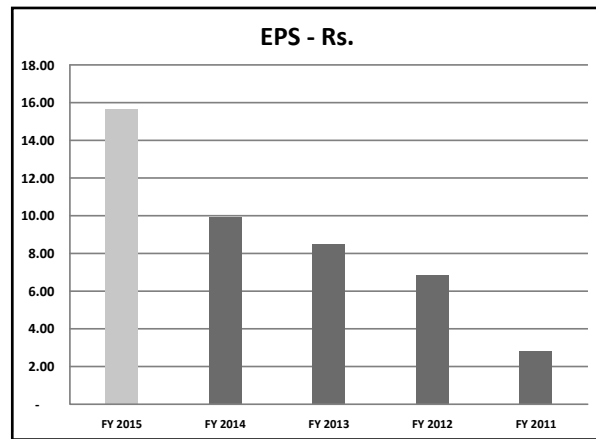
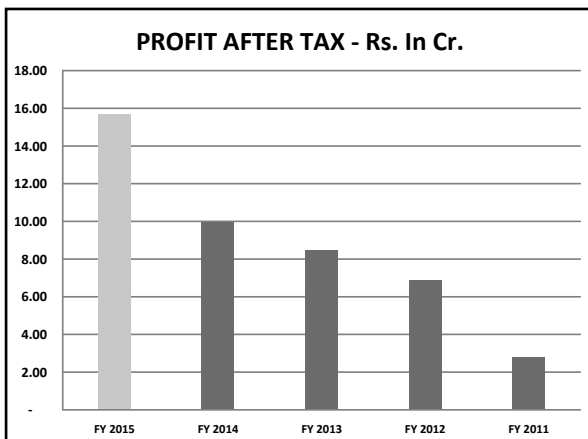
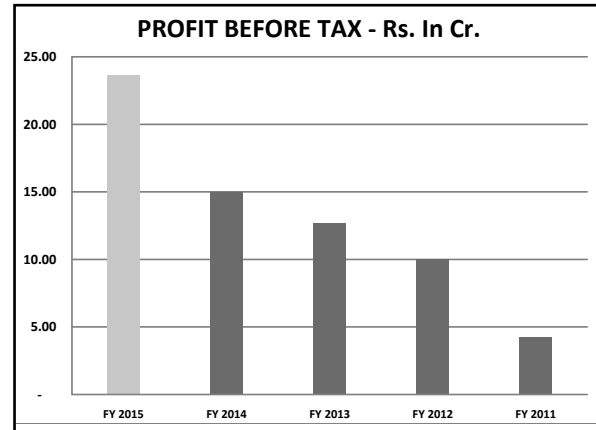
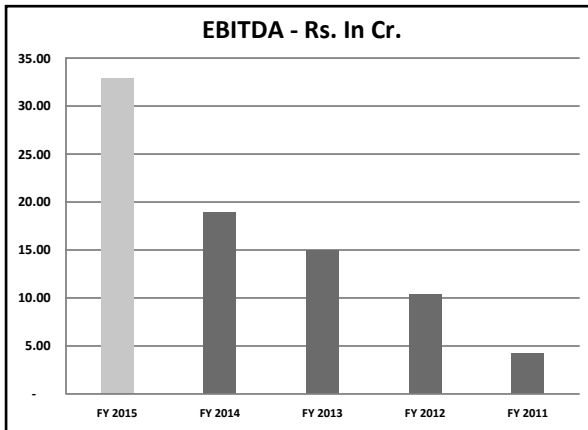
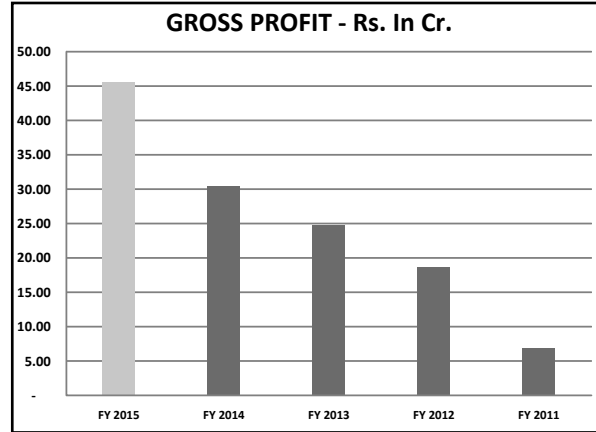
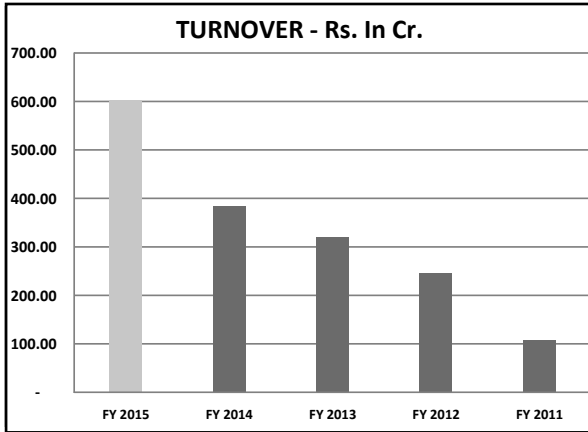


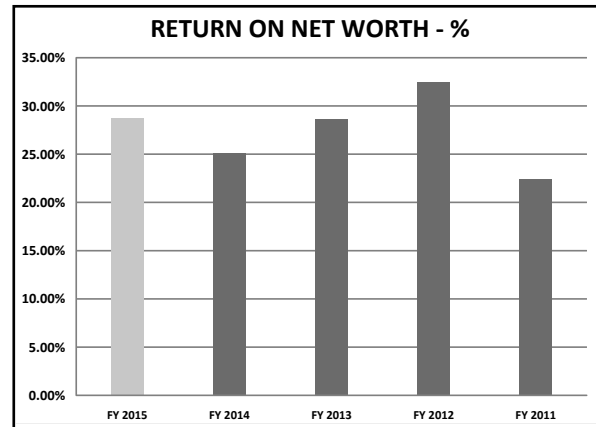
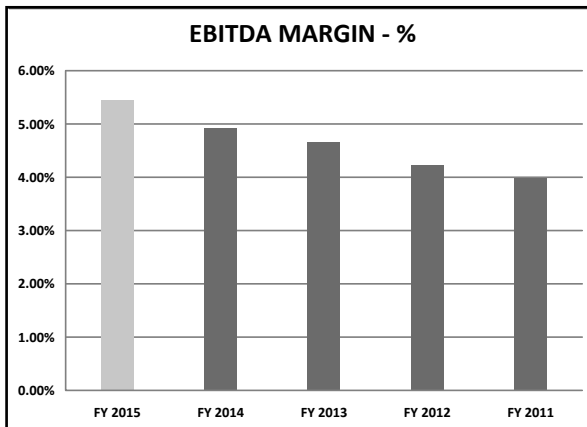
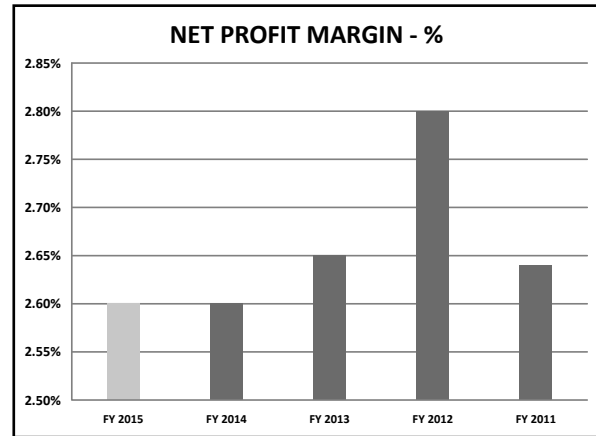
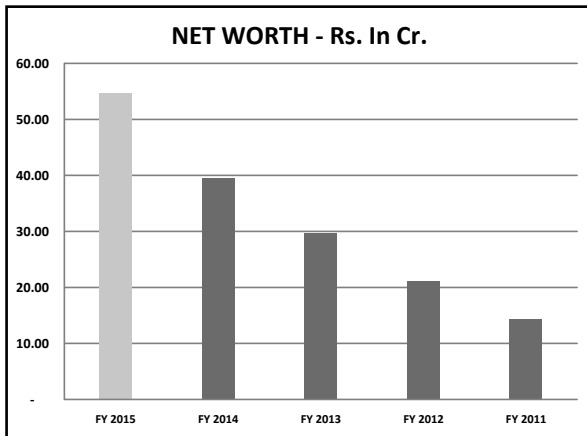
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## KEY FINANCIAL INDICATOR







## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 37th Annual Report and the Company's Audited Accounts for the Financial Year ended March 31, 2015.

### FINANCIAL RESULTS

Rs. in Lacs

PARTICULARS	2014-15	2013-14
Revenue	60,269.67	38,299.71
Profit before Interest, Depreciation, Tax	3,285.89	1,886.88
Depreciation	215.14	222.41
Interest	706.73	165.58
Profit after Interest & Depreciation	2,364.01	1,498.88
Provision for Taxation(I. Tax & Differed Tax)	796.01	504.09
Profit after Tax	1,568.00	994.79
Share Capital	1,002.15	1,002.15
Reserve & Surplus	4,463.84	2,955.96
EPS - Basic & Diluted (Rupees)	15.65	9.93

### RESULTS OF OPERATIONS

Operating in a volatile and uncertain environment, the Company demonstrated the resilience of its business model.

### PERFORMANCE OF THE COMPANY

During the year under review, your Company has achieved sales of Rs. 60,269.67 Lacs representing a steadfast growth of 57.36 % over the previous year being Rs. 38299.71 Lacs. Net Profit from operations at Rs. 1,568.00 Lacs registered a robust growth of 57.62 % over the previous year being Rs.994.79 Lacs.

### OUTLOOK

The details about prospects/ outlook of your Company are provided under the Management Discussion and Analysis Report, forming part of this Annual Report.

### CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Accounting Standard (AS – 21) on Consolidated Financial Statements, the audited Consolidated Financial Statement is provided in the Annual Report.

### DIVIDEND

Directors have recommended a dividend of Rs. 0.50 (i.e. 5%) per equity share for the financial year ended March 31, 2015. The dividend payout is subject to approval of members at the ensuing Annual General Meeting. The dividend will be paid to members whose names appear in the Register of Members as on December 18, 2015 and in respect of shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

### DIRECTORS

As per the provisions of the Companies Act, 2013, Mr. Arup Thakur retires by rotation at the ensuing AGM and being eligible offers himself for re-appointment. The term of Managing Director has expired on 09.08.2015 and being eligible to be re-appointed as Managing Director. The Board recommends for re-appointment of Mr Monoranjan Roy as the Chairman & Managing Director of the Company & Mr. Arup Thakur as the Director of the company. Ms. Mou Roy, Additional Director appointed on 31.03.2015 to be appointed as Independent Director in the ensuing AGM of the Company.



#### **AUDITOR'S**

In the last AGM held on 29.09.2014, D.N. Misra & Co., Chartered Accountants has been appointed as Statutory Auditors of the Company for a period of 5 years. Ratification of appointment of Statutory Auditor's is being sought from the members of the Company at the ensuing AGM.

#### **AUDITOR'S REPORT**

The Report of the Statutory Auditors & observations made in the Auditor's Report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

#### **SUBSIDIARIES**

Company has acquired one company as its wholly owned subsidiary during the financial year 2014-15 i.e. M/s Your Laboratories Private Limited, which is in the same line of business as the company is dealing itself. It will be strategic fit for the future growth of the Business mix.

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Subsidiary Companies is provided as **Annexure – 1** to this report. In accordance with third proviso to Section 136(1) of the Companies Act, 2013, the Annual Report and Financial Statements of each of the Subsidiary Companies have also been placed on the website of the Company **www.pinconspirit.in**.

#### **SECRETARIAL AUDITOR'S**

Section 204 of the Companies Act, 2013 inter-alia requires every listed company to annex with its Board's Report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form.

The Board of Directors appointed M/s. Arpan Sengupta & Associates, Practicing Company Secretary, as Secretarial Auditor's to conduct Secretarial Audit of the Company for Financial Year 2014-15 and their Report is annexed to this Board Report is provided as **Annexure – 2**. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

#### **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is provided as **Annexure – 3**.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars prescribed under section 134(3) (m) of the Act, read with rule 8 of the Companies (Accounts) Rules, 2014, are set out in **Annexure – 4**.

#### **RELATED PARTY TRANSACTION**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The details of related party transactions required under section 134(3) (h) read with rule 8 of the Companies (Accounts) Rules, 2014, is given in Form AOC 2 and the same is enclosed as **Annexure – 5**, the same is mentioned in the notes of accounts as well.

The Company's policy on dealing with Related Party Transactions was adopted by the Board on 17th October, 2014 and is available on website.

#### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form No. MGT-9 is annexed herewith as **Annexure – 6**.

#### **CORPORATE GOVERNANCE**

The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.



**BOARD MEETINGS**

A calendar of Meetings is prepared and circulated in advance to the Directors. The Board met 19 times during the year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement.

**BOARD COMMITTEES**

The Company has set up the following committees of the Board.

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders Relationship Committee
- D. Corporate Social Responsibility Committee
- E. Risk Management Committee
- F. General Committee of Directors

The composition of each of the above committees, and their respective roles and responsibilities are detailed in the Corporate Governance Report.

**NOMINATION, REMUNERATION AND EVALUATION POLICY**

In accordance with the provisions of Section 178 of the Companies Act, 2013 read with Clause 49(IV) (B) of the Listing Agreement, the Board of Directors in its Meeting held on 17th October, 2014 has, on the recommendation of Nomination and Remuneration Committee, adopted the Nomination, Remuneration and Evaluation Policy of the Company which lays down in Corporate Governance report.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Corporate Social Responsibility is commitment of Company to improve the quality of life of the work force and their families and also the community and society at large. The Company believes in undertaking business in such a way it leads to overall development of all stake holders and Society.

Information on the composition of the Corporate Social Responsibility (CSR) Committee is provided in the Corporate Governance Report that forms part of this Annual Report. Furthermore, as required by section 135 of the Act, and the rules made there under, additional information on the policy and implementation of CSR activities by your Company during the year are provided in Corporate Governance report to this report. Business Responsibility Report under clause 55 of the Listing Agreement is not applicable to the Company since it was not among the Top 100 listed companies by market capitalisation as of March 31, 2015.

**RISK MANAGEMENT POLICY**

The Company has a Risk Management Policy which has been adopted by the Board of Directors. Currently, the Company's risk management approach comprises of the following :

- **Regulatory Risk**
- **Strategic Risk**
- **Concentration Risk**

The risks have been prioritized through a companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

A detailed note on the risks is included in the Corporate Governance.



## **MANAGEMENT DISCUSSION AND ANALYSIS**

The report on Management Discussion and Analysis as stipulated under the Listing Agreement forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

## **DEPOSITORY SYSTEM**

The trading in the equity shares of your Company are under compulsory dematerialization mode. As on 31.03.2015 equity shares representing 67.40% of the equity share capital are in dematerialized form. As the depository system offers numerous advantages, members are requested to take advantages of the same and avail of facility of dematerialization of the company's shares.

## **FIXED DEPOSITS**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## **RATING**

During the year D&B Rating has assigned a rating of "D&B-4A2".

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :**

The Company has not given any loans, guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013.

## **WHISTLE BLOWER /VIGIL MECHANISM**

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement, the Company has adopted a Whistle Blower Policy to provide a mechanism to its directors, employees and other stakeholders to raise concerns about any violation of legal or regulatory requirements, misrepresentation of any financial statement and to report actual or suspected fraud or violation of the Code of Conduct of the Company. The Policy allows the whistle-blowers to have direct access to the Chairman of the Audit Committee in exceptional circumstances and also protects them from any kind of discrimination or harassment.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has a well-placed, proper, adequate and documented internal control system commensurate with the size and nature of its business. The primary objective of the internal control system is to ensure that all its assets are safeguarded and protected and to prevent any revenue leakage and losses to the Company. Such controls also enable reliable financial reporting. The report on Internal Control Systems and their adequacy is forming part of Management & Discussion Analysis Report.

## **HUMAN RESOURCES**

Your Company treats its "Human Resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company's thrust is on the promotion of talent internally through job rotation and job enlargement.

## **INDUSTRIAL RELATIONS**

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company is committed to provide a healthy environment to all its employees and has zero tolerance for sexual harassment at workplace. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act), 2013. Internal Com-



plaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, temporary, trainees) are covered under this policy.

There was no case reported during the year under review under the said policy.

#### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore no fund was required to be transferred to Investor Education and Protection Fund (IEPF).

#### **BOARD EVALUATION CRITERIA**

Pursuant to the section 134 (p) of Companies Act, 2013 read with rule 8 (4) of Companies Accounts Rule, 2014 and clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the Board Committees. The evaluation process considered the effectiveness of the Board and the Committees with special emphasis on the performance and functioning of the Board and the Committees. The evaluation of the Directors were based on the time spent by each of the Board Members.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 134(3) (C) & (5) of the Companies Act, 2013, the Directors would like to state that:

- I. In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

As per Section 134(ca) of the Companies Amendment Act, 2015 duly notified on 26th May 2015, no fraud was reported by Auditor's under sub-section (12) of Section 143.

