



**25th
Annual Report
2017-2018**

**RAVI KUMAR
DISTILLERIES LIMITED**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. R.V. Ravikumar	Managing Director
Mr. Badrinath S Gandhi	Executive Director
Mrs. S. Vijayalakshmi	Executive Director
Mr. K.S.M. Rao	Independent Director
Mr. Ashok R Shetty	Independent Director
Mr. Popatlal M. Kathariya	Independent Director

COMPLIANCE OFFICER

Mr. Badrinath S Gandhi

AUDITORS

M/s. Ramanand & Associates,
6/C, Gr. Floor, Ostwal Park Building,
No.4, Near Jesal Park Jain Temple,
Bhayandar (East),
District Thane – 401 105.

BANKERS

State Bank of India

REGISTERED OFFICE

S1 & S2, 2nd Floor, B-Block,
“Ameen Manors”,
No.138, Nungambakkam High Road,
Nungambakkam, Chennai – 600 034, India.
Tel. No. 91-044-2833 2087
Website: www.ravikumardistilleries.com
Email: cs@ravikumardistilleries.com

CORPORATE OFFICE

No.17, Kamaraj Salai,
Puducherry – 605 011, India.
Tel. No. 91 – 0413 – 2244007, 2248888
Website: www.ravikumardistilleries.com
Email: cs@ravikumardistilleries.com

REGISTRAR & SHARE TRANSFER AGENT

M/s. Karvy Computershare Pvt.Ltd.,
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad 500 032.
Phone: 91 40 67162222
Email: einward.ris@karvy.com

FACTORY:

R.S. No. 89/4-A, Katterikuppam Village,
Mannadipet Commune,
Puducherry – 605 502.
Tel.No. 91 – 0413 – 2674444, 2674888

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DIRECTORS’ REPORT

To
The Members
Ravi Kumar Distilleries Limited.

Your Directors have pleasure in presenting the 25th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2018.

Financial Results:	(Rs. in lakhs)	
Particulars	2017-18	2016-17
Total Revenue	7246.50	6422.00
Profit / (Loss) before Prior period, Exceptional and Extra-Ordinary items	(-) 157.41	(-) 317.00
Prior Period items	--	--
Exceptional items	1321.04	-
Tax Expenses	(-) 1.00	(-) 3.52
Profit / (Loss) for the Year	(-) 156.41	(-) 323.68
Balance Carried Forward to Balance sheet	(-) 156.41	(-) 323.68

Performance of the Company during the year under review

Your Company is engaged in the business of manufacture and trade of Indian Made Foreign Liquor (IMFL) under own brand Capricorn, Jean Brothers, Black Berry, 2 Barrels, Green Magic, Chevalier, Once More as well as under tie-up arrangements with other Companies. IMFL comprises of Whisky, Brandy, Rum, Gin and Vodka. Your Company currently operates through own manufacturing unit located at R.S 89/4A, Katterikuppam Village, Mannadipet Commune, Pondicherry. The Unit is equipped with infrastructure facilities and technology, which encompasses all modern facilities for blending and bottling, can undertake manufacture of IMFL. The core competency of your Company is in house technical and formulation knowledge, skilled workforce and well equipped manufacturing facilities, which enable us to manufacture a wide range of IMFL products to diverse client requirements.

During the year, the total Income from operations was Rs. 7246.50 lakhs compared to Rs.6422 lakhs in the previous year recording a loss of (Rs.323.68 lakhs). The net loss was (Rs.156.41 lakhs) as against the loss (Rs. 323.68) lakhs in the previous year. Earning per share is (Rs. 0.65) against (Rs. 1.30) in the previous year on a weighted average basis as per Accounting Standard 20 issued by the Institute of Chartered Accountants of India.

However, the Company is taking possible steps to revive the business.

Future Outlook:

During current year, your Company will try to increase the sales.

Insurance:

All the properties of the Company including buildings, plant and machinery and stocks have been adequately insured.

Reasons for Loss during the year:

The Loss of the company to the tune of Rs. (-) 156.41 lacs attribute is to following main reasons for non growth of the company:

1. Change In Excise Law

The increase of Excise Duty implemented earlier and again in September 2017 has severely affected the sales this year also. However the company is working on other avenues and areas for increasing the sales.

2. Legal Cases Pertaining To The Company

The company’s performance was also severely affected due to various issues and fraudulence committed by Mr. Anil Agrawal, Managing Director of M/s. Comfort Securities Limited, M/s. Comfort Intech Limited and his associates against the Company.

Your Company has filed complaints against Mr. Anil Agrawal, M/s. Comfort Securities Ltd., Merchant Bankers, M/s. Comfort Intech Ltd. and its other group companies with the following authorities.

1. A Civil Suit OS No. 103/2013 and I.A. No. 405/2013 before 2nd Additional District Judge, Ranga Reddy District, L.B. Nagar, Hyderabad with prayers:
 - a. To rescind the agreements as being void and restore the parties back to the position prior to the MOU dated 05.09.2012.
 - b. To declare the notice for EGM of M/s. Liquors India Limited dated 05.02.2013 as null and void and illegal. The court has passed an order restraining Mr. Anil Agrawal from holding the EGM till further orders in the case of M/s.Liquors India Ltd.,
 - c. I.A. No. 1453 of 2013 filed with IInd Additional District Judge, Ranga Reddy District, L.B. Nagar, Hyderabad praying not to alienate, encumber assets of M/s.Liquors India Ltd.
 - d. I.A. No. 1452 of 2013 filed with IInd Additional District Judge, Ranga Reddy District, L.B. Nagar, Hyderabad praying not to alter the Board.

The Court has passed interim order in IA No.1452 & 1453, not to alienate, encumber assets of LIL and not to alter the Board. Mr. Anil Agrawal filed appeal in High Court, Hyderabad and HC permitted to sub-lease with third parties and set aside the order of lower court regarding altering the composition of the Board of Directors of Liquors India Limited with observation that “any change of composition in Appellant Company effected during the pendency of the suit

- shall be subject to the result of the same". Aggrieved by this order, your company filed SLP with the Supreme Court of India against the above order. The Supreme Court has permitted the sub-lease for the purpose mentioned in the Rules of A.P. Distilleries (manufacture of IMFL) Rules, 2006. However the Supreme Court has directed that the company shall not create any sub-lease for any other purpose, and neither LIL nor sub-leasees can claim any right on the basis of the lease created under the Rules. Further Supreme Court has directed the lower court to dispose of the suit by end of June 2016. The matter is pending before the court.
- e. I.A. No. 654 of 2016 in OS no. 103/2013 filed with IInd Additional District Judge, Ranga Reddy District, L.B.Nagar, Hyderabad praying to appoint Official Receiver conferring powers on the receiver for the management, protection, collection of profits and improvement of M/s.Liquors India Limited. The Court ordered to appoint administrator. However Mr.AnilAgrawal obtained stay order in the matter.
 2. Writ Petition No. 12713 of 2014 with the Hon'ble High Court, Andhra Pradesh praying License of Liquors India Limited issued by the Excise Department should be cancelled and sub-lease agreement also be cancelled. High Court directed that all transactions including financial transactions between Mr. Anil Agrawal and Tilaknagar Industries Limited shall be booked and recorded faithfully pending further consideration of this W.P.M.P. No. 15944 of 2014 in W.P. No. 12713 of 2014. Mr. Anil Agrawal and Tilaknagar Industries Limited shall not create any charge or third party interest relating to the assets of Liquors India Limited.
 3. Your company filed a Complaint with the Commissioner of Police, Hyderabad against the fraud and cheating committed by Mr. Anil Agrawal. The Police registered the FIR No.248/2013 dated 23.08.2013 against Mr. Anil Agrawal and others under Section 406-IPC, 420-IPC, 447-IPC, 385-IPC, 386-IPC, 467-IPC, 468-IPC, 469-IPC, 471-IPC, 120B-IPC, 34-IPC. Mr. Anil Agrawal filed C.P. No. 11292 of 2013 in the High Court of Hyderabad against FIR No. 248/2013 dated 23.08.2013 and High Court passed order to complete the investigation without arresting Mr. Anil Agrawal and others. The complaint has been transferred to EOW, CID, Hyderabad for further investigation, and the investigation is in progress. The High Court of Mumbai dismissed the writ petitions filed by Mr.AnilAgrawal, his companies and associate companies against the Demat and Bank account freeze order of EOW, CID, Hyderabad. Mr.AnilAgrawal again filed writ petitions in High Court, Hyderabad against the Demat and Bank Account freeze order in Ranga Reddy District Court and High Court. The matters are pending.
 4. Your company filed a Complaint with EOW, Mumbai for cheating and money laundering and to recover company's money of Rs. 33.73 crores. EOW registered FIR No.34/14 dated 21.01.2014 under section 409, 420, 465, 467, 468, 471, 474, 120(B). Mr. Anil Agrawal filed W.P.No. 2059 of 2014 in High Court of Mumbai and the Court directed that the FIR registered by EOW is not maintainable since Nacharam Police Station has registered the FIR first.
 5. Aggrieved by delay in investigation by the Hyderabad Police and order by the High Court, Mumbai, Your company filed two SLPs with the Supreme Court of India against High Court of Mumbai order and delay in investigation by Hyderabad Police. The Supreme Court has directed the Investigating Authorities to take such steps as may be advised to them in accordance with the provisions of Law.
 6. Your company has filed a Complaint with SEBI, Mumbai against BRLM M/s. Comfort Securities Ltd., (DP) promoted by Mr. Anil Agrawal for violations of SEBI Regulations and others.
 7. Your company filed a Recovery suits No. SL/1135, 1136, 1137 and 1138 of 2013 and SL/1259 , 141 of 2014 filed against M/s. Ranisati Dealer Pvt.Ltd., M/s. Vibhuti Multi Trade Pvt.Ltd., M/s. GulistanVnijyaPvt.Ltd., M/s. Sukusama Trading and Investments Pvt.Ltd., M/s. Comfort Intech Limited and M/s. Gaungour Suppliers Pvt.Ltd.. in the High Court of Bombay. Matter pending before the court.
 8. Your company filed a Complaint with Enforcement Directorate, Mumbai to investigate the frauds committed by Mr. Anil Agrawal and his companies. Enforcement Directorate has initiated enquiries against Mr. Anil Agrawal, his companies and others under the provisions of prevention of Money Laundering Act 2002 on the basis of the FIR No. 34/14 dated 21.01.2014.
 9. Your company filed a Complaint with RBI and Ministry of Finance to appoint officer to investigate the affair of CIL and cancel the License to act as NBFC for violating the guidelines. RBI has cancelled the NBFC Licence of Comfort Intech Limited based on forgery and misrepresentation by CIL in some other different matter for forging and fabricating RBI documents.
 10. Your company filed a Petition Under section 111A r/w 111(4) of the Companies Act filed before the Company Law Board, Chennai in the matter of Liquor India Limited, Mr. Anil Agrawal and others. CLB is dissolved and the matter transferred to NCLT, Hyderabad and is pending. Your company also filed Amendment Petition including the shares which were under pledge with Tilak Nagar Industries. Mr.AnilAgrawal has filed appeal in National Company Law Appellant Tribunal, New Delhi against Amendment Petition. Matter pending before NCLAT.



3. Mr. Anil Agrawal has filed complaints against the company with the following authorities:

- (I). The Company Law Board, Chennai under section 397, 398, 235(2) and 237(b) of the Companies Act, 1956. The Company has filed counter. CLB is dissolved. Matter transferred to NCLT and is in argument stage.
- (II). Mr. Anil Agrawal filed a Counter Complaint with Hyderabad Police against Mr. R.V. Ravikumar. The Hyderabad Police have not considered the complaint since there was no substance. Aggrieved, Mr. Anil Agrawal filed W.P. No. 7956 of 2014 filed with Hon'ble High Court, Andhra Pradesh to register the complaint filed by him against Mr. R.V. Ravikumar with Hyderabad Police. The Police have submitted their report to the High Court, Hyderabad stating that there is no substance in the Complaint. The matter is pending before the court.
- (III). Mr. Anil Agrawal filed a Counter Complaint with Malad Police Station, Mumbai against the company and its Directors. Enquiry is being conducted by the Malad Police.
- (IV). M/s. First Financial Services Limited, Chennai filed O.S. No. 6602 of 2013 alleging mis-management of the company. The court has rejected the suit.
- (V). M/s. Tilaknagar Industries Limited – accused A7, A8 and A9 in the Hyderabad Police FIR, filed W.P. No. 4945 of 2014 with the Hon'ble High Court, Andhra Pradesh to stay all further proceedings of the FIR. The W.P. is pending for admission..

