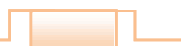




PINCON SPIRIT LIMITED
36th Annual Report



Dear Shareholders,

It gives me great pleasure in welcoming you all to the 36th Annual General Meeting of your Company. The Financial Year 2013-14 is once again full of positive achievements for your Company. I am honoured to present before you the same at this meeting.

Review of Performance

PSL has introduced a new line of business activity in Fast Moving Consumer Goods (FMCG) segment comprising of edible oil of different types under the brand name of **PINCON** and **King's Coin**, which received an overwhelming market response.

Sales has been at Rs. 382.56 Cr (PY Rs. 320.09 Cr), indicating an increase of 19.52% over the previous year.

EBITDA increased by 26.53% to Rs. 18.87 Cr (PY Rs. 14.91 Cr).

PSL has made substantial investment of Rs. 5.48 Cr in Fixed Assets, out of which Rs. 4.95 Cr has been in Building, which is also a comfortable debt protection of the Company.

PSL has expanded its activity in IMFL & FMCG in the States of Odisha and Karnataka during the last Financial Year. Your Company has put special thrust in significant business expansion in South India and for which Regional Office (South India Operations) has been opened in Bangalore.

PSL has made substantial investment in Equity Shares of Paul Distributors Pvt. Ltd. and Priya Laboratories Pvt. Ltd., which presently stand as subsidiary Companies of PSL.

New Ventures

I am pleased to inform that PSL has streamlined plans for expansion of operations in Delhi and Uttar Pradesh immediately, followed by Andhra Pradesh, Kerala and Tamil Nadu.

Industry Outlook

In IMFL, the demand in India is on a rising trend due to low per capita consumption, rising urbanization, favorable demographics of the Country and change in social outlook towards consumption of liquor.

India's consumption of edible oil has risen to around 17.5 million metric ton (mmt) in 2012-13 from 11.6 mmt in 2003-04, compounded annual growth rate (CAGR) of 4.6% during the period under consideration, according to data available from the Solvent Extractors Association of India (SEA).

Future Outlook

At PSL, our efforts are driven by calculated business expansion programme, with specific weight age in the demographic profile of a particular region. This, coupled with past business experience and analytical approach has till now enabled us in achieving positive results in the past and we expect to have a continuity of the same in future, which we strongly believe shall put your Company in PAN India presence.

Corporate Social Responsibility

Your Company has always taken its CSR obligations very seriously. We at PSL strongly believe that social awareness about financial literacy and discipline is very vital towards building up the economic base of any Country. We have made our modest contribution in this regard by sending representatives from our Company to various local schools and explained the basics of financial planning and savings. We also expended through Belaria Humanity Helpful Welfare Society for distributing computers to some of the underprivileged school students of the locality.

Industrial Relations

I am pleased to state that industrial relations in all the units of your Company have been very cordial during the year under review and on behalf of your Directors; I would like to express appreciation for the cooperation and contribution of the entire work force.

Acknowledgements

On behalf of the Board of Directors and the Management, I would like to place on record your Company's sincere appreciation for the support extended by the Central and State Government and their agencies and other regulatory authorities. I also thank the working capital bankers of your Company, Indian Overseas Bank, Mahalaksmipurm Branch, Bangalore and Punjab National Bank, BRBB Road Branch, Kolkata for their valued patronage. Finally I specially thank all stakeholders of the Company for their continuing support.

I conclude with the strong belief of "*A Team Spirit & a Teeming Quest*".

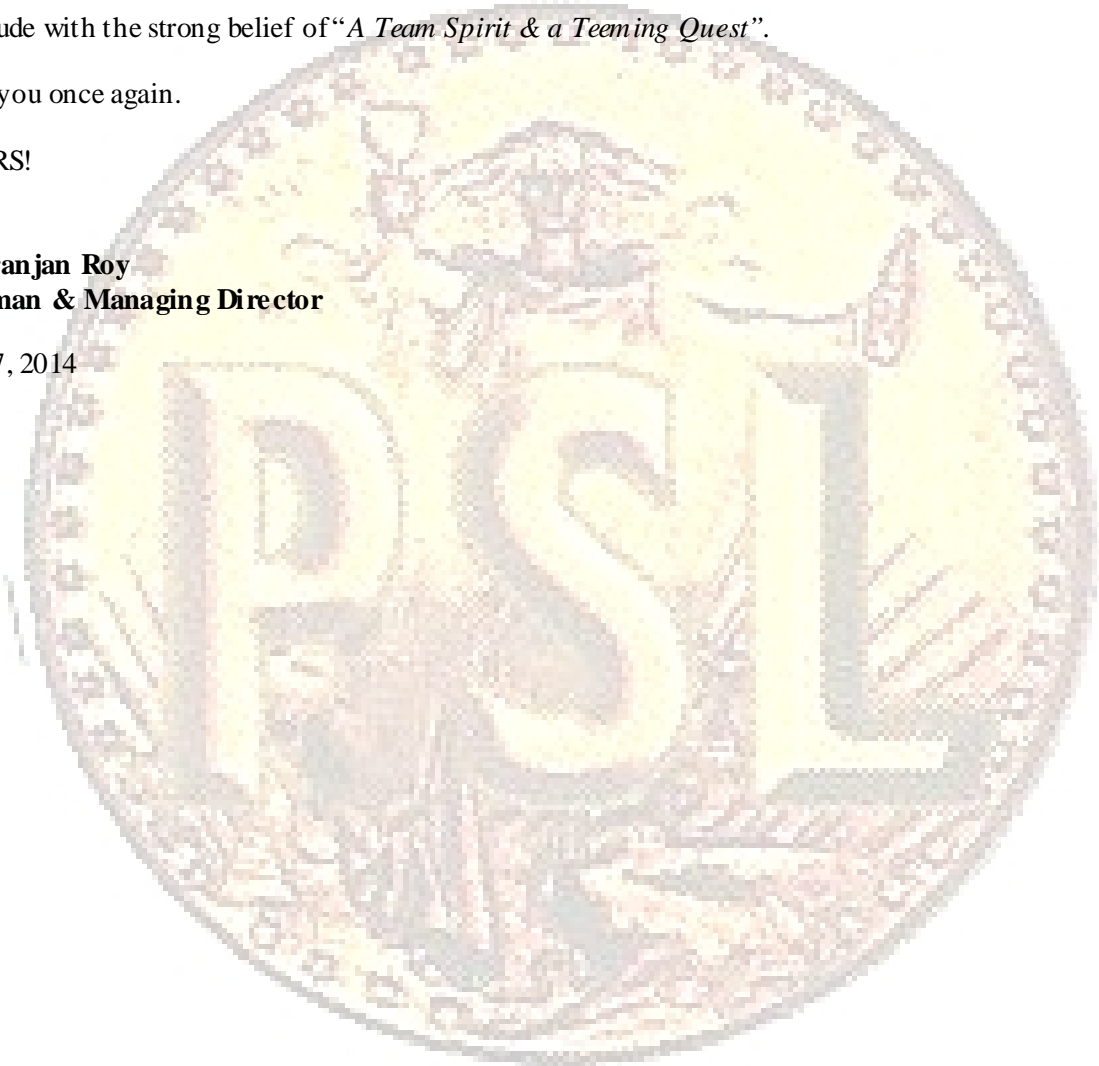
Thank you once again.

CHEERS!

Sd/-

Monoranjan Roy
Chairman & Managing Director

June 17, 2014



BOARD OF DIRECTORS

Mr. Monoranjan Roy

Chairman & Managing Director

Mr. Arup Thakur

Director & CFO

Mr. Subrata Basu

Additional Director

Company Secretary

Mr. A.Karwa

Statutory Auditor

CA. Anupam Sarkar
Chartered Accountant,
1/52, Bijoygarh,
Kolkata – 700 032

Banker

Punjab National Bank, Indian Overseas Bank & Andhra Bank

Registered Office

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

Registrar

Niche Technologies Pvt Ltd
D-511, Bagree Market,
71, B.R.B. Basu Road,
Kolkata – 700 001
West Bengal

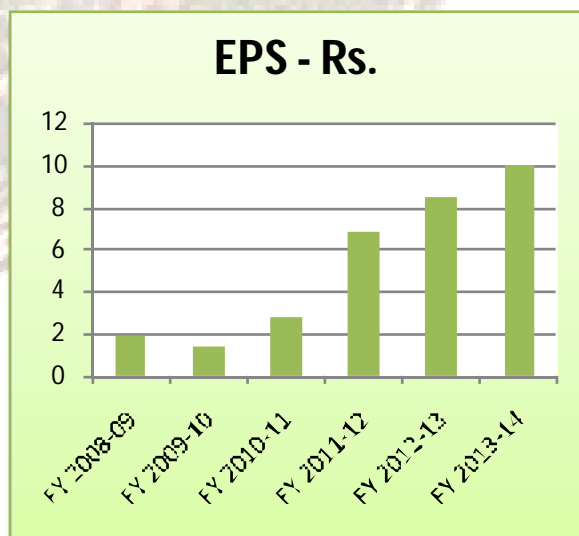
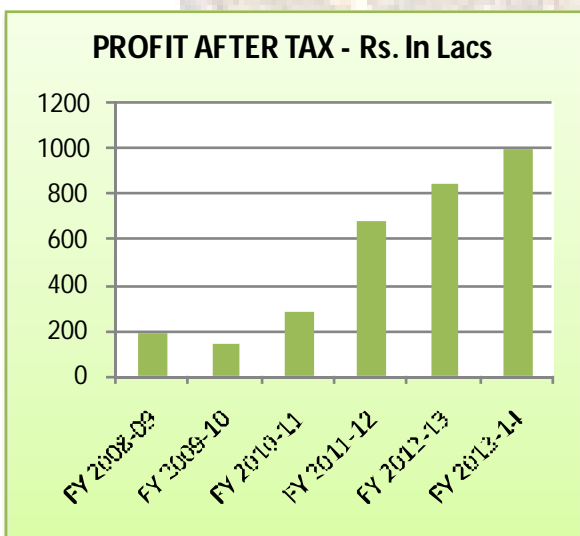
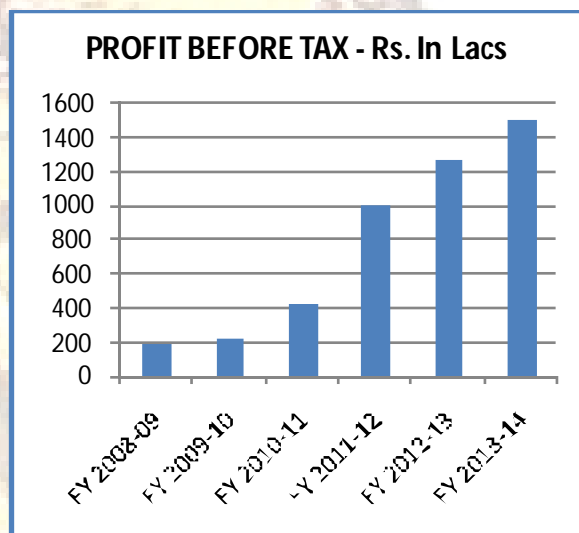
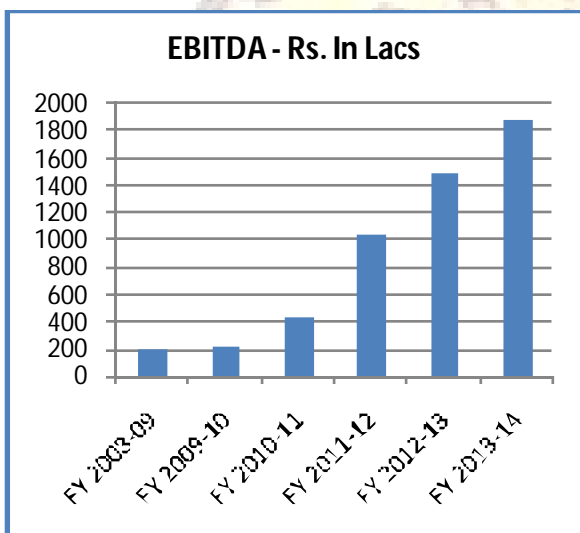
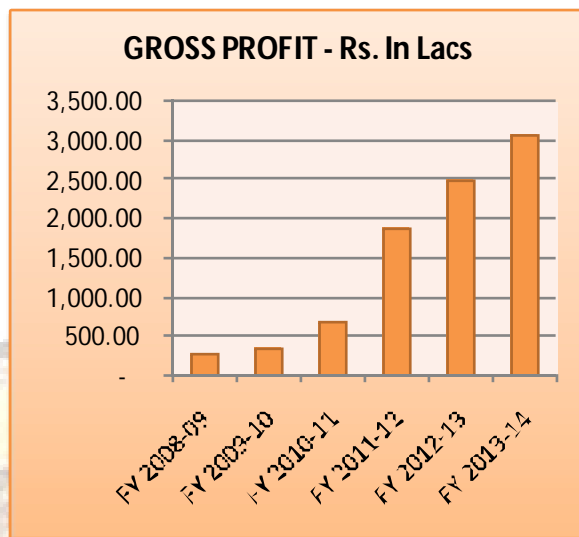
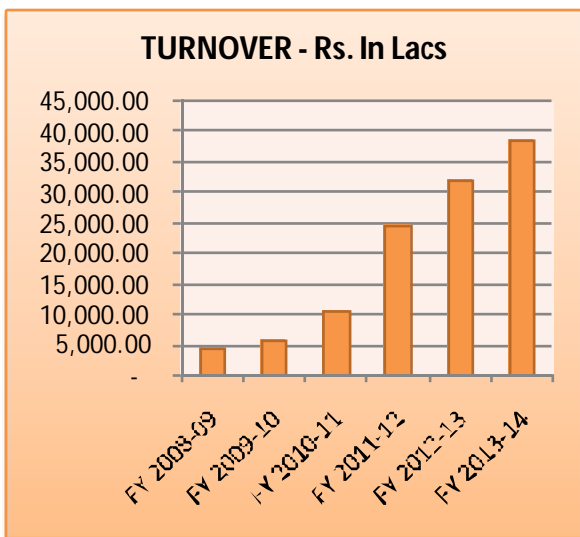
Legal Advisor

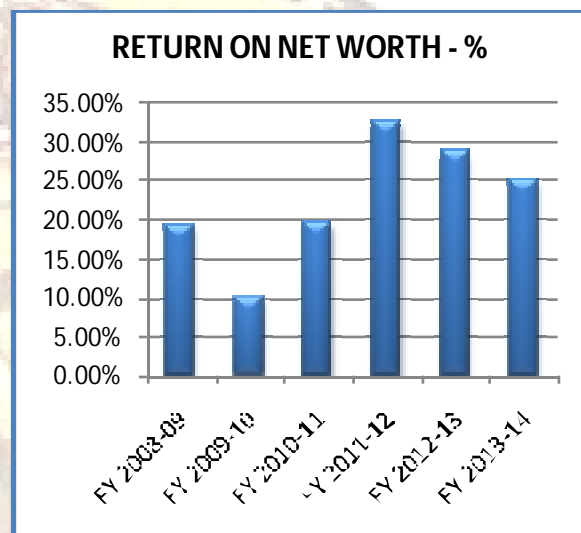
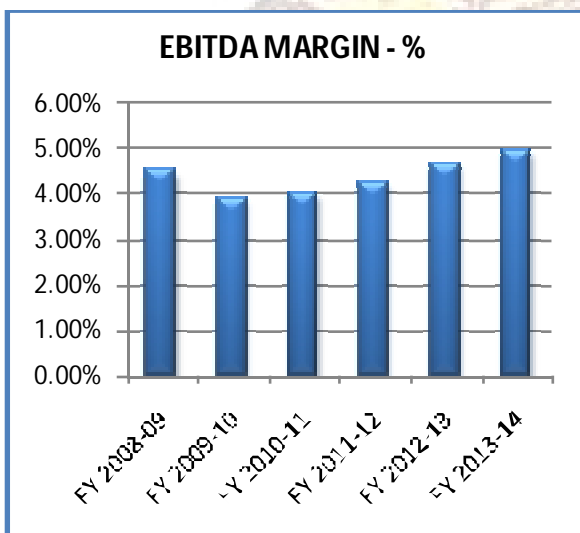
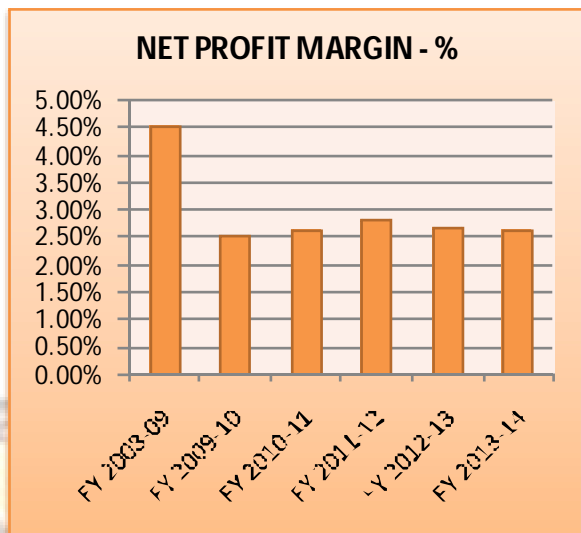
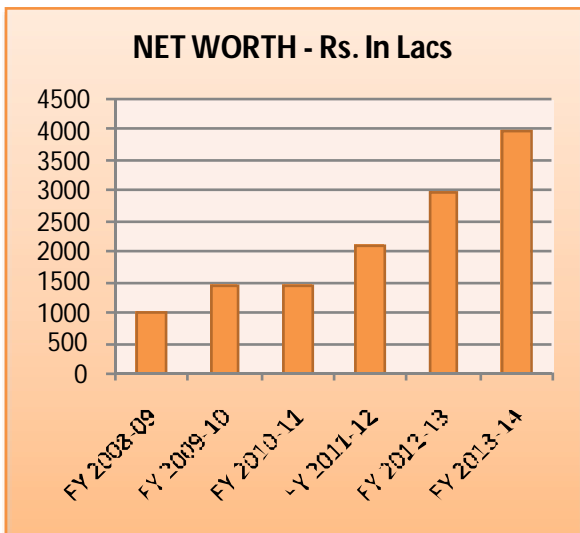
Khaitan & Co
Emerald House,
1B Old Post Office Street,
Old Post Office St, B B D Bagh,
Kolkata - 700001,
West Bengal

OUR BRANDS



KEY FINANCIAL INDICATORS





DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 36th Annual Report and the Company's audited accounts for the financial year ended March 31, 2014.