- IV. The Directors have prepared the Annual Accounts on a going concern basis.
- V. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- VI. The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

#### **ACKNOWLEDGEMENTS**

Your Directors would like to express their appreciation for the assistance and co-operation received from The Financial Institutions, Banks, Government Authorities, Customers, Vendors and Members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors

Sd/-

**Monoranjan Roy**  
*Managing Director*  
 (DIN: 02275811)

Place: Kolkata  
 Date: 16.11.2015

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures****Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Lacs)

Sl. No	1	2	3
Name of the Subsidiary	Paul Distributors Private Limited	Priya Laboratories Private Limited	Yours Laboratories Private Limited
Financial Year Ended	31.03.2015	31.03.2015	31.03.2015
Currency	INR	INR	INR
Share Capital	100.00	243.78	16.00
Reserves & Surplus	1154.62	(151.94)	13.95
Total Assets	2146.88	265.70	324.08
Total Liabilities	892.26	173.86	294.13
Investments	-	-	-
Turnover	7550.44	213.31	1262.11
Profit Before Taxation	168.48	44.90	33.04
Provision For Taxation	57.27	28.73	6.61
Profit After Taxation	111.21	16.17	26.43
Proposed Dividend	-	-	-
% of Shareholding	55.00%	62.50%	100.00%

**Part "B": Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

❖ This part is not applicable to the company as there is no associate or Joint Venture Company.

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 16.11.2015Sd/-  
**Monoranjan Roy**  
Managing Director  
(DIN: 02275811)



## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members  
Pincon Spirit Limited  
7, Red Cross Place  
“Wellesley House”, 3rd Floor  
Kolkata – 700 001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Pincon Spirit Limited. (CIN no. L67120WB1978PLC031561)** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

### Management’s Responsibility for Secretarial Compliances

The Company’s management is responsible for preparation and maintenance of secretarial records and for devising systems to ensure compliances with the provisions of applicable Laws and Regulations.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the secretarial records, standard and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company’s management is adequate and appropriate to provide a basis for our opinion.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by **Pincon Spirit Limited** and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period from **1st April, 2014 to 31st March, 2015** (“the Reporting Period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period from 1st April, 2014 to 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (**Not applicable to the Company during the Audit Period**), Overseas Direct Investment (**Not applicable to the Company during the Audit Period**) and External Commercial Borrowings (**Not applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-



- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on October 28, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);** and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period);**

We, based on the representation made by the Company and its officers for systems and mechanism framed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company, further report that, the Company has complied with the following laws applicable specifically to the Company:

We are of the opinion that the management has complied with the following laws specifically applicable to the Company :

1. The Trade Marks Act, 1999;
2. Food Safety and Standards Act, 2006;
3. West Bengal Excise Act, 1949

We have also examined compliance with the applicable clauses of the following :

- i. Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not notified hence not applicable to the Company during the Audit Period).**
- ii. The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that :**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

**We further report that** during the Audit Period :

The Company has passed following special resolutions which are having major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.:

- i. Increase in borrowing limits under Section 180(1) (c) of the Companies Act, 2013; and
- ii. Sell, lease or dispose-off whole or substantially the whole of the undertaking under Section 180(1) (a) of the Companies Act, 2013.
- iii. Adoption of new Articles of Association of the Company.

For **Arpan Sengupta & Associates**

Sd/-

**CS Arpan Sengupta**

*Proprietor*

Membership No.: ACS 37706

C.P. No.: 14416

Place: Kolkata

Date : 21.05.2015

**PARTICULARS OF EMPLOYEES**

[Statement of Disclosure of Remuneration pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- I. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014 – 2015 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2014-15 :**

Sl. No.	Name	Designation	Ratio of Remuneration of each Director to median remuneration of Employee	Percentage Increase in Remuneration
1	Mr. Monoranjan Roy	Managing Director	12.99:1	-
2	Mr. Arup Thakur	Director	6.71:1	29.16%
3	Mr. Subrata Basu	Director	6.49:1	250.00%
4	Mr. JBS Negi	Non-Executive Director	-	-
5	Mr. Kunal Saxena	Non-Executive Director	-	-
6	Mr. Santanu Mitra	Non-Executive Director	-	-
7	Ms. Mou Roy	Non-Executive Director	-	-
8	Aditya Karwa	Company Secretary	1.71:1	10.00%

- II. **The percentage increase in the median remuneration of employees in the financial year :**

The median remuneration of employees in the financial year 2014-15 has increased by 34.33% as compared to the previous year.

- III. **The number of permanent employees on the rolls of Company :**

As on March 31, 2015, 94 permanent employees were on the rolls of the Company.

- IV. **The explanation on the relationship between average increase in remuneration and company performance :**

Average increase in the remuneration of employees during the financial year 2014-15 was 34.33%. In view of the robust growth performance of the Company during the year, increased increments are justified as given to employees.

- V. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company :**

The comparison of remuneration of the Key Managerial Personnel against the performance of the Company for the financial year 2014-15 is as follows :

Aggregate remuneration of KMPs in FY 2014-15 (Rs in Lacs)	64.58
Revenue (Rs in million)	60,269.67
Remuneration of KMPs (as % of revenue)	0.11
Earnings before interest, depreciation and amortization and tax [EBIDTA] (Rs in Lacs)	3,285.89
Remuneration of KMPs (as % of EBIDTA)	1.97





**VI. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies :**

Not applicable since your company got listed at BSE Ltd. on 14.11.2014, before that it was listed in CSE but there was no available data of Share price due to non-trading of scrip there.

**VII. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :**

During the financial year 2014-15, average percentile increase already made in the salaries of employees other than the managerial personnel was 36.76% which in view of the robust growth made by the Company during the financial year 2014-15, there was increase in the managerial remuneration under Section 197 of the Companies Act, 2013. The nominal increments were given to employees other than the managerial personnel during the financial year 2014-15 to provide for increased cost of living/ inflation in accordance with the Remuneration Policy of the Company.

**VIII. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company :**

The comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company for the financial year 2014-15 is as follows :

Name of KMP	Designation	% of Revenue	% of EBIDTA
Mr. Monoranjan Roy	Managing Director	0.05%	0.91%
Mr. Arup Thakur	Director & CFO	0.03%	0.47%
Mr. Subrata Basu	Director	0.03%	0.46%
Aditya Karwa	Company Secretary	0.001%	0.12%

**IX. The key parameters for any variable component of remuneration availed by the Directors :**

During the financial year 2014-15, no variable component of remuneration has been availed by the Directors of the Company.

**X. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year :**

During the financial year 2014-15, no employee has received remuneration in excess of the highest paid Director of the Company.

**XI. Affirmation that the remuneration is as per the remuneration policy of the Company :**

It is hereby affirmed that the remuneration paid during the financial year 2014-15 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Sd/-

**Monoranjan Roy**  
Managing Director  
(DIN: 02275811)

Place: Kolkata  
Date: 16.11.2015



**PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014**

**A. CONSERVATION OF ENERGY :**

(a) Energy conservation measures taken :

-Nil-

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of Energy :

-Nil-

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :

- N.A.-

(d) Total energy consumption and energy consumption per unit of production as per Form A is given below:

- N.A.-

**B. TECHNOLOGY ABSORPTION :**

Form for disclosure of particulars with respect to absorption

**A. RESEARCH AND DEVELOPMENT (R&D) :**

- |   |     |
|---|-----|
| 1. Specific areas in which R & D carried out by the Company | N.A |
| 2. Benefits derived as a result of the above R & D.         | N.A |
| 3. Future plan of action                                    | N.A |
| 4. Expenditure on R&D                                       | N.A |

**B. TECHNOLOGY ABSORPTION, ADOPTATION AND INNOVATION :**

- |   |     |
|---|-----|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation   | N.A |
| 2. Benefits derived as a result of the above efforts, e.g. Product development, import substitution, etc.   | N.A |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished: |     |
| a) Technology imported  | N.A |
| b) Year of Import   | N.A |
| c) Has Technology been fully absorbed   | N.A |
| d) If not fully absorbed, area where this has not taken place reasons there for and future plans of action  | N.A |



**C. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

- a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans During the year export of Rs. 60227514 was made whose payment is accrued for more than six months, but it was considered good by the management.

2. b) Total foreign exchange used and earned :	(Rs. In Lacs)	
	<b>April 1, 2014 to March 31, 2015</b>	April 1, 2013 to March 31, 2014
(i) Foreign Exchange earned	<b>N.A</b>	N.A
(ii) Foreign Exchange Used	<b>N.A</b>	N.A

For and on behalf of the Board of Directors

Sd/-

**Monoranjan Roy**  
*Managing Director*  
 (DIN: 02275811)

Place: Kolkata  
 Date: 16.11.2015



## FORM NO. AOC -2

## Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

## 1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sl. No.	Particulars	Details
(a)	Name (s) of the related party & nature of relationship	Nil
(b)	Nature of contracts/arrangements/transaction	Nil
(c)	Duration of the contracts/arrangements/transaction	Nil
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
(e)	Justification for entering into such contracts or arrangements or transactions	Nil
(f)	Date of approval by the Board	Nil
(g)	Amount paid as advances, if any	Nil
(h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

## 2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars	Details
(a)	Name (s) of the related party & nature of relationship	Priya Laboratories Pvt. Ltd. (Subsidiary Company)
(b)	Nature of contracts/arrangements/transaction	Conversion Charges
(c)	Duration of the contracts/arrangements/transaction	Nil
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
(e)	Date of approval by the Board	17.10.2014
(f)	Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors

Sd/-

**Monoranjan Roy**  
Managing Director  
(DIN: 02275811)

Place: Kolkata  
Date: 16.11.2015



**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial ended on March 31, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION & OTHER DETAILS**

i.	<b>CIN</b>	<b>L67120WB1978PLC031561</b>
ii.	<b>Registration Date</b>	29-06-1978
iii.	<b>Name of the Company</b>	<b>PINCON SPIRIT LIMITED</b>
iv.	<b>Category/Sub-category of the Company</b>	Public Company Limited by Shares / Indian Non-Government Companies
v.	<b>Address of the Registered office &amp; contact details</b>	7, Red Cross Place, "Wellesley House" 3rd Floor, Kolkata – 700 001 Phone No.: 033 – 2231-9135 Fax No.: 033 – 4008-0690 E-mail : pinconspiritlimited@gmail.com, psl@pinconspirit.com Website : www.pinconspirit.in
vi.	<b>Whether listed company</b>	Yes
vii.	<b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	<b>S. K. INFOSOLUTIONS PVT. LTD</b> 34/1A, Sudhir Chatterjee Street, Kolkata- 700 006 Phones : 033-2219-4815 & 033-2219-6797 Fax : 033-2219-4815 Email : skcdilip@gmail.com, contact@skcinfo.com, URL : www.skcinfo.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the product/ service	% to total turnover of the company
1.	Blending & Bottling of Indian Made Indian Liquor	11011	25.70
2.	Wholesale of intoxicants like wines and liquors	46308	44.14
3.	Blending & Packaging of Edible Oils (FMCG)	10401, 10402	30.16

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	Priya Laboratories Pvt. Ltd.	U24246WB2003PTC097219	Subsidiary	62.50%	2(87)
2	Yours Laboratories Pvt. Ltd.	U24231WB2005PTC106783	Subsidiary	100.00%	2(87)
3	Paul Distributors Pvt. Ltd.	U51109WB1995PTC072426	Subsidiary	55.00%	2(87)



**IV. SHARE HOLDING PATTERN** (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year [As on 1-April-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>PROMOTERS</b>									
	(1) Indian									
	a) Individual / HUF	-	-	-	-	-	-	-	-	-
	b) Central Government or State Government	-	-	-	-	-	-	-	-	-
	c) Bodies Corporate	-	-	-	-	-	-	-	-	-
	d) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
	e) Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A)(1)</b>	-	-	-	-	-	-	-	-	-
	(2) Foreign									
	a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
	b) Other - Individuals	-	-	-	-	-	-	-	-	-
	c) Bodies Corporate	-	-	-	-	-	-	-	-	-
	d) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
	e) Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>									
	(1) Institutions									
	a) Mutual Funds	-	-	-	-	-	-	-	-	-
	b) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
	c) Central Governments	-	-	-	-	-	-	-	-	-
	d) State Governments	-	-	-	-	-	-	-	-	-
	e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	f) Insurance Companies	-	-	-	-	-	-	-	-	-
	g) Foreign Institutional Investors (FII)	-	-	-	-	-	-	-	-	-
	h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i) Others (Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	1,001,917	2,783,600	3,785,517	37.77	1,991,366	2,753,600	4,744,966	47.35	(9.57)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	225,600	117,900	343,500	3.43	368,572	112,900	481,472	4.80	(1.38)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3,486,983	2,404,700	5,891,683	58.79	4,348,180	400,600	4,748,780	47.39	11.40
c) Others Specify									
i) Non Resident Indians	-	-	-	-	37.00	-	37	0.00	(0.00)
ii) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
iii) Foreign Nationals	-	-	-	-	-	-	-	-	-
iv) Clearing Members	800	-	800	0.01	46,245	-	46,245	0.46	(0.45)
v) Trusts	-	-	-	-	-	-	-	-	-
vi) Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	4,715,300	5,306,200	10,021,500	100.00	6,754,400	3,267,100	10,021,500	100.00	(0.00)
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	4,715,300	5,306,200	10,021,500	100.00	6,754,400	3,267,100	10,021,500	100.00	(0.00)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A+B+C)</b>	4,715,300	5,306,200	10,021,500	100.00	6,754,400	3,267,100	10,021,500	100.00	(0.00)

**(ii) Shareholding of Promoters**

Sl. No.	Category of Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
		-	-	-	-	-	-	-

**(iii) Change in Promoters' Shareholding (specify if there is no change)**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No change during the financial year 2014-15			
	At the end of the year	-	-	-	-



**(iv) Shareholding Pattern of top ten Shareholders  
(other than Directors, Promoters and Holder of GDRs and ADRs) :**

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year i.e. on April 01, 2014		Increase/Decrease in shareholding during the year				Cumulative Shareholding during the year i.e. on March 31, 2015	
		No. of shares	% of total shares of the Company	01-04-2014 to 30-06-2014	01-07-2014 to 30-09-2014	01-10-2014 to 31-12-2014	01-01-2015 to 31-03-2015	No. of shares	% of total shares of the Company
1	Anushri Textiles Pvt. Ltd.	-	-	-	-	-	1090998 (Buy)	1,090,998	10.89
2	Anima Credit & Investments Pvt. Ltd.	500,000	4.99	-	-	-	-	500,000	4.99
3	Accent Commerce Pvt. Ltd.	450,000	4.49	-	-	-	-	450,000	4.49
4	Cuckoo Merchandise Pvt. Ltd.	450,000	4.49	-	-	-	-	450,000	4.49
5	Graceful Advisory Services Pvt. Ltd.	380,000	3.79	-	-	-	-	380,000	3.79
6	Gomti Commercial Pvt. Ltd.	230,000	2.30	-	-	-	-	230,000	2.30
7	Hari Singh	89,500	0.89	-	-	110290 (Buy)	-	199,790	1.99
8	Profitus Commodities Pvt. Ltd.	-	-	-	190000 (Buy)	-	-	190,000	1.90
9	Dipankar Basu	-	-	-	-	190000 (Buy)	-	190,000	1.90
10	Bam Basuki & Investments Pvt. Ltd.	168,100	1.68	-	-	-	-	168,100	1.68

**(v) Shareholding of Directors and Key Managerial Personnel**

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year i.e. on April 01, 2014		Increase/Decrease in shareholding during the year				Cumulative Shareholding during the year i.e. on March 31, 2015	
		No. of shares	% of total shares of the Company	01-04-2014 to 30-06-2014	01-07-2014 to 30-09-2014	01-10-2014 to 31-12-2014	01-01-2015 to 31-03-2015	No. of shares	% of total shares of the Company
1	Monoranjan Roy (Managing Director)	2993393	29.87	-	-	-	-	2993393	29.87

**V. INDEBTEDNESS – Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	325,107,937	300,000,000	-	625,107,937
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>325,107,937</b>	<b>300,000,000</b>	<b>-</b>	<b>625,107,937</b>
<b>Change in Indebtedness during the financial year</b>				
<b>Net Change</b>	<b>595,680,731</b>	<b>300,000,000</b>	<b>-</b>	<b>895,680,731</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	920,788,668	600,000,000	-	1,520,788,668
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>920,788,668</b>	<b>600,000,000</b>	<b>-</b>	<b>1,520,788,668</b>





## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Rs. in Lacs)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Monoranjan Roy Managing Director	Arup Thakur Director CFO	Subrata Basu Executive Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,000,000	1,550,000	1,500,000	6,050,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission				
	- as % of profit	NIL	NIL	NIL	NIL
	- others, specify...				NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	<b>Total</b>	<b>3,000,000</b>	<b>1,550,000</b>	<b>1,500,000</b>	<b>6,050,000</b>
	Ceiling as per the Act	Rs.1.85 Cr (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

### B. Remuneration to Other Directors

(Rs. in Lacs)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Kunal Saxena <sup>1</sup>	Santanu Mitra <sup>2</sup>	JBS NEGI <sup>3</sup>	Mou Roy <sup>4</sup>	
1	Independent Directors					
	Fee for attending board & committee meetings	240,000	120,000	240,000	20,000	620,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>240,000</b>	<b>120,000</b>	<b>240,000</b>	<b>20,000</b>	<b>620,000</b>
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>240,000</b>	<b>120,000</b>	<b>240,000</b>	<b>20,000</b>	<b>620,000</b>
	<b>Total Managerial Remuneration (A+B)</b>					<b>67,300,000</b>
	Overall Ceiling as per the Act	Rs.0.185 Cr (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

**Notes:** (1) Mr. Kunal Saxena, Appointed on 30.06.2014. (2) Mr. Santanu Mitra, Appointed on 17.07.2014 & Resigned on 30.12.2014 (3) JBS Negi, Appointed on 30.06.2014. (4) Ms. Mou Roy, Appointed on 31.03.2015.