Dividend:

Considering the financial situation, the Board of Directors does not recommend any Dividend for the year 2017-2018 .

Fixed deposits:

During the year under review, the Company has not accepted any fixed deposits and there are no fixed deposits, which are pending repayment as on 31.03.2018

Subsidiary Companies:

Your Company does not have any subsidiary company during the year under review.

Directors:

Mrs. S. Vijayalakshmi, Executive Director retires by rotation at this AGM being eligible, offer herself for re-appointment. Pursuant to SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with the Stock Exchanges, brief resume of Mrs. S. Vijayalakshmi have been provided in the notice convening the Annual General Meeting.

Board Meeting

Four meetings of the Board of Directors were held during the

year. For further details, please refer report on Corporate Governance of this Annual Report.

Policy of Directors' Appointment and Remuneration

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the board. As of 31st March, 2018, the board had 6 members three of whom were executive or whole time and managing director and three were independent director.

The policy of Company on director's appointment and remuneration, including, the criteria for determining qualification , positive attributes and other matters as required under sub-section 3 of section 178 of the Companies Act, 2013 is available on Company's website.

There has been no change in the policy. We affirm that remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

Statement on declaration given by Independent Directors

Declaration by Independent Director

The Independent directors have submitted the declaration of independence, as required pursuant to Section 149 (7) of the Companies Act, 2013 confirming that they meet the criteria of independence provided in section 149 (6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors and a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

The details of programs for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company.

Board Evaluation

The Company has devised a policy for performance evaluation of the Board, Committee and other individual directors (including independent Director) which include criteria for performance evaluation of Executive and Non-Executive Directors. The Evaluation process inter alia considers the attendance of Directors at Board and committees meeting, effective participation, domain knowledge, compliance with code of conduct, vision and strategy.

The Board carried out annual performance evaluation of the Board, Committees, Individual Directors and the Chairperson. The Chairman of the respective Committees

shared the report on evaluation with the respective committee members. The performance of each committee was evaluated by the Board, based on the report on evaluation received from the respective committee.

The report on performance evaluation of the Individual Directors was reviewed by the Chairman of the Board and feedback was given to Directors.

Appointment/ Cessation of KMP

During the year under review, no person were appointed/ceased as Key Managerial Personnel (KMP) of the Company:

Directors' Responsibility statement:

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) state that—

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 and loss of the company for that period;
- (c) 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;
- (d) The Directors had prepared the annual accounts on a going concern basis; and
- (e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

Nomination & remuneration Committee

The Board constituted a Nomination and Remuneration Committee comprising of Mr. Ashok R Shetty, Mr. Popatlal M Kathariya and Mr. K.S.M. Rao. Refer Corporate Governance report for details.

Corporate Governance:

The Company has complied with the requirements of the Code of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance and Management Discussion and Analysis Report is attached to this Directors' Report.

A Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated by SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 is attached to this Directors' Report.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORTS

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance and Management Discussion and Analysis Report, which form an integral part of this Report together with the Certificate from Auditors of the Company regarding compliances with the requirements of Corporate Governance as stipulated in aforementioned Regulations.

Auditors:

The statutory auditors of the Company M/s. Ramanand & Associates, Mumbai retire at the conclusion of the ensuing Annual General Meeting. The retiring auditors have furnished a certificate under Sec. 141 of the Companies Act, 2013 confirming their eligibility for reappointment. The Auditor Report for the financial year ended March 31, 2018 is annexed herewith and is part of the Annual Report.

The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Qualifications, reservations or adverse remarks in the Auditors' report:

1. Your attention is invited to Note No. 5 'Advances to Suppliers' of Rs. 2,900.25 Lacs; which have been classified as 'Other Non-Current Assets'; though the company has filed various cases against the parties and initiated action for recovery, we are unable to comment on reliability/recoverability of these debts and advances given and no provision for Expected Credit Loss as per Indian Accounting Standards (IND AS) for doubtful recovery of such advances is considered necessary by the company.
2. Your attention is invited to Note No. 4 Regarding 'Investment in Liquor India Limited' and 'Advance received from 'Lemonade Shares & Securities Private Limited' which is considered as disputed and no adjustment for sale thereof have been incorporated in the financial statements by the Company. The sale agreement entered into with 'Lemonade Shares & Securities Private Limited' for sale of entire undertaking has been challenged and civil suit has been filed before IInd Additional District Judge, Ranga Reddy District, L B Nagar, Hyderabad, with prayers inter-alia to rescind the agreement as being void and restore the parties back to the position prior to MOU Dated 05-09-2012. The Company



has also filed Company Petition in CLB now NCLT, Hyderabad, SLP in Supreme Court of India apart from registering various complaints with Police, SEBI, Enforcement Directorate. Management does not anticipate any liability on this account and accordingly the company has not provided for diminution in value of Investments and not made provision for Expected Credit Loss in respect of Loan to 'Liquor India Limited' during the Financial Year 2017-18. As the matter is sub-judice we are unable to comment whether any adjustments are needed for the recoverability of investments thereof. Accordingly, impact on loss for the year and investments thereof if any, is unascertainable.

3. Your attention is invited to Note No. 4 A In the absence of relevant information regarding fair value of investments in respect of investment in shares of 'S.V. Distilleries Private Limited' of Rs. 247.79 Lacs as on 31st March 2018; we are unable to comment on whether any provision for diminution in value of investments thereof is necessary.
4. Note No.7 Regarding Confirmations not obtained as of March 31, 2018 in respect of certain financial assets such as Sundry Debtors, Sundry Creditors, Tie Up Parties etc. and allowance for expected credit not recognized on these financial assets even though indications of increase in credit risks were observed. Consequential impact on financial results is not ascertained by the Company.
5. The Company has not complied with the provisions of IND-AS-19 regarding employee benefits.

Directors' comments on qualifications, reservations or adverse remarks of the Auditors:

1. The company has taken legal action and has also filed complaints against the parties and the Merchant Bank Mr. Anil Agrawal. The matter is sub-judice. Further investigations are under progress. The company confident of recovering these amounts.
2. The matter is self-explanatory. Apart from the civil suit, the company has also filed Company Petition in NCLT and complaints with Police Authorities. The Supreme Court has directed the Investigating Agencies to take all actions according to law and the investigations are in progress. The Legal proceedings are under-way. Company is confident of succeeding in the matter.
3. The finalization of Books of accounts of M/s.S.V. Distilleries Private Limited is in progress and the company shall submit the details and Books of Accounts at the earliest.
4. The Company has obtained confirmation of balance from most of the parties. Confirmation is yet to be received from certain parties. The Letter for confirmation to all concerned parties includes specific condition to confirm the balance within the stipulated time, failing which the balance will be treated as confirmed.

5. The Company will comply with the provisions of IND-AS-19 at the earliest. Further, the Company has taken adequate steps to meet the Gratuity Liability as and when it accrues.
6. The Company has taken adequate steps to appoint the Company Secretary in due course.

Extract of Annual Return

An Extract of Annual Return of the Company Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 is given in Annexure "A"

Secretarial Auditor:

Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 the Board appointed Mr. Roy Jacob, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2017-2018. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith: Annexure "B"

Employee Relations:

The relations between the employees and management continued to be cordial during the year.

Particulars of Employees and related disclosures:

No employee of the company is drawing remuneration in excess of the limits set out in terms of the provisions of Section 197 (12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Particulars as required under section 134(3) (m) of the companies act, 2013 read with the companies (Accounts) Rules, 2014:

1. Conservation of Energy, Technology Absorption:

The particulars regarding the disclosure of the conservation of energy, technology absorption, as required under section 134(3) (m) of the companies act, 2013 read with the companies (Accounts) Rules, 2014 are given below.

a) Energy Conservation Measures Taken:

The Company continues to accord high priority to conserve the energy. Details of some of the measures undertaken to optimize energy conservation are.

- i. Installation of circuit breakers, safely and easily operative and accessible are provided in each machinery / equipment resulting in reduction of idle run.
- ii. Trip system in bottling lines easily and safely operative, in case of lag / fault in any equipment / machinery across the line.

- iii. Recycling of wash water resulting in conservation of water and energy.
- iv. Gravity Liquor flow system in all process areas resulting in lesser consumption of energy.
- v. Installation of "Turbo Vent" for Natural ventilation system in roofs of all buildings.
- vi. Installation of Transparent Poly Coat Sheets in the roof resulting in availability of natural light.
- b) Statement of total energy consumption and energy consumption per unit are given as under:

Sl. No.	Power and Fuel Consumption	2017-2018	2016-2017
1.	Power including lighting		
	Units Consumed	1,27,123	1,20,515
	Rate per Unit (in Rs.)	5.10	5.10
	Amount paid (in Rs.)	6,48,327.00	6,14,628.00
2.	Own generation by Diesel Generator		
	Diesel utilized Litres	2224	1,803
	Unit per Litre of diesel oil generated	4.45	3.45

2. Foreign Exchange Inflow & Outgo:

a) Activities relating to Exports, Initiatives taken to increase Exports, Developments of new Export Market for products and Services and Export Plans:

The Company has not undertaken any export activities. The company is looking out for Export Opportunities.

b) Total Foreign Exchange used and earned:

Used	:	Nil
Earned	:	Nil

Risk Management

During last year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, market, liquidity, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. A Risk Management Policy was reviewed and approved by the Committee.

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organizational structures, processes, standards, code of conduct and behaviors together form the Risk Management System (RMS) that governs how the company conducts the business of the Company and manages associated risks.

The Company has introduced several improvements to Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities.

Particulars of loans, guarantees or investments under section 186:

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statement.

Related Party Transaction under sub-section (1) of section 188:

Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is provided in the company's web site. Your Directors draw attention of the members to Note to the financial statement which sets out related party disclosures.

The Company and Directors have received Adjudication Notice under Section 15 A(a), 15HA, and 15HB and Show Cause Notice under section 11(1), 11(4) and 11B from SEBI. The Company and your Directors have replied to SEBI and the Orders are awaited.

Secretarial Auditor

As required under section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Roy & Jacob & Co., Mumbai, Company Secretaries, as Secretarial Auditor of the Company in relation to the financial year 2018-19. The Company has received their consent for such appointment.

Sexual Harassment

Your Company has constituted an Internal Complaint Committee as required under Section 4 of Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no incidences of sexual harassment reported during the year under review.

Particulars of Employees

In terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement showing the name of the employees drawing remuneration in excess of the limit specified in the Rules are



RAVI KUMAR DISTILLERIES LIMITED.

not applicable on the Company as during the period, no employee of the Company was drawing salary in excess of the limits prescribed therein.

for the co-operation, active involvement and dedication of the employees.

BONUS SHARES/SHARES WITH DIFFERENTIAL VOTING RIGHT/STOCK OPTION

The Company has neither issued any Bonus Share or Shares with differential voting rights nor granted any stock options/sweat equity shares.

Acknowledgments:

The Management is grateful to the Regulatory Authorities, Share holders, Company's Bankers, Financial Institutions, Insurance Companies, Investors, Clients, Business Associates for their continued support and co-operation.

The Directors also wish to place on record their appreciation

Place: Mumbai
Date : 08.08.2018

For and on behalf of the Board of Directors

Registered Office:

S1 & S2, Second Floor, 'B' Block,
"Ameen Manors" No.138, Nungambakkam High Road,
Nungambakkam, Chennai – 600 034.

R.V. Ravikumar
Managing Director
DIN: 00336646

Form No. MGT-9 EXTRACT OF ANNUAL RETURN As on the financial year ended on 31st March 2018

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

I. I. REGISTRATION AND OTHER DETAILS:

CIN	L51909TN1993PLC025981
Registration Date	11.10.1993
Name of the Company	RAVI KUMAR DISTILLERIES LIMITED
Category/Sub Category of the Company	Alcoholic Liquors
Address of the Registered Office and Contact Details	Ameen Manors", S1 & S2, Second Floor, 'B' Block, #138, Nungambakkam High Road, Nungambakkam, Chennai-600034, Tamil Nadu. Ph : 91-44-2833 2087
Whether Listed Company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	M/s. Karvy Computershare Pvt Ltd, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 32 Phone: 91-40-6716 2222, Email: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company.