FINANCIAL RESULTS

PARTICULARS	Rs. In Lacs	
	2013-14	2012-13
Revenue	38,299.71	32,009.46
Profit before Interest, Depreciation, Tax	1,886.88	1,469.00
Depreciation	222.41	116.33
Interest	165.58	103.57
Profit after Interest & Depreciation	1,498.88	1271.10
Provision for Taxation (I. Tax & Differed Tax)	504.09	422.96
Profit after Tax	994.79	848.14
Profit B/F from previous year	1,954.81	1106.67
Balance carried to the Balance Sheet	2,955.96	1954.81
EPS - Basic & Diluted (Rupees)	9.93	8.46

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.38299.71**Lacs, representing a growth of 19.65% over the previous year **Rs.32,009.46** Lacs. Net Profit from operations at **Rs.994.79**Lacs registered a growth of 17.29% over the previous year **Rs. 848.14**Lacs.

FMCG DIVISION

PSL has introduced a new line of business activity in Fast Moving Consumer Goods (FMCG) segment comprising of edible oil of different types under the brand name of **PINCON** and **King's Coin**, which received an overwhelming market response.

OUTLOOK

Apart from normal risk as are applicable to a going concern, the company does not foresee any other areas of concern. The Compliance of norms as required are adhered by the company. The Company's operations have historically shown significant resilience to the normal ups and down of the economic and industry cycles, with demand for most of its products continuing to grow at healthy rate.

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.

SUBSIDIARIES

Company has acquired two as its subsidiary during the financial year 2013-14 i.e., M/s Paul Distributors Private Limited & M/s Priya Laboratories Private Limited, both are in same line of business as company is dealing itself it will be strategic fit for the future growth of the Business mix, The Audited Accounts and Directors' Report of the subsidiary are annexed hereto.

DIVIDEND

Your Directors feel that it is prudent to plough back the profits for future growth of the Company as operation of the company is in burgeoning stage so Board does not recommend any dividend for the year ended 31st March, 2014

DIRECTORS

Mr. Subrata Basu, Additional Director appointed on 16.12.2013 to be appointed as Director in the upcoming 36th AGM of the company

AUDITORS

The existing Auditor CA. Anupam Sarkar, Chartered Accountant retires at the ensuing Annual General Meeting and whose term expires due to applicability of section 139 of Companies Act 2013. Notice has been received from a member proposing the appointment of D.N.Mishra & Co, Chartered Accountant, as Auditors of the Company in place of the retiring Auditors. Members are requested to appoint D.N.Mishra & Co, Chartered Accountant, as Auditors of the Company.

AUDITORS' REPORT

The observations of the auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

LISTING OF EQUITY SHARE

The equity shares of your company continue to remain listed with The Calcutta Stock Exchange Association Limited. The Listing fees for the year 2014-15 have been paid to the Exchange.

DEPOSITORY SYSTEM

The trading in the equity shares of your company under compulsory dematerialization mode. As on 31.03.2014 equity shares representing 47.05% 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.

CORPORATE GOVERNANCE

A report on the Corporate Governance is annexed separately as part of this report along with a certificate of compliance from Company Secretary in Practice. Necessary requirements of obtaining certifications/declarations in terms of Clause 49 have been complied with.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report are annexed and form an integral part of the Annual Report.

FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year.

CREDIT RATING

During the year, CRISIL (S&P subsidiary) upgraded the Company's debt rating to CRISIL BBB/Stable (Upgraded from 'CRISIL BBB-/Stable'), which is now one notches above the previous rating. Strong credit ratings by leading agencies reflect the Company's financial discipline and prudence

During the year ICRA (A Moody associate) has assigned a rating of [ICRA] BBB (pronounced ICRA triple B)

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

PARTICULARS OF EMPLOYEES

There is no employee in the Company whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

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

The particulars as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review. Further during the year under review, the Company has neither earned nor used any foreign exchange.

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.

Belaria Humanity Welfare Society

The Company through 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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Board of Directors of the Company confirms that-

1. In preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
3. The Directors had 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.
4. The Directors had prepared the Annual Accounts on a going concern basis.

DISCLOSURES UNDER SECTION 217(1) (D) OF THE COMPANIES ACT, 1956

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

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

Place: Kolkata,

Date: June 17, 2014

**Sd/-
Monoranjan Roy
Chairman & Managing Director**

ANNEXURE TO DIRECTORS' REPORT

Information under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors Report for the financial year ended March 31, 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

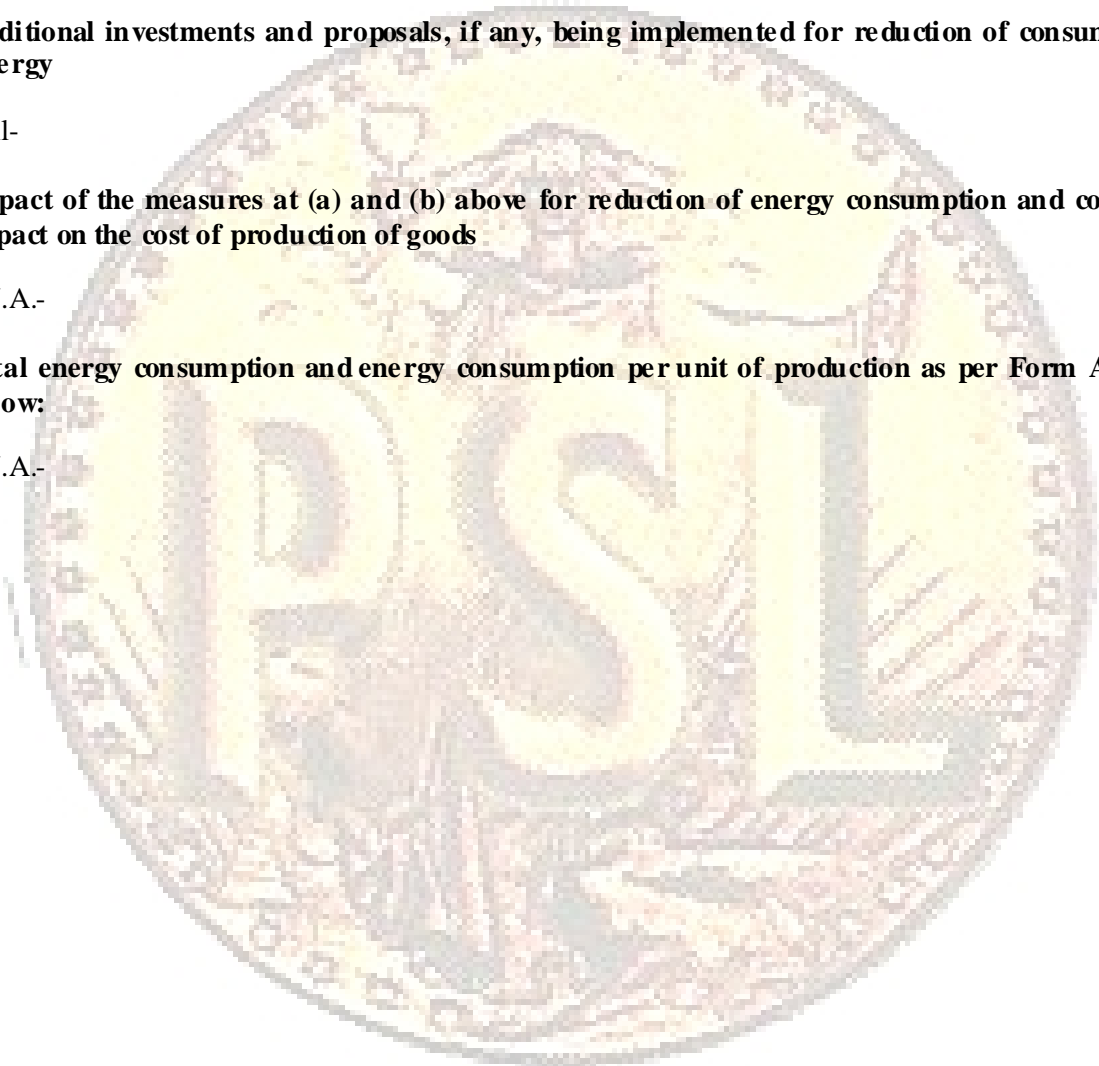
-Nil-

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.-



FORM – B

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, ADOPTION 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 | N.A |
| b) Total foreign exchange used and earned: | (Rs. In Lacs) |
| | April 1, 2012 to
March 31, 2013 |
| | April 1, 2013 to
March 31, 2014 |
| (i) Foreign Exchange earned | N.A |
| (ii) Foreign Exchange Used | N.A |

For and on behalf of the Board of Directors

Place: Kolkata,
Date: June 17, 2014

Sd/-
Monoranjan Roy
Chairman & Managing Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT

FORWARD-LOOKING STATEMENT

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 realised. 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.

A. INDUSTRY STRUCTURE:

The Indian Spirits Industry is the second largest market and accounted for approximately 11% of global volumes for calendar year 2013 according to International Research Agency Euromonitor. During fiscal 2013-14 the Indian branded spirits industry was around 334 million cases, each case equal to 9 Bulk Litres. Despite relatively high growth in the white spirits (vodka, gin & white rum), India continues to be 'brown spirits' territory with Whisky, Brandy & Rum hogging over 95% of the spirits market.

For many years now, the Indian spirits market has been growing in double digits. During fiscal 2013-14, however, this dropped to a low 3.5%. In our opinion, this was due to the continuous enhancement in duties and taxes by State Governments which impact the consumption of discretionary goods like alcoholic beverages. Internationally the world's top 100 brands grew at about the same rate as the Indian market (3.5%). The top 25 brands, taken together, however, grew slightly better at 5.8% but 14 of the top 25 brands either lost ground or grew under 5%.

The much talked about 'demographic window' with a large and growing population of youth coming of legal drinking age will only improve the business prospects for your Company. Of the Indian population of 1.24 billion, over half is under 25 years of age; in comparison the developed countries of the American and European continents and China all have a vastly ageing population. With younger persons joining the work force and with increased exposure, through media and travel, of international trends and lifestyles, the growth of your Company, and indeed of the Indian spirits market, can only accelerate.

It is matters of pride that Pincon Spirit Limited, your Company has achieve quantum jumps in its revenue 2013-14. Growths in the Indian Spirits market have been way above that of other geographies. The Indian Spirits market has grown at a CAGR of 11.50% over the last 5 years while your Company has outperformed the Industry average during the same period.

B. REGULATORY ENVIRONMENT:

The last couple of years have seen some development with respect to the Goods and Services Tax (GST) which is set to replace a whole host of taxes currently levied by Federal and State Governments. Such a dramatic change in the taxation scenario would have helped to remove market distortions, spur economic growth through removal of cascading of taxes, provide for simpler compliance and better administration, as also providing a common national market for Goods and Services in general. However, numerous State Governments, guided by their selfish revenue considerations are proposing to not only keep potable alcohol out of the purview of GST but also specifically legislate as such in the Constitution itself. We believe that path breaking changes such as GST should be 'flawless' – the Constitution must provide for a 'perfect' GST and any 'imperfections' necessitated by pulls and pressures of politics could be introduced via the GST Acts/Rules of the Centre and the States. However, this does not seem to be the way matters stand at present. The Indian alcoholic beverage market is highly regulated by the States in whose purview this item falls as legislated in the Indian Constitution. The multiplicity of States creates a complex tax and licensing environment which limits the ability of new manufacturers and new products to achieve national distribution and gain any competitive advantage.

C. RISKS & CONCERNS, OPPORTUNITIES & THREATS:

Any discussion on India is incomplete without mention of the ‘demographic window’, particularly in the context of an ‘ageing’ population in other parts of the world. The vast numbers of young Indians coming of legal drinking age over the next few years is a tremendous advantage and a huge potential consumer base for your Company. It’s no wonder then that the growth in the Indian alcoholic beverage space far exceeds those of its counterparts in other countries. It is our belief that this ‘young’ India will continue to provide sustained growth opportunities for your Company. Today, unlike in the past, Indians are joining the work force earlier and this, together with the dismantling of social barriers

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.

Notwithstanding a steady, albeit slow, process of deregulation, the alcoholic beverages industry continues to be the favorite target of the Governments, both at the Centre and in the States when faced with revenue pressures. Consequently, the industry suffers from the twin impact of over-regulation and excessive taxation. State and local Governments receive, by way of taxes and duties, as much as 55-60% of what the consumer pays as the retail price for the alcoholic industry’s products. The proposed Goods and Services Tax (GST) legislation could have helped reduce the burden of this excessive taxation – unfortunately State Governments seem to be unwilling to bring alcoholic beverages under the ambit of GST for fear of reduced flexibility in their hands. Increasing levels of taxation and imposition of newer and ingenious levies show no sign of abatement in the near future – a factor that impedes profitability despite continuing growth in consumer demand.

D. SEGMENT WISE OR PRODUCT – WISE PERFORMANCE:

IMFL market growing at rapid pace: IMFL has grown at the rate of 13-14% in last decade. In last two years; the industry has grown at 14% and current growth momentum is expected to continue. 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 beer are also growing at rapid pace.

Segments	Growth	IMFL Market Breakup
Whisky	8.0%	60%
Brandy	4.0%	18%
Rum	1.0%	17%
White Spirits	45.0%	5%

High Entry Barriers: Entry barriers are extremely high for new players as no advertisement is allowed. Thus with growing demand; existing brands have the opportunity to garner greater market share due to their distribution strengths. Also the consumers are highly addictive in terms of their brand preferences; hence any increase in prices does not drive down demand.

E. 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.

F. 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 Auditors 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 auditors. 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.

G. HUMAN RESOUCUE:

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.

H. FORWARD LOOKING STATEMENTS:

This Report contains forward-looking statements that involve risks and uncertainties. Your Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

For and on behalf of the Board of Directors

**Place: Kolkata,
Date: June 17, 2014**

**Sd/-
Monoranjan Roy
Chairman & Managing Director**



REPORT ON CORPORATE GOVERNANCE

1. COMPANY 'S PHILOSOPHY ON CORPORATE GOVERNANCE

PINCON SPIRIT LIMITED ("PSL"/THE "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, 2014 the Board of Directors ("Board") comprises of Three Directors of which none 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	Chairman cum Managing Director	Executive Director
Mr. Arup Thakur	Director	Director & CFO
Mr. Subrata Basu ¹	Additional Director	Additional Director
Mr. JBS Negi ²	Non Executive Director	Independent Director
Mrs. Mousumi Roy ³	Director	Non-Executive Director
Mr. Raj Kumar Roy ⁴	Director	Executive Director
Mr. Swapan Kumar Sircar ⁵	Non Executive Director	Independent Director
Mr. Hari Singh ⁶	Non Executive Director	Independent Director
Mr. Mrinmoy Kashyapi ⁷	Non Executive Director	Independent Director

Notes:

1. Mr. Subrata Basu , Appointed on 16.12.2013
2. Mr. JBS Negi Resigned from on 30.10.2013
3. Mrs. Mousumi Roy , Resigned from on 30.10.2013
4. Mr. Raj Kumar Roy , Resigned from on 30.10.2013
5. Mr. Swapan Kumar Sircar, Resigned from on 06.03.2014
6. Mr. Hari Singh, Resigned from on 06.03.2014
7. Mrinmoy Kashyapi, Resigned from on 06.03.2014

Board Meeting:

During the year ended March 31, 2014, 15(Fifteen) 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.

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, 2014 and at the last Annual General Meeting (AGM) are given below:

Name of the Director	Number of Board Meetings		Attendance at AGM Held on June 04, 2013
	Held	Attended	
Mr. Monoranjan Roy	15	15	Yes
Mr. Arup Thakur	15	15	Yes
Mr. Subrata Basu ¹	6	6	-
Mr. JBS Negi ²	7	-	-
Mrs. Mousumi Roy ³	13	13	Yes
Mr. Raj Kumar Roy ⁴	14	14	Yes
Mr. Swapan Kumar Sircar ⁵	14	14	Yes
Mr. Hari Singh ⁶	14	11	Yes
Mr. Mrinmoy Kashyapi ⁷	14	14	Yes

Notes:

1. Mr. Subrata Basu , Appointed on 16.12.2013
2. Mr. JBS Negi Resigned from on 30.10.2013
3. Mrs. Mousumi Roy , Resigned from on 23.02.2014
4. Mr. Raj Kumar Roy , Resigned from on 06.03.2014
5. Mr. Swapan Kumar Sircar, Resigned from on 06.03.2014
6. Mr. Hari Singh, Resigned from on 06.03.2014
7. Mrinmoy Kashyapi, Resigned from on 06.03.2014

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 aged about 39 years is a successful industrialist having business experience of over 12 years. He is Masters in Economics & Masters in Business Management. 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 Group headed by Mr. Roy, is a multi crore business conglomerate, having business forays in to Indian Made Foreign Liquor, FMCG, Real Estates& Civil Infrastructure. He is a person of multi crore worth. Shri Roy has been conferred upon with “Entrepreneur of the Year” award by Institute of Economic Studies.

MR. ARUP THAKUR

Shri Arup Thakur, aged about 49 years, is a Chartered Accountant by profession, with experience of more than 20years 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 PINCON Group 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 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.

3. BOARD COMMITTEES:

The Company currently has the following committees of the Board:

- [A] Audit Committee
- [B] Shareholders'/Investors' Grievance Committee
- [C] Remuneration Committee And
- [D] 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(II) [c] and [d] of the Listing Agreement and Section 292A of the Companies Act, 1956. The terms of reference of this Committee are wide enough covering the matters specified for Audit Committees under the Listing Agreement. The Committee acts as a link between the Management, the Statutory and the Internal Auditors on one side and the Board of Directors of the Company on the other side and oversees the financial reporting process.

Chairman, Pincon Spirit Limited, and the Internal Auditors are permanent invitees of the Audit Committee. The Statutory Auditors are also invited to attend the meetings.

Composition

The composition and attendance of Members at the Meetings of the Audit Committee held during 2013-14 are as follows:

Name of the Director	Designations	No. of Meeting Held	
		Held	Attended
Mr. Swapan Kumar Sircar ¹	Chairman	4	4
Mr. Hari Singh ²	Member	4	3
Mr. Raj Kumar Roy ³	Member	4	4

Notes

1. Mr. Swapan Kumar Sircar, Resigned from on 06.03.2014
2. Mr. Hari Singh, Resigned from on 06.03.2014
3. Mr. Raj Kumar Roy, Resigned from on 06.03.2014

[B] SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE:

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 viz., Niche Technologies Private Limited, Kolkata, have adequate infrastructure to process the above mentioned activities.

Number of Shareholders complaints received so far.

- During the year ended March 31, 2014, the Company hasn't received any complaints of shareholders.