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD**

SN.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Aditya Karwa CS	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	408,000.00	408,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	<b>Total</b>	<b>408,000.00</b>	<b>408,000.00</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A.</b>	<b>COMPANY</b>					
	Penalty					
	Punishment					
	Compounding					
<b>B.</b>	<b>DIRECTORS</b>					
	Penalty					
	Punishment					
	Compounding					
<b>C.</b>	<b>OTHER OFFICERS IN DEFAULT</b>					
	Penalty					
	Punishment					
	Compounding					

There were no penalties/punishment/compounding of offences for breach of any section of the Companies Act against the Company or its Directors or other Officers in Default during the financial year 2014-15.

For and on behalf of the Board of Directors

Sd/-

**Monoranjan Roy**  
*Managing Director*  
(DIN: 02275811)

Place : Kolkata  
Date : 16.11.2015



# MANAGEMENT DISCUSSION & ANALYSIS REPORT

## INDUSTRY OVERVIEW

### IMFL

The spirits industry to comprise of specialty spirits, liquors, rum, brandy, whisky, vodka and others spirits such as tequila, gin, etc. The global spirits industry has posted moderate growth in the last couple of years. The market came out of the economic recession with not much of an impact on the industry performance and is expected to continue growing at a moderate pace in the coming year's upto 2018. Drinking practices vary substantially among different countries and different masses, despite those alcoholic beverages are very popular among all ages of people. The alcoholic drinks market is broadly classified into five classes, starting from beers, including wines, hard liquors, liqueurs and others.

The Indian alcoholic beverages market has been growing rapidly for the last ten years, due to the positive impact of demographic trends and changes like rising income levels, changing age profile, changing lifestyles and reduction in beverage prices.

### FMCG

World consumption of fats and oils is driven mainly by Asia, which accounts for 48% of the world total. China is the top producer and India together make up 30% of the world total. During the year under review, the international economic situations coupled with steep fall in commodity prices have impacted domestic business sentiments considerably. The steep fall in commodity prices has caused increase in consumption of edible oil and imports and also intense competition and pressure on margins. European Union (EU) is the top producer of Mustard Oil followed by China and Canada in 2014. India is the fourth largest producer. China is the top producer of Groundnut oil followed by India and Burma in 2014. India's Soybean production has increased in the last 10 years at CAGR of 5.72 percent. Ukraine is the largest producer of Sunflower oil followed by Russia and EU in 2014. India is the 9th largest producer. China, United States, Argentina and Brazil were the key producers of Soybean oil in 2014. India was the largest importer of soybean oil that constituted 14.53 percent of the global import in the year 2014 in India Domestic price of edible oil is higher than International prices. One area that we see global and local FMCG brands investing in is health and wellness. Health and wellness is a mega trend shaping consumer preferences and shopping habits and FMCG brands are listening. Leading global and Indian food and beverage brands have embraced this trend and are focused on creating new emerging brands in health and wellness.

### A. IMFL INDUSTRY STRUCTURE :

India consumes more whiskey, brandy, and rum than any other country, at volumes of at least two to three times that of the United States. Population size alone does not account for this burgeoning trend. Despite a population of 1.2 billion people, a number that is still rapidly growing. (Business Today)

While volume growth was relatively flat over the past 3 years, value growth continues to show solid progress within the Indian Alcoholic Beverages Industry. Despite flat to modest volume growth, the Indian spirits industry has been witnessing value growth within the range of 13% to 18% per annum over the last eight years (Euromonitor). With pricing growth being in high single digits over the past five years, value growth has remained strong on the back of product mix and churn improvement. This is because, over a longer-term perspective, consumers are willing and able to move up the brand chain to more quality drinks. The Indian alcoholic beverages industry is broadly divided into – Wine, Beer, Indian Made Foreign Liquor (IMFL) and Country Liquor. While the market is almost equally divided in terms of volume, the IMFL market is much larger in terms of value, thus accounting for more than 65% of the market share by value. The current industry size is about 340 million cases per annum, and assuming an average growth rate of 7%, industry volumes are likely to be more than 440 million cases by



2019. The IMFL industry in India is characterised by diverse customer preferences, changing significantly from region to region. For instance, due to ban on country liquor, South India dominates the IMFL segment with 50% market share in volumes, followed by North with 15%, East India accounting for 16%, West India 15% and CSD 4% (Source: Company Estimates). Within South India, Tamil Nadu leads IMFL market share in volumes followed by Karnataka, Andhra Pradesh and Kerala. The IMFL industry market size has been growing at CAGR of 10% over the last 10 years. The segment is majorly led by brown spirits, where Whisky accounts for around 57% market share, followed by Brandy at 25% and Rum at 14%, while the remaining 4% is from white spirits like Vodka and Gin. The share of IMFL segment in the spirits market surpassed that of country liquor, having grown from 45% in 2008 to 52% in 2013, indicating a shift towards good quality and premium products. Going forward, according to ICICIdirect.com Research, the IMFL growth is expected to moderate, due to higher base.

**B. FMCG INDUSTRY STRUCTURE :**

The Indian economy is showing signs of strength, backed by improvement in overall business sentiments. The pattern of consumption of edible oil is moving towards packed and/or branded form due to factors such as rising incomes coupled with changes in household demographics, improving health consciousness, growing organized retail improving reach of the products across the country, visual advertisements etc. Given the growth in the overall edible oil consumption, keeping in view the discerning and value conscious need of the growing consumer base, the growth in packed segment has been growing almost twice of the overall edible oil growth in the recent past. The trend is expected to continue due to low base and vast potential.

The FMCG sector continues to grow in double digits; there has been some moderation (9.4%) in growth rates during 2013 due to deceleration in GDP growth and high inflation. It also forecasts the rural FMCG market to reach USD100 billion by 2025. The urban FMCG market grew 8% while rural India expanded 12.2% in 2013, as per AC Nielsen. However, in the last few years, the FMCG market has grown at a faster pace in rural India compared with urban India. The rural FMCG sector with a market size of USD15 bn contributes the remaining 33%. The urban sector constitutes 67% of the total FMCG market and had a market size of USD30 bn in 2013. The Hindu Business Line, Business Standard, Aranca analysis 33% 67% USD44.9 billion Rural Urban Rural India accounts for one-third of the total FMCG market and grew at a faster pace (12.2%) than urban market (8%) in 2013 (% share).

**C. REGULATORY ENVIRONMENT :**

The Indian alcoholic beverages industry continues to be one of the most regulated sectors. The Industry is subjected to different laws and regulations varying from State to State. The multiplicity of State regulation creates a complex tax and licensing environment that limits economies of scale and reduces the ability of new manufacturers and new products to achieve national distribution and gain competitive advantage. Such as excise duties, sales tax, VAT contributes to the bulk of the retail price.

In most States, the Government tightly controls the retail price of liquor. In many cases, a tender process is used to determine prices and volumes that will be bought by the distributors.

The Government of India is focusing on reducing tax burden for many industries. It plans to introduce a Goods and Services Tax (GST) to replace a range of existing indirect taxes. The GST has been touted as the panacea for resolving the situation created by the host of taxes currently levied by Central and State Governments. Change in the taxation scenario would help to provide a national common market for goods and services, spur economic growth by removing the cascading effect of taxes, while at the same time providing for increased compliance and better administration. Unfortunately, it looks increasingly likely that alcohol will be excluded from the scope of GST. Experts on GST believe that the States would stand to gain around 10,000 Crores by applying GST at 10 per cent to alcoholic beverages.

100% Foreign Direct Investment is permitted in the alcoholic beverages sector. A foreign entity can invest in an Indian business through the automatic route, provided the required licenses are in place. In some cases where



the investor is an Indian entity with foreign owners, the investment would require clearance from the Foreign Investment Promotion Board (FIPB).

#### **D. RISKS & CONCERNS, OPPORTUNITIES & THREATS :**

##### **IMFL**

India's 'young' population demographic in comparison with an 'ageing' population in other parts of the world is seen as the engine of sustainable growth. A young population is set to join the workforce and generate disposable income, which is a key advantage. In the case of your Company, this is accentuated by changing attitudes towards consumption of alcoholic beverages which underpins exposure to life styles and products through travel and media. The Company believes that all the above factors indicate a strong and sustained demand for your Company's products for many years to come. The younger Indian consumer is also more ambitious than the earlier generation and the pervasive good feeling amongst such consumers is expected to translate into constant up-trading, reflected in your Company's case by the consistent double digit growth in its first line range of products. The Company feels that this trend will continue and, in fact, grow.

##### **FMCG**

Demand can be adversely affected by a shift in consumer preferences. Given the explosion and ever growing popularity of social media, the speed of such a shift could be very swift. Changing life style. Rising income levels i.e. increase in purchasing power of consumers. High consumer goods spending. Your company is under penetrating in FMCG categories. Pincon invests significantly in customer preference. Pincon has established itself in spirit business and FMCG is a totally a new sector for explore. With increasing demand of edible oil the demand of our product is also increasing day by day. However, brands with greater equity and pricing power may find it easier to adjust prices when the input prices increase and hold prices when the input prices decline.

#### **E. SEGMENT WISE OR PRODUCT – WISE PERFORMANCE :**

The market is projected to accelerate in the mid- to long term, fuelled by key structural drivers such as positive macroeconomic growth outlook (GDP growth forecast at 6-8% for mid-term) and favourable demographics. The Indian branded alcoholic spirits industry, at around 312 million cases (each case equal to 9 bulk litres), was only marginally up from the 307 million cases of the previous fiscal. The Indian spirits market, which witnessed double digit volume growth for several years, has seen a pare back in growth to low single digits in the last two fiscal years (2013-2014 and 2014-2015) with performance in the reported year virtually flat with less than 1% growth. Higher consumer prices, following increases in duties and taxes, always impacts consumer demand of discretionary goods, and alcoholic spirits have been no exception. According to IWSR 2014 (a leading alco-bev industry monitor), the top 100 global alcoholic spirits brands grew 1.06% by volume and 4.66% in terms of value. The overall whisky category in India grew by 4%, for the period 2014-2015. It is projected to grow from 175 million cases in 2013 to 270 million cases in 2023.

PSL is presently concentrating for increasing market share in the Entry Level and Regular Liquor segment. Present market of IMFL in India is being dominated by Pernod Richard India (P) Ltd. and Diageo Ltd., with combined market share of about 86% i.e. 64% and 22% respectively. Rest of the 14% share is among other players viz. Radico Khatian, ABD Ltd., John Distilleries etc., including PSL. In Entry Level and Regular Liquor segment, United Spirit Limited is having the major share with products like Bagpiper, McDowell Rum and Whisky.

There is still vast gap in market demand in cheap and regular liquor segment. PSL has been a fact player in this segment with products like Kings Coin (Rum, Vodka & Whisky) brand in Entry Level segment and Pincon (Rum, Vodka & Whisky), Highland Blue Whisky, Ultra Force Caribbean Rum, Ruby Gold Gin if the Regular segment. The unique marketing strategy of PSL coupled enabled PSL brands for rapid mass acceptance, with positive and tasted prospects for much larger market presence in Multi State Presence within a short time. Whisky is the most important segment. White spirits is the fastest growing segment; however it is on the lower base. Similarly, other segments such as wine and bear are also growing at rapid pace.



The Indian FMCG sector is the fourth largest sector in the economy with a total market size in excess of US\$ 13.1 billion. Availability of key raw materials, cheaper labour costs and presence across the entire value chain gives India a competitive advantage.

This year i.e. 2014-15 your company has recorded growth of 22% in IMFL segment and 387% in FMCG domestic segment. In the financial year 2014-15 company has earned Rs. 60.23 Lacs of revenue from the export of FMCG segment.

**F. OUTLOOK :**

Company's sales are made to large parastatal organisations controlled by the State Governments. Requests for price increases are often a tedious process and take considerable time to materialize. Your Company is in the fore front of negotiation with various State Governments in this regard. Consequently, your Company has managed price increases in various States through a mix of upgraded product launches at higher price points and judicious price corrections in linked markets. Additionally, effective realization to the Company has been pushed up through reductions in market spends and implementation of various cost cutting measures.

**G. INTERNAL CONTROL SYSTEM :**

We have developed our Corporate Audit Division which continuously monitors the effectiveness of the internal controls as well as an objective which provides independent and reasonable assurance of the adequacy and effectiveness of the organization's Risk Management, Control and Governance process to the Audit Committee and the Board of Directors. The division also assesses opportunities for improvement in business processes, systems & controls; provides recommendations, designed to add value to the organization and follows up on the implementation of corrective actions and improvements in business processes after review by the Audit Committee and Senior Management.

The scope and authority of the Corporate Audit division is derived from the Audit Charter approved by the Audit Committee. The Charter is designed in a manner that the Audit Plan is focused on the following objectives :

- All operational and related activities are performed efficiently and effectively.
- Significant financial, managerial and operating information that is relevant, accurate, and reliable is provided on time.
- Review of identification and management of Risks.
- Resources are acquired economically, used efficiently and safeguarded adequately.
- Employees' actions are in accordance with the Company's policies and procedures, Code of Conduct and applicable laws and regulations.
- Significant legislative and regulatory provisions impacting the organization are recognized and addressed appropriately.
- Opportunities identified during audits, for improving management control, business targets and profitability, process efficiency and the organization's image, are communicated to the appropriate level of management.

Corporate Audit division develops an annual audit plan based on the risk profile of business processes/sub-processes of various functions and the audit activities are undertaken accordingly. The audit plan is approved by the Audit Committee which regularly reviews compliance to the plan.

During the year, the Audit Committee met regularly to review the reports submitted by the Corporate Audit Division. All significant audit observations and follow-up actions thereon were reported to the Audit Committee.

The Audit Committee also met the Company's Statutory Auditor's to ascertain their views on the adequacy of internal control systems in the Company and their observations on financial reports. The Audit Committee's observations and suggestions were acted upon by the Management.



The company has a well-established internal audit function that reports to the Board of Directors on monthly basis and has direct access to the chairman of the Audit committee, who meets with the Director Audit several times each year. The Audit committee receives reports from the internal audit function four times a year and also considers the terms of reference, plans and effectiveness of the function. The internal audit function works closely with the external auditor's. It provides independent and objective assurance to the Board and the Audit committee and provides a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance procedures.

**H. HUMAN RESOURCE :**

Today, the HR function has become a critical catalyst for continuous transformation during a phase of rapid growth and transition; shaping not only processes, people and mindsets, but creating a culture that personify Pincon and unleashes innovation at every level within the organisation. For us, human resources are the most prestigious assets of the company. We believe it is a long term investment in the company and hence we train them to cope with the changing environment of the industry. During the year under review, your company has pleasure to take several initiatives to ensure that the knowledge and wisdom gained over period is available for all as well as next generation employees.

**I. FORWARD LOOKING STATEMENTS :**

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

For and on behalf of the Board of Directors

Sd/-

**Monoranjan Roy**  
*Managing Director*  
(DIN: 02275811)

Place: Kolkata  
Date: 16.11.2015



## REPORT ON CORPORATE GOVERNANCE

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

**PINCON SPIRIT LIMITED ("PSL"/ "the Company"/"Company")** is committed to implement sound Corporate Governance practices to ensure transparency in its operations and maximize Stakeholders' value. The Company's core philosophy on the code of Corporate Governance is to abide by the following practices :

- Board accountability to the Company and Shareholders
- Strategic guidance and effective monitoring by the Board
- Protection of minority interests and rights
- Equitable treatment of all Shareholders

### 2. BOARD OF DIRECTORS

The Board of Directors along with its Committees provides leadership and guidance to the Company's Management and supervises the Company's performance. As at March 31, 2015 the Board of Directors ("Board") comprises of 6 (Six) Directors out of which 3 (Three) Directors are Non-Executive Directors.

The Composition and Category of the Board of Directors is as follows :

Name of the Director	Designation	Category
Mr. Monoranjan Roy	Managing Director	Executive Director
Mr. Arup Thakur	Director	Executive Director & CFO
Mr. Subrata Basu	Director	Executive Director
Mr. JBS Negi <sup>1</sup>	Non-Executive Director	Independent Director
Mr. Kunal Saxena <sup>2</sup>	Non-Executive Director	Independent Director
Mr. Santanu Mitra <sup>3</sup>	Non-Executive Director	Independent Director
Ms. Mou Roy <sup>4</sup>	Non-Executive Director	Independent Women Director

#### Notes :

1. Mr. JBS Negi, Appointed on 30.06.2014.
2. Mr. Kuanl Saxena, Appointed on 30.06.2014.
3. Mr. Sanatanu Mitra, Appointed on 17.07.2014 & Resigned on 30.12.2014.
4. Ms. Mou Roy, Appointed on 31.03.2015.