Name and Description of main Services	NIC Code of the Product/Service	% to Total Turnover
Indian Made Foreign Liquors	2200	99.96

III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I) Promoters									
(1) Indian									
(a) Individual/HUF	5657044	-	5657044	23.57	5662345	-	5662345	23.59	0.02
(b) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	5657044	-	5657044	23.57	5662345	-	5662345	23.59	0.02
(2) Foreign	-	-	-	-	-	-	-	-	-
(II) Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
(2) Non- Institutions									
Bodies Corporate									
2(a) Indian	11525947	-	11525947	48.02	11322877	-	11322877	47.18	(0.84)
2(b) individuals									
b(i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	4629654	277	4629931	19.29	4381099	28552	4409651	18.37	(0.92)
b(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1983440	-	1983440	8.26	2443200	-	2443200	10.18	1.92
b(iii) NBFCs Registered with RBI	4750	-	4750	0.02	1000	-	1000	0.00	(0.02)
2(c) Any Other (specify)									
Clearing Members	38867	-	38867	0.16	9252	-	9252	0.04	(0.12)
Non Resident Indians	154321	-	154321	0.64	144607	-	144607	0.60	(0.04)
NRI Non Repatriable	5700	-	5700	0.02	7068	-	7068	0.03	0.01
Total Public Shareholding (B)=(B)(1)+ (B)(2)+(c)	18342679	277	18342956	76.45	18309103	28552	18337655	76.41	(0.04)
III Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (I+II+III)	23999723	277	24000000	100	23971448	28552	24000000	100	-

(ii) Shareholding of Promoters:

Sl. No.	Share Holders Name	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	R.V Ravikumar	5503675	22.93	-	5508976	22.95	-	0.02
2	R Amrithavalli	150497	0.63	0.61	150497	0.63	0.61	-
3	Siva Sankar V	2872	0.01	-	2872	0.01	-	-
	Total	5657044	23.57	0.61	5662345	23.59	0.61	



RAVI KUMAR DISTILLERIES LIMITED.

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.	Particulars	2016-2017		2017-2018	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	5652044	23.55%	5657044	23.57%
2	Increase / Decrease in Promoters Share holding during the year	5000	0.02%	5301	0.02%
3	At the End of the year	5657044	23.57%	5662345	23.59%

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

Sl. No.	For Each of the Top 10 Shareholders	2016-2017		2017-2018	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	11336909	47.24%	11336909	47.24%
2	Increase / Decrease in Share holding during the year	-	-	59216	0.25%
3	At the End of the year (or on the date of separation, if Separated during the year)	11336909	47.24%	11396125	47.49%

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Mr. RV Ravikumar	2016-2017		2017-2018	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	5500175	22.92%	5506375	22.93%
2	Increase / Decrease in Promoters Share holding during the year	3500	0.01%	5301	0.02%
3	At the End of the year	5503675	22.93%	5508976	22.95%

IV. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

S.No.	Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
		(A)	(B)	('C)	(D)=(A+B+C)
(A)	Indebtedness at the beginning of the Financial Year				
	(i) Principal Amount	2046.29	1691.32	--	3737.61
	(ii) Interest due but not paid	--	--	--	--
	(iii) Interest accrued but not due	--	--	--	--
	Total (i+ii+iii)	2046.29	1691.32	--	3737.61
(B)	Change in Indebtedness during the Financial Year				
	Addition	993.66	859.92	--	1853.58
	Reduction	2046.29	--	--	2046.29
	Net Change	(1052.63)	859.92	--	(192.71)
(C)	Indebtedness at the end of the Financial Year				
	(i) Principal Amount	993.66	2551.23	--	3544.90
	(ii) Interest due but not paid	--	--	--	--
	(iii) Interest accrued but not due	--	--	--	--
	Total (i+ii+iii)	993.66	2551.23	--	

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Rs in Lakhs

S.No.	Particulars of Remuneration	Name of MD/WTD/Manager		
		Mr. R.V. Ravikumar	Mr. Badrinath S Gandhi	Mrs. S. Vijayalakshmi
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	10.00	3.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	--	10.00	3.00
	Ceiling as per the Act	60.00	60.00	60.00

B. Remuneration to other Directors : Not Applicable**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD : Not Applicable**



VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act SEBI (LODR) Regulations, 2015	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT] NSE	Appeal made, if any (give Details)
Penalty / Fine	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Form No. MR-3

ANNEXURE "B"

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2018

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

To,
The Members,
Ravi Kumar Distilleries Limited

I have conducted the secretarial audit of the Company for checking the compliance of applicable statutory provisions and the adherence to good corporate practices as defined in the current scenario and industry by **RAVI KUMAR DISTILLERIES LIMITED** having the CIN No. **L51909TN1993PLC025981** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - a) The Company has not complied with the provisions of section 203 in respect of appointment of Chief Financial Officer and Company Secretary.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:

Not applicable to the Company during the Audit period

- (v) 1. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and which are applicable to the company:-
- (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: **Not Applicable to the Company during the Audit Period**
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: **Not Applicable to the Company during the Audit Period**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **Not Applicable to the Company during the Audit Period**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: **Not Applicable to the Company during the Audit Period**
- (vi) Other regulatory provisions / laws applicable to the company are:
- a) Factories Act, 1948.
 - b) Industrial Disputes Act, 1947
 - c) The payment of wages Act, 1936,
 - d) The minimum wages Act, 1948
 - e) Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - f) Payment of Bonus Act, 1965
 - g) Payment of Gratuity Act, 1972
 - h) The Contract Labour (Regulations & Abolition) Act, 1970
 - i) The Puducherry Excsie Act, 1970 and the Rules made there under.

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

- (i) Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.

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

I/we further report that

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that as per the information & explanation given to us the company is not regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, ES, Income Tax, Wealth Tax, Service Tax, Value Added Tax and other statutory dues applicable to it.

I further report that I rely on statutory auditors reports in relation to the financial statements and accuracy of financial figures for sales Tax, Wealth Tax, Value Added Tax, Related Party Tax, Provident Fund etc. as disclosed under the financial statements of the Company.



RAVI KUMAR DISTILLERIES LIMITED.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for of opinion.
3. Wherever required, I have obtained the Management Representation about the compliance of Laws, Rules and Regulations and happening of events, etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of documents/procedures on the test basis.
5. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Mumbai
Date : 08.08.2018

For **Roy Jacob & Co**
Company Secretary
(Roy Jacob)
Proprietor
FCS No. 9017
COP No.: 8220

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

The company is engaged in the business of manufacturing and trade of Indian Made Foreign Liquor (IMFL) under our own brand portfolio as well as under tie up arrangements with other companies. The IMFL comprises of whisky, Brandy, Rum, Gin & Vodka. We started our initial capacity of 7,20,000 cases per annum and a bond capacity 6300 cases of Excise Bonded warehouse. Presently our plant is having an installed capacity of 14,25,000 cases per annum and 26000 cases of Excise Bonded warehouse.

During the year, the total Income from operations was Rs. 7246.50 lakhs compared to Rs 6422 lakhs in the previous year recording a loss of (Rs. 323.68 lakhs). The net loss was (Rs. 156.41 lakhs) as against the Loss of (Rs. 323.68) lakhs in the previous year.

Business Outlook

Indian alcohol market has been flourishing since 2001 and registered growth between 7-12% till 2011 when the growth finally declined due to heavy import taxes, state government taxes, excise duty and political instability in election season. The year 2013 was a great fall in Indian alcohol market when the spirits volume actually declined by 2-3% in India. Alcohol industry is a part of huge US\$ 12 billion beverage industry of India excluding milk and milk products.

Indian alcohol market is dominated by whisky which falls under spirit category. However, the wine market is expected to show highest growth in the future. The Indian alcohol market is broadly segmented as spirits, beer and wine. Spirits are further sub-segmented into whisky, rum, brandy, vodka, gin and others.

Consumers are largely inclined towards quality alcohol due to increasing disposable income and better standard of living. Other drivers include greater inclination towards social drinking as well as women indulging into alcohol consumption. As India has huge youth population, the demand of alcohol would remain high in the coming years. The market saw a boom in Vodka sales in past decade as Vodka was positioned as the alcohol for women. Youth largely prefer beer and the salaried youth are inclined toward whisky and rum. In beer segment, more than 85% of the market is dominated by strong beer rather than mild.

There exists quite a few restraints in the market such as high taxes, stringent government regulations on manufacturing and selling liquor, and ban on advertisements among others. Alcohol consumption is also subjected to the overall economy's growth in terms of gross net income per capita and household expenditure. Thus, development in the economy would give a thrust to the alcohol market further but in a less pronounced manner.

One of the most notable trend is the demand of premium liquor among the consumers. The growth of premium segment would surpass the overall growth of alcohol market due to greater exposure towards foreign brands. India has seen a burst of high net worth individuals in past two decades and the list is ever increasing, which would fuel the growth of market in premium segment.

Risk Factors:

Government regulations affects the Indian Liquor industry introducing structural rigidities. Apart from the high level taxes and levies regulations pertaining to licensing creation or expanding of brewing / distillery and bottling capacities, manufacturing process (grain based and molasses based), distribution and advertising impinge on the industry. Further liquor being a state subject, every state has different regulations (including those on distribution) and tax rate for the industry apart from restrictions as well as levies on the inter- state movement of liquor.

Future Outlook:

During current year, your Company will try to increase the sales in our existing plant at Pondicherry.

Internal control systems and their adequacy

The Managing Director / Whole Time Director certification provided in the report discusses the adequacy of our internal control systems and procedures.

Human Resource Development

The most important asset of the company is its Human Resources.

Cautionary statements

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectation may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.



CORPORATE GOVERNANCE REPORT

In accordance with SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at Ravi Kumar Distilleries Limited is as follows:

At Ravi Kumar Distilleries Limited, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. At Ravi Kumar Distilleries Limited, we consider stakeholders as partners in our success, and we remain committed to maximizing stakeholder value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses.

1. Company's Philosophy on Code of Corporate Governance:

The Company's philosophy on Corporate Governance is to achieve business excellence and to meet the expectations of its customers, shareholders, employees, business associates, the society at large and in complying with the dictates of the regulatory frame work. The Company is committed to transparency in all its dealings and places high emphasis on business ethics. We believe that Corporate Governance is voluntary and self-discipline code which means not only ensuring compliance with regulatory requirements but also by being responsive to our stakeholders needs.

2. Ethics/Governance Policies

At RKDL, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct
- Code of Conduct for Prohibition of Insider Trading
- Whistle Blower Policy
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions

3. Code of Conduct:

The Company has in place a comprehensive Code of Conduct (the Code) applicable to all the employees and Non-executive Directors including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. - Customer Value, Ownership Mind-set, Respect, Integrity, One Team and Excellence.

4. Board of Directors:

(a) Composition and Category:

The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which inter alia stipulates that the Board should have an optimum combination of Executive and Non-executive Directors with at least one Woman Director and at least fifty percent of the Board should consist of Independent Directors, if the Chairman of the Board is an Executive Director.

As on 31st March 2018, the Board comprised of six Directors. Of these, three are Executive Directors, including one Chairman & Managing Director who is a Promoter Director and other two of which one is a woman director and other three are Independent Directors. The composition of Board also complies with the requirement of the Companies Act, 2013.

All the Directors possess the requisite qualifications and experience in general corporate management, finance, banking and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

All the Independent Directors of the Company furnish declaration annually that they qualify the conditions of their being independent. All such declarations are placed before the Board. Further all the Directors provide declarations annually that they have not been disqualified to act as Director under Section 164 (2) of the Companies Act, 2013.