Composition

The composition and attendance of Members at the Meetings of the Shareholders'/ Investors' Grievance Committee held during 2013-14 is as follows:

Name of the Director	Designations	No. of Meeting Held	
		Held	Attended
Mr. Swapan Kumar Sircar ¹	Chairman	4	4
Mr. Hari Singh ²	Member	4	3
Mr. Raj Kumar Roy ³	Member	4	4

Notes

1. Mr. Swapan Kumar Sircar, Resigned from on 06.03.2014
2. Mr. Hari Singh, Resigned from on 06.03.2014
3. Mr. Raj Kumar Roy, Resigned from on 06.03.2014

[C] REMUNERATION / COMPENSATION COMMITTEE

The Remuneration / Compensation 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 2013-14

Composition

The composition and attendance of Members at the Meetings of the Remuneration / Compensation Committee held during 2013-14 is as follows:

Name of the Director	Designations	No. of Meeting Held	
		Held	Attended
Mr. Swapan Kumar Sircar ¹	Chairman	4	4
Mr. Hari Singh ²	Member	4	3
Mr. Raj Kumar Roy ³	Member	4	4

Notes

1. Mr. Swapan Kumar Sircar, Resigned from on 06.03.2014
2. Mr. Hari Singh, Resigned from on 06.03.2014
3. Mr. Raj Kumar Roy, Resigned from on 06.03.2014

Remuneration to Executive Director

Details of Directors Salary are given below:

Name	Salary Paid
Mr. Monoranjan Roy	Rs. 3,000,000.00
Mr. Arup Thakur	Rs. 1,200,000.00
Mrs. Mousumi Roy ¹	Rs. 550,000.00
Mr. Raj Kumar Roy ²	Rs. 600,000.00
Mr. Subrata Basu ³	Rs. 150,000.00
Total	Rs. 5,500,000.00

Notes

1. Mrs. Mousumi Roy, Resigned from on 23.02.2014
2. Mr. Raj Kumar Roy, Resigned from on 06.03.2014
3. Mr. Subrata Basu, Appointed on 16.12.2013

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 2013-14 are as follows:

Name	Sitting Fees Paid
Mr. JBS Negi ¹	--
Mr. Swapan Kumar Sircar ²	Rs.280,000.00
Mr. Hari Singh ³	Rs.220,000.00
Mr. Mrinmoy Kashyapi ⁴	Rs.280,000.00
Total	Rs.780,000.00

Notes:

1. Mr. JBS Negi Resigned from on 30.10.2013
2. Mr. Swapan Kumar Sircar, Resigned from on 06.03.2014
3. Mr. Hari Singh, Resigned from on 06.03.2014
4. Mrinmoy Kashyapi, Resigned from on 06.03.2014

[D] 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 no occasion for the General Committee to meet during the year 2013-14

4. GENERAL BODY MEETING

The details of date, location and time of the last 4 years Annual General Meetings held on as under:

Financial year Ended March, 31	Date	Time	Venue
2009-10	September 30,2010	11.00 AM	4, Fairle Place 6 th Floor, Room No: 610 Kolkata – 700 001
2010-11	September 30, 2011	11.00 AM	P-223, C.I.T. Road, Scheme VI M, Kolkata – 700 054
2011-12	June 08, 2012	11.00 AM	P-223, C.I.T. Road, Scheme VI M,

			Kolkata – 700 054
2012-13	June 04, 2013	11.00 AM	7, Red Cross Place, “Wellesley House” 3rd Floor, Kolkata – 700 001

5. DISCLOSURES:

a) Related party transactions:

During the year ended March 31, 2014, 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) Board Disclosures - Risk Management

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:

- Governance of Risk
- Identification of Risk
- Assessment and control of 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 Management Discussion and Analysis annexed to the Directors' Report.

d) 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.

e) 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.

f) Proceeds from public issues, rights issues, preferential issues etc.

During the year ended March 31, 2014, 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 & Sanmarg

b) News releases, presentations etc.

Official Releases along with Quarterly Results are displayed on the Company's website: www.pinconspirit.in

During the year ended March 31, 2014 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) Annual General Meeting : 36th Annual General Meeting
 : September 29, 2014
 : 7, Red Cross Place, “Wellesley House”
 3rd Floor
 Kolkata – 700 001

b) Financial Calendar : April 1, 2014 to March 31, 2015.

Tentative Schedule for considering Financial Results

For the Quarter ending June 30, 2013 : July / August, 2014
 For the Quarter ending September 30, 2013 : October /November, 2014
 For the Quarter ending December 31, 2013 : January / February, 2015
 For the Quarter/Year ending March 31, 2014 : April/May, 2015

c) Date of Book Closure : September 25, 2014 to September 29, 2014
 (Both days inclusive)

d) Dividend Payment Date : No Dividend being declared this year

e) 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

The Listing Fee for the year 2014-15 has been paid to the above Stock Exchange.

f) Market Price Data

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, 2013 to March 31, 2014

g) Registrar & Share Transfer Agents:

For Shares held in both Physical and Demat mode

Niche Technologies Pvt. Ltd.

D-511, Bagree Market,

71, B.R.B. Basu Road,

Kolkata 700 001

Phones : 2235-7270/ 7271. 2234-3576

Fax : 2215-6823

Email : nichetechpl@nichetechpl.com

URL : www.nichetechpl.com

h) 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.

i) 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, 2014

Sl. No.	Particulars	No. of Shares	%
1.	Demat Mode	4715300	47.05
2.	Physical Mode	5306200	53.89
	Grand Total	10021500	100.00

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.

j) 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.

k) Plant Location

The Company has no plants. Company own Brands are produce from by contract manufacturer.

l) 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

Regd. & Corp. Off:
7, Red Cross Place, "Wellesley House"
3rd Floor, Kolkata – 700 001
Phone No. 033 – 2231-9135.
Fax No. 033 – 4008-0690

E-mail: pinconspirit@gmail.com , pinconspirit@pincongroup.com

Website: www.pinconspirit.in

For and on behalf of the Board of Directors

**Place : Kolkata,
Date : June 17, 2014**

**Sd/-
Monoranjan Roy
Chairman & Managing Director**

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 2013-14.

**Place: Kolkata,
Date: June 17, 2014**

**Sd/-
Monoranjan Roy
Chairman & Managing Director**

CEO /CFO Certificate under Clause 49 (V)

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, 2014 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 violate 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.
4. We have not come across any reportable deficiencies in the design or operation of such internal controls.
5. We have indicated to the Auditors 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: June 17, 2014**

**Sd/-
Arup Thakur
Director & CFO**

**Sd/-
Monoranjan Roy
Chairman & Managing Director**

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
PINCON SPIRIT LIMITED

I have examined the compliance of conditions of Corporate Governance by Pincon Spirit Limited for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In my opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, save and except the condition relating to number of independent Directors on the Board which stands complied as on the date of this report.

I state that in respect of investor grievances received during the year ended on March 31, 2014, no grievances are pending against the Company as per records maintained by the Company and presented to the Shareholders'/Investors' Grievance Committee.

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

Place: Kolkata
Date: June 17, 2014

Sd/-
CA. Anupam Sarkar
Chartered Accountant
Membership No.: 050083

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of **M/s. Pincon Spirit Limited** (the Company), which comprise the Balance Sheet as at 31 March 2014, & the Statement of Profit and Loss and for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these 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 Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid 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:

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- ii. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

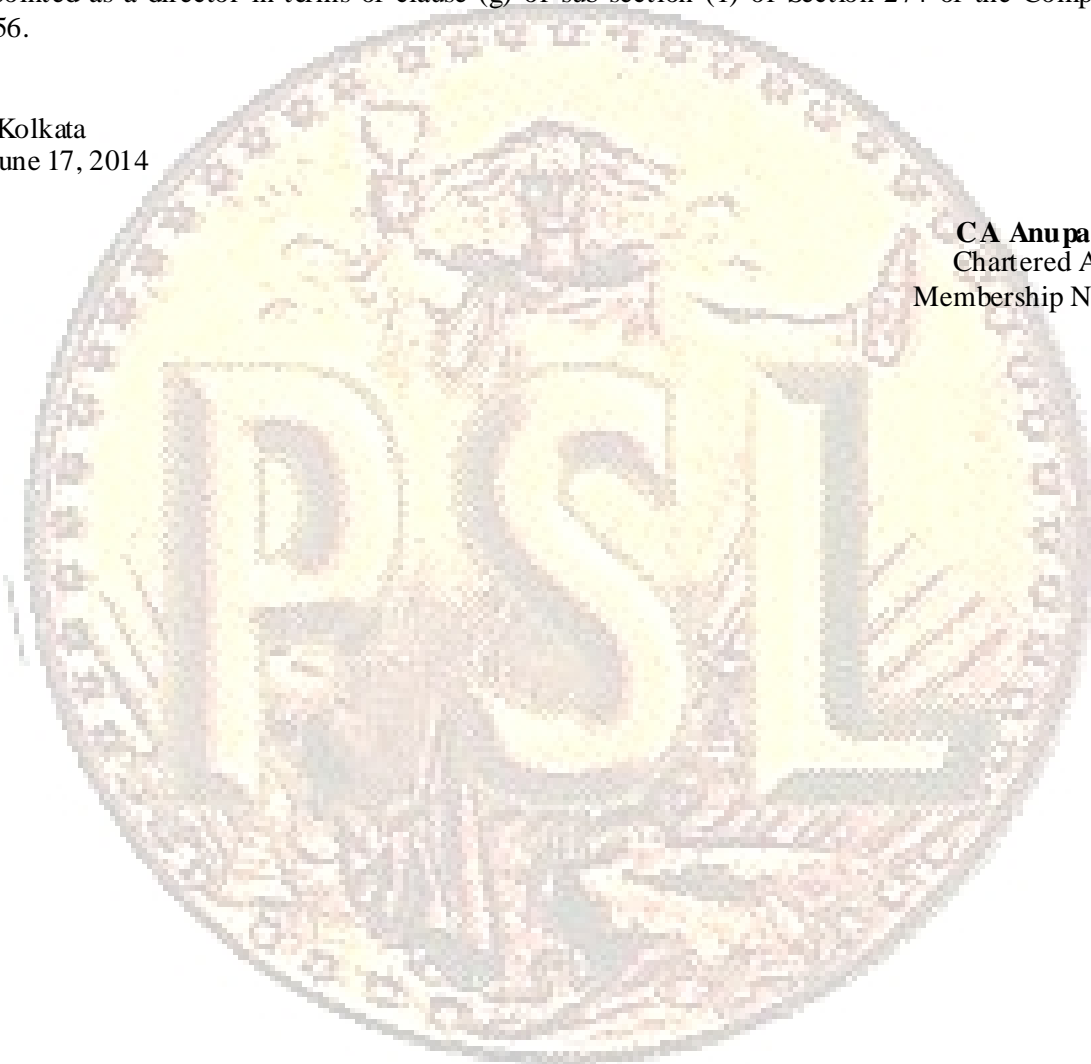
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, I report that:
- a) I have obtained all the information and explanations which to the best of my knowledge and belief was necessary for the purpose of my audit;
 - b) In my opinion, proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In my opinion, the Balance Sheet & Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
 - e) On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Place: Kolkata
Date: June 17, 2014

Sd/-
CA Anupam Sarkar
Chartered Accountant
Membership No: 050083



The Annexure referred to in paragraph 1 of the My Report of even date to the members of M/s. Pincon Spirit Limited, on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as I considered appropriate and according to the information and explanation given to me during the course of my audit, I report that:

1. In respect of its fixed assets
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b) As explained to me, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - c) In my opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. In respect of Inventories
 - a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - b) In my opinion and according to the information and explanations given to me, 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 my opinion and on the basis of my examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a) The Company has given loans to two subsidiaries. In respect of the said loans, the maximum amount outstanding at any time during the year was Rs. 41,000,000.00 and the year-end balance is Rs. 41,000,000
 - b) In my opinion and according to the information and explanations given to me, the rate of interest and other terms and conditions of the loans given by the Company, are not prima facie prejudicial to the interest of the Company.
 - c) The principal amounts are repayable after period of three years, at the demand of the Company.
 - d) In respect of the said loans and interest thereon, there are no overdue amounts.
 - e) According to the information and explanations given to me and on the basis of my examination of the books of account, the Company has taken loans from its Director, listed in the register maintained under Section 301 of the Companies Act, 1956.
 - f) In my opinion and according to the information and explanations given to me, the rate of interest and other terms and conditions of the loans taken by the Company, are not prima facie prejudicial to the interest of the Company.
 - g) The principal amounts are repayable on demand made by the borrower at any time after the completion of two year from disbursement of loan.
4. In my opinion and according to the information and explanations given to me, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of my audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a) In my opinion and according to the information and explanations given to me, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b) In my opinion and according to the information and explanations given to me, the transactions made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the

Companies Act, 1956 and exceeding the value of Rs. 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.

6. According to the information and explanations given to me, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records is not required by the company as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. In respect of Statutory dues
 - a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Taxes, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to me there was no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to me, there is no material amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by my audit and in the immediately preceding financial year.
11. Based on my audit procedures and on the information and explanations given by the management, I am of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to me, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to me, the Company is not trading in Shares, Mutual funds & other Investments.
15. According to the information and explanations given to me, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on the information given by the management, I report that the company has raised Rs. 300,000,000.00 unsecured loans from its Director in such terms and condition which in my opinion is not detrimental to the interest of the Company and its stake holders.
17. Based on the information and explanations given to me and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, I report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956

19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. According to the information and explanations given to me, no material fraud on or by the Company has been noticed or reported during the course of my Audit.

Place: Kolkata
Date: June 17, 2014

Sd/-
CA Anupam Sarkar
Chartered Accountant
Membership No: 050083



**PINCON SPIRIT LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2014**

(In Rupees)

PARTICULARS	Note No.	As at 31.03.2014	As at 31.03.2013
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	100,215,000	100,215,000
Reserves and Surplus	3	295,595,710	196,117,151
Non-Current Liabilities			
Long Term Borrowings	4	304,401,367	-
Deferred Tax Liabilities (Net)	5	-	-
Current Liabilities			
Short-Term Borrowings	6	320,706,570	80,063,172
Trade Payables	7	8,490,956	8,783,451
Other Current Liabilities	8	5,073,412	1,652,189
Short-Term Provisions	9	125,246,920	88,400,000
TOTAL		1,159,729,934	475,230,963
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	199,562,214	167,038,324
Non-Current Investments	11	70,236,250	-
Long-Term Loans and Advances	12	24,308,964	20,000,000
Deferred Tax Assets (Net)	13	555,005	17,482
Current Assets			
Inventories	14	213,557,770	90,020,078
Trade Receivables	15	254,976,547	75,364,546
Cash and Cash Equivalents	16	3,858,754	8,063,533
Other Current Assets	17	392,674,430	114,727,000
TOTAL		1,159,729,934	475,230,963
Notes to Accounts	1		

The above notes from an integral part of Financial Statement

As per my Report of even date

For and on behalf of the Board

Sd/-
CA Anupam Sarkar
Chartered Accountants
Membership No.: 050083

Sd/-
Monoranjan Roy
Chairman & Managing Director

Sd/-
Arup Thakur
Director & CFO

Place: Kolkata
Date: June 17, 2014

Sd/-
A.Karwa
Company Secretary

PINCON SPIRIT LIMITED				
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014				
(In Rupees)				
PARTICULARS	Note No.	Year Ended 31.03.2014		Year Ended 31.03.2013
Income				
Revenue from Operations	18	3,825,662,100		3,200,945,677
Other Incomes		4,308,964		-
Total Revenue (I +II)		3,829,971,064		3,200,945,677
Expenses:				
Cost of Materials Consumed	19	968,345,486		857,885,557
Purchase of Traded Goods	20	2,588,704,186		2,045,467,952
Change In Inventories	21	(84,165,274)		4,495,473
Other Manufacturing Expenses	22	52,779,750		45,068,414
Employee Benefit Expenses	23	8,936,110		3,260,500
Administrative & General Expenses	24	18,322,787		8,354,107
Selling & Distribution Expenses	25	88,360,218		87,282,915
Finance Costs	26	16,558,488		10,387,454
Depreciation and Amortization Expense	10	22,241,358		11,633,174
Total Expenses		3,680,083,109		3,073,835,546
Profit before Tax (III - V)		149,887,956		127,110,131
Tax Expense:				
(1) Current tax		50,946,920		42,300,000
(2) Deferred Tax Liability/(Assets)		(537,523)		(3,669)
Profit/ (Loss) for the Period (VI-VII)		99,478,559		84,813,800
Earnings per equity share of face value of Rs.10 each				
(1) Basic		9.93		8.46
(2) Diluted		9.93		8.46
Notes to Accounts		1		
The above notes from an integral part of Financial Statement				
As per my Report of even date		For and on behalf of the Board		
Sd/-		Sd/-		Sd/-
CA Anupam Sarkar		Monoranjan Roy		Arup Thakur
Chartered Accountants		Chairman & Managing Director		Director & CFO
Membership No.: 050083				
Place: Kolkata				Sd/-
Date: June 17, 2014				A.Karwa
				Company Secretary

**PINCON SPIRIT LIMITED
CASH FLOW STATEMENT FOR THE YEAR 2013-14**

(In Rupees)

PARTICULARS	Amount 2013-14 Rs.	Amount 2012-13 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	149,887,956	127,110,131
Adjustments for:		
Depreciation	22,241,358	11,633,174
Interest Paid	16,558,488	10,387,454
Operating Profit before Working capital changes	188,687,802	149,130,759
Adjustments for:		
(Increase) / Decrease in Inventories	(123,537,692)	(21,702,116)
(Increase)/ Decrease in Account Receivable	(179,612,001)	(7,077,192)
(Increase)/ Decrease in Loans & Advances	(277,947,430)	32,292,547
Increase/ (Decrease) in Account Payables	39,975,648	44,660,640
Cash Generated from Operations	(352,433,674)	197,304,638
Tax Paid	(50,946,920)	(42,300,000)
Net Cash from Operating Activities	(403,380,594)	155,004,638
B CASH FLOW FROM INVESTING ACTIVITIES:		
Fixed Assets (including C.W.I.P.)	(54,765,248)	(163,124,34)
Fixed Deposit	(4,308,964)	5,000,000
Investment in Subsidiary	(70,236,250)	-
Net Cash from Investing Activities	(129,310,462)	(158,124,342)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds of Unsecured Loans	304,401,367	
Proceeds of Secured Loans	240,643,398	16,417,636
Interest Paid	(16,558,488)	(10,387,454)
Net Cash from Financing Activities	528,486,277	6,030,182
Net Increase/(Decrease) in Cash and Cash equivalents	(4,204,779)	2,910,478
Cash and Cash equivalents as at 1st April (Opening Balance)	8,063,533	5,153,055
Cash and Cash equivalents as at 31st March (Closing Balance)	3,858,754	8,063,533

As per my Report of even date

For and on behalf of the Board

Sd/-
CA Anupam Sarkar
Chartered Accountants
Membership No.: 050083

Sd/-
Monoranjan Roy
Chairman & Managing Director

Sd/-
Arup Thakur
Director & CFO

Place: Kolkata
Date: June 17, 2014

Sd/-
A.Karwa
Company Secretary

NOTE # 1

I. CORPORATE INFORMATION

Pincon Spirit Limited (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 Calcutta Stock Exchange Limited in India. The company is engaged in carrying on the Business of Bottling & Selling of Indian Made Foreign Liquor & FMCG the Company caters to domestic markets only.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis for preparation of Accounts:

The Financial Statements are prepared on the basis of historical cost convention, adopting mercantile system of accounting and recognizing income and expenditure on accrual basis unless there are any specified remarks otherwise against any item. These financial statements have been prepared to comply in all material aspects with the accounting standards issued by Institute of Chartered Accountant of India and relevant provisions of the Companies Act, 1956.