#### Board Meeting :

During the year ended March 31, 2015, 19 (Nineteen) Board Meeting held as against the minimum requirement of four meeting. The maximum time gap between any of the two consecutive meeting did not exceed four months.

The details of Board meetings are given below :

Date	Board Strength	No. of Directors Present
2nd May, 2014	3	3
31st May, 2014	3	3
17th June, 2014	3	3
30th June, 2014	5	5
14th July, 2014	6	5





Date	Board Strength	No. of Directors Present
01st August, 2014	6	6
19th August, 2014	6	6
2nd September, 2014	6	5
17th September, 2014	6	6
17th October, 2014	6	5
22nd October, 2014	6	6
22nd November, 2014	6	4
19th December, 2014	6	4
7th January, 2015	5	5
3rd February, 2015	5	5
9th February, 2015	5	4
18th February, 2015	5	5
19th March 2015	5	5
31st March 2015	6	6

#### Attendance of Directors at the meetings :

The details of the attendance of the Directors at the Board meetings held during the year ended March 31, 2015 and at the last Annual General Meeting (AGM) are given below :

Name of the Director	Number of Board Meetings		Attendance at AGM Held on September 29, 2015
	Held	Attended	
Mr. Monoranjan Roy	19	19	Yes
Mr. Arup Thakur	19	19	Yes
Mr. Subrata Basu	19	19	Yes
Mr. JBS Negi <sup>1</sup>	16	10	Yes
Mr. Kunal Saxena <sup>2</sup>	16	16	Yes
Mr. Santanu Mitra <sup>3</sup>	8	7	Yes
Ms. Mou Roy <sup>4</sup>	1	1	–

#### Notes :

1. Mr. JBS Negi, Appointed on 30.06.2014.
2. Mr. Kuanl Saxena, Appointed on 30.06.2014.
3. Mr. Santanu Mitra, Appointed on 17.07.2014 & Resigned on 30.12.2014.
4. Ms. Mou Roy, Appointed on 31.03.2015.

**None of the Directors hold Directorship in more than 15 Companies.**

#### PROFILE OF BOARD OF DIRECTORS

Brief resume of the Directors, nature of their expertise in specific functional areas and name of Companies in which they hold directorship and membership of the committees of the Board are furnished hereunder :

#### MR. MONORANJAN ROY

Shri. Monoranjan Roy (DIN : 02275811) is Masters in Economics & Masters in Business Management. Shri Monoranjan Roy aged about 40 years is a successful industrialist having business experience of over 17 years. He started his business career at a very tender age. By virtue of his extreme hard work and honest endeavor for



achieving business goals, he has been able to create a commendable position in the business circle. Sri. Roy is having all the traits of being an entrepreneur of big magnitude. He is having the requisite aptitude for adapting himself in various types of business activities with the ultimate result being a “successful business venture”. The Company headed by Mr. Roy, is a multi crores business conglomerate, having business forays in to Indian Made Foreign Liquor, FMCG, Real Estates & Civil Infrastructure.

Apart from being honored by the “Excellence Award” as the Entrepreneur of the year 2011 by “Institute of Economic Studies”, he has recently been winner under “Outstanding Entrepreneur Category”, conferred by 6th Annual Asia Pacific Entrepreneurship Awards (APEA) India 2015, Asia’s one of the most prestigious awards.

**MR. ARUP THAKUR**

Shri Arup Thakur, (DIN : 03476120) aged about 51 years, is a Chartered Accountant by profession, with experience of more than 22 years in Accounts, Audit, Finance, Investments. During the course of his professional career, he gained vast exposure in the field of Bank Audit, Audit of Govt. Undertakings and other sundry audit. He has also acquired an in depth exposure in Project Feasibility Study and Project Appraisal. His diversified experience in finance, accounts, audit and investments shall help the Company in maintaining the business activity within laid down prudential norms. He is entrusted with the responsibility of taking overall finance and investment decisions of the company.

**MR. SUBRATA BASU**

Shri Subrata Basu (DIN : 06758717) aged about 47 years, Post Graduate in Commerce form University of Calcutta has almost two decades of banking experience at senior level in a reputed public sector & private sector bank with experience in processing large value proposals, corporate finance proposals, supervising & monitoring credit administration activities for east, north-east & central zone. He also served as VP-Corporate Business Development with Peerless Securities Ltd. His diversified experience in Banking & Finance, provide immense insight in managing business financial structure within laid down prudential norms

**MR. JBS NEGI**

Shri. JBS Negi (DIN : 05300787) aged about 69 years, is a retired IPS officer [July, 1975], Delhi, M.A [social welfare admin.] MCW & SWA. His presence in the Board and his advice has enabled the company in expanding business at a fast pace.

**MS. MOU ROY**

Ms. Mou Roy (DIN : 07144271) aged about 30 years is Practicing Advocate in Calcutta High Court. During the course of her profession, she gained vast exposure and knowledge in the field of criminal and civil law, which helped the Company in various compliance related aspects.

**MR. KUNAL SAXENA**

Shri Kuanl Saxena (DIN : 06910627) is a B.Tech (IT-Gold Medalist) from Guru Nanak Dev University. He has done his Project Management from IIT, Delhi, and Programme on Business Management from IIM (Calcutta). His presence in the Board and his advice has enabled the company in expanding business at a fast pace.

**3. BOARD COMMITTEES :**

The Company currently has the following committees of the Board :

- A. AUDIT COMMITTEE
- B. STAKEHOLDERS RELATIONSHIP COMMITTEE
- C. NOMINATION AND REMUNERATION COMMITTEE
- D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
- E. RISK MANAGEMENT COMMITTEE
- F. GENERAL COMMITTEE OF DIRECTORS



## A. AUDIT COMMITTEE

### Terms of Reference and Composition, Names of Members and Chairman

The powers of the Audit Committee are as mentioned in Clause 49 of the Listing Agreement. The terms of reference of this Committee are wide enough covering the matters specified for Audit Committee under the Listing Agreement. The Committee acts as a link between the Management, the Statutory and the Internal Auditor's on one side and the Board of Directors of the Company on the other side and oversees the financial reporting process.

The Internal Auditor's are permanent invitees of the Audit Committee. The Statutory Auditor's are also invited to attend the meetings.

There was 4 occasion for the Audit Committee to meet during the year 2014-15.

### Composition

The composition and attendance of Members at the Meetings of the Audit Committee held during 2014-15 are as follows :

Name of the Director	Designations	Number of Board Meetings	
		Held	Attended
Mr. Kunal Saxena <sup>1</sup>	Chairman	1	1
Mr. JBS Negi <sup>2</sup>	Member	1	1
Mr. Subrata Basu	Member	1	1

### Notes :

1. Mr. Kunal Saxena, Appointed on 30.06.2014
2. Mr. JBS Negi, Appointed on 30.06.2014

## B. STAKEHOLDERS RELATIONSHIP COMMITTEE

The powers of the Stakeholders Relationship Committee are as mentioned in Clause 49 of the Listing Agreement. The terms of reference of this Committee are wide enough covering the matters specified for Stakeholders Relationship Committee under the Listing Agreement. The Committee oversees the transfer of shares lodged for transfer, transmission, dematerialization/rematerialization, split and stock option allotments and complaints received from shareholders and other statutory bodies. The Company's Registrars and Share Transfer Agents, have adequate infrastructure to process the above mentioned activities.

### Number of Shareholders complaints received so far.

- During the year ended March 31, 2015, the Company hasn't received any complaints of shareholders. There was 4 occasions for the Stakeholders Relationship Committee to meet during the year 2014-15.

### Composition

The composition and attendance of Members at the Meetings of the Shareholders'/ Investors' Grievance Committee held during 2014-15 is as follows :

Name of the Director	Designations	Number of Board Meetings	
		Held	Attended
Mr. Kunal Saxena <sup>1</sup>	Chairman	1	1
Mr. JBS Negi <sup>2</sup>	Member	1	1
Mr. Subrata Basu	Member	1	1

### Notes :

1. Mr. Kunal Saxena, Appointed on 30.06.2014
2. Mr. JBS Negi, Appointed on 30.06.2014

**C. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Board recommends to the Board, from time to time, compensation package for Whole-Time Members of the Board.

There was 1 occasion for the Remuneration Committee to meet during the year 2014-15.

**Composition**

The composition and attendance of Members at the Meetings of the Remuneration / Compensation Committee held during 2014-15 is as follows :

Name of the Director	Designations	Number of Board Meetings	
		Held	Attended
Mr. Kunal Saxena <sup>1</sup>	Chairman	1	1
Mr. JBS Negi <sup>2</sup>	Member	1	1
Mr. Subrata Basu	Member	1	1

**Notes :**

1. Mr. Kunal Saxena, Appointed on 30.06.2014
2. Mr. JBS Negi, Appointed on 30.06.2014

**Remuneration to Executive Director**

Details of Directors Salary are given below :

Name	Salary Paid
Mr. Monoranjan Roy	Rs. 3,000,000
Mr. Arup Thakur	Rs. 1,550,000
Mr. Subrata Basu	Rs. 1,500,000
<b>Total</b>	<b>Rs. 6,050,000</b>

**Remuneration to Non-Executive Directors**

Non-Executive Directors are being paid sitting fee of Rs.20,000.00 per meeting of the Board.

The details of remuneration paid to the Directors of the Company for attending the Board and Committee Meetings for the year 2014-15 are as follows :

Name	Salary Paid
Mr. JBS Negi <sup>1</sup>	Rs. 200,000
Mr. Kunal Saxena <sup>2</sup>	Rs. 320,000
Mr. Santanu Mitra <sup>3</sup>	Rs. 140,000
Ms. Mou Roy <sup>4</sup>	Rs. 20,000
<b>Total</b>	<b>Rs. 680,000</b>

**Notes :**

1. Mr. JBS Negi, Appointed on 30.06.2014
2. Mr. Kunal Saxena, Appointed on 30.06.2014
3. Mr. Santanu Mitra, Appointed on 17.07.2014 & Resigned on 30.12.2014
4. Ms. Mou Roy, Appointed on 31.03.2015

Nomination, Remuneration and Evaluation Policy of the Company which lays down criteria for :

- I. Determining qualifications, positive attributes required for appointment of Directors, Key;
- II. Managerial Personnel and Senior Management and also the criteria for determining the independence of a Director;



- III. Appointment, tenure, removal/retirement of Directors, Key Managerial Personnel and Senior Management;
- IV. determining remuneration (fixed and performance linked) payable to the Directors, Key Managerial Personnel and Senior Management; and
- V. Evaluation of the performance of the Board and its constituents.

The detail content of Nomination, Remuneration and Evaluation Policy is published on the website.

#### D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

##### CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

As part of its initiatives under “Corporate Social Responsibility” (CSR), the Company has Constituted Corporate Social Responsibility Committee in line with Section 135 of the Companies Act, 2013 read with Schedule VII. For the year 2014-15 CSR would be implemented in association with Belaria Humanity Welfare Society, established under West Bengal Society Registration Act 1961, as NGO to grant donations to poor and the needy for meeting expenditure of education, medical treatments and any other charitable purpose; to establish, run, support and grant aid or other financial assistance to schools, libraries, laboratories, research and other institutions of the like nature in India.

- A. **CSR Policy** – As per recommendation of CSR Committee Board has approved CSR Policy at the Board Meeting held on 17th October, 2014. The constitution and composition of the said Policy can be viewed from Company website.

##### B. Composition of CSR committee

###### Composition

Name of the Director	Designations	Number of Board Meetings	
		Held	Attended
Mr. Kunal Saxena <sup>1</sup>	Chairman	1	1
Mr. JBS Negi <sup>2</sup>	Member	1	1
Mr. Subrata Basu	Member	1	1

###### Notes :

1. Mr. Kunal Saxena, Appointed on 30.06.2014
2. Mr. JBS Negi, Appointed on 30.06.2014

##### C. Average net profit of the Company for last three financial years (2011-12, 2012-13, 2013-14):

Average net profit : Rs. 842.87 Lacs

##### D. Prescribed CSR Expenditure (Two percent of the amount as in item C above)

The Company is required to spend Rs. 16.86 Lacs.

##### E. Details of CSR spent for the financial year :

- a) Total amount spend for the financial year : Rs. Nil.
- b) Amount unspent, if any : Rs. 16.86 lac.
- c) Manner in which the amount spends during the financial year is detailed below :



Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programmes 1. Local area or other 2. State of project	Amount outlay (budget project or programme wise)	Amount spent in each project or programme Direct expenditure Overhead	Cumulative expenditure upto the report period	Amount Spent : Direct or through implementation agencies
1.	Education, Medical treatments and any Other charitable purpose	Sanitation	Local Project at Kolkata, 24 - Parganas (N & S) (West Bengal)	Rs. 20.00 lac	Nil	Nil	Through Implementing Agency
	<b>Total</b>			<b>Rs 20.00 lac</b>	<b>Nil</b>	<b>Nil</b>	

\* Implementation Agency is **Belaria Humanity Welfare Society.**

**F. REASON FOR FAILURE TO SPEND BUDGETED AMOUNT**

Company is in the process of finalization of the Project along with Belaria Humanity Welfare Society, has agreed to provide assistance and necessary guidance to implement initiative.

**E. RISK MANAGEMENT COMMITTEE**

In line with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has adopted a Risk Management Policy to identify and evaluate elements of business risks. The Policy defines the risk management approach, establishes various levels of accountability for risk Management / mitigation within the Company and reviewing, documentation and reporting mechanism for such risks.

The Risk Management Committee has been entrusted with the responsibilities of developing risk mitigation plans, implementing risk reduction/mitigation strategies and reviewing the effectiveness of the Risk Management Policy.

The key business risks, which in the opinion of the Board of Directors may threaten the existence of the Company, along with mitigation strategies adopted by the Company are enumerated herein below:

**I. Regulatory Risk**

The IMFL & IMIL industry is a high-risk industry, primarily on account of high taxes and government regulations. As a result, liquor companies suffer from low pricing flexibility and have underutilized capacities, which, in turn, may lead to low margins. To mitigate this risk, the Company complies with all the applicable rules and regulations in all the States where it is present.

**II. Strategic Risk**

The Company's strategy and its execution is dependent on uncertainties and untapped opportunities. To mitigate this risk, the Company has adopted resilient policies which not only allow the Company to maximize opportunities under normal conditions but also ensure that acceptable results are achieved under extra-ordinary adverse conditions.

**III. Concentration Risk**

A large percentage of the Company's turnover is derived from Eastern India, where any unfavourable regulatory policy may impact its business. Also, the major portion of revenue of the Company is derived from Whisky, Rum sales, exposing the Company to category vulnerability. To mitigate this risk, the Company has extended its focus on other geographies viz. Southern Region, etc. and product categories viz. Vodka, Gin, etc.



#### F. GENERAL COMMITTEE OF DIRECTORS

In view of the difficulties in convening Board Meeting[s] with requisite quorum at short notice, for matters requiring immediate and prompt action, on behalf of the Company, the Board constituted a Committee of Directors.

The powers to be delegated to the Committee of Directors consisting of Mr. Monoranjan Roy, Mr. Arup Thakur & Mr. Subrata Basu are regulated by the Board of Directors from time to time. There was 1 occasion for the General Committee to meet during the year 2014-15.

#### 4. GENERAL BODY MEETINGS

The details of date, location and time of the last 3 years Annual General Meetings held on as under :

Financial year Ended March, 31	Date & Time	Venue	Special Resolution Passed
2011-12	June 08, 2012 11.00 AM	P-223, C.I.T. Road, Scheme VI M, Kolkata – 700 054	• No Special Resolution was passed in the meeting
2012-13	June 04, 2013 11.00 AM	7, Red Cross Place, "Wellesley House" 3rd Floor, Kolkata – 700 001	• No Special Resolution was passed in the meeting
2013-14	September 29, 2014 11.00 AM	7, Red Cross Place, "Wellesley House" 3rd Floor, Kolkata – 700 001	<ul style="list-style-type: none"> <li>• Adoption of new Articles of Association of the Company</li> <li>• Borrowing Power Under Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013</li> <li>• To create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, Under Section 180(1) (a) and any other applicable provisions of the Companies Act, 2013.</li> </ul>

#### 5. DISCLOSURES :

##### a) Related party transactions :

During the year ended March 31, 2015, there were materially significant related party transactions for which adequate disclosure is made in the Annual Accounts regarding related party transactions.

##### b) Disclosure of Accounting Treatment :

The Company has followed the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 in the preparation of its financial statements.

##### c) Code of Conduct :

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board members and Senior Management Personnel of the Company. An affirmation of compliance with the code is received from them on an annual basis.

##### d) CEO and CFO Certification

The Managing Director and the CFO have given a Certificate to the Board as contemplated in Clause 49 of the Listing Agreement and is separately annexed.

##### e) Proceeds from Public Issues, Rights Issues, Preferential Issues etc.

During the year ended March 31, 2015, there were no Proceeds from Public Issues, Rights Issues, Preferential Issues etc.



**6. MEANS OF COMMUNICATION**

**a) Quarterly results**

The quarterly results of the Company are published in accordance with the requirements of the listing agreement, in widely circulated newspapers like Business Standard, Anandabazar Patrika etc.

**b) News releases, presentations etc.**

Official Releases along with Quarterly Results are displayed on the Company's website: [www.pinconspirit.in](http://www.pinconspirit.in)

During the year ended March 31, 2015 the Company has not made any presentations to the investors/analysts.