The Composition of the Board as on 31st March, 2018 and category of Directors are as under:

Name of the Director	Category	Number of Directorship held in other outside Companies#	Number of outside Committees	
			Chairman	Member
Mr. R.V. Ravikumar	Managing Director	-	-	-
Mr. Badrinath S Gandhi	Executive Director	-	-	-
Mr. K.S.M. Rao	Independent Director	-	-	-
Mr. Ashok R Shetty	Independent Director	-	-	-
Mr. Popatlal M Kathariya	Independent Director	-	-	-
Mrs. S. Vijayalakshmi	Executive Director	-	-	-

(#) excludes directorships in Indian Private Limited Companies & Foreign Company

(b) Attendance of each Director at the Board Meetings and the last Annual General Meeting:

During the financial year ended 31st March, 2018, Four Board Meetings were held on 30th May, 2017, 11th August 2017, 14th December, 2017, and on 14th February, 2018. The attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under:

Name of Directors	No. of Board meetings attended	Attendance at last AGM
Mr. R.V. Ravikumar	4	Present
Mr. Badrinath S Gandhi	2	Present
Mr. K.S.M. Rao	3	Present
Mr. Ashok R Shetty	4	Absent
Mr. Popatlal M. Kathariya	3	Present
Mrs. S. Vijayalakshmi	1	Present

(c) Inter-se relationship between Directors:

Name of the Directors	Inter-se relation
Mr. R.V Ravi Kumar	Brother-in-law of Mrs. S. Vijayalakshmi and Mr. Badrinath S Gandhi
Mr. Badrinath S Gandhi	Brother-in-law of Mrs. S. Vijayalakshmi and Co-Brother-in-law of Mr. R.V. Ravikumar
Mrs. S. Vijayalakshmi	Brother-in-law's wife of Mr. R.V. Ravikumar and Sister-in-law of Mr. Badrinath S Gandhi

(d) Shares held by Executive Directors:

Name of the Directors	Number of shares having face value of Re.10/- each	
	As on 31st March, 2018	As on 31st March, 2017
Mr. R.V Ravi Kumar	55,08,976 Shares	55,03,675 Shares
Mr. Badrinath S Gandhi	-	-
Mrs. S. Vijayalakshmi	988 Shares	988 Shares

(e) Shares held by Non-Executive Directors:

Name of the Directors	Number of shares having face value of Re.10/- each	
	As on 31st March, 2018	As on 31st March, 2017
Mr. K.S.M. Rao	-	-
Mr. Ashok R Shetty	-	-
Mr. Popatlal M Kathariya	-	-

5. Audit Committee:

a. Terms of reference:

The Audit Committee has been constituted pursuant to section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Primary object of Audit Committee of the company is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.



b. Composition:

The Audit Committee comprises of 4 members out of which 3 are Independent Directors. Mr. Ashok R Shetty is the Chairman of the Audit Committee. All the members of the Committee are financially literate. Mr. Ashok R Shetty and Mr. Popatlal M Kathariya are Chartered Accountants and Mr. K S M Rao is a retired Banking professional and Mr Badrinath S Gandhi is an Engineer by profession but has varied experience in industrial management.

During the year, the Committee met 4 times on 30th May, 2017, 11th August 2017, 14th December, 2017, and on 14th February, 2018 and the gap between any 2 meetings was less than 4 months.

Attendance at the Audit Committee Meeting:

Name	Designation	Category	Attendance out of 4 meetings
Mr. Ashok R Shetty	Chairman	Independent	4
Mr. K.S.M. Rao	Member	Independent	3
Mr. Popatlal M Kathariya	Member	Independent	3
Mr. Badrinath S Gandhi	Member	Executive	2

(c) The terms of reference to the Audit Committee inter alia includes:

- (1) oversight of the listed entity financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (3) reviewing with the management, the annual financial statements and auditors' report thereon before submission to the board for approval with particular reference to:
 - (a) matter required to be included in Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions; and
 - (g) modified opinion(s) in the draft audit report.
- (4) reviewing with the management, the quarterly financial statements before submission to the board for approval;
- (5) reviewing with the management, the statement of uses/application of funds raised through an issue (public issues, rights issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of recommendations to the Board to take up steps in this matter;
- (6) approval or any subsequent modification of transactions of the company with related parties;
- (7) scrutiny of inter-corporate loans and investments;
- (8) evaluation of internal financial controls and risk management systems;
- (9) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (10) to review the functioning of Whistle Blower Mechanism;

6. Stakeholders' Relationship Committee:

The powers, role and terms of reference of the Stakeholders Relationship Committee covers the areas as contemplated under Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It deals with matters related to issue of duplicate share certificates, transfer and transmission of shares, review of dematerialized/rematerialized shares, redressal of queries/ complaints received from shareholders, expeditious redressal of investors grievance matter received from SEBI, Stock Exchange and ROC and all other matters related to shares of the Company.

Constitution and attendance:

The committee comprises of Mr. K.S.M. Rao, Mr. Ashok R Shetty and Mr. Badrinath S Gandhi. During the year, the Committee met 1 time on 11th August 2018. Attendance at the Shareholders' Grievance Committee Meeting:

Name	Designation	Category	Attendance out of 1 meeting held
Mr. K.S.M. Rao	Chairman	Independent	-
Mr. Ashok R Shetty	Member	Independent	1
Mr. Badrinath S Gandhi	Member	Executive	1

- Mr. Badrinath S Gandhi has been designated as Compliance Officer.
- The investors may register their complaints at the email-id cs@ravikumardistilleries.com
- During the year, the Company received 5 complaints on various matters. The Company has attended the same and complaints pending unresolved at the end of the financial year were NIL.

b. Terms of reference:

- Look into redressing of the shareholders complaints and queries and to focus on the strengthening of investors relations.
- Monitor and review any investor complaints received by the Company or through SEBI, SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary and RTA of the Company.

(c) Prohibition of Insider Trading:

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

7. Risk Management Committee:

(a) Composition and terms of reference:

The Risk Management Committee (RM Committee) was constituted three years ago by the Board adhering to the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Committee's prime responsibility is to implement and monitor the risk management plan and policy of the Company. The Committee's constitution meets with the requirements of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The committee comprises of Mr. K.S.M. Rao, Mr. Ashok R Shetty, Mr. R.V. Ravikumar and Mr. Badrinath S Gandhi.

(b) Role and Responsibilities of the Committee includes the following:

- Framing of Risk Management Plan and Policy
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk Minimization
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed
- Performing such other functions as may be necessary or appropriate for the performance of its oversight function

8. Nomination and Remuneration Committee:

(a) Composition and Category:

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 besides other terms as referred by the Board of Directors.

The Nomination and Remuneration Committee of the Board of Directors comprises of three Independent Non-Executive Directors.

(b) Attendance at the meeting of Nomination and Remuneration Committee:

During the year under review, one meeting of the committee was held on 14th February 2018. The composition and attendance of the Nomination and Remuneration Committee as on 31st March 2018 is as under.

Name	Designation	Category	Attendance out of one meetings
Mr. Ashok R Shetty	Chairman	Independent	1
Mr. Popatlal M Kathariya	Member	Independent	1
Mr. K.S.M. Rao	Member	Independent	1



(c) Terms of reference:

The terms of reference of the Remuneration Committee are as per the guidelines set out in the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with the stock exchanges that include determination of the Company's policy on specific remuneration packages for Directors.

(d) Remuneration Policy:

The remuneration of the Executive Directors is recommended by the Remuneration committee, based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry and responsibilities shouldered. The Company pays remuneration by way of salary and perquisites to its Executive Directors.

The Non-executive Directors are not paid any remuneration except sitting fees. Further the company has not entered into any pecuniary relationship or transactions with the Non-executive directors.

The details of the remuneration paid/payable to the Executive Director during the Financial Year 2017- 2018.

(e) Details of remuneration paid to the Directors.

(Rs. in Lacs)

Directors	Salary (including Performance Incentive, if any and other allowance)	Perquisites	Contribution to P. F. superannuation and Gratuity	Sitting Fees	Total
Mr R.V. Ravikumar	-	-	-	-	-
Mrs S. Vijayalakshmi	3.00	-	-	-	3.00
Mr K.S.M. Rao	-	-	-	0.45	0.45
Mr Ashok R Shetty	-	-	-	0.60	0.60
Mr Badrinath S Gandhi	10.00	-	-	-	10.00
Mr Popatlal M Kathariya	-	-	-	0.60	0.60

The Company does not have any Employee Stock Option Scheme.

The Company has no pecuniary relations or transactions with its Non-Executive Directors other than payment of sitting fees to them for attending Board Meetings.

9. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

As stipulated by Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on 14th February, 2018 to review the performance of Non-Independent Directors and the Board as a whole. The Independent Directors also review the quality, content and timeliness of the flow of information between the Management and the Board and its Committee which is necessary to effectively and reasonably perform and discharge their duties.

10. EVALUATION OF BOARD'S PERFORMANCE:

During the year, the Board adopted a formal mechanism for evaluating the performance of the Board and Individual Directors, including the Chairman of the Board. The exercise was carried out through evaluation process covering various aspects.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees.

11. General Body Meetings:

(a) Details of Annual General Meetings during the last three years

Financial Year	Day, Date & Time	Venue
2014-15	Monday, 28th September 2015, 12.00 Noon	Bharathiya Vidya Bhavan, 8/12, East Mada Street, Mylapore, Chennai – 600 004.
2015-16	Monday, 26th September 2016, 12.00 Noon	M/s. Doveton Café, No.5, Purasawalkam High Road, Purasawalkam, Chennai – 600 007.
2016-17	Tuesday, 26th September 2017, 2.00 PM	Bharathiya Vidya Bhavan, 8/12, East Mada Street, Mylapore, Chennai – 600 004.

(b) Special Resolution Passed in the last three Annual general meetings:

Year	Date	Special Resolution passed
2014-2015	28 September 2015	-
2015-2016	26 September 2016	-
2016-2017	26 September 2017	-

(c) Special Resolution passed through Postal ballot last year: NIL**12. Disclosures:**

- i. There were no transactions of material nature with its Promoters, Directors or the Management, or their relatives during the period that may have potential conflict with the interest of the company at large.
- ii. Transactions with the related parties are disclosed in the notes on the accounts in the Annual Report as required by Accounting Standards under AS 18 issued by the Institute of Chartered Accountants of India.
- iii. There were no non-compliances by the Company during the year. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authorities on any matters related to the capital markets, during the previous three financial years.
- iv. The Board has adopted a Code of Conduct including for its Directors and Senior Management. This is available on the Company's web-site.
- v. The Managing Director has submitted before the Board a declaration of compliance with the Code of Conduct by the Directors during the financial year ended March 31, 2018.
- vi. The Company follows the Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of the financial statement; the Company has not adopted a treatment different from that prescribed by any Accounting Standard.
- vii. Risk assessment and minimization procedures are periodically reviewed by the Risk Management Committee, Audit Committee and the Board of Directors of the Company.
- viii. The Managing Director has submitted a certificate to the Board of Directors in Compliance of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with the Stock Exchanges.
- ix. The Company has complied with all mandatory requirements under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with the Stock Exchanges. The adoption of non-mandatory requirements has been dealt with in this Report.
- x. The Company has adopted the Risk Management Policy of the Company and the same is available on the Company's website.
- xi. The Company has adopted the Whistle Blower Policy and the same is available in the company's website.
- xii. The Company has adopted policy in handling Unpublished Price Sensitive Information and the same is available in the company's website..

13. Means of Communication:

1. The quarterly, and yearly results are published in News Today, Chennai(English daily) news-paper (having all India editions) and in Chennai Malaisudar(Tamil daily) newspaper circulated in Tamil Nadu (regional language news-paper). The Financial Results are also posted on website of the Company at www.ravikumardistilleries.com.
2. For information of Investors, the Company also publishes notice of meeting in which financial results are proposed to be approved by the Board, in a national news-paper and regional news-paper at least seven days in advance.
3. The quarterly, and yearly results are published in newspapers with adequate disclosures for the knowledge of shareholders. The Company does not have a system of informing shareholders individually about the financial results. The quarterly results as well as the proceedings of the Annual General Meeting are submitted to the NSE and BSE after the conclusion of the respective meeting and also uploaded on the website of the Company at www.ravikumardistilleries.com and website of the National Stock Exchange Ltd. www.nseindia.com and Bombay Stock exchange www.bseindia.com.
4. Management Discussion and Analysis forms part of the Annual Report.
5. The Company has created dedicated e-mail ID for Investors complaints viz: cs@ravikumardistilleries.com
6. No presentation has been made to institutional investor or to the analyst.

14. General Shareholders' Information:**a) Registered office:**

"Ameen Manors", S1 & S2, 2nd Floor,
B-Block, No.138, Nungambakkam High Road,
Nungambakkam, Chennai – 600 034, India.



RAVI KUMAR DISTILLERIES LIMITED.

b) Annual General Meeting

Date & Time : 24th September, 2018 at 3.00 p.m.