B. Fixed Assets

- i. Fixed assets are stated at their original cost of acquisition and subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets concerned, except amounts adjusted on revaluation and amalgamation. Interest on borrowings attributable to qualifying assets are capitalised and included in the cost of fixed assets as appropriate.
- ii. The costs of Fixed Assets acquired in amalgamations are determined at their fair values, on the date of acquisition or nearer thereto, or as approved under the schemes of amalgamation.
- iii. Assets held for disposal are stated at their net book value or estimated net realisable value, whichever is lower.
- iv. Intangible assets are stated at the consideration paid for acquisition less accumulated amortization and impairment losses if any.

C. Depreciation :

Depreciation on fixed assets has been provided on written down value at the rates specified in Schedule XIV of the Companies Act, 1956, as amended vide Notification GSR 756(E) dated 16th December, 1993, maximum upto 95% of the original cost of the asset.

D. Impairment

Impairment loss, if any, is provided to the extent the carrying amounts of assets exceed their recoverable amount.

Recoverable amount is higher of the net selling price of an asset and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

E. Inventories

Inventories are valued at lower of cost and net realisable value. The costs are, in general, ascertained under Weighted Average Method. Excise/ Customs duty payable on stocks in bond is added to the cost. Due allowance is made for obsolete and slow moving items.

F. 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.

G. Revenue Recognition

Sales are recognised when goods are dispatched from distilleries/ warehouses of the Company in accordance with the terms of sale except where such terms provide otherwise, where sales are recognised based on such terms. Gross Sales are inclusive of excise duty but are net of trade discounts and sales tax, where applicable.

H. Investments :

Investments are stated at cost and are long term in nature.

I. Particulars of Employees

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

J. Conservation of Energy & Technology absorption

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

K. 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 31.03.2014 is not ascertainable.

L. 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.

M. 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.

N. 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.

O. 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

P. Share issue expenses

Share issue expenses incurred are adjusted to the Securities Premium Account as permitted by Section 78(2) of the Companies Act, 1956.

Q. Expenditure

Expenses are net of taxes recoverable, where applicable.

R. General

The Company has a policy of authorizing expenditure based on reasonable checks and balances. The policy is intended to ensure that expenses are authorized on the basis of contractual obligations or accepted business practices having regard to the company's business need and exigencies. In terms of these observations we have not come across any expenses charged to the Revenue Account of the Company, which, in our opinion and according to explanations given to us could be regarded as personal expenses.

Previous Year figures have been re-arranged and are grouped wherever necessary.



PINCON SPIRIT LIMITED				
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014				
In Rupees.				
PARTICULARS	As at 31-Mar-14		As at 31-Mar-13	
NOTE # 2				
Share Capital				
Authorised Capital				
10,030,000 Equity Shares of Rs 10/- each	100,300,000		2,500,000	
(Previous Year : 10,030,000 Equity Shares of Rs 10/- each)	100,300,000		2,500,000	
Issued, Subscribed and Paid up				
10,021,500 Equity Shares of Rs 10/- each	100,215,000		100,215,000	
(Previous Year : 10,021,500 Equity Shares of Rs 10/- each)	100,215,000		100,215,000	
a) Reconciliation of number of Shares				
Equity Shares	As at 31.03.2014		As at 31.03.2013	
	No.	Amount (Rs.)	No.	Amount (Rs.)
Opening Balance	10,021,500	100,215,000	10,021,500	100,215,000
Changes during the year	-	-	-	-
Closing Balance	10,021,500	100,215,000	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. The company has not declared any dividends during the current and previous year.				
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, 2014)				
The Company has not allotted any equity shares as fully paid-up bonus shares during last 5 years preceding to March 31, 2014.				
e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company				
Equity Shares	As at 31.03.2014		As at 31.03.2013	
	No.	Amount (Rs.)	No.	Amount (Rs.)
Monoranjan Roy: 29.87% (P.Y:29.87%)	2,993,393	29,933,930	2,993,393	29,933,930
	2,993,393	29,933,930	2,993,393	29,933,930

PINCON SPIRIT LIMITED		
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014		
(In Rupees)		
PARTICULARS	As at 31.03.2014	As at 31.03.2013
Notes # 3		
Reserves and Surplus		
(a) Securities Premium		
As per last Balance Sheet	636,405	636,405
Addition during the year	-	-
	636,405	636,405
(b) Surplus i.e. Balance in the Statement of Profit & Loss		
As per last Balance Sheet	195,480,746	110,666,946
Addition during the year	99,478,559	84,813,800
	294,959,305	195,480,746
	295,595,710	196,117,151
NOTE # 4		
Long-Term Borrowings		
Secured Loan - Car Loan	4,401,367	-
Unsecured Loan – Director	300,000,000	-
	304,401,367	-
Loan for Car from PNB, Brbb Road Branch of Rs.44.01 lacs are secured by lien on Car itself		
NOTE # 5		
Deferred Tax Liabilities		
Deferred Tax Liabilities	-	-
	-	-
NOTE # 6		
Short-Term Borrowings		
Other Loans and Advances (Secured)		
- Cash Credit Facilities	298,498,518	80,063,172
- Bank Overdraft	22,208,052	-
	320,706,570	80,063,172
Notes		
Working Capital Loan facilities from Punjab National Bank, B.R.B.B.Road Br, Kolkata & Indian Overseas Bank, Mahalaksmipur Branch, Bangalore are secured by hypothecation of Currents Assets consisting of Stock & Book Debts. Bank Overdraft is from Punjab National Bank secured by way of Fixed Deposit.		
NOTE # 7		
Trade Payables		
Trade Payables	8,490,956	8,783,451
	8,490,956	8,783,451
NOTE # 8		
Other Current Liabilities		
Other Payables	5,073,412	1,652,189
	5,073,412	1,652,189
NOTE # 9		
Short-Term Provisions		
Provision for Income Tax	125,246,920	88,400,000
	125,246,920	88,400,000

PINCON SPIRIT LIMITED		
Notes on Financial Statements for the Year ended 31st March, 2014		
PARTICULARS	As at 31.03.2014	As at 31.03.2013
(In Rupees)		
NOTE # 11		
Non-Current Investments		
In Equity Shares of Subsidiary Companies -		
55000 (P.Y: Nil) Paul Distributors Private Limited of Rs.100 each	55,000,000	-
1523625(P.Y: Nil) Priya Laboratories Private Limited of Rs.10 each	15,236,250	-
	70,236,250	-
NOTE # 12		
Long-Term Loans and Advances		
Fixed Deposit with Bank	24,308,964	20,000,000
	24,308,964	20,000,000
NOTE # 13		
Deferred Tax Assets		
Deferred Tax Assets	555,005	17,482
	555,005	17,482
NOTE # 14		
Inventories		
Work-in-Progress	21,473,958	4,234,123
Finished Goods	192,083,812	85,785,955
	213,557,770	90,020,078
NOTE # 15		
Trade Receivables		
Secured, Considered Good		
- Outstanding for a period exceeding six months	-	-
- Others	254,976,547	75,364,546
	254,976,547	75,364,546
NOTE # 16		
Cash and Cash Equivalents		
Cash in Hand & Bank	3,858,754	8,063,533
	3,858,754	8,063,533
NOTE # 17		
Other Current Assets		
Current Assets	132,674,430	114,727,000
Investment in Liquor Shop	219,000,000	-
Loan to Subsidiary	41,000,000	-
	392,674,430	114,727,000

NOTE # 9								
Tangible Assets as on 31st March 2014								
PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	01.04.2013	Additions	Sale	31.03.2014	01.04.2013	For the year	Adjustment	31.03.2014
Electrical Equipment	7,702,862		7,702,862	686,761	975,940	1,662,701	6,040,161	7,016,101
Furniture & Fixtures	23,909,609		23,909,609	2,305,532	3,910,338	6,215,870	17,693,739	21,604,077
Office Equipment	2,095,679		2,095,679	393,495	680,874	1,074,369	1,021,310	1,702,184
Building	47,500,000	49,549,826	97,049,826	2,368,494	4,838,958	7,207,452	89,842,374	45,131,506
Plant & machinery	91,425,692		91,425,692	6,341,236	11,835,248	18,176,484	73,249,208	85,084,456
Land	6,500,000		6,500,000	-	-	-	6,500,000	6,500,000
Motor Vehicle	-	5,215,422	5,215,422	-	-	-	5,215,422	-
TOTAL	179,133,842	54,765,248	233,899,090	12,095,516	22,241,358	34,336,876	199,562,214	167,038,324
Previous Year	1,009,500	178,124,342	179,133,842	462,342	11,633,174	12,095,516	167,038,324	

PINCON SPIRIT LIMITED		
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014		
(In Rupees)		
PARTICULARS	Year Ended 31.03.2014	Year Ended 31.03.2013
NOTE # 18		
Revenue From Operations		
Own Blend	1,119,686,560	988,907,323
Trading	2,330,559,412	2,212,038,355
FMCG	375,416,129	-
	3,825,662,100	3,200,945,677
Other Incomes		
Interest Income	2,189,862	-
Prior Period Interest	2,119,102	-
	4,308,964	-
NOTE # 19		
Cost of Materials Consumed		
COST OF MATERIALS CONSUMED (OWN BLEND)		
Opening Stock of Raw Materials	4,234,123	4,237,961
Add: Purchase	1,007,717,904	884,083,146
Closing Stock of Raw Materials	21,473,958	4,234,123
COST OF MATERIALS CONSUMED (OWN BLEND)	990,478,069	884,086,984
Opening Stock of Finished Goods	42,290,802	16,089,375
COST OF MATERIALS CONSUMED	990,478,069	884,086,984
Closing Stock of Finished Goods	64,423,386	42,290,802
(A)	968,345,486	857,885,557
COST OF MATERIALS CONSUMED (A)	968,345,486	857,885,557
NOTE # 20		
Trading		
Purchase of IMFL	2,219,857,840	2,045,467,952
Purchase of FMCG	368,846,346	-
	2,588,704,186	2,045,467,952
NOTE # 21		
Change in Inventories		
IMFL		
Opening Stock of Finished Goods	43,495,153	47,990,626
Closing Stock of Finished Goods	95,775,769	43,495,153
(A)	(52,280,616)	4,495,473
FMCG		
Opening Stock of Finished Goods	-	-
Closing Stock of Finished Goods	31,884,658	-
(B)	(31,884,658)	-
Total= A+B	(84,165,274)	4,495,473

PINCON SPIRIT LIMITED		
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014		
(In Rupees)		
PARTICULARS	Year Ended 31.03.2014	Year Ended 31.03.2013
NOTE # 22		
Other Manufacturing Expenses		
Other Expenses Related	52,779,750	45,068,414
	52,779,750	45,068,414
NOTE # 23		
Employee Benefit Expenses		
Salaries and Wages	8,936,110	3,260,500
	8,936,110	3,260,500
NOTE # 24		
Administrative & General Expenses		
Postage & Telephone	1,506,640	660,843
Directors Remuneration	6,280,000	1,960,000
Legal Expenses	1,235,960	264,720
Organizational Expenses	4,370,207	3,047,871
Printing & Stationery	970,552	635,579
Rent	360,000	360,000
Travelling & Conveyance	3,565,720	1,397,095
Auditors' Remuneration	33,708	28,000
	18,322,787	8,354,107
NOTE # 25		
Selling and Distribution Expenses		
Business Promotion/Advertisement	55,013,038	57,092,563
Carriage Outwards	9,260,964	9,078,787
Discount & Rebate	1,563,782	1,608,067
Godown Expenses	3,269,072	3,162,800
Godown Rent	600,000	600,000
Rebate on Sales	18,653,362	15,740,699
	88,360,218	87,282,915
NOTE # 26		
Finance Costs		
Finance Expense	16,558,488	10,387,454
	16,558,488	10,387,454

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

	2013-14	2012-13
Profit after Tax as per Profit & Loss Account	99,478,559	84,813,800
Weighted average number of Equity Shares	10,215,000	10,215,000
Basic Diluted Earnings per share	9.93	8.46
Nominal Value of Shares	10.00	10.00

28. SEGMENT REPORTING

The Company has identified three reportable segments viz. IMFL & FMCG segment have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

- a. Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as “Unallocable”.
- b. Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as “Unallocable”.

(i) Primary Segment Information:

PARTICULARS	IMFL		FMCG		Unallocable		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1. Segment Revenue								
Sales	3,450,245,972	3,200,945,677	375,416,129	-	-	-	3,825,662,100	3,200,945,677
Gross Income from Operations	3,450,245,972	3,200,945,677	375,416,129	-	-	-	3,825,662,100	3,200,945,677
2. Segment Results Before Interest and Taxes	146,226,763	137,497,585	15,910,716	-	-	-	162,137,480	137,497,585
Less: i) Interest Expense	-	10,387,454	-	-	16,558,488	-	16,558,488	10,387,454
Add: i) Interest Income	-	-	-	-	4,308,964	-	4,308,964	-
Profit before Taxes	146,226,763	127,110,131	15,910,716	-	(12,249,524)	-	149,887,956	127,110,131
Current Tax	-	42,300,000	-	-	50,946,920	-	50,946,920	42,300,000
Deferred Tax	-	(3,669)	-	-	(537,523)	-	(537,523)	(3,669)
Profit Before Tax	146,226,763	84,813,800	15,910,716	-	(62,658,921)	-	99,478,559	84,813,800
3. Capital Employed								
Capital Employed	545,731,613	276,314,669	59,380,245	-	-	-	605,111,858	276,314,669
Total Segment Capital Employed	545,731,613	276,314,669	59,380,245	-	-	-	605,111,858	276,314,669

29. Related Party Disclosures

a. Name of the related parties where control exists:

Subsidiary Companies	Paul Distributors Private Limited (with effect from 21 st March 2014)
	Priya Laboratories Private Limited (with effect from 21 st March 2014)

b. Name of the Other Related Parties

Key Management Personnel	Mr. Monoranjan Roy
	Mrs. Mousumi Roy¹

Notes

1. Mrs. Mousumi Roy, Resigned from on 23.02.2014

Aggregate Related Parties Disclosures:

Subsidiary Companies	2013-14	2012-13
Sales		
Paul Distributors Private Limited	41853614	-
Purchase/Other Manufacturing Expenses		
Priya Laboratories Private Limited	17,484,000	
Investments		
Paul Distributors Private Limited	55,000,000	-
Priya Laboratories Private Limited	15,236,250	
Loan & Advances Given during the year		
Paul Distributors Private Limited	80,000,000	
Priya Laboratories Private Limited	16,000,000	
Loan & Advances(Outstanding)		
Paul Distributors Private Limited	25,000,000	
Priya Laboratories Private Limited	16,000,000	
Key Management Personnel		
Remuneration	3,550,000	840,000
Unsecured Loan Taken (during the year)		
Monoranjan Roy	300,000,000	-
Investments Purchase		
Monoranjan Roy	15,236,250	

As per my Report of even date

For and on behalf of the Board

Sd/-

CA Anupam Sarkar
Chartered Accountants
Membership No.: 050083

Place: Kolkata
Date: June 17, 2014

Sd/-

Monoranjan Roy
Chairman & Managing Director

Sd/-
Arup Thakur
Director & CFO
Sd/-

A.Karwa
Company Secretary

M/S. PAUL DISTRIBUTORS PRIVATE LIMITED

Directors

Mr. Monoranjan Roy

Mr. Arup Thakur

Auditors

M/S. S.K.Sircar & Co.,
Chartered Accountant,
15, Gold Park, Ground Floor,
P.O: EKTP, Kolkata – 700 017

Registered Office

O.T.Road,
Inda, Kharagpur,
District – Paschim Medinipur
West Bengal – 721305

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 19th Annual Report and the Company's audited accounts for the financial year ended March 31, 2014.

FINANCIAL RESULTS

PARTICULARS	Rs. In Lacs	
	2013-14	2012-13
Revenue	9585.99	5083.74
Profit before Interest, Depreciation, Tax	171.02	62.43
Depreciation	2.60	2.93
Interest	-	-
Profit after Interest & Depreciation	168.42	59.50
Provision for Taxation (I. Tax & Differed Tax)	52.04	18.39
Profit after Tax	116.38	41.11
EPS - Basic (Rupees)	158.70	307.48
EPS Diluted (Rupees)	766.76	307.48

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. 9585.99 Lacs**, over the previous year **Rs. 5083.74 Lacs**.

OUTLOOK

Apart from normal risk as are applicable to a going concern, the company does not foresee any other areas of concern. The Compliance of norms as required are adhered by the company. The Company's operations have historically shown significant resilience to the normal ups and down of the economic and industry cycles, with demand for most of its products continuing to grow at healthy rate.

HOLDING COMPANY

Company has become the subsidiary during the financial year 2013-14 of M/s Pincon Spirit Limited by way of transfer of share by its Promotor to Pincon Spirit Limited, both are in same line of business as company is dealing itself it will be strategic fit for the future growth of the Business mix,

DIVIDEND

Your Directors feel that it is prudent to plough back the profits for future growth of the Company as operation of the company is in burgeoning stage so Board does not recommend any dividend for the year ended 31st March, 2014

AUDITORS

S.K.Sircar & Co, yours Company Auditors of the Company retires at the ensuing Annual General meeting. He has expressed his willingness to accept reappointment.

AUDITORS' REPORT

The observations of the auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year.

PARTICULARS OF EMPLOYEES

There is no employee in the Company whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

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

The particulars as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review. Further during the year under review, the Company has neither earned nor used any foreign exchange.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Board of Directors of the Company confirms that -

1. In preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
3. The Directors had 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.
4. The Directors had prepared the Annual Accounts on a going concern basis.