**c) Management Discussion and Analysis (MDA) Report**

The report on MDA is annexed to the Directors' Report and forms part of this Annual Report.

**7. GENERAL SHAREHOLDER INFORMATION**

**a) Company Registration Details**

The Company is registered in the State of West Bengal, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is **L67120WB1978PLC031561**.

**b) Annual General Meeting**

: 37th Annual General Meeting  
December 26, 2015 at 11.00 A.M  
The Peerless Inn, 12, Jawaharlal Nehru Road  
Kolkata, West Bengal 700013, India.

**c) Financial Year**

: April 1, to March 31.

**d) Financial Calendar (tentative)**

**Results for the quarter ending**

June 30, 2015 : July/August, 2015  
September 30, 2015 : October/November, 2015  
December 31, 2015 : January/February, 2016  
March 31, 2016 : April/May, 2016

**e) Date of Book Closure**

: December 19, 2015 to December 26, 2015 (Both days inclusive)

**f) Dividend Payment Date**

: Credit/dispatch of dividend warrants between January 1, 2015 and January 9, 2016

**g) Listing on Stock Exchanges**

: Company's Equity Shares are listed at :

Sl. No.	Name of the Stock Exchange	Address	Script Name, Script Code
1.	Calcutta Stock Exchange Limited	7, Lyons Range, Kolkata 700 001	Pincon Spirit Limited, 10029247
2.	BSE Limited	Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001	Pincon, 538771

Annual listing fee for the year 2015-16 has been paid by the Company to BSE and CSE.

**h) Stock Market Price Data :**

Month	BSE Limited			Calcutta Stock Exchange Limited		
	High Price	Low Price	Volume	High Price	Low Price	Volume
Apr-14	—	—	—	—	—	—
May-14	—	—	—	—	—	—
Jun-14	—	—	—	—	—	—

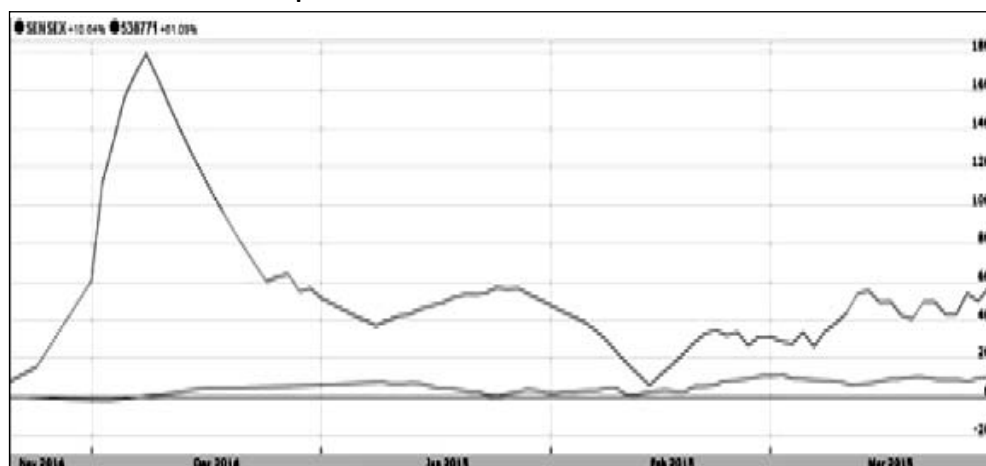




Month	BSE Limited			Calcutta Stock Exchange Limited		
	High Price	Low Price	Volume	High Price	Low Price	Volume
Jul-14	–	–	–	–	–	–
Aug-14	–	–	–	–	–	–
Sep-14	–	–	–	–	–	–
Oct-14	–	–	–	–	–	–
Nov-14	109.35	68.15	83566	–	–	–
Dec-14	198.45	100.3	176084	–	–	–
Jan-15	108	91.6	886961	–	–	–
Feb-15	98.6	68.9	259001	–	–	–
Mar-15	112.9	82.95	817431	–	–	–

- Pincon Spirit Limited got listed on BSE Limited on 14.11.2015 through Direct Listing Mechanism.
- The market price of shares is not available as the shares of the Company at the Calcutta Stock Exchange Limited during the period from April 1, 2014 to March 31, 2015.

i) **Stock Performance in comparison to BSE Sensex :**



j) **Shareholding Pattern :**

Category of Shareholders	As on March 31, 2014			As on March 31, 2015			% Change during the year
	No. of Shares	No. of Shares held	% of Total Shares	No. of Shareholders	No. of Shares held	% of Total Shares	
<b>A. Promoter s</b>	–	–	–	–	–	–	–
<b>B. Public Shareholding</b>	–	–	–	–	–	–	–
Mutual Funds/UTI	–	–	–	–	–	–	–
Financial Institutions/Banks	–	–	–	–	–	–	–
Foreign Institutional Investors	–	–	–	–	–	–	–
Bodies Corporate	90	3,785,517	37.77	113	4,744,966	47.35	(9.57)
Individuals	153	6,235,183	62.22	740	5,230,252	52.19	10.02
Clearing Members	1	800	0.01	31	46,245	0.46	(0.45)
NRI	–	–	–	4	37	0.00	(0.00)
TI – Unclaimed Suspense Account	–	–	–	–	–	–	–
<b>Grand Total (A+B+C)</b>	<b>244</b>	<b>10,021,500</b>	<b>100.00</b>	<b>888</b>	<b>10,021,500</b>	<b>100.00</b>	<b>(0.00)</b>

**k) Distribution of Shareholding as on March 31, 2015**

Shareholding of nominal value	Shareholders		Share Amount	
	Number	% of total	Rs.	% of total
Upto - 5,000	612	68.92	496,070.00	0.50
5,001 -10,000	57	6.42	494,160.00	0.49
10,001-20,000	39	4.39	659,110.00	0.66
20,001-30,000	26	2.93	675,860.00	0.67
30,001-40,000	17	1.91	637,670.00	0.64
40,001-50,000	12	1.35	563,350.00	0.56
50,001-100,000	46	5.18	3,503,020.00	3.50
100,001-above	79	8.90	93,185,760.00	92.99
<b>Total</b>	<b>888</b>	<b>100.00</b>	<b>100,215,000.00</b>	<b>100.00</b>

**l) Registrar & Share Transfer Agents : For Shares held in both Physical and Demat mode**

S.K. INFOSOLUTIONS PVT. LTD  
 34/1A Sudhir Chatterjee Street, Kolkata- 700 006  
 Phones : 033-2219-4815 & 033-2219-6797  
 Fax : 033-2219-4815  
 Email : skcdilip@gmail.com; contact@skcinfo.com  
 URL : www.skcinfo.com

**m) Share Transfer System and Dematerialization of Shares**

The Physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of one month from the date of receipt, subject to the documents being valid and complete in all respects.

Any transferee who wishes to Demat the shares may approach a Depository participant along with a duly filled Demat Request Form, who shall, on the basis of the Share Certificate, generate a Demat request and send the same to the Registrar and Share transfer Agents (RTA). On receipt, the Depository Registrar confirms the request.

All requests for Dematerialization of shares are processed and the confirmation is given to the respective Depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), within 21 days of receipt.

**n) Dematerialization of Shares and Liquidity**

The Company's shares are available for dematerialization with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The International Securities Identification Number [ISIN] allotted to the Company's Shares under the Depository System is INE675G01018.

Percentage of Shares held in Physical & Electronic form as on March 31, 2015

Sl. No.	Particulars	No. of Shares	%
1.	Demat Mode	6754400	67.40
2.	Physical Mode	3267100	32.60
<b>Grand Total</b>		<b>10021500</b>	<b>100.00</b>

To enable us to serve our investors better, we request Members whose shares are in physical mode to dematerialize shares and to update their bank accounts with the respective depository participants.



**o) Payment of Depository Fees**

Annual Custody/Issuer fee for the year 2015-16 will be paid by the Company to NSDL and CDSL on receipt of the invoices.

**p) ECS [Electronic Clearing Service] / Mandates / Bank Details**

Members may please note that ECS details contained in the BENPOS downloaded from the Depositories would be reckoned for payment of dividend. In order to avoid fraudulent encashment of dividend, please register either ECS mandate or Bank details for payment of dividend.

**q) Plant Location**

**IMFL Division**

1. Kamarbari, Kalaberia, Bishnupur,  
Rajarhat, Kolkata-700 135
2. Mouza – Gopalpur, Chandigarh, P.S. : Barasat  
Dist.: 24 Parganas (South)

**FMCG Division**

1. 81, Neelgunj Road, Agarpara  
Kolkata 700 109, West Bengal

**r) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.**

The Company has not issued any GDRs/ADRs and there are no outstanding warrants or any Convertible instruments.

***Address for Correspondence***

**Mr. A. Karwa**

*Company Secretary*

PINCON SPIRIT LIMITED

**Registered Office :**

7, Red Cross Place, "Wellesley House" 3rd Floor, Kolkata – 700 001

Phone No. 033 – 2231-9135. Fax No. 033 – 4008-0690

E-mail: pinconspiritlimited@gmail.com; psl@pinconspirit.com

Website: www.pinconspirit.in

For and on behalf of the Board of Directors

Sd/-

**Monoranjan Roy**

*Managing Director*

(DIN: 02275811)

Place : Kolkata

Date : 16.11.2015



## CEO / CFO CERTIFICATE UNDER CLAUSE 49 (IX)

To,  
The Board of Directors  
Pincon Spirit Limited

1. We have reviewed financial statements and the cash flow statement of Pincon Spirit Limited for the year ended 31st March, 2015 and to the best of our knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditor's and the Audit Committee:
  - (i) that there are no significant changes in internal control over financial reporting during the year;
  - (ii) that there are no significant changes in accounting policies during the year; and
  - (iii) that there are no instances of significant fraud of which we have become aware.

Place: Kolkata  
Date: 16.11.2015

Sd/-  
**Arup Thakur**  
*Director – Chief Financial Officer*  
(DIN : 03476120)

Sd/-  
**Monoranjan Roy**  
*Managing Director*  
(DIN : 02275811)

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## DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors/Management Personnel for the financial year 2014-15.

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 16.11.2015

Sd/-  
**Monoranjan Roy**  
*Managing Director*  
(DIN: 02275811)



## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members,  
**Pincon Spirit Limited**

We have examined the compliance of conditions of Corporate Governance by Pincon Spirit Limited, for the year ended on 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

For **D.N. Misra & Co.**  
*Chartered Accountants*  
Firm Registration No. 312021E

Sd/-  
**D.N. Misra**  
*Proprietor*  
Membership No.: 050440

Place: Kolkata  
Date : 16.11.2015



## INDEPENDENT AUDITOR'S REPORT

To  
The Board of Director  
**Pincon Spirit Limited**  
7, Red Cross Place  
"Wellesley House", 3rd Floor  
Kolkata – 700 001

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Pincon Spirit Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Profit and Loss Statement, the 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 misstatements.

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's considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, 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 on the standalone financial statements.



## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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, of the state of affairs of the Company as at March 31, 2015 and its 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, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, Subsidiary Companies, Associate Companies incorporated in India, we give in the Annexure a statement on the matter, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in the Note to the financial statements.
    - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **D.N. Misra & Co.**  
*Chartered Accountants*  
Firm Registration No. 312021E

Sd/-

**D.N. Misra**  
*Proprietor*

Membership No.: 050440

Place: Kolkata  
Date : 21.05.2015



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

The Annexure referred to in our Report to the Members of Pincon Spirit Limited for the year Ended on 31.03.2015. We report that :

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Substantial portion of fixed assets have been physically verified by the management at reasonable intervals having regard to the size of the company and the nature of assets. No material discrepancies were noticed on such physical verification.
2. (a) The inventories have been physically verified during the period 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 have been properly dealt with in the books of account.
3. (a) The company has not granted any loan during the year;
- (b) There is no overdue amount of loans granted to companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. 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 and services. During the course of our audit, no major weakness has been noticed in the internal controls system.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits within the meaning of provisions of sections of 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. In our opinion and according to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any other Tribunal against the company.
6. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013 we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
7. a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Value Added Tax, Cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty, Service Tax, Value Added Tax, Cess etc. were outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, and records of the company examined by us, no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax, Value Added Tax, Cess, which have not been deposited on account of any dispute.





- d) According to the information and explanations given to us and records of the company examined by us, the company is not required to transfer amount to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under to such fund within time.
8. The company has no accumulated losses as at 31st March, 2015 and has not incurred any cash losses during the financial period covered by our audit and in the immediately preceding financial period.
9. In our opinion and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
10. The company hasn't given any guarantee for loans taken by others from bank or financial institutions
11. The company has no term loan outstanding during the year.
12. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **D.N. Misra & Co.**  
*Chartered Accountants*  
Firm Registration No. 312021E

Sd/-

**D.N. Misra**  
*Proprietor*

Membership No.: 050440

Place: Kolkata  
Date : 21.05.2015

**BALANCE SHEET** as at 31st March, 2015

(In Rupees)

PARTICULARS	Note No.	As at 31.03.2015	As at 31.03.2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	100,215,000	100,215,000
Reserves and Surplus	3	446,383,596	295,595,710
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	603,767,335	304,401,367
<b>Current Liabilities</b>			
Short-Term Borrowings	5	917,021,333	320,706,570
Trade Payables	6	13,376,124	8,490,956
Other Current Liabilities	7	25,919,345	5,073,412
Short-Term Provisions	8	205,599,790	125,246,920
<b>TOTAL</b>		<b>2,312,282,523</b>	<b>1,159,729,934</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	9	178,047,751	199,562,214
Non-Current Investments	10	155,236,250	70,236,250
Long-Term Loans and Advances	11	–	24,308,964
Deferred Tax Assets (Net)	12	1,306,873	555,005
<b>Current Assets</b>			
Inventories	13	695,659,579	213,557,770
Trade Receivables	14	1,056,681,086	254,976,547
Cash and Cash Equivalents	15	1,370,646	3,858,754
Other Current Assets	16	223,980,338	392,674,430
<b>TOTAL</b>		<b>2,312,282,523</b>	<b>1,159,729,934</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **D.N. Misra & Co.**

Chartered Accountants

Firm Registration No. 312021E

Sd/-

**D.N. Misra**

Proprietor

Membership No.:050440

Place : Kolkata

Date : 21.05.2015

For and on behalf of the Board

Sd/-

**Monoranjan Roy**

Managing Director

DIN No. 02275811

Sd/-

**Arup Thakur**

Director & CFO

DIN No. 03476120

Sd/-

**Aditya Karwa**

Company Secretary



## STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2015

(In Rupees)

PARTICULARS	Note No.	As at 31.03.2015	As at 31.03.2014
<b>Income</b>			
Revenue from Operations	17	6,025,557,392	3,825,662,100
Other Incomes	18	1,409,333	4,308,964
<b>Total Revenue (I +II)</b>		<b>6,026,966,725</b>	<b>3,829,971,064</b>
<b>Expenses</b>			
Cost of Materials Consumed	19	1,343,496,828	968,345,486
Purchases	20	4,380,881,518	2,588,704,186
Change In Inventories	21	(262,535,234)	(84,165,274)
Other Manufacturing Expenses	22	109,372,133	52,779,750
Employee Benefit Expenses	23	21,700,000	8,936,110
Administrative & General Expenses	24	25,341,083	18,322,787
Selling & Distribution Expenses	25	80,121,563	88,360,218
Finance Costs	26	70,672,884	16,558,488
Depreciation and Amortization Expense	9	21,514,463	22,241,358
<b>Total Expenses</b>		<b>5,790,565,238</b>	<b>3,680,083,109</b>
<b>Profit before Tax (III - V)</b>		<b>236,401,488</b>	<b>149,887,956</b>
<b>Tax Expense</b>			
(1) Current tax		80,352,870	50,946,920
(2) Deferred Tax Liability/(Assets)		(751,868)	(537,523)
<b>Profit/ (Loss) for the Period (VI-VII)</b>		<b>156,800,486</b>	<b>99,478,559</b>
<b>Earnings per equity share of face value of Rs.10 each</b>			
(1) Basic		15.65	9.93
(2) Diluted		15.65	9.93
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **D.N. Misra & Co.**

Chartered Accountants

Firm Registration No. 312021E

Sd/-

**D.N. Misra**

Proprietor

Membership No.:050440

Place : Kolkata

Date : 21.05.2015

For and on behalf of the Board

Sd/-

**Monoranjan Roy**

Managing Director

DIN No. 02275811

Sd/-

**Arup Thakur**

Director & CFO

DIN No. 03476120

Sd/-

**Aditya Karwa**

Company Secretary

**CASH FLOW STATEMENT** for the year ended 31st March, 2015

(In Rupees)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	236,401,488	149,887,956
Adjustments for		
Depreciation	21,514,463	22,241,358
Interest Paid	70,672,884	16,558,488
<b>Operating Profit before Working capital changes</b>	<b>328,588,835</b>	<b>188,687,802</b>
Adjustments for:		
(Increase) / Decrease in Inventories	(482,101,809)	(123,537,692)
(Increase)/ Decrease in Account Receivable	(801,704,539)	(179,612,001)
(Increase)/ Decrease in Loans & Advances	168,694,092	(277,947,430)
Increase/ (Decrease) in Account Payables	106,083,971	39,975,648
<b>Cash Generated from Operations</b>	<b>(680,439,450)</b>	<b>(352,433,674)</b>
Tax	(80,352,870)	(50,946,920)
<b>Net Cash from Operating Activities</b>	<b>(760,792,320)</b>	<b>(403,380,594)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Fixed Assets (including C.W.I.P.)	-	(54,765,248)
Fixed Deposit	24,308,964	(4,308,964)
Investment in Subsidiary	(85,000,000)	(70,236,250)
<b>Net Cash from Investing Activities</b>	<b>(60,691,036)</b>	<b>(129,310,462)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds of Unsecured Loans	299,365,968	304,401,367
Proceeds of Secured Loans	596,314,763	240,643,398
Interest Paid	(70,672,884)	(16,558,488)
Dividends (including corporate dividend tax)	(6,012,599)	-
<b>Net Cash from Financing Activities</b>	<b>818,995,248</b>	<b>528,486,277</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>	<b>(2,488,109)</b>	<b>(4,204,779)</b>
Cash and Cash equivalents as at 1st April (Opening Balance)	3,858,754	8,063,533
Cash and Cash equivalents as at 31st March (Closing Balance)	<b>1,370,646</b>	<b>3,858,754</b>

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **D.N. Misra & Co.**

Chartered Accountants

Firm Registration No. 312021E

Sd/-

**D.N. Misra**

Proprietor

Membership No.:050440

For and on behalf of the Board

Sd/-

**Monoranjan Roy**

Managing Director

DIN No. 02275811

Sd/-

**Arup Thakur**

Director & CFO

DIN No. 03476120

Sd/-

**Aditya Karwa**

Company Secretary

Place : Kolkata

Date : 21.05.2015



## NOTES forming part of the Audited Standalone Financial Statements

### NOTE # 1

#### A. CORPORATE INFORMATION

Pincon Spirit Limited (referred to as “PSL” or “the Company”) (CIN No: L67120WB1978PLC031561) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on The Calcutta Stock Exchange Limited & BSE Limited in India. The company is engaged in carrying on the Business of Blending, Bottling & Wholesale Distributions of Indian Made Foreign Liquor (“IMFL”), Indian Made Indian Liquor (“IMIL”) & Refining, Packaging & Wholesale Distributions of Fast Moving Consumer Goods (“FMCG”).