Venue : Bharathiya Vidya Bhavan, 8/12, East Mada Street, Mylapore, Chennai – 600 004

c) Financial Calendar:

The Company follows April – March as its financial year. The audited and unaudited financial results are declared within the statutory time limit as specified under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

d) Date of Book Closure : 18th September, 2018 to 24th September, 2018 (Both days inclusive)

e) Listing on Stock Exchanges : Bombay Stock Exchange Ltd (BSE)
National Stock Exchange of India Ltd (NSE)

f) Stock Code : Bombay Stock Exchange Ltd, - 533294
: National Stock Exchange of India Ltd – RKDL

g) Payment of Annual Listing fees : Listing fees for the financial year 2018-2019 have Paid to the Stock Exchanges BSE, NSE, and CDSL, NSDL

h) Demat ISIN for NSDL & CDSL : INE722J01012

i) Stock performance vs. BSE and NSE

Market Price Data during the year ended 31.03.2018

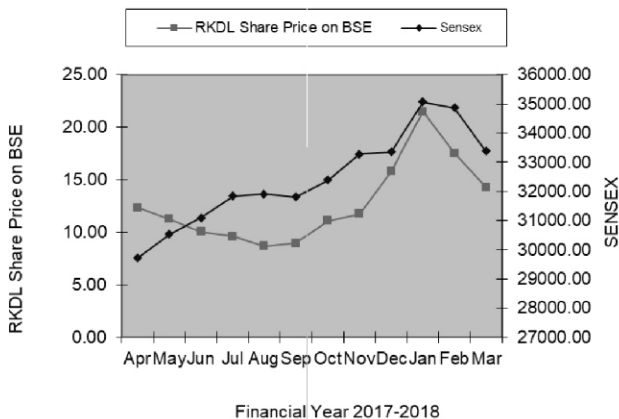
Bombay Stock Exchange:

Month	Open	High	Low	Close
Apr-2017	11.27	15.12	9.61	13.07
May-2017	12.25	12.90	9.61	10.00
June-2017	10.32	11.00	9.10	9.80
July-2017	9.90	10.75	8.42	9.31
Aug-2017	9.10	10.20	7.15	9.58
Sept-2017	9.23	9.90	8.00	9.08
Oct-2017	9.08	13.59	8.63	11.04
Nov-2017	10.55	13.55	9.94	13.40
Dec-2017	13.29	19.42	12.17	19.42
Jan-2018	20.35	25.85	17.15	18.20
Feb-2018	18.55	20.15	14.90	15.35
Mar-2018	16.10	16.10	12.50	12.60

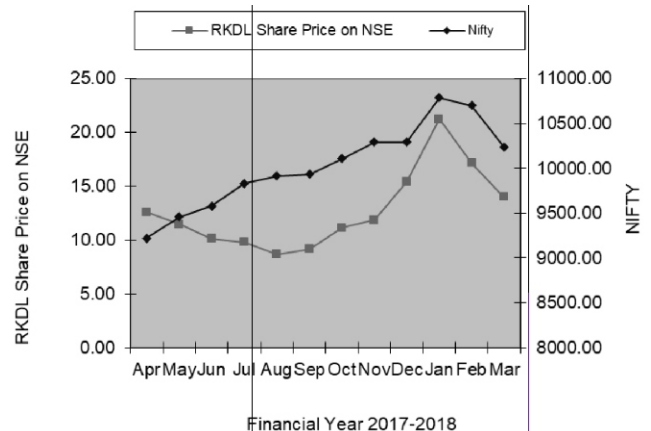
National Stock Exchange

Month	Open	High	Low	Close
Apr-2017	11.90	15.30	9.85	13.20
May-2017	13.25	13.25	9.65	9.75
June-2017	10.00	10.90	9.35	9.65
July-2017	9.75	10.70	8.90	9.20
Aug-2017	9.25	10.10	7.25	9.10
Sept-2017	9.30	9.80	8.50	9.00
Oct-2017	9.05	13.55	8.70	11.00
Nov-2017	10.50	13.60	10.15	12.75
Dec-2017	12.60	18.80	12.00	18.80
Jan-2018	19.70	24.95	17.50	18.55
Feb-2018	18.20	19.95	14.35	15.50
Mar-2018	15.75	16.05	12.00	12.75

Performance in comparison to BSE Sensex:



Performance in comparison to NSE Nifty:



- j) **Registrars & Transfer Agents** : M/s. Karvy Computershare Pvt.Ltd.,
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032.
- Contact person** : Ms. C. Shobha Anand
- Contact No.** : 040 - 6716 2222
- Email** : einward.ris@karvy.com

k) **Share Transfer System**

The shares sent for transfer in physical form are transferred expeditiously, provided the documents are complete and valid in all respects and the shares under transfer are not under any dispute. The share certificates duly endorsed are returned immediately to shareholders. Confirmation in respect of requests for dematerialisation of shares is sent to respective depositories i.e. NSDL and CDSL expeditiously.

l) **Distribution of Shareholding as on 31-03-2018**

No of equity shares held	No. of share holders	% of share holders	Total Shares	Total Amount	% of Amount
Upto1 - 5000	6905	79.10	975215	9752150.00	4.06
5001 - 10000	891	10.21	753988	7539880.00	3.14
10001 - 20000	433	4.96	696190	6961900.00	2.90
20001 - 30000	153	1.75	397337	3973370.00	1.66
30001 - 40000	77	0.88	279739	2797390.00	1.17
40001 - 50000	80	0.92	384930	3849300.00	1.60
50001 - 100000	96	1.10	744528	7445280.00	3.10
100001 and above	94	1.08	19768073	197680730.00	82.37
Total	8729	100	24000000	240000000.00	100

m) **Shareholding Pattern as on 31-03-2018**

Sl. No.	Category	No. of Shares	Percentage of Holding
1	Promoters & Persons acting in Concert	56,62,345	23.59
2	Mutual funds / UTI / Banks / FIs	--	--
3	Private Corporate Bodies	1,13,22,877	47.18
4	NRIs / OCBs	1,44,607	0.60
5	NRI Non Repatriable	7,068	0.03
5	Indian Public	66,04,705	27.52
6	Clearing Members	9,252	0.04
7	NBFC	1,000	0.00
8	HUF	2,48,146	1.03
9	Foreign Institutional Investors	--	--
	Grand Total	2,40,00,000	100.00

- n) **Dematerialization of shares** : NSDL – No. of Shares – 1,69,09,359 - 70.46 %
CDSL – No. of Shares – 70,62,089 - 29.42 %
Physical – No. of Shares – 28,552 - 0.12 %
- o) **Outstanding GDRs/ADRs/Warrants or any convertible / instruments, conversion data and likely impact on equity** : N.A.
- p) **Plant location** : R.S. No. 89/4-A, Katterikuppam Village, Mannadipet Commune, Puducherry – 605 502. India
- r) **Address for correspondence** : No. 17, Kamaraj Salai, Puducherry – 605 011, India.
Contact person : Shri. R.V. Ravikumar, Managing Director
E-mail : cs@ravikumardistilleries.com
- Members holding shares in Demat mode should address all their correspondence to their respective Depository Participant.



15. Non-mandatory requirements:

i) Chairman of the Board

No separate office is maintained for the Non-Executive Chairman. Company does not reimburse expenses incurred by him in performance of his duties.

Mr. Papatlal M Kathariya, Mr. K.S.M. Rao and Mr. Ashok R Shetty are Independent Directors on the Board of the Company. All of them have requisite qualification and experience and in the opinion of the Company this would enable them to contribute effectively to the Company in their capacity as Independent Directors.

ii). Shareholder Right

The Company has not sent half yearly financial performance including summary of the significant events to each of the shareholders, since the results were published in 2 news papers, one in Vernacular and one in English newspaper.

iii). Audit Qualifications

During the year under review, there was audit qualification in the Company's financial statements. The Directors comments on qualification, reservations or adverse remarks of the Auditors are provided in the Directors Report.

iv). Training of Board Members

The Directors interact with the management in a very freely and open manner on information that may be required by them.

v) DECLARATION

In accordance with SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with the Stock exchanges, I hereby confirm that, all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct and Ethics during the financial year ended March 31, 2018.

For and on behalf of the Board of Directors

Place: Mumbai
Date : 08.08.2018

Registered Office:

S1 & S2, Second Floor, 'B' Block,
"Ameen Manors"
No.138, Nungambakkam High Road,
Nungambakkam, Chennai – 600 034.

R.V. Ravikumar
Managing Director
DIN: 00336646

CEO/CFO Certification

We hereby certify to the Board that:

- a) We have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2018 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 the existing accounting standards, applicable laws and regulations.
- b) 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.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that, we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any of which we are aware and the steps we have taken or propose to take steps to rectify these deficiencies.
- d) We further certify that:
 - i) There have been no significant changes in internal control during the year;
 - ii) There have been no significant changes in accounting policies during the year,
 - iii) To the best of our knowledge, there have been no instances of fraud, involving management or an employee having a significant role in the Company's internal control systems.

Place: Mumbai
Date : 08.08.2018

For Ravi Kumar Distilleries Ltd

L. Bhuvanewari
Chief Financial Officer

Auditors' Certificate on Corporate Governance

TO THE MEMBERS OF
RAVIKUMARDISTILLERIESLIMITED

We have reviewed the relevant records of Ravi Kumar Distilleries Limited for the year ended 31 March 2018 relating to compliance of conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C,D and E of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

In our opinion and according to the information and explanations given to us, we have to state that, to the best of our knowledge, the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned SEBI (LODR) Regulations, 2015.

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

For Ramanand & Associates
Chartered Accountants
Firm No. 117776W

Ramanand R. Gupta
Partner
Membership No.: 103975

Place: Mumbai
Date: 08.08.2018



INDEPENDENT AUDITOR'S REPORT

To,
The Members of **RAVI KUMAR DISTILLERIES LIMITED.**

1. Report on the Financial Statements

We have audited the accompanying financial statements of 'RAVIKUMAR DISTILLERIES LIMITED' ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2015. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order issued under Section 143 (11) of the Act. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. 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 financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Qualified Opinion

- 5.1 *Your attention is invited to Note No. 5 'Advances to Suppliers' of Rs. 2,900.25 Lacs; which have been classified as 'Other Non-Current Assets'; though the company has filed various cases against the parties and initiated action for recovery, we are unable to comment on reliability/ recoverability of these debts and advances given and no provision for Expected Credit Loss as per Indian Accounting Standards (IND AS) for doubtful recovery of such advances is considered necessary by the company.*
- 5.2 *Your attention is invited to Note No. 4 Regarding 'Investment in Liquor India Limited' and 'Advance received from 'Lemonade Shares & Securities Private Limited' (Refer Note No. 17) which is considered as disputed and no adjustment for sale thereof have been incorporated in the financial statements by the Company. The sale agreement entered into with 'Lemonade Shares & Securities Private Limited' for sale of entire undertaking has been challenged and civil suit has been filed before Hnd Additional District Judge, Ranga Reddy District, L B Nagar, Hyderabad, with prayers inter-alia to rescind the agreement as being void and restore the parties back to the position prior to MOU Dated 05-09-2012. The Company has also filed Company Petition in CLB, now NCLT, Hyderabad, SLP in Supreme Court of India apart from registering various complaints with Police, SEBI, Enforcement Directorate. Management does not anticipate any liability on this account and accordingly the company has not provided for diminution in value of Investments and not made provision for Expected Credit Loss in respect of Loan to 'Liquor India Limited' during the Financial Year 2017-18. As the matter is sub-judice we are unable to comment whether any adjustments are needed for the recoverability of investments thereof. Accordingly, impact on loss for the year and investments thereof if any, is unascertainable.*
- 5.3 *Your attention is invited to Note No. 4 A - In the absence of relevant information regarding fair value of investments in respect of investment in shares of 'S.V. Distilleries Private Limited' of Rs. 247.79 Lacs as on 31st March 2018; we are unable to comment on whether any provision for diminution in value of investments thereof is necessary.*

5.4 *Note No. 7 regarding Confirmations not obtained as of March 31, 2018 in respect of certain financial assets such as Sundry Debtors, Sundry Creditors, Tie Up Parties etc. and allowance for expected credit not recognized on these financial assets even though indications of increase in credit risks were observed. Consequential impact on financial results is not ascertained by the Company.*

5.5 *The Company has not complied with the provisions of IND-AS-19 regarding employee benefits.*

6. Emphasis of Matters

Without qualifying our opinion, we draw attention to the following:

The Company has not complied with the provisions of Section 203 of the Companies Act, 2013 in respect of appointment of Company Secretary.

7. Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the indeterminate effects of the matters stated herein above in Basis of Qualified Opinion; 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 of the state of affairs of the Company as at 31st March 2018, its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

8. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" statement on the matters Specified in paragraphs 3 and 4 of the Order.

9. As required by section 143(3) of the Act, we further report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act except IND AS-19 regarding accounting for employee benefits.
- e. on the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "B"; and
- g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - (i) *The Company has various pending litigations as referred to in Note No. 35; which in our opinion would impact its financial position.*
 - (i) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - (ii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Ramanand & Associates
Chartered Accountants
FRN: 117776W

CA Ramanand Gupta
Managing Partner
Membership No: 103975

Place: Mumbai
Date : 29.05.2018



“Annexure A” to the Independent Auditors’ Report

Annexure referred to in paragraph 7 Our Report of even date to the members of Ravi Kumar Distilleries Limited on the accounts of the company for the year ended 31st March, 2018.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the Management at reasonable intervals. We have been informed that no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- ii. **In respect of its inventories :**
 - (a) As explained to us, inventories have been physically verified during the year by the Management at reasonable intervals. In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and on the basis of our 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.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has granted unsecured loans to parties covered in the register maintained u/s 189 of the Companies Act, 2013. Maximum amount outstanding during the year ended **31st March 2018** was **Rs. 4178 Lakhs** the year ended balance was **Rs. 4184 Lacs.** (Previous Year Rs. 4178 Lacs).

No interest has been charged on these loans on prudence basis. However, in our opinion non-charging of interest on loans & advances to parties covered in the register u/s 189 of the Companies Act, 2013 is prejudicial to the interest of the company as company has to bear the interest cost.

According to information provided to us, there is no stipulation of time schedule for repayment of principal and no interest has been charged on these loans on prudence basis. No steps have been taken by the company for recovery of these loans during the year.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of grant of loans, making investments and providing guarantees, and securities as applicable.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. *According to the information and explanations given to us, the Central Government has prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 which are applicable for products of the company. We are prima facie of the opinion that, such records are not maintained by the company.*
- vii. (a) *According to the records of the company, the company is not regular in depositing the undisputed statutory dues relating to the contributions under Provident Fund Act, Employees State Insurance Act and the remittance in respect of TDS, Income Tax wherever applicable to it with appropriate authorities.*
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance Scheme, Income Tax, Service Tax, Excise Duty, Value Added Tax, Central Sales Tax, Cess and other material statutory dues in arrears as at 31st March, 2018 for the period of more than six months from the date they became payable, *except for Provident Fund dues amounting to Rs. 29.83 Lacs and ESI dues amounting to Rs. 6.63 lacs for the period from Oct 2017 to March 2018.*
- (c) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise as at 31st March, 2018.
- (d) *According to the information and explanations given to us and the records of the company examined by us there are no dues of income tax, sales tax, Wealth tax, service tax, custom duty, and excise duty which have not been deposited on account of any dispute pending before any forum other than the following amounts:*

Name of the Statute	Forum where the dispute is pending.	Period to which the amount relates	Amount (in Lakhs)
Kerala General Sales Tax Act	High Court, Kerala	2001-2004	116.24
Income Tax Act 1961	High Court, Chennai	2006-2007 AY 2007-08	238.20
Income Tax Act 1961	High Court, Chennai	2009-2010 AY 2010-11	81.66
Income Tax Act 1961	Commissioner of Income Tax (Appeals), Chennai	2011-2012 AY 2012-13	2.97
Service Tax	Commissioner of Central Excise (Appeals II), Chennai	April 2009 to June 2012	83.60

- (viii) *Based on the audit procedures and on the basis of information and explanations given by the management, we are of the opinion that, the company has defaulted in repayment of dues to financial institution or bank to the tune of Rs. 993.66 Lakhs as on 31st March 2018 (Previous Year Rs. 2046.29 Lacs.)*
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information & explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of sec 197 read with Schedule V to the Companies Act;
- (xii) In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly paragraph 3(xii) of the order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of Companies Act, 2013 where applicable, for all transaction with related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Ramanand & Associates
Chartered Accountants
FRN: 117776W

Place: Mumbai
Date : 29.05.2018

CA Ramanand Gupta
Managing Partner
Membership No: 103975



“Annexure B” to the Independent Auditors’ Report

Referred to in paragraph 10(f) of the Independent Auditors’ Report of even date to the members of Ravi Kumar Distilleries Limited on the financial statements for the year ended March 31, 2018

1. Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Ravi Kumar Distilleries Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

2. Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

3. Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

6. Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

7. Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

8. Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the Internal Control over Financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ramanand & Associates
Chartered Accountants
FRN: 117776W

Place: Mumbai
Date : 29.05.2018

CA Ramanand Gupta
Managing Partner
Membership No: 103975

BALANCE SHEET AS AT MARCH 31, 2018

(Rs. in Lacs)

Particulars	Note No.	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
I ASSETS				
1 NON-CURRENT ASSETS				
(a) Property, plant and equipment	2	268.55	304.99	301.05
(b) Capital work-in-progress	2A	59.00	32.00	-
(c) Intangible assets	3	10.53	-	-
(d) Financial assets				
(i) Investments	4	825.71	825.71	825.71
(f) Other non-current assets	5	3,101.63	3,083.11	3,057.77
TOTAL NON-CURRENT ASSETS		4,265.41	4,245.81	4,184.53
2 CURRENT ASSETS				
(a) Inventories	6	1,819.57	2,150.61	2,035.97
(b) Financial assets				
(i) Investments	4A	247.79	477.35	477.35
(ii) Trade receivables	7	2,797.45	2,194.29	1,884.98
(iii) Cash and cash equivalents	8A	15.98	30.87	43.38
(iv) Bank balances other than (iii) above	8B	0.44	28.42	26.78
(vi) Others	9	4,314.32	4,203.29	4,264.89
(c) Other current assets	10	107.05	81.34	91.79
TOTAL CURRENT ASSETS		9,302.60	9,166.16	8,825.14
TOTAL ASSETS		13,568.02	13,411.97	13,009.67
I EQUITY & LIABILITIES				
1 EQUITY				
(a) Equity Share Capital	11	2,400.00	2,400.00	2,400.00
(b) Other Equity	12	3,891.89	4,048.31	4,371.99
TOTAL EQUITY		6,291.89	6,448.31	6,771.99
2 NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Others	13	886.90	780.39	515.95
(c) Deferred Tax Liabilities	14	4.25	5.25	8.77
TOTAL NON-CURRENT LIABILITIES		891.15	785.64	524.72
3 CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings	15	3,544.89	3,737.60	3,040.34
(ii) Trade payables	16	960.45	698.89	703.61
(iii) Others	17	1,491.69	1,453.04	1,752.91
(b) Provisions	18	27.75	26.95	27.75
(d) Other current liabilities	19	360.18	261.55	188.34
TOTAL CURRENT LIABILITIES		6,384.98	6,178.03	5,712.95
TOTAL LIABILITIES		7,276.13	6,963.67	6,237.68
TOTAL EQUITY AND LIABILITIES		13,568.02	13,411.97	13,009.67
Significant accounting policies and notes to accounts				

As per our report of even date attached

For Ramanand and Associates
Chartered Accountants
Firm Registration No. 117776W

CA Ramanand Gupta
Managing Partner
Membership No. 103975
Date : May 29, 2018
Place : Mumbai

For & on behalf of the Board of Directors
Ravi Kumar Distilleries Limited

Mr. R.V. Ravikumar
Managing Director
DIN: 00336646

Mr. Badrinath S. Gandhi
Executive Director
DIN: 01960087

Mrs. L. Bhuvaneshwari
Chief Financial Officer

**RAVI KUMAR DISTILLERIES LIMITED.****STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2018 (Rs. in Lacs)**

Particulars	Note No.	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Income:			
Revenue from Operations	20	15,560.38	13,173.67
Other Income	21	0.94	1.82
Total Income		15,561.32	13,175.49
Expenses:			
Purchases of Stock-in-trade		1,798.85	1,983.99
Cost of Material Consumed	22	3,738.90	2,889.86
Change in inventories of Stock-in-trade	23	90.52	123.02
Excise duty		8,314.82	6,753.23
Employee Benefit Expenses	24	227.49	222.46
Finance Cost	25	147.41	230.87
Depreciation and amortization		41.54	28.84
Other Expenses	26	2,680.24	1,270.42
Total Expenses		17,039.76	13,502.69
Profit Before Tax		(1,478.45)	(327.20)
Exceptional Items	27	1,321.04	-
Profit Before Tax after exception items		(157.41)	(327.20)
Less : Provision for Taxation Deferred Tax		(1.00)	(3.52)
Profit/(Loss) for the year		(156.41)	(323.68)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		-	-
Income tax relating to items that will not be reclassified to profit or Loss		-	-
Total comprehensive income for the year		(156.41)	(323.68)
Earnings per equity share for profit/ (Loss)	28		
Basic		(0.65)	(1.35)
Diluted		(0.65)	(1.35)
Significant accounting policies and notes to accounts			

As per our report of even date attached

For Ramanand and Associates
Chartered Accountants
Firm Registration No. 117776W

CA Ramanand Gupta
Managing Partner
Membership No. 103975
Date : May 29, 2018
Place : Mumbai

For & on behalf of the Board of Directors
Ravi Kumar Distilleries Limited

Mr. R.V. Ravikumar
Managing Director
DIN: 00336646

Mr. Badrinath S. Gandhi
Executive Director
DIN: 01960087

Mrs. L. Bhuvaneshwari
Chief Financial Officer

Ravi Kumar Distilleries Limited
Statement of changes in equity for the year ended March 31, 2018

(INR in lakhs)

	Notes	March 31, 2018	March 31, 2017
A. Equity share capital			
Balance as at the beginning of the reporting period		2,400.00	2,400.00
Changes in equity share capital during the year		-	-
Balance as at the end of the reporting period		<u>2,400.00</u>	<u>2,400.00</u>
B. Other equity			
		Reserves & Surplus	Other Comprehensive Income
			Other items of
		Securities	Other
		premium reserve	Comprehensive
			Income
			Total equity
			Total
i) Balance as at April 1, 2016	15	6,210.00	4,371.99
Profit/(loss) for the year		(1,838.01)	4,371.99
Other comprehensive income for the year		(323.68)	(323.68)
Total comprehensive income for the year		(323.68)	(323.68)
Transfer to General Reserve		-	-
Transactions with owners in their capacity as owners:			
Dividends paid (including dividend distribution tax)	15	-	-
Employee stock option expense		-	-
ii) Balance as at March 31, 2017		6,210.00	4,048.31
Profit/(loss) for the year		(2,161.69)	4,048.31
Other comprehensive income for the year		(156.41)	(156.41)
Total comprehensive income for the year		(156.41)	(156.41)
Transactions with owners in their capacity as owners:			
Dividends paid (including dividend distribution tax)	15	-	-
Employee stock option expense	15	-	-
Balance as at March 31, 2018		6,210.00	3,891.91

As per our report of even date attached

For Ramanand and Associates
Chartered Accountants
Firm Registration No. 117776W

CA Ramanand Gupta
Managing Partner
Membership No. 103975
Date : May 29, 2018
Place : Mumbai

For & on behalf of the Board of Directors
Ravi Kumar Distilleries Limited

Mr. R. V. Ravikumar
Managing Director
DIN: 00336646

Mr. Badrinath S. Gandhi
Executive Director
DIN: 01960087

Mrs. L. Bhuvaneshwari
Chief Financial Officer



Cash Flow Statement for the Year Ended on March 31, 2018

(Rs. in Lacs)