DISCLOSURES UNDER SECTION 217(1) (D) OF THE COMPANIES ACT, 1956

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

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

**Place: Kolkata,
Date: April 19, 2014**

**Sd/-
Monoranjan Roy
Director**

To
The Members
M/s. Paul Distributors Private Limited
O. T. Road, P.O. Inda
Kharagpur, Paschim Medinipur - 721305

Report on the Financial Statements

I have audited the accompanying financial statements of **M/s Paul Distributors Private Limited** (the Company), which comprise the Balance Sheet as at 31 March 2014, & the Statement of Profit and Loss and for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these 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 Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid 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:

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- ii. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

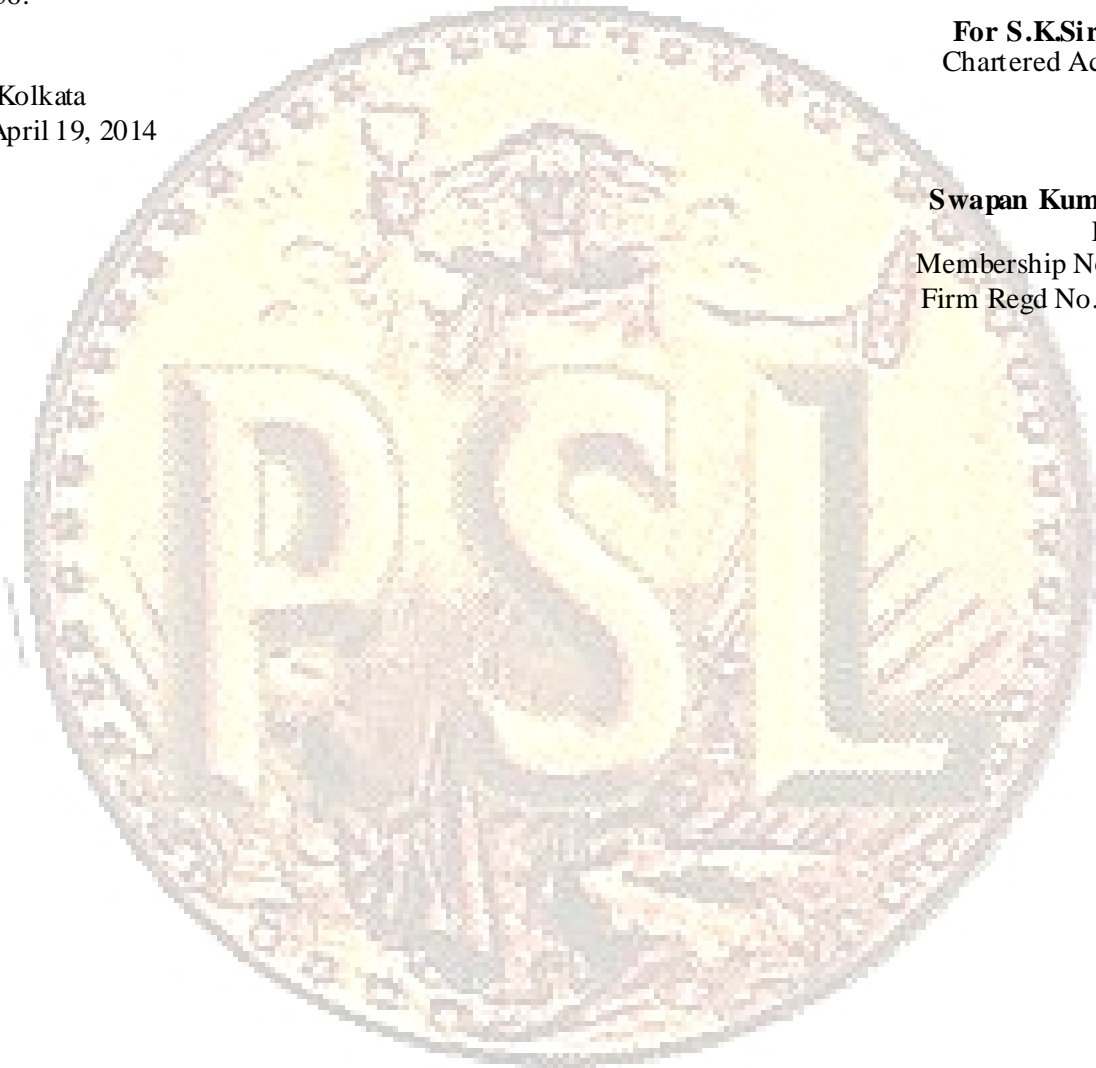
1. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, I report that:

- a) I have obtained all the information and explanations which to the best of my knowledge and belief was necessary for the purpose of my audit;
- b) In my opinion, proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In my opinion, the Balance Sheet & Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
- e) On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Place: Kolkata
Date: April 19, 2014

For S.K.Sircar & Co
Chartered Accountants

Sd/-
Swapan Kumar Sircar
Proprietor
Membership No: 014295
Firm Regd No. 308116E



The Annexure referred to in paragraph 1 of the My Report of even date to the members of M/s Paul Distributors Private Limited, on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as I considered appropriate and according to the information and explanation given to me during the course of my audit, I report that:

1. In respect of its fixed assets
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b) As explained to me, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - c) In my opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. In respect of Inventories
 - a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - b) In my opinion and according to the information and explanations given to me, 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 my opinion and on the basis of my examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a) According to the information and explanations given to me and on the basis of my examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii (c) and iii (d) of the order are not applicable to the Company.
 - e) According to the information and explanations given to me and on the basis of my examination of the books of account, the Company has taken loans from its holding company M/s Pincon Spirit Limited, listed in the register maintained under Section 301 of the Companies Act, 1956.
 - f) In my opinion and according to the information and explanations given to me, the rate of interest and other terms and conditions of the loans taken by the Company, are not prima facie prejudicial to the interest of the Company.
 - g) The principal amounts are repayable on demand made by the borrower at any time after the completion of three year from disbursement of loan.
4. In my opinion and according to the information and explanations given to me, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of my audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a) In my opinion and according to the information and explanations given to me, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b) In my opinion and according to the information and explanations given to me, the transactions made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.

6. According to the information and explanations given to me, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records is not required by the company as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. In respect of Statutory dues
 - a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Taxes, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to me there was no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to me, there is no material amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by my audit and in the immediately preceding financial year.
11. Based on my audit procedures and on the information and explanations given by the management, I am of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to me, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to me, the Company is not trading in Shares, Mutual funds & other Investments.
15. According to the information and explanations given to me, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on the information given by the management, I report that the company has raised Rs. 2,50,00,000 unsecured loans from its Holding Company in such terms and condition which in my opinion is not detrimental to the interest of the Company and its stake holders.
17. Based on the information and explanations given to me and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, I report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to me by the management, I report that the Company has made the preferential allotment of shares during the year to the parties covered under Section 301 of the Companies Act, 1956
19. The Company has no outstanding debentures during the period under audit.

20. The Company has not raised any money by public issue during the year.

21. According to the information and explanations given to me, no material fraud on or by the Company has been noticed or reported during the course of my Audit.

For S.K.Sircar & Co
Chartered Accountants

Place: Kolkata
Date: April 19, 2014

Sd/-
Swapan Kumar Sircar
Proprietor
Membership No: 014295
Firm Regd No. 308116E



**M/S. PAUL DISTRIBUTORS PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH 2014**

In Rupees

PARTICULARS	Note No.	As at 31.03.2014	As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	2	10,000,000	1,337,100
(b) Reserves and Surplus	3	104,340,722	14,736,677
Non-Current Liabilities			
(a) Long-Term Borrowings	4	25,000,000	25,000,000
(b) Deferred Tax Liabilities (Net)		39,527	39,527
Current Liabilities			
(a) Short-Term Borrowings	5	-	-
(b) Trade Payables	6	26,589,007	4,201,132
(c) Other Current Liabilities	7	5,965,120	1,613,243
(d) Short-Term Provisions	8	7,541,791	2,657,354
TOTAL		179,476,166	49,585,033
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	9	3,745,682	2,294,198
(b) Non-Current Investments		-	-
(c) Long-Term Loans and Advances	10	30,000,000	-
(d) Other Non Current Assets		-	-
Current Assets			
(a) Inventories	11	104,422,583	13,075,846
(b) Trade Receivables	12	25,931,041	18,866,154
(c) Cash and Cash Equivalents	13	2,601,511	7,466,218
(d) Short Term Loans & Advance	14	12,679,309	7,861,229
(e) Other Current Assets	15	96,040	21,387
TOTAL		179,476,166	49,585,033

The above notes form an integral part of Financial Statement **1**

For S.K.Sircar & Co
Chartered Accountants

For and on behalf of the Board

Sd/-
Swapan Kumar Sircar
Proprietor
Membership No: 014295
Firm Regd No. 308116E

Sd/-
Monoranjan Roy
Director

Sd/-
Arup Thakur
Director

Date: April 19,2014
Place: Kolkata

**M/S. PAUL DISTRIBUTORS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014**

In Rupees

PARTICULARS	Note No.	Year Ended 31.03.2014	Year Ended 31.03.2013
INCOME			
Revenue from Operations	16	948,770,614	506,181,669
Other Incomes		9,829,184	2,192,133
Total Revenue		958,599,798	508,373,802
EXPENSES			
Purchase of Stock in Trade		1,004,125,631	483,923,129
Changes in inventories of finished goods , WIP and Stock in Trade		(91,346,736)	2,735,460
Administrative and Other Expenses	17	24,812,561	10,132,240
Finance Costs		-	3,936,364
Employees Benefit Expenses	18	3,881,302	1,398,045
Preliminary Expenses w/o		25,347	5,347
Depreciation and Amortization Expense		259,516	293,415
Total Expenses		941,757,620	502,423,999
Profit/(Loss) Before Tax		16,842,177	5,949,803
Tax Expense:			
Current tax	9	5,204,233	1,838,489
Deferred Tax		-	-
Profit/ (Loss) after Tax		11,637,945	4,111,314
Earnings Per Share :			
Basic		158.70	307.48
Diluted		766.76	307.48

The above notes form an integral part of Financial Statement
In terms of my report of even date

For S.K.Sircar & Co
Chartered Accountants

Sd/-
Swapan Kumar Sircar
Proprietor
Membership No: 014295
Firm Regd No. 308116E

Date: April 19,2014
Place: Kolkata

For and on behalf of the Board

Sd/-
Monoranjan Roy
Director

Sd/-
Arup Thakur
Director

M/S. PAUL DISTRIBUTORS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR 2013-14

(In Rupees)

PARTICULARS	Amount 2013-14 Rs.	Amount 2012-13 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	16,842,177	5,949,803
Adjustments for:		
Depreciation	259,516	293,415
Interest Paid	-	3,936,364
Operating Profit before Working capital changes	17,101,693	10,179,582
Adjustments for:		
(Increase) / Decrease in Inventories	(91,346,736)	2,735,460
(Increase)/ Decrease in Account Receivable	(7,064,887)	26,085,637
(Increase)/ Decrease in Loans & Advances	(34,892,733)	(536,556)
Increase/ (Decrease) in Account Payables	31,624,188	(69,879,584)
Cash Generated from Operations	(84,578,474)	(31,415,462)
Tax Paid	(5,204,233)	(1,838,489)
Net Cash from Operating Activities	(89,782,707)	(33,253,951)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Fixed Assets (including C.W.I.P.)	(1,711,000)	-
Fixed Deposit	-	-
Net Cash from Investing Activities	(1,711,000)	-
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds of Issue of Shares	86,629,000	-
Proceeds of Unsecured Loans	-	25,000,000
Interest Paid	-	(3,936,364)
Net Cash from Financing Activities	86,629,000	21,063,636
Net Increase/(Decrease) in Cash and Cash equivalents	(4,864,707)	(12,190,315)
Cash and Cash equivalents as at 1st April (Opening Balance)	7,466,218	19,656,533
Cash and Cash equivalents as at 31st March (Closing Balance)	2,601,511	7,466,218

In terms of my report of even date

For S.K.Sircar & Co
Chartered Accountants

For and on behalf of the Board

Sd/-
Swapan Kumar Sircar
Proprietor
Membership No: 014295
Firm Regd No. 308116E

Sd/-
Monoranjan Roy
Director

Sd/-
Arup Thakur
Director

Date: April 19, 2014
Place: Kolkata

NOTE # 1

I. CORPORATE INFORMATION

Paul Distributors Private Limited (the “Company”) (U51109WB1995PTC072426) is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956, its share are not listed. The Company is engaged in the selling of Indian Made Foreign Liquor the Company caters to domestic markets only.

As of March 31, 2014, Pincon Spirit Limited owned 55.00% of the Company’s equity share capital and has the ability to control its operating and financial policies. The Company’s registered office is in Kharagpur and it has no subsidiaries at present.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis for preparation of Accounts:

The Financial Statements are prepared on the basis of historical cost convention, adopting mercantile system of accounting and recognizing income and expenditure on accrual basis unless there are any specified remarks otherwise against any item. These financial statements have been prepared to comply in all material aspects with the accounting standards issued by Institute of Chartered Accountant of India and relevant provisions of the Companies Act, 1956.

B. Fixed Assets

- i. Fixed assets are stated at their original cost of acquisition and subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets concerned, except amounts adjusted on revaluation and amalgamation. Interest on borrowings attributable to qualifying assets are capitalised and included in the cost of fixed assets as appropriate.
- ii. The costs of Fixed Assets acquired in amalgamations are determined at their fair values, on the date of acquisition or nearer thereto, or as approved under the schemes of amalgamation.
- iii. Assets held for disposal are stated at their net book value or estimated net realisable value, whichever is lower.
- iv. Intangible assets are stated at the consideration paid for acquisition less accumulated amortization and impairment losses if any.

C. Depreciation :

Depreciation on fixed assets has been provided on written down value at the rates specified in Schedule XIV of the Companies Act, 1956, as amended vide Notification GSR 756(E) dated 16th December, 1993, maximum upto 95% of the original cost of the asset.

D. Impairment

Impairment loss, if any, is provided to the extent the carrying amounts of assets exceed their recoverable amount.

Recoverable amount is higher of the net selling price of an asset and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

E. Inventories

Inventories are valued at lower of cost and net realisable value. The costs are, in general, ascertained under Weighted Average Method. Excise/ Customs duty payable on stocks in bond is added to the cost. Due allowance is made for obsolete and slow moving items.

F. 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.

G. Revenue Recognition

Sales are recognised when goods are dispatched from distilleries/ warehouses of the Company in accordance with the terms of sale except where such terms provide otherwise, where sales are recognised based on such terms. Gross Sales are inclusive of excise duty but are net of trade discounts and sales tax, where applicable.

H. Investments :

Investments are stated at cost and are long term in nature.

I. Particulars of Employees

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

J. Conservation of Energy & Technology absorption

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

K. 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 31.03.2014 is not ascertainable.

L. 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.

M. 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.

N. 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.

O. 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

P. Share issue expenses

Share issue expenses incurred are adjusted to the Securities Premium Account as permitted by Section 78(2) of the Companies Act, 1956.

Q. Expenditure

Expenses are net of taxes recoverable, where applicable.

R. General

The Company has a policy of authorizing expenditure based on reasonable checks and balances. The policy is intended to ensure that expenses are authorized on the basis of contractual obligations or accepted business practices having regard to the company's business need and exigencies. In terms of these observations we have not come across any expenses charged to the Revenue Account of the Company, which, in our opinion and according to explanations given to us could be regarded as personal expenses.

Previous Year figures have been re-arranged and are grouped wherever necessary.



M/S PAUL DISTRIBUTORS PRIVATE LIMITED				
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014				
In Rupees.				
PARTICULARS	As at 31-Mar-14		As at 31-Mar-13	
NOTE # 2				
Share Capital				
Authorised Capital				
100,000 Equity Shares of Rs 100/- each (Previous Year : 25,000 Equity Shares of Rs.100/- each)	10,000,000		2,500,000	
	10,000,000		2,500,000	
Issued, Subscribed and Paid up				
100,000 Equity Shares of Rs 100/- each (Previous Year : 13371 Equity Shares of Rs.100/- each)	10,000,000		1,337,100	
	10,000,000		1,337,100	
a) Reconciliation of number of Shares				
	As at 31.03.2014		As at 31.03.2013	
Equity Shares	No.	Amount (Rs.)	No.	Amount (Rs.)
Opening Balance	13,371	1,337,100	13,371	1,337,100
Changes during the year	86,629	8,662,900	-	-
Closing Balance	100,000	10,000,000	13,371	1,337,100
b) Rights and restriction attached to Shares				
The Company has one class of equity shares having a par value of Rs.100 each. Each shareholder is eligible for one vote per share held. The company has not declared any dividends during the current and previous year.				
c) Share held by holding/ultimate holding company and/or their subsidiaries/associates :				
	As at 31.03.2014		As at 31.03.2013	
Equity Shares	No.	Amount (Rs.)	No.	Amount (Rs.)
Holding Company				
55000 equity shares are held by Pincon Spirit Limited (Previous Year: Nil)	55,000	5,500,000	-	-
	55,000	5,500,000	-	-
d) Shares allotted as fully paid up by way of bonus shares (during 5 years preceding March 31, 2014)				
The Company has not allotted any equity shares as fully paid-up bonus shares during last 5 years preceding to March 31, 2014.				
e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company				
	As at 31.03.2014		As at 31.03.2013	
Equity Shares	No.	Amount (Rs.)	No.	Amount (Rs.)
Pincon Spirit Limited, the Holding Company : 55% (P.Y: Nil)	55,000	5,500,000	-	-
Monoranjan Roy: 40% (P.Y:100%)	40,000	4,000,000	13,371	1,337,100
Arup Thakur 5% (P.Y: Nil)	5,000	500,000	-	-
	100,000	10,000,000	13,371	1,337,100

M/S PAUL DISTRIBUTORS PRIVATE LIMITED			
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014			
In Rupees.			
PARTICULARS		As at 31.03.2014	As at 31.03.2013
NOTE # 3			
Reserves and Surplus			
(a) Share Premium Account			
Opening Balance		9,333,900	9,333,900
Addition during the year		77,966,100	-
Closing Balance	(a)	87,300,000	9,333,900
(b) Surplus			
Opening Balance		5,402,777	1,291,463
Add: Net Profit/(Loss) for the current period		11,637,945	4,111,314
Closing Balance	(B)	17,040,722	5,402,777
Total(a+b)		104,340,722	14,736,677
NOTE # 4			
Long Term Borrowings			
<u>Unsecured Loan</u>			
From Directors & Associates		25,000,000	25,000,000
		25,000,000	25,000,000
NOTE # 5			
Short Term Borrowings			
<u>Secured Loan</u>			
		-	-
		-	-
NOTE # 6			
Trade Payables			
Trade Payables		26,589,007	4,201,132
		26,589,007	4,201,132
NOTE # 7			
Other Current Liabilities			
Taxes and other Statutory Dues		-	509,169
Advance from Customers		-	-
Others Liabilities		58,354	68,901
Liability for Expenses		5,906,766	1,035,173
		5,965,120	1,613,243
NOTE # 8			
Short-Term Provisions			
Provision for Taxation		7,541,791	2,657,354
		7,541,791	2,657,354