#### B. SIGNIFICANT ACCOUNTING POLICIES

##### a. Basis of Preparation of the Financial Statements

The financial statements have been prepared in compliance with the Generally Accepted Accounting Principles in India (“Indian GAAP”) and the Accounting Standards notified under relevant provisions of the Companies Act, 2013.

These financial statements have been prepared on accrual basis under historical cost convention and are presented in Indian Rupees, rounded off to the nearest Rupee.

##### b. Use of Estimates

The preparation of the financial statements in conformity with the Indian GAAP requires Management of the Company to make estimates, judgments and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Any difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

##### c. Fixed Assets

###### i. Tangible Assets

Tangible Assets are stated at cost, net of taxes, discounts plus revaluations, if any, less accumulated depreciation & impairment loss, if any.

The Cost includes the purchase price plus other attributable costs for bringing the assets to its working condition for intended use.

Any subsequent expenditure relating to the Tangible Assets which increase the future benefits are added to the book value of the tangible assets.

Expenditure relating Tangible Assets that are not ready for their intended use are disclosed under Capital Work-in-Progress.

###### ii. Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

##### d. Leases

The Company has no assets under Operating Lease or Financial Lease.



## **NOTES** forming part of the Audited Standalone Financial Statements *(Contd.)*

**e. Depreciation & Amortisation**

In Tangible Fixed Assets (other than freehold land & capital work-in-progress), acquired during the year, depreciation / amortisation is charged on Written Down Method so as to write off the cost of the Assets over the useful lives and in regard to the Tangible Assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life as prescribed in Schedule II of the Companies Act, 2013.

**f. Impairment**

In case an asset is treated as impaired when the carrying cost of asset exceeds its recoverable value, an impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**g. Investments**

Current investments are carried at lower of cost and quoted/fair value, computed category-wise. Non-Current investments are stated at cost. Provision for diminution in the value of Non-Current investments is made only if such a decline is other than temporary.

**h. Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

**i. Employee Benefits**

There is no employee who is in receipt of remuneration in excess of the limits specified.

**j. Revenue Recognition**

Revenue is recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, tax, excise duty, adjusted for discounts (net).

Dividend income, if any, is recognised when right to receive payment is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

**k. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit and Loss Statement in the period in which they are incurred.

**l. Foreign Currency Transactions**

The Company has no foreign currency transactions during the period under review.

**m. Cash and Cash Equivalents**

Cash and Cash Equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.



## NOTES forming part of the Audited Standalone Financial Statements (Contd.)

**n. Conservation of Energy & Technology absorption**

In view of the activities of the Company the matters related to conservation of Energy & Technology are not applicable to the Company.

**o. Due to Micro/ Small Industrial Enterprises**

The Company has not received any information from any of the suppliers of their being a micro/ small scale industrial enterprise, hence the amount due to such units outstanding as at the year ended 31.03.2015 is not ascertainable.

**p. Income Tax**

Provision is made for Income Tax on a yearly basis under the tax payable method based on tax liability as computed after taking credit for allowances, expenses. In case of matters under appeal due to disallowance or otherwise, full provision is made when the liabilities are accepted. Deferred Tax is recognized on timing differences between taxable income and accounting income subject to a consideration of prudence.

**q. Earnings per Share (EPS)**

Basic EPS is arrived at based on Net Profit after Taxation available to equity shareholders to the weighted average number of equity shares outstanding during the year. The Diluted EPS is calculated on the same basis as Basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

**r. Provisions**

A provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions, other than employee benefits, are not discounted to their present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

**s. Contingent Liabilities/Assets**

No provision is made for liabilities which are contingent in nature. Provision is made for those contingencies which are likely to materialize into liabilities after the year end till the date of finalization of accounts and have material effect on the position stated in the Balance Sheet.

Contingent liabilities are not recognised in the Financial Statements. A contingent asset is neither recognised nor disclosed in the Financial Statements.



**NOTES** forming part of the Audited Standalone Financial Statements (Contd.)

(In Rupees)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
<b>NOTE # 2</b>		
<b>Share Capital</b>		
<b>Authorised Capital</b>		
10,030,000 Equity Shares of Rs 10/- each (Previous Year : 10,030,000 Equity Shares of Rs. 10/- each)	<b>100,300,000</b>	100,300,000
	<b>100,300,000</b>	100,300,000
<b>Issued, Subscribed and Paid up</b>		
10,021,500 Equity Shares of Rs 10/- each (Previous Year : 10,021,500 Equity Shares of Rs 10/- each)	<b>100,215,000</b>	100,215,000
	<b>100,215,000</b>	100,215,000

**a) Reconciliation of number of Shares**

PARTICULARS	As at 31.03.2015		As at 31.03.2014	
	No.	Amount (Rs.)	No.	Amount (Rs.)
<b>Equity Shares</b>				
Opening Balance				
Changes during the year	<b>10,021,500</b>	<b>100,215,000</b>	10,021,500	100,215,000
<b>Closing Balance</b>	-	-	-	-
	<b>10,021,500</b>	<b>100,215,000</b>	10,021,500	100,215,000

**b) Rights and restriction attached to Shares**

The Company has one class of Equity Shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held.

**c) Share held by holding/ultimate holding company and/or their subsidiaries/associates :**

There is no such Share held by holding/ultimate holding company and/or their subsidiaries/associates :

**d) Shares allotted as fully paid up by way of bonus shares (during 5 years preceding March 31, 2015)**

The Company has not allotted any equity shares as fully paid-up bonus shares during last 5 years preceding to March 31, 2015.

**e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

PARTICULARS	As at 31.03.2015		As at 31.03.2014	
	No.	Amount (Rs.)	No.	Amount (Rs.)
<b>Equity Shares</b>				
Monoranjan Roy: 29.87% (P.Y:29.87%)	<b>2,993,393</b>	<b>29,933,930</b>	2,993,393	29,933,930
Anushri Textile Private Limited: 10.89% (P.Y: 0.00%)	<b>1,090,998</b>	<b>10,909,980</b>	-	-
	<b>4,084,391</b>	<b>40,843,910</b>	2,993,393	29,933,930





## NOTES forming part of the Audited Standalone Financial Statements (Contd.)

(In Rupees)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
<b>NOTE # 3</b>		
<b>Reserves and Surplus</b>		
<b>(a) Securities Premium</b>		
As per last Balance Sheet	636,405	636,405
Addition during the year	–	–
	<b>636,405</b>	636,405
<b>(b) Surplus i.e. Balance in the Statement of Profit &amp; Loss</b>		
As per last Balance Sheet	294,959,305	195,480,746
Addition during the year	156,800,486	99,478,559
	<b>451,759,791</b>	294,959,305
<b>Less: Appropriations</b>		
(a) Proposed final Dividend on Equity Shares*	5,010,750	
(b) Tax on Dividend	1,001,849	
	<b>445,747,191</b>	294,959,305
	<b>446,383,596</b>	295,595,710
* The Board of Directors have recommended final dividend for the F.Y: 2014-15 of Rs 0.50 Per Equity Share subject to approval in the forthcoming AGM		
PARTICULARS	As at 31.03.2015	As at 31.03.2014
<b>NOTE # 4</b>		
<b>Long-Term Borrowings</b>		
Secured Loan - Car Loan	3,767,335	4,401,367
Unsecured Loan - Director	600,000,000	300,000,000
	<b>603,767,335</b>	304,401,367
Car Loan is from Punjab National Bank, the car being the primary security.		



**NOTES** forming Part of the Audited Standalone Financial Statements (Contd.)

(In Rupees)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
<b>NOTE # 5</b>		
<b>Short-Term Borrowings</b>		
Other Loans and Advances (Secured)		
– Cash Credit Facilities	<b>917,021,333</b>	298,498,518
– Bank Overdraft	–	22,208,052
	<b>917,021,333</b>	320,706,570
<p>Working Capital Loan has been availed under Consortium Banking arrangement from Andhra Bank as Leader of Consortium &amp; other member banks being Punjab National Bank, Indian Overseas Bank, Corporation Bank, Vijaya Bank, &amp; Tamilnad Mercantile Bank Ltd, Secured by hypothecation of Currents Assets consisting of Stock &amp; Book Debts of the Company.</p>		
PARTICULARS	As at 31.03.2015	As at 31.03.2014
<b>NOTE # 6</b>		
<b>Trade Payables</b>		
Trade Payables	<b>13,376,124</b>	8,490,956
	<b>13,376,124</b>	8,490,956
<b>NOTE # 7</b>		
<b>Other Current Liabilities</b>		
Other Payables	<b>25,919,345</b>	5,073,412
Advance Received from Debtors	–	–
	<b>25,919,345</b>	5,073,412
<b>NOTE # 8</b>		
<b>Short-Term Provisions</b>		
Provision for Income Tax	<b>205,599,790</b>	125,246,920
	<b>205,599,790</b>	125,246,920



## NOTES forming Part of the Audited Standalone Financial Statements (Contd.)

### NOTE # 9

(In Rupees)

Tangible Assets as on 31st March, 2015									
Sl. No.	PARTICULARS	GROSS BLOCK		DEPRECIATION BLOCK			NET BLOCK		
		01.04.2014	31.03.2015	01.04.2014	For the year	31.03.2015	31.03.2015	31.03.2014	
1	Electrical Equipment	7,702,862	7,702,862	1,662,701	1,691,853	3,354,554	4,348,308	6,040,161	
2	Furniture & Fixtures	23,909,609	23,909,609	6,215,870	4,822,453	11,038,323	12,871,286	17,693,739	
3	Office Equipment	2,095,679	2,095,679	1,074,369	545,026	1,619,395	476,284	1,021,310	
4	Building	97,049,826	97,049,826	7,207,452	4,319,006	11,526,458	85,523,368	89,842,374	
5	Plant & machinery	91,425,692	91,425,692	18,176,484	8,506,659	26,683,143	64,742,549	73,249,208	
6	Land	6,500,000	6,500,000	-	-	-	6,500,000	6,500,000	
7	Motor Vehicle	5,215,422	5,215,422	-	1,629,466	1,629,466	3,585,956	5,215,422	
	<b>TOTAL</b>	<b>233,899,090</b>	<b>233,899,090</b>	<b>34,336,876</b>	<b>21,514,463</b>	<b>55,851,339</b>	<b>178,047,751</b>	<b>199,562,214</b>	



**NOTES** forming Part of the Audited Standalone Financial Statements (Contd.)

(In Rupees)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
<b>NOTE # 10</b>		
<b>Non-Current Investments</b>		
<b>In Equity Shares of Subsidiary Companies –</b>		
Paul Distributors Private Limited	55,000,000	55,000,000
Priya Laboratories Private Limited	15,236,250	15,236,250
Yours Laboratories Private Limited	85,000,000	–
	<b>155,236,250</b>	70,236,250
<b>NOTE # 11</b>		
<b>Long-Term Loans and Advances</b>		
Fixed Deposit with Bank	–	24,308,964
	–	24,308,964
<b>NOTE # 12</b>		
<b>Differed Tax Assets</b>		
Differed Tax Assets	1,306,873	555,005
	<b>1,306,873</b>	555,005
<b>NOTE # 13</b>		
<b>Inventories</b>		
Raw Materials	156,975,356	21,473,958
Finished Goods	538,684,223	192,083,812
	<b>695,659,580</b>	213,557,770
<b>NOTE # 14</b>		
<b>Trade Receivables</b>		
Secured, Considered Good	–	–
– Outstanding for a period exceeding six months	60,227,514	–
– Export Receivable (above six month)	996,453,572	254,976,547
– Others	1,056,681,086	254,976,547
<b>NOTE # 15</b>		
<b>Cash and Cash Equivalents</b>		
Cash in Hand & at Bank	1,370,646	3,858,754
	<b>1,370,646</b>	3,858,754
<b>NOTE # 16</b>		
<b>Other Current Assets</b>	223,980,338	132,674,430
Sundry Current Assets	–	219,000,000
Trade Investments	–	41,000,000
Loan to Subsidiary	<b>223,980,338</b>	392,674,430


**NOTES** forming Part of the Audited Standalone Financial Statements (Contd.)

(In Rupees)

PARTICULARS	For the year ended 31.03.2015	For the year ended 31.03.2014
<b>NOTE # 17</b>		
<b>Revenue From Operations</b>	<b>1,548,523,113</b>	1,119,686,560
Own Blend (IMFL)	2,660,260,974	2,330,559,412
Traded - IMFL	1,756,545,791	375,416,129
FMCG - Domestic	60,227,514	-
FMCG - Export	<b>6,025,557,392</b>	3,825,662,100
<b>NOTE # 18</b>		
<b>Other Incomes</b>		
Interest Income	1,409,333	2,189,862
Prior Period Interest	-	2,119,102
	<b>1,409,333</b>	4,308,964
<b>NOTE # 19</b>		
<b>Cost of Materials Consumed</b>		
<b>COST OF RAW MATERIALS CONSUMED (OWN BLEND)</b>		
Opening Stock of Raw Materials	21,473,958	4,234,123
Add: Purchase	1,563,063,403	1,007,717,904
Closing Stock of Raw Materials	156,975,356	21,473,958
<b>COST OF RAW MATERIALS CONSUMED (OWN BLEND)</b>	<b>1,427,562,004</b>	990,478,069
Opening Stock of Finished Goods	64,423,386	42,290,802
<b>COST OF RAW MATERIALS CONSUMED</b>	<b>1,427,562,004</b>	990,478,069
Closing Stock of Finished Goods	148,488,562	64,423,386
(A)	<b>1,343,496,828</b>	968,345,486
<b>COST OF MATERIALS CONSUMED (A)</b>	<b>1,343,496,828</b>	968,345,486
<b>NOTE # 20</b>		
<b>Purchases</b>	<b>2,617,774,242</b>	2,219,857,840
Purchase of IMFL	1,763,107,277	368,846,346
Purchase of FMCG	<b>4,380,881,518</b>	2,588,704,186



**NOTES** forming Part of the Audited Standalone Financial Statements (Contd.)

(In Rupees)

PARTICULARS	For the year ended 31.03.2015	For the year ended 31.03.2014
<b>NOTE # 21</b>		
<b>Change in Inventories</b>		
<b>IMFL</b>		
Opening Stock of Finished Goods	95,775,769	43,495,153
Closing Stock of Finished Goods	225,939,757	95,775,769
<b>(A)</b>	<b>(130,163,989)</b>	<b>(52,280,616)</b>
<b>FMCG</b>		
Opening Stock of Finished Goods	31,884,658	–
Closing Stock of Finished Goods	164,255,904	31,884,658
<b>(B)</b>	<b>(132,371,246)</b>	<b>(31,884,658)</b>
<b>Total = (A) + (B)</b>	<b>(262,535,234)</b>	<b>(84,165,274)</b>
<b>NOTE # 22</b>		
<b>Other Manufacturing Expenses</b>		
Sundry Manufacturing Expenses	109,372,133	52,779,750
	<b>109,372,133.00</b>	<b>52,779,750</b>
<b>NOTE # 23</b>		
<b>Employee Benefit Expenses</b>		
Salaries and Wages	21,700,000	8,936,110
	<b>21,700,000</b>	<b>8,936,110</b>
<b>NOTE # 24</b>		
<b>Administrative &amp; General Expenses</b>		
Postage & Telephone	1,623,034	1,506,640
Directors Remuneration	6,730,000	6,280,000
Legal Expenses	1,946,637	1,235,960
Organisational Expenses	7,883,076	4,370,207
Printing & Stationery	1,428,619	970,552
Rent	1,080,000	360,000
Travelling & Conveyance	4,616,009	3,565,720
Auditor's Remuneration	33,708	33,708
	<b>25,341,083</b>	<b>18,322,787</b>