Particulars	31-03-2018	31-03-2017
A Cash flow from Operating Activities		
Profit before tax	(157.41)	(327.20)
Adjustments for		
Depreciation and amortisation expense	41.54	28.84
Interest income	-	-
Interest expenses	147.41	230.87
Loss on sale of Investments	29.55	-
Operating Profit Before Working Capital Changes	61.09	(67.49)
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	(603.16)	(309.31)
(Increase)/decrease in other financial assets	(111.04)	61.10
(Increase)/decrease in other assets	(44.22)	(14.90)
(Increase)/decrease in inventories	331.04	(114.64)
Increase/(decrease) in trade payables	261.56	(4.72)
Increase/(decrease) in provisions	0.81	(0.81)
Increase/(decrease) in other liabilities	98.63	73.21
(Increase)/decrease in other financial liability	145.17	(35.43)
Cash generated from operations	139.88	(412.98)
Income tax paid	-	-
Net cash inflow / (outflow) operating activities	139.88	(412.98)
Cash flow from investing activities		
Payments for Fixed Assets	(42.63)	(64.28)
Proceed from sale of Investment	200.00	-
Bank Fixed Deposits redeemed	27.98	(1.64)
Interest received	-	-
Net cash inflow / (outflow) investing activities	185.35	(65.92)
Cash flow from financing activities		
Proceeds from borrowings	(192.71)	697.26
Repayment of borrowings	-	-
Interest paid	(147.41)	(230.87)
Dividend paid	-	-
Net cash inflow (outflow) from financing activities	(340.12)	466.39
Net increase / (decrease) in cash and cash equivalents	(14.88)	(12.51)
Cash and cash equivalents at the beginning of the year	30.87	43.38
Cash and cash equivalents at the end of the year	15.98	30.87
Breakup of Cash and Cash Equivalent		
Cash in hand	5.73	2.79
Balances with Banks		
On Current account	10.25	28.08
Deposits with maturity less than 3 months	-	-
Total	15.98	30.87
Total Cash and Cash Equivalent	15.98	30.87

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report attached

For Ramanand and Associates
Chartered Accountants
Firm Registration No. 117776W

CA Ramanand Gupta
Managing Partner
Membership No. 103975
Date : May 29, 2018
Place : Mumbai

For & on behalf of the Board of Directors
Ravi Kumar Distilleries Limited

Mr. R.V. Ravikumar
Managing Director
DIN: 00336646

Mr. Badrinath S. Gandhi
Executive Director
DIN: 01960087

Mrs. L. Bhuvaneshwari
Chief Financial Officer

Notes forming part of the Financial Statements

(Rs. in Lacs)

Note: 2

Particulars	Cost or Deemed cost			Accumulated depreciation			Carrying Amount		
	Balance as at April 1, 2017	Additions	Acquisitions through business Combinations	*Disposals / Adjustments	Balance as at March 31, 2018	Balance as at April 1, 2017		Eliminated on disposals of assets	Depreciation expense
Property plant and equipment									
Land	75.40	-	-	-	75.40	-	-	-	75.40
Building and structures	532.23	-	-	-	532.23	414.20	-	11.21	425.41
Vehicles	20.08	-	-	-	20.08	20.08	-	-	20.08
Data processing equipments	1.81	1.33	-	-	3.14	1.39	-	0.64	2.03
Office equipments	10.78	3.31	-	-	14.09	10.05	-	1.01	11.06
Furniture and fixtures	3.24	-	-	-	3.24	1.28	-	0.51	1.79
Plant & Machineries	388.21	-	-	-	388.21	279.76	-	27.71	307.47
Subtotal	1,031.75	4.64	-	-	1,036.39	726.76	-	41.08	767.84

Note: 2A

(Rs. in Lacs)

Particulars	Cost or Deemed cost			Accumulated depreciation			Carrying Amount		
	Balance as at April 1, 2017	Additions	Acquisitions through business Combinations	Disposals/ Adjustments	Balance as at March 31, 2018	Balance as at April 1, 2017		Eliminated on disposals of assets	Amortisation
Capital work-in-progress	32.00	27.00	-	-	59.00	-	-	-	59.00
Total	32.00	27.00	-	-	59.00	-	-	-	59.00

Note: 3

(Rs. in Lacs)

Particulars	Cost or Deemed cost			Accumulated depreciation			Carrying Amount		
	Balance as at April 1, 2017	Additions	Acquisitions through business Combinations	Disposals/ Adjustments	Balance as at March 31, 2018	Balance as at April 1, 2017		Eliminated on disposals of assets	Amortisation
Software / Licences	-	10.99	-	-	10.99	-	-	0.46	10.53
Total	-	10.99	-	-	10.99	-	-	0.46	10.53



Notes forming part of the Financial Statements

Note: 2

(Rs. in Lacs)

Particulars	Cost or Deemed cost				Accumulated depreciation			Carrying Amount	
	Balance as at April 1, 2016	Additions	Acquisitions through business Combinations	*Disposals / Adjustments	Balance as at March 31, 2017	Balance as at April 1, 2016	Eliminated on disposals of assets	Depreciation expense	Balance as at March 31, 2017
Property plant and equipment									
Land	75.40	-			75.40	-		-	75.40
Building and structures	532.23	-			532.23	403.47		10.73	118.03
Vehicles	20.08	-			20.08	20.08		-	-
Data processing equipments	0.73	1.08			1.81	0.51		0.88	0.42
Office equipments	10.78	-			10.78	9.35		0.70	0.73
Furniture and fixtures	3.24	-			3.24	1.03		0.25	1.96
Plant & Machineries	357.01	31.20			388.21	263.98		15.78	108.45
Subtotal	999.47	32.28	-	-	1,031.75	698.42	-	28.34	304.99

Note: 2A

(Rs. in Lacs)

Particulars	Cost or Deemed cost				Accumulated Amortisation			Carrying Amount	
	Balance as at April 1, 2016	Additions	Acquisitions through business Combinations	Disposals / Adjustments	Balance as at March 31, 2017	Balance as at April 1, 2016	Eliminated on disposals of assets	Depreciation expense	Balance as at March 31, 2017
Capital work-in-progress	-	32.00		-	32.00	-		-	32.00
Total	-	32.00	-	-	32.00	-	-	-	32.00

Notes forming part of the Financial Statements

(Rs. in Lacs)

Note: 2

Particulars	Cost or Deemed cost						Accumulated depreciation				Carrying Amount	
	Balance as at April 1, 2015	Additions	Acquisitions through business Combinations	Disposals / Adjustments	Balance as at March 31, 2016	Balance as at April 1, 2015	Eliminated on disposals of assets	Depreciation expense	Balance as at March 31, 2016	Balance as at March 31, 2016	Balance as at March 31, 2016	
Property plant and equipment												
Land	75.40	-			75.40	-		-	-	-	75.40	
Building and structures	532.23	-			532.23	391.77		11.70	403.47	128.76		
Vehicles	39.08	-		19.00	20.08	26.65	9.00	2.43	20.08	-		
Data processing equipments	0.73	-		-	0.73	-		0.51	0.51	0.22		
Office equipments	10.11	0.67		-	10.78	8.35		1.00	9.35	1.43		
Furniture and fixtures	3.24	-		-	3.24	0.67		0.36	1.03	2.21		
Plant & Machineries	357.01	-		-	357.01	238.06		25.92	263.98	93.03		
Subtotal	1,017.80	0.67	-	19.00	999.47	665.50	9.00	41.92	698.42	301.05		



Notes forming part of the Financial Statements

(Rs. in Lacs)

Note No	Particulars	March 31, 2018	March 31, 2017	April 1, 2016
4	NON-CURRENT INVESTMENTS			
	Unquoted			
	Investments mandatorily measured at Fair Value through Profit or Loss			
	Investments in equity instruments-fully paid-up			
	i) In Others			
	Liquor India Limited	825.71	825.71	825.71
	16,72,445 (March 31, 2017: 16,72,445, April 01, 2016: 16,72,445) shares of Rs. 10/- each			
	Aggregate cost of Unquoted Investments	825.71	825.71	825.71
	Note:			
	During the Financial Year 2011-2012, the Company acquired 38.43% stake in 'Liquors India Limited'. However, due to various issues with Mr. Anil Agrawal, Managing Director of 'Comfort Securities Limited' (the Merchant Banker to the Initial Public Offerings of the Company) and M/s Comfort Intech Limited, the Company entered into an agreement with Mr. Anil Agrawal and 'Lemonade Shares and Securities Private Limited' for sale of the entire undertaking. The agreement has been challenged and Civil Suit has been filed before District Court, Hyderabad with prayers inter-alia to rescind the agreements as being void and restore the parties back to the position prior to MOU dated 05-09-2012. The company has also filed company petition in CLB, now NCLT, Hyderabad SLP in Supreme Court of India apart from registering various complaints with Police, SEBI, and Enforcement Directorate. Supreme Court of India has directed the Investigating Agencies to take such steps as maybe advised to them in accordance with the provisions of law. Pending the outcome of the Suit, and investigations, the amount Rs. 10.94 lacs received from 'M/s Lemonade Shares and Securities Private Limited' is shown in other Payables under 'Other Financial Liabilities - Current'.			
4A	CURRENT INVESTMENTS			
	Unquoted			
	Investments mandatorily measured at Fair Value through Profit or Loss			
	Investments in equity instruments-fully paid-up			
	i) In Others			
	S.V. Distilleries Private Limited	247.79	477.35	477.35
	1,943,112 (March 31, 2017: 3,743,216, April 01, 2016: 3,743,216) shares of Rs. 10/- each			
	Aggregate cost of Unquoted Investments	247.79	477.35	477.35
	Total	247.79	477.35	477.35
	Note:			
	i) Investment in equity shares of S.V. Distilleries Private Limited were classified as current investments based on management's intention to dispose all the investments.			
	ii) The finalization of Books of accounts of M/s.S.V.Distilleries Private Limited is in progress, hence in the absence of relevant information regarding fair value of investments in respect of investment in shares of 'S.V. Distilleries Private Limited' of Rs. 247.79 lacs on on 31st March, 2018 fair value of investment has not been made.			
5	Other Non Current Asset			
	Trade Deposits	19.15	18.99	18.59
	Taxes recoverable from Government authorities	4.57	4.57	-
	Advance to suppliers (Note 1)	2,900.25	2,900.25	2,900.25
	Other Advances	0.23	0.15	0.03
	TDS Receivable	177.43	159.16	138.90
	Total	3,101.63	3,083.11	3,057.77
	Note:			
	Advance to suppliers includes amounts transferred to various parties post IPO amounting to Rs. 2,900.25 Lacs given as advances to suppliers during Financial Year 2010-2011. However, since, the capital commitments were not acted upon by the parties, the management has decided to recall the advances paid. The company has sent legal notices to parties for refund of advances lying with them and has filed Recovery suits. The Management expects to get the advances back in due course. Hence, no provision for expected Credit Losses has been made in the accounts for doubtful recovery of above advances. Further, the Company has also filed a complaint with Police authorities, enforcement Directorate and Regulatory Authorities.			
6	INVENTORIES			
	Inventories (lower of cost and net realisable value)			
	Raw Materials	799.11	1,039.63	802.11
	Work - In - Progress	34.92	62.23	124.35
	Finished Goods	667.87	449.64	418.84
	Stock In Trade	317.67	599.11	690.67
	Total	1,819.57	2,150.61	2,035.97

Notes forming part of the Financial Statements

(Rs. in Lacs)

Note No	Particulars	March 31, 2018	March 31, 2017	April 1, 2016
7	TRADE RECEIVABLES - Unsecured			
	Unsecured:			
	- Considered good:	2,797.45	2,194.29	1,884.98
	- Considered doubtful:	155.28	120.35	109.93
	Less: Allowances for expected Credit Losses	155.28	120.35	109.93
	Sub Total	-	-	-
	Total	2,797.45	2,194.29	1,884.98
	Note:			
	The Balances of Trade Receivable are subject to confirmation and reconciliation. In the opinion of the management, there would not be any substantial difference on reconciliation.			
8	Cash and cash equivalents			
	A. Cash & Cash Equivalents			
	(i) Cash on hand	5.73	2.79	3.73
	(ii) Balances with Banks			
	On Current account	10.25	28.08	39.65
	Deposits with maturity less than 3 months	-	-	-
	Sub Total	15.98	30.87	43.38
	B. Other Bank Balances			
	Deposits with maturity for more than 3 months but less than 12 months	-	27.98	26.34
	Unpaid Dividend Bank Accounts	0.44	0.44	0.44
	Sub Total	0.44	28.42	26.78
	Total	16.42	59.29	70.17
	Balances with banks held as:			
	Margin against Borrowings	-	27.98	26.34
9	Other Financial Asset - Current			
	Loans & Advances to related parties	4,183.86	4,177.75	4,274.62
	Other Loans and Advances	130.46	25.53	(9.72)
	Total	4,314.32	4,203.29	4,264.89
	Loans & Advances to related parties			
	S V Distilleries Private Limited	2,543.34	2,537.23	2,634.10
	Liquor India Limited	1,640.52	1,640.52	1,640.52
	Total	4,183.86	4,177.75	4,274.62
10	Other Current Asset			
	Prepaid Expenses	107.05	81.34	91.79
	Total	107.05	81.34	91.79
11	Equity Share Capital			
	i Authorised :			
	25,000,000 (March 31, 2017: 25,000,000, April 01, 2016: 25,000,000)			
	Equity shares of the par value of INR 10 each ((March 31, 2017: INR 10 each, April 01, 2016: INR 10 each)	2,500.00	2,500.00	2,500.00
	TOTAL	2,500.00	2,500.00	2,500.00
	ii Issued and Subscribed:			
	24,000,000 (March 31, 2017: 24,000,000, April 01, 2016: 24,000,000)			
	Equity shares of the par value of INR 10 each ((March 31, 2017: INR 10 each, April 01, 2016: INR 10 each)	2,400.00	2,400.00	2,400.00
	TOTAL	2,400.00	2,400.00	2,400.00