**PAUL DISTRIBUTORS PRIVATE LIMITED
NOTE # 9**

Tangible Assets as on 31.03.2014								
PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	As on 01.04.2013	Additions during the year	As on 31.03.2014	As on 01.04.2013	For the year	As on 31.03.2014	As on 31.03.2014	As on 31.03.2013
Computer	89,624		89,624	79,763	3,945	83,708	5,916	9,861
Fax Machine	5,950		5,950	3,303	480	3,783	2,167	2,647
Furniture and Fixture	608,775		608,775	327,382	50,933	378,315	230,460	281,393
Generator	32,816		32,816	17,181	2,175	19,356	13,460	15,635
Motor Vehicle	1,077,552	1,711,000	2,788,552	828,360	101,431	929,791	1,858,761	249,192
Two Wheeler	95,671		95,671	51,433	11,454	62,887	32,784	44,238
Air Conditioner	46,716		46,716	19,809	5,382	25,191	21,525	26,907
Tata Ace	286,190		286,190	169,701	30,160	199,861	86,329	116,489
Water Purifier	7,390		7,390	2,542	878	3,420	3,970	4,848
Mobile Phone	17,699		17,699	4,135	1,887	6,022	11,677	13,564
Motor Car (Indicia Vista)	472,281		472,281	280,048	49,770	329,818	142,463	192,233
Refrigerator	11,500		11,500	4,163	1,021	5,184	6,316	7,337
Land & Building	1,329,854		1,329,854	-	-	-	1,329,854	1,329,854
TOTAL	4,082,018	1,711,000	5,793,018	1,787,820	259,516	2,047,336	3,745,682	2,294,198
Previous Year	4,082,018	-	4,082,018	1,494,405	293,415	1,787,820	2,294,198	

M/S PAUL DISTRIBUTORS PRIVATE LIMITED			
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014			
In Rupees.			
PARTICULARS	As at 31.03.2014	As at 31.03.2013	
NOTE # 10			
Long term Loans and Advances			
(Unsecured, considered good unless stated otherwise)			
Capital Advances	30,000,000	-	
	30,000,000	-	
NOTE # 11			
Inventories (As certified by Management)	104,422,583	13,075,846	
	104,422,583	13,075,846	
NOTE # 12			
Trade Receivables			
Unsecured, Considered Good			
- Outstanding for a period exceeding six months	25,931,041	18,866,154	
- Others	25,931,041	18,866,154	
NOTE # 13			
Cash and Cash Equivalents	-		
Cash and Bank Balance	2,601,511	7,466,218	
	2,601,511	7,466,218	
NOTE # 14			
Short-Term Loans and Advances			
Other Advance	12,679,309	7,861,229	
	12,679,309	7,861,229	
NOTE # 15			
Other Current Assets			
Preliminary Expenses	96,040	21,387	
	96,040	21,387	

M/S PAUL DISTRIBUTORS PVT. LTD.		
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014		
In Rupees		
PARTICULARS	Year Ended 31.03.2014	Year Ended 31.03.2013
NOTE # 16		
Revenue From Operations		
Sales-	948,770,614	506,181,669
Other Income	9,829,184	2,192,133
	958,599,798	508,373,802
NOTE # 17		
Administrative and Others Expenses		
Accommodation Charges	156,080	66,417
Audit Fees	112,360	56,180
Books & Periodicals	3,375	1,436
Directors Remuneration	840,000	1,560,000
Freight	39,809	16,940
Generator Maintenance	35,768	15,221
Inspection Charges	28,200	12,000
Insurance Charges	490,661	208,792
Sales Man Commission	483,435	205,717
Security Expenses	80,045	34,062
Staff Welfare	162,045	68,955
Tour Expenses	83,553	35,555
Scheme Rebate Paid	5,330,280	2,002,065
Breakage Replacement A/C	813,090	164,780
Fire Licence Fee Others Exp	11,032	1,500
Incentive	545,323	115,291
Incidental Charge Refund A/C	188,490	61,864
Computer Accessories	29,890	9,310
Donation & Subscription	110,915	31,466
Electricity Charges & Repairs	151,758	71,130
Excise Expenses	51,250	6,250
Excise Renewal Fees (Bond & Trade)	69,450	54,450
General Expenses	2,896,076	667,087
Interest Paid	119,821	71,208
Interior Decoration	129,500	127,500
Legal Expenses	521,031	180,966
Loading & Unloading Charges	1,314,574	571,864
Medical Expenses	6,819	6,199
Miscellaneous Expenses	1,339,419	280,428
Office Maintenance	120,824	59,745
Old Price Adjustment	3,179	2,367
Postage & Telegraph	15,486	3,234
Printing & Stationery	266,464	184,569
Profession Tax	8,865	3,025
Puja Expenses	25,932	16,993
Rent (Room)	533,640	266,820
Rent Rats & Tax	14,032	2,897
Repair Maintenance Charges	991,395	376,115
Return Filing Fee	219,315	1,815
Refreshments	274,318	102,822
Business Promotion Expenses	398,688	108,900
Sales Tax Return Exp	396,020	196,020

Telephone Expenses	186,761	72,177
Transportation Charges	1,360,205	513,465
Travelling Expenses	892,681	411,448
Vehicle Insurance	95,346	15,550
Vehicle Maintenance	143,501	73,001
Project Exp	160,000	-
Vehicle Running Expenses	2,440,801	1,016,644
Night Holding Charges	28,092	-
Land Registration Exp	62,340	-
FOC	30,625	-
	24,812,561	10,132,240
NOTE # 18		
Employee Benefit Expense		
Salary, Wages & Other Benefits	3,881,302	1,398,045
	3,881,302	1,398,045

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

	2013-14	2012-13
Profit after Tax as per Profit & Loss Account	11,637,945	4,111,314
Weighted average number of Equity Shares	73333	13,371
Basic Earnings per share	158.70	307.48
Diluted Earnings per share	766.76	307.48
Nominal Value of Shares	100.00	10.00

20. Related Party Disclosures

a. Name of the related parties where control exists:

Holding Company	Pincon Spirit Limited (with effect from 21 st March 2014)
Associates Company	Priya Laboratories Private Limited (with effect from 21 st March 2014)

b. Name of the Other Related Parties

Key Management Personnel	Mr. Monoranjan Roy
	Mr. Arup Thakur

Aggregate Related Parties Disclosures:

	2013-14	2012-13
Holding Company		
Purchase		
Pincon Spirit Limited	41853614	-
Investments		
Pincon Spirit Limited	55,000,000	-
Unsecured Loan Taken (during the year)		
Pincon Spirit Limited	80,000,000	
Unsecured Loan (Outstanding)		
Pincon Spirit Limited	25,000,000	
Key Management Personnel		
Remuneration	840,000	1,560,000

M/S. PRIYA LABORATORIES PRIVATE LIMITED

Directors

Mr. Monoranjan Roy

Mr. Raj Kumar Roy

Auditors

CA. Anupam Sarkar
Chartered Accountant,
1/52, Bijoygarh,
Kolkata – 700 032

Registered Office

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

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 10th Annual Report and the Company's audited accounts for the financial year ended March 31, 2014.

FINANCIAL RESULTS

PARTICULARS	Rs. In Lacs	
	2013-14	2012-13
Revenue	174.84	172.07
Profit before Interest, Depreciation, Tax	44.19	44.39
Depreciation	13.74	17.62
Interest	0.34	0.30
Profit after Interest & Depreciation	30.10	26.47
Provision for Taxation (I. Tax & Differed Tax)	27.52	7.85
Profit after Tax	2.57	18.62
EPS - Basic & Diluted (Rupees)	0.11	0.76

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.174.84** Lacs, over the previous year Rs.172.07 Lacs.

OUTLOOK

Apart from normal risk as are applicable to a going concern, the company does not foresee any other areas of concern. The Compliance of norms as required are adhered by the company. The Company's operations have historically shown significant resilience to the normal ups and down of the economic and industry cycles, with demand for most of its products continuing to grow at healthy rate.

HOLDING COMPANY

Company has become the subsidiary during the financial year 2013-14 of M/s Pincon Spirit Limited by way of transfer of share by its Promotor to Pincon Spirit Limited, both are in same line of business as company is dealing itself it will be strategic fit for the future growth of the Business mix,

DIVIDEND

Your Directors feel that it is prudent to plough back the profits for future growth of the Company as operation of the company is in burgeoning stage so Board does not recommend any dividend for the year ended 31st March, 2014

AUDITORS

CA. Anupam Sarkar, yours Company Auditors of the Company retires at the ensuing Annual general meeting. He has expressed his willingness to accept reappointment.

AUDITORS' REPORT

The observations of the auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year.

PARTICULARS OF EMPLOYEES

There is no employee in the Company whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

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

The particulars as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review. Further during the year under review, the Company has neither earned nor used any foreign exchange.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Board of Directors of the Company confirms that-

1. In preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
3. The Directors had 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.
4. The Directors had prepared the Annual Accounts on a going concern basis.

DISCLOSURES UNDER SECTION 217(1) (D) OF THE COMPANIES ACT, 1956

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

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

**Place: Kolkata,
Date: June 17, 2014**

**Sd/-
Monoranjan Roy
Director**

INDEPENDENT AUDITOR'S REPORT

To
The Members,
M/s. Priya Laboratories Private Limited
“Wellesley House”, 3rd Floor,
7, Red Cross Place, Kolkata – 700 001

Report on the Financial Statements

I have audited the accompanying financial statements of **M/s. Priya Laboratories Private Limited** (the Company), which comprise the Balance Sheet as at 31 March 2014, & the Statement of Profit and Loss and for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these 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 Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, I report that:
 - a) I have obtained all the information and explanations which to the best of my knowledge and belief was necessary for the purpose of my audit;
 - b) In my opinion, proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In my opinion, the Balance Sheet & Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
 - e) On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Place: Kolkata
Date: June 17, 2014

Sd/-
CA Anupam Sarkar
Chartered Accountant
Membership No: 050083

The Annexure referred to in paragraph 1 of the My Report of even date to the members of M/s. Priya Laboratories Private Limited , on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as I considered appropriate and according to the information and explanation given to me during the course of my audit, I report that :

1. In respect of its fixed assets
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b) As explained to me, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - c) In my opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. In respect of Inventories
 - a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - b) In my opinion and according to the information and explanations given to me, 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 my opinion and on the basis of my examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a) According to the information and explanations given to me and on the basis of my examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii (c) and iii (d) of the order are not applicable to the Company.
 - e) According to the information and explanations given to me and on the basis of my examination of the books of account, the Company has taken loans from its holding company M/s Pincon Spirit Limited, listed in the register maintained under Section 301 of the Companies Act, 1956.
 - f) In my opinion and according to the information and explanations given to me, the rate of interest and other terms and conditions of the loans taken by the Company, are not prima facie prejudicial to the interest of the Company.
 - g) The principal amounts are repayable on demand made by the borrower at any time after the completion of three year from disbursement of loan.
4. In my opinion and according to the information and explanations given to me, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of my audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a) In my opinion and according to the information and explanations given to me, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b) In my opinion and according to the information and explanations given to me, the transactions made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.

6. According to the information and explanations given to me, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records is not required by the company as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. In respect of Statutory dues
 - a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Taxes, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to me there was no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to me, there is no material amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does have accumulated loss of Rs.21,943,028 The company has been registered not less than five years, its accumulated losses at the end of financial year was Rs.21,943,028 which is not less than fifty percent of its present networth and has not incurred cash loss during the financial year covered by my audit and in the immediately preceding financial year.
11. Based on my audit procedures and on the information and explanations given by the management, I am of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to me, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to me, the Company is not trading in Shares, Mutual funds & other Investments.
15. According to the information and explanations given to me, the Company has given guarantees for loan taken by its Holding Company from a bank or financial institution.
16. Based on the information given by the management, I report that the company has raised Rs. 16,000,000.00 unsecured loans from its Holding Company in such terms and condition which in my opinion is not detrimental to the interest of the Company and its stake holders.
17. Based on the information and explanations given to me and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, I report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956

19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. According to the information and explanations given to me, no material fraud on or by the Company has been noticed or reported during the course of my Audit.

Place: Kolkata
Date: June 17, 2014

Sd/-
CA Anupam Sarkar
Chartered Accountant
Membership No: 050083



**M/S. PRIYA LABORATORIES PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2014**

In Rupees

PARTICULARS	Note No.	As at 31.03.2014	As at 31.03.2013
Shareholder's Funds			
Share Capital	2	24,378,000	24,378,000
Reserves and Surplus	3	(16,810,792)	(17,068,351)
Non-Current Liabilities			
Long Term Loan	4	16,000,000	14,000,000
Current Liabilities			
Short-Term Borrowings	5	-	-
Trade Payables	6	2,401,370	9,441,155
Other Current Liabilities	7	2,136,744	2,174,489
TOTAL		28,105,321	32,925,292
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	8	12,869,552	14,244,172
Capital work-in-progress		-	-
Deferred Tax (Net)		11,832,226	13,982,588
Others Current Assets	9	1,463,735	1,463,735
Current Assets			
Trade Receivables	10	-	1,414,343
Short Term Loans & Advance	11	225,760	395,260
Cash and Cash Equivalents	12	445,731	759,151
Other Current Assets	13	1,268,318	666,044
TOTAL		28,105,321	32,925,292
Notes to Accounts	1		

The above notes from an integral part of Financial Statement

In terms of my report of even date

For and on behalf of the Board

Sd/-
CA Anupam Sarkar
Chartered Accountants
Membership No.: 050083

Sd /-
Monoranjan Roy
Director

Sd/-
Raj Kumar Roy
Director

Place: Kolkata
Date: June 17, 2014

**M/S. PRIYA LABORATORIES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

In Rupees

Particulars	Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013
Income			
Revenue from Operations	14	17,484,000	17,166,240
Other Incomes	15	-	41,600
Total Revenue (I +II)		17,484,000	17,207,840
Expenses:			
Raw Materials Consumed	16	-	-
Manufacturing Expenses	17	7,920,180	6,193,347
Payment to Employees	18	2,591,526	3,311,900
Administrative & General Expenses	19	2,553,221	3,263,794
Finance Costs	20	34,257	30,133
Depreciation and Amortization Expense	7	1,374,620	1,761,879
Total Expenses		14,473,804	14,561,054
Profit/(Loss) Before Tax (III - V)		3,010,196	2,646,786
Provision for Taxation			
(1) Current tax		602,274	529,564
(2) Deferred Tax (Liability)/Assets		(2,150,362)	(255,708)
Profit/ (Loss) for the Period (VI-VII)		257,559	1,861,515
(1) Basic		0.11	0.76
(2) Diluted		0.11	0.76
Notes to Accounts	1		

The above notes from an integral part of Financial Statement

In terms of my report of even date

For and on behalf of the Board

Sd /-
CA Anupam Sarkar
Chartered Accountant
Membership No.: 050083

Sd /-
Monoranjan Roy
Director

Sd /-
Raj Kumar Roy
Director

Place: Kolkata
Date: June 17, 2014

M/S. PRIYA LABORATORIES PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR 2013-14

(In Rupees)

PARTICULARS	Amount 2013-14	Amount 2012-13
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	3,010,196	2,646,786
Adjustments for:		
Depreciation	1,374,620	1,761,879
Interest Paid	34,257	30,133
Loss in Sale of Fixed Assets	-	307,936
Operating Profit before Working capital changes	4,419,073	4,746,734
Adjustments for:		
(Increase)/ Decrease in Account Receivable	1,414,343	4,063,594
(Increase)/ Decrease in Loans & Advances	(432,774)	908,371
Increase/ (Decrease) in Account Payables	(7,077,530)	(17,874,561)
Cash Generated from Operations	(1,676,888)	(8,155,862)
Tax Paid	(602,274)	(529,564)
Net Cash from Operating Activities	(2,279,162)	(8,685,425)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from sale of Fixed Assets	-	589,468
Net Cash from Investing Activities	-	589,468
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds of Unsecured Loans	2,000,000	6,511,523
Interest Paid	(34,257)	(30,133)
Net Cash from Financing Activities	1,965,743	6,481,390
Net Increase/(Decrease) in Cash and Cash equivalents	(313,419)	(1,614,567)
Cash and Cash equivalents as at 1st April (Opening Balance)	759,151	2,373,718
Cash and Cash equivalents as at 31st March (Closing Balance)	445,731	759,151

In terms of my report of even date

For and on behalf of the Board

Sd /-
CA Anupam Sarkar
Chartered Accountant
Membership No.: 050083

Sd /-
Monoranjan Roy
Director

Sd /-
Raj Kumar Roy
Director

Place: Kolkata
Date: June 17, 2014

NOTE # 1

I. CORPORATE INFORMATION

Priya Laboratories Private Limited (the “Company”) (U24246WB2003PTC097219) is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956, its share are not listed. The Company is engaged in the Bottling & Blending of Indian Made Foreign Liquor the Company caters to domestic markets only.

As of March 31, 2014, Pincon Spirit Limited owned 62.50% of the Company’s equity share capital and has the ability to control its operating and financial policies. The Company’s registered office is in Kharagpur and it has no subsidiaries at present.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis for preparation of Accounts:

The Financial Statements are prepared on the basis of historical cost convention, adopting mercantile system of accounting and recognizing income and expenditure on accrual basis unless there are any specified remarks otherwise against any item. These financial statements have been prepared to comply in all material aspects with the accounting standards issued by Institute of Chartered Accountant of India and relevant provisions of the Companies Act, 1956.

B. Fixed Assets

- v. Fixed assets are stated at their original cost of acquisition and subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets concerned, except amounts adjusted on revaluation and amalgamation. Interest on borrowings attributable to qualifying assets are capitalised and included in the cost of fixed assets as appropriate.
- vi. The costs of Fixed Assets acquired in amalgamations are determined at their fair values, on the date of acquisition or nearer thereto, or as approved under the schemes of amalgamation.
- vii. Assets held for disposal are stated at their net book value or estimated net realisable value, whichever is lower.
- viii. Intangible assets are stated at the consideration paid for acquisition less accumulated amortization and impairment losses if any.

C. Depreciation :

Depreciation on fixed assets has been provided on written down value at the rates specified in Schedule XIV of the Companies Act, 1956, as amended vide Notification GSR 756(E) dated 16th December, 1993, maximum upto 95% of the original cost of the asset.

D. Impairment

Impairment loss, if any, is provided to the extent the carrying amounts of assets exceed their recoverable amount.

Recoverable amount is higher of the net selling price of an asset and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

E. Inventories

Inventories are valued at lower of cost and net realisable value. The costs are, in general, ascertained under Weighted Average Method. Excise/ Customs duty payable on stocks in bond is added to the cost. Due allowance is made for obsolete and slow moving items.

F. 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.

G. Revenue Recognition

Sales are recognised when goods are dispatched from distilleries/ warehouses of the Company in accordance with the terms of sale except where such terms provide otherwise, where sales are recognised based on such terms. Gross Sales are inclusive of excise duty but are net of trade discounts and sales tax, where applicable.