## NOTES forming Part of the Audited Standalone Financial Statements (Contd.)

(In Rupees)

PARTICULARS	For the year ended 31.03.2015	For the year ended 31.03.2014
<b>NOTE # 25</b>		
<b>Selling and Distribution Expenses</b>		
Business Promotion/Advertisement	46,001,563	55,013,038
Carriage Outwards	10,576,205	9,260,964
Discount & Rebate	2,362,956	1,563,782
Godown Expenses	3,745,703	3,269,072
Godown Rent	600,000	600,000
Rebate on Sales	16,835,136	18,653,362
	<b>80,121,563</b>	<b>88,360,218</b>
<b>NOTE # 26</b>		
<b>Finance Costs</b>		
Finance Expense	70,672,884	16,558,488
	<b>70,672,884</b>	<b>16,558,488</b>

### 27. Basis for calculation of Basic and Diluted Earnings per Share is as under :

	2014-15	2013-14
Profit after Tax as per Profit & Loss Account	156,800,486	99,478,559
Weighted average number of Equity Shares	10,215,000	10,215,000
Basic & Diluted Earnings per share	15.65	9.93
Nominal Value of Shares	10.00	10.00

### 28. Related Party Disclosures

#### a) Name of the related parties where control exists :

<b>Subsidiary Companies</b>	Paul Distributors Private Limited (with effect from 21st March 2014)
	Priya Laboratories Private Limited (with effect from 21st March 2014)
	Yours Laboratories Private Limited (With effect from 03rd July 2014)

#### b) Name of the Other Related Parties :

<b>Key Management Personnel</b>	Mr. Monoranjan Roy (Managing Director)
	Mr. Arup Thakur (Director CFO)
	Mr. Subrata Basu (Director)



**NOTES** forming Part of the Audited Standalone Financial Statements (Contd.)

(In Rupees)

**c) Aggregate Related Parties Disclosures : (As per AS-18)**

Subsidiary Companies	2014-15	2013-14
<b>Sales</b>		
Paul Distributors Private Limited	-	41853614
<b>Purchase/Other Manufacturing Expenses</b>		
Priya Laboraties Private Limited	<b>21,331,000</b>	17,484,000
<b>Investments</b>		
Paul Distributors Private Limited	-	55,000,000
Priya Laboraties Private Limited	-	15,236,250
Yours Laboraties Private Limited	<b>85,000,000</b>	-
<b>Loan &amp; Advances (Unsecured Loan Given / Recovered during the year)</b>		
Paul Distributors Private Limited	<b>25,000,000</b>	80,000,000
Priya Laboraties Private Limited	<b>16,000,000</b>	16,000,000
<b>Loan &amp; Advances (Outstanding)</b>		
Paul Distributors Private Limited	-	25,000,000
Priya Laboraties Private Limited	-	16,000,000
<b>Key Management Personnel</b>		
Remuneration	<b>6,050,000</b>	5,500,000
<b>Unsecured Loan Taken (during the year)</b>		
Monoranjan Roy	<b>300,000,000</b>	300,000,000
<b>Unsecured Loan Taken (Outstanding at the end of the Year)</b>		
Monoranjan Roy	<b>600,000,000</b>	300,000,000
<b>Investments Purchase from</b>		
Monoranjan Roy	-	15,236,250

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **D.N. Misra & Co.**

Chartered Accountants

Firm Registration No. 312021E

Sd/-

**D.N. Misra**

Proprietor

Membership No.:050440

Place : Kolkata

Date : 21.05.2015

For and on behalf of the Board

Sd/-

**Monoranjan Roy**

Managing Director

DIN No. 02275811

Sd/-

**Arup Thakur**

Director & CFO

DIN No. 03476120

Sd/-

**Aditya Karwa**

Company Secretary





## INDEPENDENT Auditor's Report

### To the Board of Directors of Pincon Spirit Limited

We have audited the accompanying Consolidated Financial Statements of M/s Pincon Spirit Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated 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 Consolidated 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 Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor's considers internal control relevant to the Company's preparation and presentation of the Consolidated Financial Statements that give a true and fair view 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 entity'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 Consolidated 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 Consolidated Financial Statements give a true and fair view in conformity with the Accounting Principles generally accepted in India :

- a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the consolidated Statement of Profit and Loss, of the profit for period ended on that date; and
- c) In the case of the consolidated Cash Flow Statement, of the cash flows for the fifteen month period on that date.

### Other Matter

We did not Audit Total Assets of Rs. 27.37 Crore as at March 31, 2015, Total Revenues of Rs. 90.26 Crore and net Cash Inflows amounting to Rs. 48.06 Lacs for the period then ended, included in the accompanying Consolidated Financial Statements in respect of Subsidiaries, whose Financial Statements and other financial information have been audited by other auditor's and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such Subsidiaries is based solely on the report of other auditor's. Our opinion is not qualified in respect of this matter.

For **D.N. Misra & Co.**  
*Chartered Accountants*  
Firm Registration No. 312021E

Sd/-  
**D. N. Misra**  
*Proprietor*  
Membership No.:050440

Place: Kolkata  
Date: 21.05.2015

**CONSOLIDATED BALANCE SHEET** as at 31st March, 2015

(In Rupees)

PARTICULARS	Note No.	As at 31.03.2015	As at 31.03.2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	100,215,000	100,215,000
Reserves and Surplus	3	457,159,795	296,601,131
Minority Interest	4	59,902,058	54,291,027
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	622,767,335	304,401,367
<b>Current Liabilities</b>			
Short-Term Borrowings	6	917,021,333	320,706,570
Trade Payables	7	99,251,149	37,481,333
Other Current Liabilities	8	39,780,698	12,038,532
Short-Term Provisions	9	222,801,184	133,925,455
<b>TOTAL</b>		<b>2,518,898,552</b>	<b>1,259,660,415</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	10	200,219,846	216,177,448
Intangible Assets	11	88,272,806	3,624,770
Long-Term Loans and Advances	12	2,883,117	55,772,699
Deferred Tax Assets (Net)	13	11,077,747	12,347,704
<b>Current Assets</b>			
Inventories	14	819,070,771	317,980,353
Trade Receivables	15	1,129,029,805	280,907,588
Cash and Cash Equivalents	16	11,203,997	6,905,996
Other Current Assets	17	257,140,463	365,943,857
<b>TOTAL</b>		<b>2,518,898,552</b>	<b>1,259,660,415</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>		1	

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **D.N. Misra & Co.**

Chartered Accountants

Firm Registration No. 312021E

Sd/-

**D.N. Misra**

Proprietor

Membership No.:050440

Place : Kolkata

Date : 21.05.2015

For and on behalf of the Board

Sd/-

**Monoranjan Roy**

Managing Director

DIN No. 02275811

Sd/-

**Arup Thakur**

Director &amp; CFO

DIN No. 03476120

Sd/-

**Aditya Karwa**

Company Secretary



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2015 (In Rupees)

PARTICULARS	Note No.	As at 31.03.2015	As at 31.03.2014
<b>Income</b>			
Revenue from Operations	18	6,921,950,441	3,845,249,141
Other Incomes		7,601,820	4,605,186
<b>Total Revenue (I +II)</b>		<b>6,929,552,261</b>	<b>3,849,854,327</b>
<b>Expenses</b>			
Cost of Materials Consumed	19	1,450,964,747	968,345,486
Purchase of Traded Goods	20	5,115,749,200	2,696,007,780
Change In Inventories	21	(280,226,464)	(175,512,010)
Other Manufacturing Expenses	22	124,393,545	53,018,440
Employee Benefit Expenses	23	33,862,398	9,131,182
Administrative & General Expenses	24	39,097,289	18,754,619
Selling & Distribution Expenses	25	89,442,637	88,749,498
Finance Costs	26	70,782,362	16,563,131
Depreciation and Amortization Expense	10	24,417,418	22,290,606
Preliminary Expenses		25,347	764
<b>Total Expenses</b>		<b>6,668,508,479</b>	<b>3,697,349,496</b>
<b>Profit before Tax (III - V)</b>		<b>261,043,782</b>	<b>152,504,831</b>
<b>Tax Expense</b>			
(1) Current tax		87,638,976	51,745,654
(2) Deferred Tax Liability/(Assets)		1,222,514	(537,523)
(3) Minority Interest (Post Subsidiary)		5,611,031	812,720
<b>Profit/ (Loss) for the Period (VI-VII)</b>		<b>166,571,261</b>	<b>100,483,980</b>
<b>Earnings per equity share of face value of Rs.10 each</b>			
(1) Basic		16.62	10.03
(2) Diluted		16.62	10.03
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **D.N. Misra & Co.**

Chartered Accountants

Firm Registration No. 312021E

Sd/-

**D.N. Misra**

Proprietor

Membership No.:050440

For and on behalf of the Board

Sd/-

**Monoranjan Roy**

Managing Director

DIN No. 02275811

Sd/-

**Arup Thakur**

Director & CFO

DIN No. 03476120

Sd/-

**Aditya Karwa**

Company Secretary

Place : Kolkata

Date : 21.05.2015

**CONSOLIDATED CASH FLOW STATEMENT** for the year ended 31.03.2015

(In Rupees)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	261,043,782	152,504,831
<b>Adjustments for</b>		
Depreciation	24,417,418	22,290,606
Interest Paid	70,782,362	16,563,131
Interest Paid	1,980,157	(1,472,032)
<b>Operating Profit before Working capital changes</b>	<b>358,223,719</b>	<b>189,886,536</b>
<b>Adjustments for:</b>		
(Increase) / Decrease in Inventories	(499,459,220)	(317,980,353)
(Increase)/ Decrease in Account Receivable	(845,557,669)	(280,907,588)
(Increase)/ Decrease in Loans & Advances	183,667,086	(365,943,857)
Increase/ (Decrease) in Account Payables	165,288,328	49,519,865
<b>Cash Generated from Operations</b>	<b>(637,837,756)</b>	<b>(725,425,397)</b>
Tax	(87,638,976)	(51,745,654)
<b>Net Cash from Operating Activities</b>	<b>(725,476,732)</b>	<b>(777,171,051)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Fixed Assets (including C.W.I.P.)	–	(216,177,448)
Fixed Deposit	24,308,964	(55,772,699)
Investment in Subsidiary	(85,000,000)	(3,624,770)
<b>Net Cash from Investing Activities</b>	<b>(60,691,036)</b>	<b>(275,574,917)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds of Share & Reserve	–	396,816,131
Proceeds of Unsecured Loans	270,945,968	304,401,367
Proceeds of Secured Loans	596,314,763	320,706,570
Share of Minority Interest	–	54,291,027
Interest Paid	(70,782,362)	(16,563,131)
Dividends (including corporate dividend tax)	(6,012,599)	–
<b>Net Cash from Financing Activities</b>	<b>790,465,770</b>	<b>1,059,651,964</b>
Net Increase/(Decrease) in Cash and Cash equivalents	<b>4,298,001</b>	<b>6,905,996</b>
Cash and Cash equivalents as at 1st April (Opening Balance)	6,905,996	–
Cash and Cash equivalents as at 31st March (Closing Balance)	<b>11,203,997</b>	<b>6,905,996</b>

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **D.N. Misra & Co.**

Chartered Accountants

Firm Registration No. 312021E

Sd/-

**D.N. Misra**

Proprietor

Membership No.:050440

For and on behalf of the Board

Sd/-

**Monoranjan Roy**

Managing Director

DIN No. 02275811

Sd/-

**Arup Thakur**

Director &amp; CFO

DIN No. 03476120

Sd/-

**Aditya Karwa**

Company Secretary

Place : Kolkata

Date : 21.05.2015



## NOTES forming Part of the Audited Consolidate Financial Statements

### NOTE # 1

#### A. CORPORATE INFORMATION

Pincon Spirit Limited (referred to as “PSL” or “the Company”) (CIN No: L67120WB1978PLC031561) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on The Calcutta Stock Exchange Limited & BSE Limited in India. The company is engaged in carrying on the Business of Blending, Bottling & Wholesale Distributions of Indian Made Foreign Liquor (“IMFL”), Indian Made Indian Liquor (“IMIL”) & Refining, Packaging, & Wholesale Distributions of Fast Moving Consumer Goods (“FMCG”).

#### B. SIGNIFICANT ACCOUNTING POLICIES

##### a. Basis of Preparation of the Financial Statements

The financial statements have been prepared in compliance with the Generally Accepted Accounting Principles in India (“Indian GAAP”) and the Accounting Standards notified under relevant provisions of the Companies Act, 2013.

These financial statements have been prepared on accrual basis under historical cost convention and are presented in Indian Rupees, rounded off to the nearest Rupee.

##### b. Use of Estimates

The preparation of the financial statements in conformity with the Indian GAAP requires Management of the Company to make estimates, judgments and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Any difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

##### c. Fixed Assets

###### i. Tangible Assets

Tangible Assets are stated at cost, net of taxes, discounts plus revaluations, if any, Less accumulated depreciation & impairment loss, if any.

The Cost includes the purchase price plus other attributable costs for bringing the assets to its working condition for intended use.

Any subsequent expenditure relating to the Tangible Assets which increase the future benefits are added to the book value of the tangible assets.

Expenditure relating Tangible Assets that are not ready for their intended use are disclosed under Capital Work-in-Progress.

###### ii. Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

##### d. Leases

The Company has no assets under Operating Lease or Financial Lease.



## **NOTES** forming Part of the Audited Consolidate Financial Statements (Contd.)

**e. Depreciation & Amortisation**

In Tangible Fixed Assets (other than freehold land & capital work-in-progress), acquired during the year, depreciation / amortisation is charged on Written Down Method so as to write off the cost of the Assets over the useful lives and in regard to the Tangible Assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life as prescribed in Schedule II of the Companies Act 2013.

**f. Impairment**

In case an asset is treated as impaired when the carrying cost of asset exceeds its recoverable value, an impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**g. Investments**

Current investments are carried at lower of cost and quoted / fairvalue, computed category-wise. Non-current investments are stated at cost. Provision for diminution in the value of Non-Current investments is made only if such a decline is other than temporary.

**h. Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

**i. Employee Benefits**

There is no employee who is in receipt of remuneration in excess of the limits specified.

**j. Revenue Recognition**

Revenue is recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, tax, excise duty, adjusted for discounts (net).

Dividend income, if any, is recognised when right to receive payment is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

**k. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such as sets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit and Loss Statement in the period in which they are incurred.

**l. Foreign Currency Transactions**

The Company has no foreign currency transactions during the period under review.

**m. Cash and Cash Equivalents**

Cash and Cash Equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.



## NOTES forming Part of the Audited Consolidate Financial Statements (Contd.)

**n. Conservation of Energy & Technology absorption**

In view of the activities of the Company the matters related to conservation of Energy & Technology are not applicable to the Company

**o. Due to Micro/ Small Industrial Enterprises**

The Company has not received any information from any of the suppliers of their being a micro/ small scale industrial enterprise, hence the amount due to such units outstanding as at the year ended 31.03.2015 is not ascertainable.

**p. Income Tax**

Provision is made for Income Tax on a yearly basis under the tax payable method based on tax liability as computed after taking credit for allowances, expenses. In case of matters under appeal due to disallowance or otherwise, full provision is made when the liabilities are accepted. Deferred Tax is recognized on timing differences between taxable income and accounting income subject to a consideration of prudence.

**q. Earnings per Share (EPS)**

Basic EPS is arrived at based on Net Profit after Taxation available to equity shareholders to the weighted average number of equity shares outstanding during the year. The Diluted EPS is calculated on the same basis as Basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

**r. Provisions**

A provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions, other than employee benefits, are not discounted to their present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

**s. Contingent Liabilities/Assets**

No provision is made for liabilities which are contingent in nature. Provision is made for those contingencies which are likely to materialize into liabilities after the year end till the date of finalization of accounts and have material effect on the position stated in the Balance Sheet.

Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.



**NOTES** forming Part of the Audited Consolidate Financial Statements (Contd.)

(In Rupees)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
<b>NOTE # 2</b>		
<b>Share Capital</b>		
<b>Authorised Capital</b>		
10,030,000 Equity Shares of Rs 10/- each (Previous Year : 10,030,000 Equity Shares of Rs. 10/- each)	<b>100,300,000</b>	100,300,000
	<b>100,300,000</b>	100,300,000
<b>Issued, Subscribed and Paid up</b>		
10,021,500 Equity Shares of Rs 10/- each (Previous Year : 10,021,500 Equity Shares of Rs 10/- each)	<b>100,215,000</b>	100,215,000
	<b>100,215,000</b>	100,215,000

**a) Reconciliation of number of Shares**

PARTICULARS	As at 31.03.2015		As at 31.03.2014	
	No.	Amount (Rs.)	No.	Amount (Rs.)
<b>Equity Shares</b>				
Opening Balance				
Changes during the year	<b>10,021,500</b>	<b>100,215,000</b>	10,021,500	100,215,000
<b>Closing Balance</b>	-	-	-	-
	<b>10,021,500</b>	<b>100,215,000</b>	10,021,500	100,215,000

**b) Rights and restriction attached to Shares**

The Company has one class of Equity Shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held.