H. Investments :

Investments are stated at cost and are long term in nature.

I. Particulars of Employees

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

J. Conservation of Energy & Technology absorption

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

K. 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 31.03.2014 is not ascertainable.

L. 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.

M. 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.

N. 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.

O. 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

P. Share issue expenses

Share issue expenses incurred are adjusted to the Securities Premium Account as permitted by Section 78(2) of the Companies Act, 1956.

Q. Expenditure

Expenses are net of taxes recoverable, where applicable.

R. General

The Company has a policy of authorizing expenditure based on reasonable checks and balances. The policy is intended to ensure that expenses are authorized on the basis of contractual obligations or accepted business practices having regard to the company's business need and exigencies. In terms of these observations we have not come across any expenses charged to the Revenue Account of the Company, which, in our opinion and according to explanations given to us could be regarded as personal expenses.

Previous Year figures have been re-arranged and are grouped wherever necessary



PRIYA LABORATORIES PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

In Rupees.

PARTICULARS	As at 31-Mar-14		As at 31-Mar-13
NOTE # 2			
Share Capital			
Authorised Capital			
2,500,000 Equity Shares of Rs 10/- each	25,000,000		2,500,000
(Previous Year : 2,500,000 Equity Shares of Rs.10/- each)	25,000,000		2,500,000
Issued, Subscribed and Paid up			
2,437,800 Equity Shares of Rs 10/- each	24,378,000		24,378,000
(Previous Year : 2437800 Equity Shares of Rs.10/- each)	24,378,000		24,378,000

a) Reconciliation of number of Shares

Equity Shares	As at 31.03.2014		As at 31.03.2013	
	No.	Amount (Rs.)	No.	Amount (Rs.)
Opening Balance	2,437,800	24,378,000	2,437,800	24,378,000
Changes during the year	-	-	-	-
Closing Balance	2,437,800	24,378,000	2,437,800	24,378,000

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. The company has not declared any dividends during the current and previous year.

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

Equity Shares	As at 31.03.2014		As at 31.03.2013	
	No.	Amount (Rs.)	No.	Amount (Rs.)
Holding Company				
15236250 equity shares are held by Pincon Spirit Limited	1,523,625	15,236,250	-	-
(Previous Year: Nil)	1,523,625	15,236,250	-	-

d) Shares allotted as fully paid up by way of bonus shares (during 5 years preceding March 31, 2014)

The Company has not allotted any equity shares as fully paid-up bonus shares during last 5 years preceding to March 31, 2014.

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

Equity Shares	As at 31.03.2014		As at 31.03.2013	
	No.	Amount (Rs.)	No.	Amount (Rs.)
Pincon Spirit Limited, the Holding Company : 62.5% (P.Y: Nil)	1,523,625	15,236,250	-	-
Monoranjan Roy: 37.50 % (P.Y:95%)	914,175	9,141,750	2,315,910	23,159,100
Raj Kumar Roy: Nil (P.Y: 5%)	-	-	121,890	1,218,900
	2,437,800	24,378,000	2,437,800	24,378,000

PRIYA LABORATORIES PRIVATE LIMITED		
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014		
(In Rupees)		
PARTICULARS	As at 31.03.2014	As at 31.03.2013
Notes # 3		
<u>Reserves and Surplus</u>		
(a) Securities Premium		
As per last Balance Sheet	4,250,000	4,250,000
A	4,250,000	4,250,000
(b) Profit & Loss A/c		
Profit & Loss A/c as per Last Balance Sheet	(22,200,587)	(24,062,102)
Add: Profit/ (Loss) during the Year	257,559	1,861,515
A	(21,943,028)	(22,200,587)
(c) Amalgamation Reserve		
As per last Balance Sheet	623,386	623,386
	623,386	623,386
(D) Reserve & Surplus		
As per last Balance Sheet	258,850	258,850
	258,850	258,850
(A+B+C)	(16,810,792)	(17,068,351)
NOTE # 4		
<u>Long-Term Borrowings</u>		
Unsecured Loan		
From Directors	-	-
From Others	16,000,000	14,000,000
	16,000,000	14,000,000
NOTE # 5		
<u>Short-Term Borrowings</u>		
Other Loans and Advances (Unsecured)		
- from Directors		
- from Others		
	-	-
NOTE # 6		
<u>Trade Payables</u>		
Sundry Creditors		
For Goods	810,850	928,636
For Capital Goods	-	-
For Expenses	1,590,520	121,834
For other Finance	-	8,390,685
	2,401,370	9,441,155
NOTE # 7		
<u>Other Current Liabilities</u>		
Expenses Payable.	-	-
Security Deposit	1,000,000	1,000,000
Advance from Debtors	-	640,019
TDS payable	1,196	1,196
IT. Payable	1,135,548	533,274
Share Money Application	-	-
	2,136,744	2,174,489

NOTE # 7								
Tangible Assets as on 31.03.2014								
PARTICULARS	Gross Block			Depreciation Block			Net Block	
	Cost as on 01.04.2013	Additions During The Year	As on 31.03.2014	Upto 01.04.2013	For The Year	As on 31.03.2014	As on 31.03.2014	As on 31.03.2013
LAND	4,275,029		4,275,029	-		-	4,275,029	4,275,029
FACTORY SHED & BUILDING	1,955,222		1,955,222	1,033,306	92,192	1,125,498	829,724	921,916
PLANT & MACHINERY	22,239,145		22,239,145	14,781,188	1,037,402	15,818,590	6,420,555	7,457,957
TOOLS & EQUIPMENT	210,810		210,810	141,012	9,709	150,721	60,089	69,798
ELECTRICAL INST ALLATION	1,967,519		1,967,519	1,180,566	109,465	1,290,031	677,488	786,953
COMPUTER	443,594		443,594	419,760	9,534	429,294	14,300	23,834
OFFICE EQUIPMENT	175,299		175,299	123,358	7,225	130,583	44,716	51,941
FURNITURE & FIXTURE	2,146,250		2,146,250	1,722,881	76,630	1,799,511	346,739	423,369
LAB EQUIPMENT	435,874		435,874	384,676	7,122	391,798	44,076	51,198
FIRE FIGHTING EQUIPMENT	229,998		229,998	57,912	23,937	81,849	148,149	172,086
WEIGHING SCALE	34,561		34,561	24,470	1,404	25,874	8,687	10,091
TOTAL	34,113,301	-	34,113,301	19,869,129	1,374,620	21,243,749	12,869,552	14,244,172

PRIYA LABORATORIES PRIVATE LIMITED		
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014		
(In Rupees)		
PARTICULARS	As at 31.03.2014	As at 31.03.2013
NOTE# 9		
<u>Long term Loans & Advance</u>		
(Unsecured Considered Goods)		
Security Deposit	1,383,735	1,383,735
Deposit With Excise Dept.	80,000	80,000
	1,463,735	1,463,735
NOTE # 10		
<u>Trade Receivables</u>		
Secured, Considered Good		
- Outstanding for a period exceeding six months		
- Others	-	1,414,343
	-	1,414,343
NOTE # 11		
<u>Short Term Loans & Advance</u>		
(Unsecured Considered Goods)		
Advance to Suppliers	-	(0)
Advance To Employee	-	19,500
Advance to others	225,760	375,760
	225,760	395,260
NOTE # 12		
<u>Cash and Cash Equivalents</u>		
Cash in Hand	142,832	438,681
Cash At Bank	302,899	320,470
	445,731	759,151
NOTE # 13		
<u>Other Current Assets</u>		
Current Assets	1,268,318	666,044
	1,268,318	666,044

PRIYA LABORATORIES PRIVATE LIMITED			
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014			
(In Rupees)			
PARTICULARS	Year ended 31.03.2014		Year ended 31.03.2013
NOTE # 14			
Revenue From Operations			
Manufacturing	-		-
Conversion Charges	17,484,000		17,166,240
	17,484,000		17,166,240
NOTE # 15			
Other Incomes			
Assignment of Trademark	-		20,000
Insurance Claim	-		21,600
	-		41,600
NOTE # 16			
RAW MATERIALS CONSUMED			
Opening Stock	-		-
Add: Purchase During the Year	-		-
Less : Closing Stock	-		-
	-		-
NOTE # 17			
Manufacturing Expenses			
Boilers Running Expenses	214,542		-
Generator Running Expenses	397,728		327,348
Carriage Inward	195,623		-
Purchase Stores	385,873		317,592
Contact Labour Charges	2,253,070		2,060,140
Electricity Charges	1,641,842		1,351,310
Production Wastage Charges	993,363		735,278
General Expenses	563,914		353,016
Factory Insurance	25,182		20,726
Factory Plan Drawing Expenses	3,038		2,500
Licenses Fee for Factory	1,013		750
Repairs & Maintenance	1,243,536		1,023,487
Interest on CST	1,458		1,200
	7,920,180		6,193,347
NOTE # 18			
Employee Benefit Expenses			
Salaries, Wages & Employee Benefits	2,591,526		3,311,900
	2,591,526		3,311,900

PRIYA LABORATORIES PRIVATE LIMITED			
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014			
(In Rupees)			
PARTICULARS	Year ended 31.03.2014		Year ended 31.03.2013
NOTE # 19			
Administrative & General Expenses			
Payment to Auditors	56,180		56,180
Repair & Maintenance Expenses	132,806		109,985
Calibration Charges	14,529		12,108
Donation & Subscription	38,322		31,348
Licence Fees	549,077		549,077
Bar Code Renewal Charges	39,360		26,240
Filing Fees	8,250		4,620
General Expenses	10,334		8,559
Insurance Expenses	61,320		40,880
Postages & Courier Chagres	1,764		1,471
Printing & Stationery	33,416		26,840
Professional & Consultancy Expenses	78,392		63,733
Sundry Balance Written off	113,333		92,706
Rates & Taxes	21,294		17,858
Security Charges	839,409		741,200
Telephone Expenses	113,744		114,030
Travelling & Conveyance	25,305		22,345
Books & Periodicals	225		63
Car Hire Charges	135,029		113,232
Loan Re-payment Fees for Car Loan	31,602		27,906
First Aid & Medical Expenses	375		198
Fire Refilling Expenses	36,930		31,564
Internet Expenses	91,016		76,807
Computer Maintenance Expenses	49,470		41,485
Puja Expenses	5,736		5,066
Professional Tax for Company	1,875		2,500
Weight-ment Expense	7,655		6,851
Preliminary Expenses W/Off	54,156		36,104
Advertisement	2,322		2,051
License Fees for Additional Director	-		50,000
Loss on Fixed Assets Sale	-		497,404
Tax on VAT Assessment (09-10)	-		174,600
Tax on CST Assessment (09-10)	-		278,783
	2,553,221		3,263,794
NOTE # 20			
Finance Costs			
Bank Charges & Interest Expense	34,257		30,133
	34,257		30,133

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

	2013-14	2012-13
Profit after Tax as per Profit & Loss Account	257,559	1,861,515
Weighted average number of Equity Shares	2437800	2437800
Basic Earnings per share	0.11	0.76
Diluted Earnings per share	0.11	0.76
Nominal Value of Shares	10.00	10.00

22. Related Party Disclosures

a. Name of the related parties where control exists:

Holding Company	Pincon Spirit Limited (with effect from 21 st March 2014)
Associates Company	Paul Distributors Private Limited (with effect from 21 st March 2014)

b. Name of the Other Related Parties

Key Management Personnel	Mr. Monoranjan Roy
	Mr. Raj Kumar Roy

Aggregate Related Parties Disclosures:

Holding Company	2013-14	2012-13
Purchase		
Pincon Spirit Limited	17,484,000	-
Investments		
Pincon Spirit Limited	1,523,625	-
Unsecured Loan Taken (during the year)		
Pincon Spirit Limited	16,000,000	-
Unsecured Loan (Outstanding)		
Pincon Spirit Limited	16,000,000	-

In terms of my report of even date

For and on behalf of the Board

Sd /-
CA Anupam Sarkar
 Chartered Accountant
 Membership No.: 050083

Sd /-
Monoranjan Roy
 Director

Sd /-
Raj Kumar Roy
 Director

Place: Kolkata
 Date: June 17, 2014



**CONSOLIDATED FINANCIAL STATEMENTS & NOTES
OF
PINCEN SPIRIT LIMITED**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Pincon Spirit Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

I have audited the accompanying consolidated financial statements of **M/s PINCON SPIRIT LIMITED** (the Company), its subsidiaries and jointly controlled entities (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year 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 Group in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs). 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.

AUDITORS' RESPONSIBILITY

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I had conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I 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 the 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 considers internal control relevant to the Group'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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

In My opinion and to the best of my information and according to the explanations given to me and based on the consideration of the reports of the other auditors on the financial statements / consolidated financial statements of the subsidiaries and associates as noted below, 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 Group as at March 31, 2014;
- b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
- c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

OTHER MATTERS

I did not audit Standalone Financial Statement of Paul Distributors Private Limited, a subsidiary of Pincon Spirit Limited, which reflect total assets of Rs. 17.95 Crore as at March 31, 2014, total revenue (net) of `

94.88 Crore and net cash flows amounting to (0.49) Crore for the year then ended, have been audited by S.K.Sircar & Co, Chartered Accountant. I have relied on the Audit Report of S.K.Sircar & Co, Chartered Accountant.

My opinion is not qualified in respect of other matters.

Place: Kolkata
Date: June 17, 2014

Sd/-
CA Anupam Sarkar
Chartered Accountant
Membership No: 050083



PINCON SPIRIT LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(In Rupees)

PARTICULARS	Note No.	As at 31.03.2014	As at 31.03.2013
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	100,215,000	-
Reserves and Surplus	3	296,601,133	-
Minority Interest	4	54,291,027	-
Non-Current Liabilities			
Long Term Borrowings	5	304,401,367	-
Current Liabilities			
Short-Term Borrowings	6	320,706,570	-
Trade Payables	7	37,481,333	-
Other Current Liabilities	8	11,038,532	-
Short-Term Provisions	9	134,925,455	-
TOTAL		1,259,660,416	-
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	216,177,448	-
Intangible Assets	11	3,624,770	-
Long-Term Loans and Advances	12	55,772,699	-
Deferred Tax Assets (Net)	13	12,347,704	-
Current Assets			
Inventories	14	317,980,353	-
Trade Receivables	15	280,907,588	-
Cash and Cash Equivalents	16	6,905,996	-
Other Current Assets	17	365,943,857	-
TOTAL		1,259,660,416	-
Notes to Accounts	27		

The above notes form an integral part of Financial Statement

As per my Report of even date

For and on behalf of the Board

Sd/-
CA Anupam Sarkar
Chartered Accountants
Membership No.: 050083

Sd/-
Monoranjan Roy
Chairman & Managing Director

Sd/-
Arup Thakur
Director

Place: Kolkata
Date: June 17, 2014

Sd/-
A.Karwa
Company Secretary

PINCON SPIRIT LIMITED				
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014				
(In Rupees)				
PARTICULARS	Note No.	Year Ended 31.03.2014		Year Ended 31.03.2013
Income				
Revenue from Operations	18	3,845,249,141		-
Other Incomes		4,605,186		-
Total Revenue (I +II)		3,849,854,327		-
Expenses:				
Cost of Materials Consumed	19	968,345,486		-
Purchase of Traded Goods	20	2,618,965,507		-
Change In Inventories	21	(98,469,737)		-
Other Manufacturing Expenses	22	53,018,440		-
Employee Benefit Expenses	23	9,131,182		-
Administrative & General Expenses	24	18,754,619		-
Selling & Distribution Expenses	25	88,749,498		-
Finance Costs	26	16,563,131		-
Depreciation and Amortization Expense	10	22,290,606		-
Preliminary Expenses		764		-
Total Expenses		3,697,349,496		-
Profit before Tax (III - V)				
		152,504,831		-
Tax Expense:				
(1) Current tax		51,745,654		-
(2) Deferred Tax Liability/(Assets)		(537,523)		-
(3) Minority Interest (Post Subsidiary)		812,720		-
Profit/ (Loss) for the Period (VI-VII)				
		100,483,980		-
Earnings per equity share of face value of Rs.10 each				
(1) Basic		10.03		-
(2) Diluted		10.03		-
Notes to Accounts	27			
The above notes from an integral part of Financial Statement				
As per my Report of even date		For and on behalf of the Board		
Sd/- CA Anupam Sarkar Chartered Accountants Membership No.: 050083	Sd/- Monoranjan Roy Chairman & Managing Director	Sd/- Arup Thakur Director		
Place: Kolkata Date: June 17, 2014		Sd/- A.Karwa Company Secretary		

**PINCON SPIRIT LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2013-14**

(In Rupees)

PARTICULARS	Amount 2013-14 Rs.	Amount 2012-13 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	152,504,831	-
Adjustments for:		
Depreciation	22,290,606	-
Interest Paid	16,563,131	-
Other Extra ordinary Non Cash Items	(1,584,880)	-
Non Operating Income	(4,605,186)	-
Preliminary Expenses	764	-
Operating Profit before Working capital changes	185,169,266	-
Adjustments for:		
(Increase) / Decrease in Inventories	(317,980,353)	-
(Increase)/ Decrease in Account Receivable	(280,907,588)	-
(Increase)/ Decrease in Loans & Advances	(365,943,857)	-
Increase/ (Decrease) in Account Payables	49,519,865	-
Cash Generated from Operations	(730,142,667)	-
Tax Paid	51,745,654	-
Net Cash from Operating Activities	(781,888,321)	-
B CASH FLOW FROM INVESTING ACTIVITIES:		
Fixed Assets (including C.W.I.P.)	(216,177,448)	-
Fixed Deposit & Investment	(55,772,699)	-
Investment in Subsidiary	(3,624,770)	-
Net Cash from Investing Activities	(275,574,917)	-
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds of Share & Reserve	396,928,215	-
Proceeds of Unsecured Loans	304,401,367	-
Proceeds of Secured Loans	320,706,570	-
Other Non Operating Income	4,605,186	-
Share of Minority Interest	54,291,027	-
Interest Paid	(16,563,131)	-
Net Cash from Financing Activities	1,064,369,234	-
Net Increase/(Decrease) in Cash and Cash equivalents	6,905,996	-
Cash and Cash equivalents as at 1st April (Opening Balance)	-	-
Cash and Cash equivalents as at 31st March (Closing Balance)	6,905,996	-

In terms of my report of even date

For and on behalf of the Board

Sd/-
CA Anupam Sarkar
Chartered Accountants
Membership No.: 050083

Sd/-
Monoranjan Roy
Chairman & Managing Director

Sd/-
Arup Thakur
Director

Place: Kolkata
Date: June 17, 2014

Sd /-
A.Karwa
Company Secretary

NOTE # 1

1. CORPORATE INFORMATION

Pincon Spirit Limited (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 Calcutta Stock Exchange Limited in India. The company is engaged in carrying on the Business of Bottling & Selling of Indian Made Foreign Liquor & FMCG the Company caters to domestic markets only.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis for preparation of Accounts:

The Financial Statements are prepared on the basis of historical cost convention, adopting mercantile system of accounting and recognizing income and expenditure on accrual basis unless there are any specified remarks otherwise against any item. These financial statements have been prepared to comply in all material aspects with the accounting standards issued by Institute of Chartered Accountant of India and relevant provisions of the Companies Act, 1956.

B. Fixed Assets

- i. Fixed assets are stated at their original cost of acquisition and subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets concerned, except amounts adjusted on revaluation and amalgamation. Interest on borrowings attributable to qualifying assets are capitalised and included in the cost of fixed assets as appropriate.
- ii. The costs of Fixed Assets acquired in amalgamations are determined at their fair values, on the date of acquisition or nearer thereto, or as approved under the schemes of amalgamation.
- iii. Assets held for disposal are stated at their net book value or estimated net realisable value, whichever is lower.
- iv. Intangible assets are stated at the consideration paid for acquisition less accumulated amortization and impairment losses if any.

C. Depreciation :

Depreciation on fixed assets has been provided on written down value at the rates specified in Schedule XIV of the Companies Act, 1956, as amended vide Notification GSR 756(E) dated 16th December, 1993, maximum upto 95% of the original cost of the asset.

D. Impairment

Impairment loss, if any, is provided to the extent the carrying amounts of assets exceed their recoverable amount.

Recoverable amount is higher of the net selling price of an asset and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

E. Inventories

Inventories are valued at lower of cost and net realisable value. The costs are, in general, ascertained under Weighted Average Method. Excise/ Customs duty payable on stocks in bond is added to the cost. Due allowance is made for obsolete and slow moving items.

F. Cash and Cash Equivalent

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

G. Revenue Recognition

Sales are recognised when goods are dispatched from distilleries/ warehouses of the Company in accordance with the terms of sale except where such terms provide otherwise, where sales are recognised based on such terms. Gross Sales are inclusive of excise duty but are net of trade discounts and sales tax, where applicable.

H. Investments :

Investments are stated at cost and are long term in nature.

I. Particulars of Employees

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

J. Conservation of Energy & Technology absorption

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

K. 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 31.03.2014 is not ascertainable.

L. 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.

M. 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.

N. 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.

O. 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

P. Share issue expenses

Share issue expenses incurred are adjusted to the Securities Premium Account as permitted by Section 78(2) of the Companies Act, 1956.

Q. Expenditure

Expenses are net of taxes recoverable, where applicable.

R. General

The Company has a policy of authorizing expenditure based on reasonable checks and balances. The policy is intended to ensure that expenses are authorized on the basis of contractual obligations or accepted business practices having regard to the company's business need and exigencies. In terms of these observations we have not come across any expenses charged to the Revenue Account of the Company, which, in our opinion and according to explanations given to us could be regarded as personal expenses.

Previous Year figures have been re-arranged and are grouped wherever necessary.



PINCON SPIRIT LIMITED				
CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014				
In Rupees.				
PARTICULARS	As at 31-Mar-14		As at 31-Mar-13	
NOTE # 2				
Share Capital				
Authorised Capital				
10,030,000 Equity Shares of Rs 10/- each	100,300,000		-	
(Previous Year : 10,030,000 Equity Shares of Rs 10/- each)	100,300,000		-	
Issued, Subscribed and Paid up				
10,021,500 Equity Shares of Rs 10/- each	100,215,000		-	
(Previous Year : 10,021,500 Equity Shares of Rs 10/- each)	100,215,000		-	
a) Reconciliation of number of Shares				
Equity Shares	As at 31.03.2014		As at 31.03.2013	
	No.	Amount (Rs.)	No.	Amount (Rs.)
Opening Balance	10,021,500	100,215,000	-	-
Changes during the year	-	-	-	-
Closing Balance	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. The company has not declared any dividends during the current and previous year.				
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, 2014)				
The Company has not allotted any equity shares as fully paid-up bonus shares during last 5 years preceding to March 31, 2014.				
e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company				
Equity Shares	As at 31.03.2014		As at 31.03.2013	
	No.	Amount (Rs.)	No.	Amount (Rs.)
Monoranjan Roy: 29.87% (P.Y:29.87%)	2,993,393	29,933,930	-	-
	2,993,393	29,933,930	-	-

PINCONSPIRIT LIMITED			
CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014			
(In Rupees)			
PARTICULARS	As at 31.03.2014		As at 31.03.2013
Notes # 3			
Reserves and Surplus			
(a) Securities Premium			
As per last Balance Sheet	636,405		
Addition during the year	-		
	636,405		
(b) Surplus i.e. Balance in the Statement of Profit & Loss			
As per last Balance Sheet	195,480,746		
Addition during the year	100,483,980		
	295,964,726		
	296,601,133		
NOTE # 4			
Minority Interest			
Minority Interest	54,291,027		
	54,291,027		
Note # 5			
Long-Term Borrowings			
Secured Loan - Car Loan	4,401,367		
Unsecured Loan – Director	300,000,000		
	304,401,367		
Loan for Car from PNB, Brbb Road Branch of Rs.44.01 lacs are secured by lien on Car itself			
NOTE # 6			
Short-Term Borrowings			
Other Loans and Advances (Secured)			
- Cash Credit Facilities	298,498,518		
- Bank Overdraft	22,208,052		
	320,706,570		
Notes			
Working Capital Loan facilities from Punjab National Bank, B.R.B.B.Road Br, Kolkata & Indian Oversea Bank, Mahalaksmipuram Branch, Bangalore are secured by hypothecation of Currents Assets consisting of Stock & Book Debts. Bank Overdraft is from Punjab National Bank secured by way of Fixed Deposit.			
NOTE # 7			
Trade Payables			
Trade Payables	37,481,333		
	37,481,333		
NOTE # 8			
Other Current Liabilities			
Other Payables	5,131,766		
Liability for Expenses	5,906,766		
	11,038,532		
NOTE # 9			
Short-Term Provisions			
Provision for Income Tax	133,295,455		-
Security Deposit	1,000,000		.
	134,925,455		

NOTE # 10										
Tangible Assets as on 31st March 2014.										
PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	01.04.2013	Additions	Sale	31.03.2014	01.04.2013	For the year	Adjustment	31.03.2014	31.03.2014.	31.03.2013.
Electrical Equipment	9,774,753	-	-	9,774,753	1,914,325	1,095,341	-	3,009,666	6,765,087	7,860,428
Furniture & Fixtures	26,664,634	-	-	26,664,634	4,355,795	4,037,901	-	8,393,696	18,270,938	22,308,839
Office Equipment	2,821,895	-	-	2,821,895	1,020,511	703,465	-	1,723,976	1,097,919	1,801,384
Building	49,455,222	49,549,826	-	99,005,048	3,401,800	4,931,150	-	8,332,950	90,672,098	46,053,422
Plant & machinery	114,576,080	-	-	114,576,080	21,730,494	12,914,822	-	34,645,316	79,930,764	92,845,586
Land	12,104,883	-	-	12,104,883	-	-	-	-	12,104,883	12,104,883
Motor Vehicle	1,931,694	6,926,422	-	8,858,116	1,329,542	192,815	-	1,522,357	7,335,759	602,152
	217,329,161	56,476,248	-	273,805,409	33,752,467	23,875,494	-	57,627,961	216,177,448	183,576,694

PINCON SPIRIT LIMITED			
CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014			
(In Rupees)			
PARTICULARS	As at 31.03.2014		As at 31.03.2013
NOTE # 11			
Intangible Assets			
Goodwill	3,624,770		
	3,624,770		
NOTE # 12			
Long-Term Loans and Advances			
Fixed Deposit with Bank	24,308,964		
Capital Advances	30,000,000		
Security Deposit	1,383,735		
Deposit With Excise Dept.	80,000		
	55,772,699		
NOTE # 13			
Deferred Tax Assets			
Deferred Tax Assets	12,387,231		
	12,387,231		
NOTE # 14			
Inventories			
Work-in-Progress	21,473,958		
Finished Goods	296,506,395		
	317,980,353		
NOTE # 15			
Trade Receivables			
Secured, Considered Good			
- Outstanding for a period exceeding six months	-		
- Others	280,907,588		
	280,907,588		
NOTE # 16			
Cash and Cash Equivalents			
Cash in Hand & Bank	6,905,996		
	6,905,996		
NOTE # 17			
Other Current Assets			
Current Assets	146,622,057		
Investment in Liquor Shop	219,000,000		
Advance to others	225,760		
Preliminary Expenses	96,040		
	365,943,857		

PINCON SPIRIT LIMITED		
CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014		
(In Rupees)		
PARTICULARS	Consolidated 31.03.2014	Consolidated 31.03.2013
NOTE # 18		
Revenue From Operations		
Own Blend	1,120,213,475	-
Trading	2,349,619,537	-
FMCG	375,416,129	-
	3,845,249,141	-
Other Incomes		
Interest Income	2,189,862	-
Prior Period Interest	2,119,102	-
Other Incomes	296,222	-
	4,605,186	-
NOTE # 19		
Cost of Materials Consumed		
COST OF MATERIALS CONSUMED (OWN BLEND)		
Opening Stock of Raw Materials	4,234,123	-
Add: Purchase	1,007,717,904	-
Closing Stock of Raw Materials	21,473,958	-
COST OF MATERIALS CONSUMED (OWN BLEND)	990,478,069	-
Opening Stock of Finished Goods	42,290,802	-
COST OF MATERIALS CONSUMED	990,478,069	-
Closing Stock of Finished Goods	64,423,386	-
(A)	968,345,486	-
COST OF MATERIALS CONSUMED (A)	968,345,486	-
NOTE # 20		
Trading		
Purchase of IMFL	2,250,119,160	-
Purchase of FMCG	368,846,346	-
	2,618,965,506	-
NOTE # 21		
Change in Inventories		
IMFL		
Opening Stock of Finished Goods	43,495,153	-
Closing Stock of Finished Goods	110,080,232	-
(A)	(66,585,079)	-
FMCG		
Opening Stock of Finished Goods	-	-
Closing Stock of Finished Goods	31,884,658	-
(B)	(31,884,658)	-
Total= A+B	(98,469,737)	-

PINCON SPIRIT LIMITED		
CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014		
(In Rupees)		
PARTICULARS	Consolidated 31.03.2014	Consolidated 31.03.2013
NOTE # 22		
Other Manufacturing Expenses		
Other Expenses Related	53,018,440	-
	53,018,440	-
NOTE # 23		
Employee Benefit Expenses		
Salaries and Wages	9,131,182	-
	9,131,182	-
NOTE # 24		
Administrative & General Expenses		
Accommodation Charges	4,704	-
Auditors' Remuneration	38,787	-
Bar Code Renewal Charges	1,186	-
Books & Periodicals	109	-
Calibration Charges	438	-
Car Hire Charges	4,069	-
Computer Maintenance Expenses	2,392	-
Directors Remuneration	6,305,315	-
Donation & Subscription	4,498	-
Electricity Charges & Repairs	4,574	-
Excise Expenses	1,545	-
Filing Fees	6,858	-
Fire Licence Fee Others Exp	332	-
Fire Refilling Expenses	1,113	-
First Aid & Medical Expenses	11	-
Foc	923	-
Generator Maintenance	1,078	-
Inspection Charges	850	-
Insurance Expenses	16,635	-
Interior Decoration	3,903	-
Land Registration Exp	1,879	-
Legal Expenses	1,251,662	-
Licence Fees	18,641	-
Loan Re-Payment Fees For Car Loan	952	-
Medical Expenses	205	-
Night Holding Charges	847	-
Office Maintenance	3,641	-
Old Price Adjustment	96	-
Organizational Expenses	4,498,163	-
Postage & Telephone	1,518,959	-
Preliminary Expenses W/Off	1,632	-
Printing & Stationery	979,589	-
Professional & Consultancy Expenses	2,362	-
Professional Tax For Company	324	-
Project Exp	4,822	-
Puja Expenses	954	-
Rates & Taxes	1,065	-
Refreshments	8,267	-
Rent	376,082	-

Repair & Maintenance Expenses	33,880	-
Sales Tax Return Exp	11,935	-
Security Charges	27,710	-
Staff Welfare	4,884	-
Sundry Balance Written Off	3,416	-
Tour Expenses	2,518	-
Travelling & Conveyance	3,593,385	-
Vehicle Insurance	2,873	-
Vehicle Maintenance	4,325	-
Weightment Expense	231	-
	18,754,619	-
NOTE # 25		
Selling and Distribution Expenses		
Business Promotion/Advertisement	55,025,123	-
Carriage Outwards	9,375,515	-
Discount & Rebate	1,563,782	-
Godown Expenses	3,269,072	-
Godown Rent	600,000	-
Rebate On Sales	18,814,001	-
Freight	1,200	-
Sales Man Commission	14,569	-
Breakage Replacement A/C	24,504	-
Incidental Charge Refund A/C	5,681	-
Loading & Unloading Charges	39,617	-
Incentive	16,434	-
	88,749,498	-
NOTE # 26		
Finance Costs		-
Finance Expense	16,563,131	-
	16,563,131	-

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

	2013-14	2012-13
Profit after Tax as per Profit & Loss Account	99,478,559	84,813,800
Weighted average number of Equity Shares	10,215,000	10,215,000
Basic Diluted Earnings per share	9.93	8.46
Nominal Value of Shares	10.00	10.00

28. Related Party Disclosures

a. Name of the related parties where control exists:

Subsidiary Companies	Paul Distributors Private Limited (with effect from 21 st March 2014)
	Priya Laboratories Private Limited (with effect from 21 st March 2014)

b. Name of the Other Related Parties

Key Management Personnel	Mr. Monoranjan Roy
	Mrs. Mousumi Roy¹

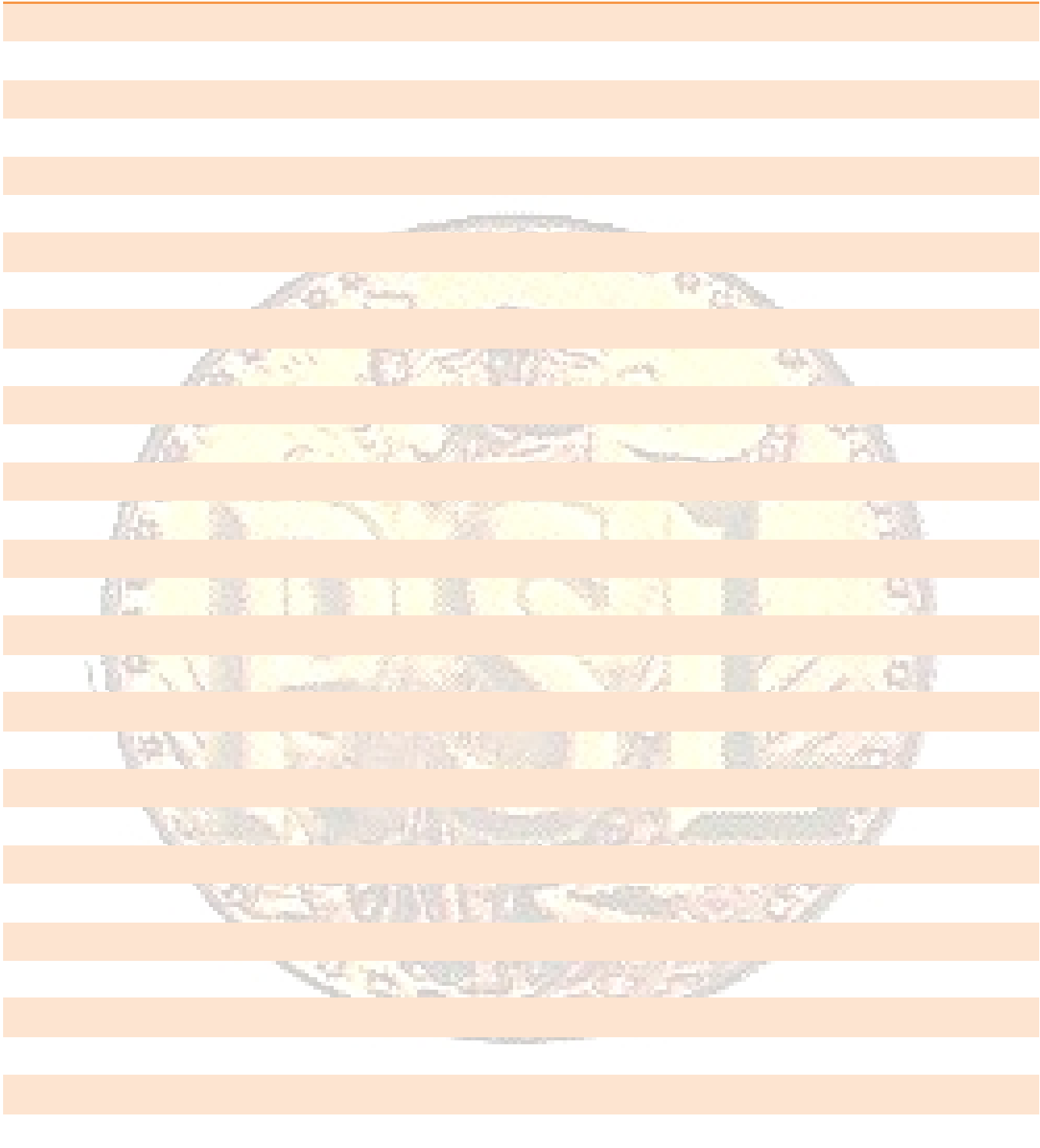
Notes

1. Mrs. Mousumi Roy, Resigned from on 23.02.2014

Aggregate Related Parties Disclosures:

Subsidiary Companies	2013-14	2012-13
Sales		
Paul Distributors Private Limited	41853614	-
Purchase/Other Manufacturing Expenses		
Priya Laboratories Private Limited	17,484,000	
Investments		
Paul Distributors Private Limited	55,000,000	-
Priya Laboratories Private Limited	15,236,250	
Loan & Advances Given during the year		
Paul Distributors Private Limited	80,000,000	
Priya Laboratories Private Limited	16,000,000	
Loan & Advances(Outstanding)		
Paul Distributors Private Limited	25,000,000	
Priya Laboratories Private Limited	16,000,000	
Key Management Personnel		
Remuneration	3,550,000	840,000
Unsecured Loan Taken (during the year)		
Monoranjan Roy	300,000,000	-
Investments Purchase		
Monoranjan Roy	15,236,250	
In terms of my report of even date	For and on behalf of the Board	
Sd/- CA Anupam Sarkar Chartered Accountant Membership No.: 050083	Sd/- Monoranjan Roy Chairman & Managing Director	Sd/- Arup Thakur Director
Place: Kolkata Date: June 17, 2014		Sd/- A.Karwa Company Secretary

Notes



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