**c) Share held by holding/ultimate holding company and/or their subsidiaries/associates :**

There is no such Share held by holding/ultimate holding company and/or their subsidiaries/associates :

**d) Shares allotted as fully paid up by way of bonus shares (during 5 years preceding March 31, 2015)**

The Company has not allotted any equity shares as fully paid-up bonus shares during last 5 years preceding to March 31, 2015.

**e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

PARTICULARS	As at 31.03.2015		As at 31.03.2014	
	No.	Amount (Rs.)	No.	Amount (Rs.)
<b>Equity Shares</b>				
Monoranjan Roy: 29.87% (P.Y:29.87%)	<b>2,993,393</b>	<b>29,933,930</b>	29,933,930	29,933,930
Anushri Textile Private Limited: 10.89% (P.Y: 0.00%)	<b>1,090,998</b>	<b>10,909,980</b>	-	-
	<b>4,084,391</b>	<b>40,843,910</b>	29,933,930	29,933,930





## NOTES forming Part of the Audited Consolidate Financial Statements (Contd.)

(In Rupees)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
<b>NOTE # 3</b>		
<b>Reserves and Surplus</b>		
<b>(a) Securities Premium</b>		
As per last Balance Sheet	636,405	636,405
Addition during the year	–	–
	<b>636,405</b>	636,405
<b>(b) Surplus i.e. Balance in the Statement of Profit &amp; Loss</b>		
As per last Balance Sheet	295,964,726	195,480,746
Addition during the year	160,558,664	100,483,980
	<b>456,523,390</b>	295,964,726
<b>NOTE # 4</b>		
<b>Minority Interest</b>		
Minority Interest	59,902,058	54,291,027
	<b>59,902,058</b>	54,291,027
<b>NOTE # 5</b>		
<b>Long-Term Borrowings</b>		
Secured Loan - Car Loan	3,767,335	4,401,367
Unsecured Loan - Director	619,000,000	300,000,000
	<b>622,767,335</b>	304,401,367
Car Loan is from Punjab National Bank, the car being the primary security.		



**NOTES** forming Part of the Audited Consolidate Financial Statements (Contd.)

(In Rupees)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
<b>NOTE # 6</b>		
<b>Short-Term Borrowings</b>		
Other Loans and Advances (Secured)		
– Cash Credit Facilities	<b>917,021,333</b>	298,498,518
– Bank Overdraft	–	22,208,052
	<b>917,021,333</b>	320,706,570
<p>Working Capital Loan has been availed under Consortium Banking arrangement from Andhra Bank as Leader of Consortium &amp; other member banks being Punjab National Bank, Indian Overseas Bank, Corporation Bank, Vijaya Bank, &amp; Tamilnad Mercantile Bank Ltd, Secured by hypothecation of Currents Assets consisting of Stock &amp; Book Debts of the Company.</p>		
PARTICULARS	As at 31.03.2015	As at 31.03.2014
<b>NOTE # 7</b>		
<b>Trade Payables</b>		
Trade Payables	<b>99,251,149</b>	37,481,333
	<b>99,251,149</b>	37,481,333
<b>NOTE # 8</b>		
<b>Other Current Liabilities</b>		
Other Payables	–	5,131,766
Liability for Expenses	<b>38,780,698</b>	5,906,766
Security Deposit	<b>1,000,000</b>	1,000,000
	<b>39,780,698</b>	12,038,532
<b>NOTE # 9</b>		
<b>Short-Term Provisions</b>		
Provision for Income Tax	<b>222,801,184</b>	133,925,455
	<b>222,801,184</b>	133,925,455



## NOTES forming Part of the Audited Consolidate Financial Statements (Contd.)

### NOTE # 10

(In Rupees)

Tangible Assets as on 31st March, 2015									
Sl. NO.	PARTICULARS	GROSS BLOCK		DEPRECIATION BLOCK			NET BLOCK		
		01.04.2014	Additions	31.03.2015	01.04.2014	For the year	31.03.2015	31.03.2015	31.03.2014
1	Electrical Equipment	10,332,729	-	10,332,729	3,354,370	1,861,667	5,216,037	5,116,692	6,978,359
2	Furniture & Fixtures	26,694,464	-	26,694,464	8,414,928	4,974,117	13,389,045	13,305,419	18,279,536
3	Office Equipment	3,088,435	-	3,088,435	1,889,184	595,559	2,484,743	603,692	1,199,251
4	Building	103,427,618	-	103,427,618	10,440,044	4,625,348	15,065,392	88,362,226	92,987,574
5	Plant & machinery	119,831,500	-	119,831,500	37,439,650	10,161,477	47,601,127	72,230,373	82,391,850
6	Land	15,384,490	-	15,384,490	-	-	-	15,384,490	15,384,490
7	Motor Vehicle	9,544,163	-	9,544,163	2,127,959	2,199,250	4,327,209	5,216,954	7,416,204
	<b>TOTAL</b>	<b>288,303,399</b>	<b>-</b>	<b>288,303,399</b>	<b>63,666,135</b>	<b>24,417,418</b>	<b>88,083,553</b>	<b>200,219,846</b>	<b>224,637,264</b>

**NOTES** forming Part of the Audited Consolidate Financial Statements (Contd.)

(In Rupees)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
<b>NOTE # 11</b>		
<b>Intangible Assets</b>		
Goodwill	88,272,806	3,624,770
	<b>88,272,806</b>	<b>3,624,770</b>
<b>NOTE # 12</b>		
<b>Long-Term Loans and Advances</b>		
Fixed Deposit with Bank	–	24,308,964
Capital Advances	–	30,000,000
Security Deposit	2,303,117	1,383,735
Deposit With Excise Dept.	580,000	80,000
	<b>2,883,117</b>	<b>55,772,699</b>
<b>NOTE # 13</b>		
<b>Differed Tax Assets</b>		
Differed Tax Assets	11,077,747	12,347,704
	<b>11,077,747</b>	<b>12,347,704</b>
<b>NOTE # 14</b>		
<b>Inventories</b>		
Work-in-Progress	158,272,736	21,473,958
Finished Goods	660,798,035	296,506,395
	<b>819,070,771</b>	<b>317,980,353</b>
<b>NOTE # 15</b>		
<b>Trade Receivables</b>		
Secured, Considered Good	60,227,514	–
– Export Receivable (above six month)	–	–
– Outstanding for a period exceeding six months	1,068,802,291	280,907,588
– Others	1,129,029,805	280,907,588
<b>NOTE # 16</b>		
<b>Cash and Cash Equivalents</b>		
Cash in Hand & at Bank	11,203,997	6,905,996
	<b>11,203,997</b>	<b>6,905,996</b>



## NOTES forming Part of the Audited Consolidate Financial Statements (Contd.)

(In Rupees)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
<b>NOTE # 17</b>		
<b>Other Current Assets</b>	<b>256,860,549</b>	146,622,057
Current Assets	–	219,000,000
Investment in Liquor Shop	<b>209,221</b>	225,760
Advance to others	<b>70,693</b>	96,040
Preliminary Expenses	<b>257,140,463</b>	365,943,857

(In Rupees)

PARTICULARS	For the year ended 31.03.2015	For the year ended 31.03.2014
<b>NOTE # 18</b>		
<b>Revenue From Operations</b>	<b>1,696,064,741</b>	1,120,213,475
Own Blend (IMFL)	<b>3,409,112,395</b>	2,349,619,537
Traded - IMFL	<b>1,756,545,791</b>	375,416,129
FMCG - Domestic	<b>60,227,514</b>	–
FMCG - Export	<b>6,921,950,441</b>	3,845,249,141
<b>Other Incomes</b>		
Interest Income	<b>1,409,333</b>	2,189,862
Prior Period Interest	–	2,119,102
Other Incomes	<b>6,192,487</b>	296,222
	<b>7,601,820</b>	4,605,186
<b>NOTE # 19</b>		
<b>Cost of Materials Consumed</b>		
<b>COST OF RAW MATERIALS CONSUMED (OWN BLEND)</b>		
Opening Stock of Raw Materials	<b>21,473,958</b>	4,234,123
Add : Purchase	<b>1,671,828,701</b>	1,007,717,904
Closing Stock of Raw Materials	<b>158,272,736</b>	21,473,958
<b>COST OF RAW MATERIALS CONSUMED (OWN BLEND)</b>	<b>1,535,029,923</b>	990,478,069
Opening Stock of Finished Goods	<b>64,423,386</b>	42,290,802
<b>COST OF RAW MATERIALS CONSUMED</b>	<b>1,535,029,923</b>	990,478,069
Closing Stock of Finished Goods	<b>148,488,562</b>	64,423,386
	<b>1,450,964,747</b>	968,345,486
<b>COST OF MATERIALS CONSUMED (A)</b>	<b>1,450,964,747</b>	968,345,486



**NOTES** forming Part of the Audited Consolidate Financial Statements (Contd.)

(In Rupees)

PARTICULARS	For the year ended 31.03.2015	For the year ended 31.03.2014
<b>NOTE # 20</b>		
<b>Trading</b>	<b>3,352,641,923</b>	2,327,161,434
Purchase of IMFL	<b>1,763,107,277</b>	368,846,346
Purchase of FMCG	<b>5,115,749,200</b>	2,696,007,780
<b>NOTE # 21</b>		
<b>Change in Inventories</b>		
<b>IMFL</b>		
Opening Stock of Finished Goods	<b>200,198,351</b>	56,570,999
Closing Stock of Finished Goods	<b>348,053,569</b>	200,198,351
<b>(A)</b>	<b>(147,855,218)</b>	(143,627,352)
<b>FMCG</b>		
Opening Stock of Finished Goods	<b>31,884,658</b>	–
Closing Stock of Finished Goods	<b>164,255,904</b>	31,884,658
<b>(B)</b>	<b>(132,371,246)</b>	(31,884,658)
<b>Total = (A) + (B)</b>	<b>(280,226,464)</b>	(175,512,010)
<b>NOTE # 22</b>		
<b>Other Manufacturing Expenses</b>		
Other Manufacturing Expenses	<b>124,393,545</b>	53,018,440
Other Expenses Related	<b>124,393,545</b>	53,018,440
	<b>109,372,133.00</b>	52,779,750
<b>NOTE # 23</b>		
<b>Employee Benefit Expenses</b>		
Salaries and Wages	<b>33,862,398</b>	9,131,182
	<b>33,862,398</b>	9,131,182



## NOTES forming Part of the Audited Consolidate Financial Statements (Contd.)

(In Rupees)

PARTICULARS	For the year ended 31.03.2015	For the year ended 31.03.2014
<b>NOTE # 24</b>		
<b>Administrative &amp; General Expenses</b>		
Audit Fees	255,057	38,787
Accommodation Charges	3,450	4,704
Bar Code Renewal Charges	39,360	1,186
Books & Periodicals	450	109
Calibration Charges	19,373	438
Car Hire Charges	323,748	4,069
Computer Accessories	12,460	-
Computer Maintenance Expenses	40,318	2,392
Directors Remuneration	7,150,000	6,305,315
Donation & Subscription	115,424	4,498
Electricity Charges & Repairs	149,837	4,574
Excise Expenses	1,120	1,545
Excise Renewal Fees (Bond & Trade)	75,000	-
Filing Fees	48,650	6,858
Fire License Fee Others Expenses	2,550	332
Fire Refilling Expenses	44,366	1,113
First Aid & Medical Expenses	38,239	216
FOC	92,541	923
General Expenses	1,713,699	-
Generator Maintenance	8,365	1,078
Income Tax	150,000	-
Inspection Charges	-	850
Insurance Charges	216,798	16,635
Interest Paid	9,315	-
Interior Decoration	37,500	3,903
Internet Expenses	120,572	-
Land Registration Expenses	-	1,879
Legal Expenses	1,987,452	1,251,662
License Fees	1,744,077	18,641
Loan Re-Payment Fees For Car Loan	-	952
Miscellaneous Expenses	155,403	1,632
Night Holding Charges	27,301	847
Office Maintenance	37,249	3,641
Old Price Adjustment	-	96
Organisational Expenses	7,883,076	4,498,163
Pollution NOC Expenses	5,250	-



**NOTES** forming Part of the Audited Consolidate Financial Statements (Contd.)

(In Rupees)

PARTICULARS	For the year ended 31.03.2015	For the year ended 31.03.2014
Postage & Telegraph	1,645,991	1,518,959
Printing & Stationery	1,649,562	979,589
Profession Tax	11,365	324
Professional & Consultancy Expenses	150,672	2,362
Project Expenses	-	4,822
Puja Expenses	29,839	954
Rent	1,082,200	376,082
Rent Rats & Tax	138,246	1,065
Repair & Maintenance Expenses	755,702	33,880
Sales Tax Return Expenses	397,665	11,935
Security Charges	1,483,049	27,710
Staff Welfare	428,958	13,151
Sundry Balance Written Off	109,568	3,416
Telephone Expenses	430,901	-
Tour Expenses	-	2,518
Transportation Charges	814,104	-
Travelling & Conveyance	5,177,406	3,593,385
Vehicle Insurance	125,146	
Vehicle Maintenance	31,302	2,873
Vehicle Running Expenses	1,871,266	4,325
Weightment Expense	256,347	231
	<b>39,097,289</b>	<b>18,754,619</b>
<b>NOTE # 25</b>		
<b>Selling and Distribution Expenses</b>		
Business Promotion/Advertisement	46,142,071	55,025,123
Carriage Outwards	10,576,205	9,375,515
Discount & Rebate	2,362,956	1,563,782
Godown Expenses	3,745,703	3,269,072
Godown Rent	600,000	600,000
Rebate On Sales	24,592,283	18,814,001
Freight	-	1,200
Sales Man Commission	270,755	14,569
Breakage Replacement A/C	261,805	24,504
Incidental Charge Refund A/C	128,075	5,681
Loading & Unloading Charges	762,785	39,617
Incentive	-	16,434
	<b>88,749,498</b>	<b>88,360,218</b>





## NOTES forming Part of the Audited Consolidate Financial Statements (Contd.)

(In Rupees)

PARTICULARS	For the year ended 31.03.2015	For the year ended 31.03.2014
<b>NOTE # 26</b>		
<b>Finance Costs</b>		
Finance Expense	70,782,362	16,563,131
	<b>70,782,362</b>	<b>16,563,131</b>

### 27. Basis for calculation of Basic and Diluted Earnings per Share is as under :

	2014-15	2013-14
Profit after Tax as per Profit & Loss Account	166,571,261	100,483,980
Weighted average number of Equity Shares	10,215,000	10,215,000
Basic & Diluted Earnings per share	16.62	10.03
Nominal Value of Shares	10.00	10.00

### 28. Related Party Disclosures

#### a) Name of the related parties where control exists :

<b>Subsidiary Companies</b>	Paul Distributors Private Limited (with effect from 21st March 2014)
	Priya Laboratories Private Limited (with effect from 21st March 2014)
	Yours Laboratories Private Limited (With effect from 03rd July 2014)

#### b) Name of the Other Related Parties :

<b>Key Management Personnel</b>	Mr. Monoranjan Roy (Managing Director)
	Mr. Arup Thakur (Director CFO)
	Mr. Subrata Basu (Director)



**NOTES** forming Part of the Audited Consolidate Financial Statements (Contd.)

(In Rupees)

**c) Aggregate Related Parties Disclosures : (As per AS-18)**

Subsidiary Companies	2014-15	2013-14
<b>Sales</b>		
Paul Distributors Private Limited	-	41,853,614
<b>Purchase/Other Manufacturing Expenses</b>		
Priya Laboraties Private Limited	<b>21,331,000</b>	17,484,000
<b>Investments</b>		
Paul Distributors Private Limited	-	55,000,000
Priya Laboraties Private Limited	-	15,236,250
Yours Laboraties Private Limited	<b>85,000,000</b>	-
<b>Loan &amp; Advances (Unsecured Loan Given / Recovered during the year)</b>		
Paul Distributors Private Limited	<b>25,000,000</b>	80,000,000
Priya Laboraties Private Limited	<b>16,000,000</b>	16,000,000
<b>Loan &amp; Advances (Outstanding)</b>		
Paul Distributors Private Limited	-	25,000,000
Priya Laboraties Private Limited	-	16,000,000
<b>Key Management Personnel</b>		
Remuneration	<b>6,470,000</b>	6,340,000
<b>Unsecured Loan Taken (during the year)</b>		
Monoranjan Roy	<b>300,000,000</b>	300,000,000
<b>Unsecured Loan Taken (Outstanding at the end of the Year)</b>		
Monoranjan Roy	<b>600,000,000</b>	300,000,000
<b>Investments Purchase from</b>		
Monoranjan Roy	-	15,236,250

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **D.N. Misra & Co.**

Chartered Accountants

Firm Registration No. 312021E

Sd/-

**D.N. Misra**

Proprietor

Membership No.:050440

Place : Kolkata

Date : 21.05.2015

For and on behalf of the Board

Sd/-

**Monoranjan Roy**

Managing Director

DIN No. 02275811

Sd/-

**Arup Thakur**

Director & CFO

DIN No. 03476120

Sd/-

**Aditya Karwa**

Company Secretary





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