Notes forming part of the Financial Statements

(Rs. in Lacs)

Note No	Particulars	March 31, 2018	March 31, 2017	April 1, 2016
iii	Reconciliation of number of equity shares outstanding at the beginning and the end of the year :			
	Outstanding at the beginning of the year	24,000,000	24,000,000	
	Add : Issued during the Year	-	-	
	Outstanding at the end of the year	24,000,000	24,000,000	

(iv) Rights, preferences and restrictions attached to Equity shares

"The Company has issued only one class of equity shares having a par value of INR 10 each. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

(v) Shareholders holding more than 5% shares in the Company is set out below:

Name of the Shareholder	March 31, 2018		March 31, 2017		April 01, 2016	
	No of shares	%	No of shares	%	No of shares	%
Mr. R V Ravikumar	5,508,976	22.95%	5,503,675	22.93%	5,500,175	22.92%
BPJ Holding Private Limited	3,675,000	15.31%	3,675,000	15.31%	3,675,000	15.31%
Comfort Intech Limited	2,366,000	9.86%	2,366,000	9.86%	2,366,000	9.86%
Chiraag Suppliers Private Limited	1,480,906	6.18%	1,480,906	6.17%	1,480,906	6.17%
Nandlal Vyapaar Private Limited	1,409,000	5.87%	1,409,000	5.87%	1,409,000	5.87%

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
12 Other Equity			
Security Premium Reserve			
Balance as per Last balance Sheet	6,210.00	6,210.00	6,210.00
Addition During the Year	-	-	-
Deduction During the year	-	-	-
As at end of year	6,210.00	6,210.00	6,210.00
Surplus / Retained Earnings			
Balance as per Last balance Sheet	(2,161.69)	(1,838.02)	(981.00)
Addition During the Year	(156.41)	(323.68)	(548.05)
Deduction During the year			
Amount aviliable for apporoprations	(2,318.11)	(2,161.69)	(1,529.05)
Appropriation :			
IND As Adjustment	-	(308.96)	
As at end of year	(2,318.11)	(2,161.69)	(1,838.01)
Other Comprehensive Income			
Balance as per Last balance Sheet	-	-	-
Transfer from Statement of Profit and Loss	-	-	-
Deduction During the year	-	-	-
As at end of year	-	-	-
Gross Total	3,891.89	4,048.31	4,371.99

Notes forming part of the Financial Statements

(Rs. in Lacs)

Note No	Particulars	March 31, 2018	March 31, 2017	April 1, 2016	
13	Other financial liabilities - Non Current				
	Security Deposits	75.00	75.00	26.00	
	Deferred Payment Liabilities (Note 1)	811.90	705.39	489.95	
	Total	886.90	780.39	515.95	
Note 1	Manufacture of IMFL Brands owned by other Corporates				
	The Company manufactures and sells its own brand of liquors and also uses the brand of others. For the purpose of manufacture and sales of liquor brands not owned by the company, the company has entered into arrangement / agreement with the respective brand owners. The terms of the Agreement / Arrangement with such brand owners provide for payment of consideration for use of Trade Mark / for the additional services rendered by the brand owners / other amount due to the Trade Mark owners in the agreed proportion. The payment towards use of Trade Mark / for the additional service rendered by the Trade Mark owners / other amounts due to the Trade Mark Owners are grouped as "Operational Support Cost". The Operational Support Cost is included under the head "Other Expenses". Further the Agreements / Arrangements with other Brand owners provide a facility of Deferred Payment of the amount due under the agreement. These payables, as per the Terms, which are payable after a period exceeding 12 months are classified as "Deferred Credit from Corporate Suppliers" and are grouped under Other Financial Liabilities - non current".				
Note No	Particulars	March 31, 2018	March 31, 2017	April 1, 2016	
14	Deferred Tax Liabilities				
	The balance comprises temporary/deductible differences attributable to:				
	Property, plant and equipment	4.25	5.25	8.77	
	Net deferred tax assets / (Liabilities)	4.25	5.25	8.77	
Movement in deferred tax balances				(INR in lakhs)	
		"Net balance April 1, 2017"	"Recognised in (profit) or loss"	"Recognised in OCI"	"Net balance March 31, 2018"
	Deferred tax Asset				
	Property, plant and equipment	5.25	1.00	-	4.25
	Tax assets (Liabilities)	5.25	1.00	-	4.25
		"Net balance April 1, 2016"	"Recognised in (profit) or loss"	"Recognised in OCI"	"Net balance March 31, 2018"
	Deferred tax asset				
	Property, plant and equipment	8.77	3.52	-	5.25
	Tax assets (Liabilities)	8.77	3.52	-	5.25



Notes forming part of the Financial Statements

(Rs. in Lacs)

Note	Particulars	March 31, 2018	March 31, 2017	April 1, 2016
15	Borrowings - Current			
	Secured - at amortized cost			
	(a) Loans repayable on demand			
	- from banks (Bank overdraft)	-	2,046.29	2,636.87
	- from others	993.66	-	-
	Unsecured - at amortized cost			
	(a) Loans repayable on demand			
	- from related parties			
	Domestic currency loan	2,551.23	1,691.31	403.47
	Foreign currency loan	-	-	-
	Total	3,544.89	3,737.60	3,040.34
	Loans from related parties			
	R.V. Ravikumar	2,551.23	1,691.31	403.47
	Total	2,551.23	1,691.31	403.47
	Loan Default to Mention	993.66	2,046.29	2,636.87
16	Trade Payables - Current			
	Trade Payables:			
	Micro, Small & Medium Enterprises			
	Others	960.45	698.89	703.61
	Total	960.45	698.89	703.61
17	Other Financial liabilities - Current			
	Current Maturities of Long-Term Debt	-	-	531.00
	Dividend Unpaid	0.44	0.44	0.44
	Other Payables (Note 1)	1,326.25	1,252.60	1,221.47
	Advance against Sale of Shares	165.00	200.00	
	Total	1,491.69	1,453.04	1,752.91
	Note 1			
	During the Financial Year 2011-2012, the Company acquired 38.43% stake in 'Liquors India Limited'. However, due to various issues with Mr. Anil Agrawal, Managing Director of 'Comfort Securities Limited' (the Merchant Banker to the Initial Public Offerings of the Company) and M/s Comfort Intech Limited, the Company entered into an agreement with Mr. Anil Agrawal and 'Lemonade Shares and Securities Private Limited' for sale of the entire undertaking. The agreement has been challenged and Civil Suit has been filed before District Court, Hyderabad with prayers inter-alia to rescind the agreements as being void and restore the parties back to the position prior to MOU dated 05-09-2012. The company has also filed Company petition in CLB, now NCLT, Hyderabad, SLP in Supreme Court of India apart from registering various complaints with Police, SEBI, and Enforcement Directorate. Supreme Court of India has directed the Investigating Agencies to take such steps as maybe advised to them in accordance with the provisions of law. Pending the outcome of the Suit, and investigations, the amount Rs. 10.94 lacs received from 'M/s Lemonade Shares and Securities Private Limited' is shown in other Payables under 'Other Financial Liabilities - Current'.			
18	Provisions - Current			
	Provision for Gratuity	27.75	26.95	27.75
	Total	27.75	26.95	27.75
19	Other current liabilities			
	Duties & Taxes	360.18	261.55	188.34
	Total	360.18	261.55	188.34

Notes forming part of the Financial Statements

(Rs. in Lacs)

Note	Particulars	March 31, 2018	March 31, 2017
20	Revenue From Operations		
	Sales	15,483.24	13,070.96
	Other Operating Revenue	77.14	102.72
	Total	15,560.38	13,173.67
21	Other Income		
	Interest Income	0.94	1.82
	Total	0.94	1.82
22	Cost of materials consumed		
	Raw materials as at the beginning of the year	1,183.00	946.00
	Add : Purchases	3,498.81	3,127.29
	Less: Raw materials as at the end of the year	942.91	1,183.43
	TOTAL	3,738.90	2,889.86
23	Changes in inventories of work-in-progress and finished goods		
	Opening balance :		
	Work-in-progress	62.23	124.00
	Finished goods	449.64	419.00
	Stock of Goods Traded	599.11	691.00
		1,110.98	1,234.00
	Closing Balance :		
	Work-in-progress	34.92	62.23
	Finished goods	667.87	449.64
	Stock of Goods Traded	317.67	599.11
		1,020.46	1,110.98
	TOTAL	90.52	123.02
24	Employee Benefit Expenses		
	Salaries, Wages & Incentives	191.05	193.79
	Contribution to provident & other funds	19.23	18.76
	Staff welfare expenses	17.21	9.90
	Total	227.49	222.46
25	Other Expenses		
	Repairs and Maintenance	44.14	29.00
	Excise Duty and Charges	26.21	22.00
	Factory Expenses	228.33	201.00
	Insurance Premium	4.05	3.00
	Legal Charges	65.39	21.00
	Professional Charges	71.61	39.00
	Auditors Remuneration (Refer Note 25 (a) below)	8.85	9.00
	Rent	48.94	44.00
	Rates and Taxes	65.02	47.00
	Security Charges	3.08	1.00
	Advertisement and Sales Promotion Expenses	79.03	31.00
	Travelling Expenses	126.40	93.00
	Discounts and Incentives	113.92	90.00
	Utilities (Electricity Expenses, Telephone Expenses etc.)	20.76	23.00
	Operating Support Cost	773.21	555.00
	Printing and Stationery	7.70	5.00
	Vehicle Running and Maintenance Expenses	16.04	11.00
	Provision for amount payable to Sundaram Finance as per Arbitration Order (Refer Note 25 (b) below)	858.19	-
	Allowances for Expected Credit loss	34.93	10.42
	Loss on Sale of Investments	29.55	-
	Other expenses	54.89	36.00
	Total	2,680.24	1,270.42



Notes forming part of the Financial Statements

(Rs. in Lacs)

Note	Particulars	March 31, 2018	March 31, 2017
Note 25 (a) : Details of payments to auditors			
	Audit fee	8.85	9.00
	Total	8.85	9.00
Note 25 (b) : Provision for amount payable to Sundaram Finance			
An arbitration award was passed in favour of 'Sundaram Finance Limited' (SFL) for default by the Company of deferred Credit Borrowings of Rs. 8.58 Crores. The Company has made a provision of Rs. 858.19 Lakhs against amount payable to 'SFL' in terms of above award and interest payable to 'SFL' for the subsequent period upto September 2017 of Rs. 67.74 Lacs.			
26 Finance Cost			
	Interest		
	- Others	147.41	230.87
	Total	147.41	230.87
27 Exceptional Item			
	One time Settlement with State Bank of India	1,321.04	-
	Total	1,321.04	-

The Company settled its liability towards Short Term Borrowings amounting to Rs. 20.96 Crores from State Bank of India in terms of 'One Time Settlement' (OTS) of Rs. 7.75 Crores. The resultant gain of Rs. 13.21 Crores has been recognised as 'Exceptional items'.

Note 28:

Earnings Per Share

Basic Earnings per share	(0.65)	(1.35)
Diluted Earnings per share	(0.65)	(1.35)
Nominal Value of Shares	10.00	10.00

The calculation of basic and diluted earnings per share has been based on the following profit attributable to equity shareholders and weighted-average number of equity shares outstanding.

i. Profit attributable to equity shareholders (basic & diluted)

Profit/(loss) for the year, attributable to equity shareholders of the company	(156.41)	(323.68)
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ii. Weighted average number of equity shares (basic)

Issued equity shares as at the beginning of the year	24,000,000	24,000,000
Weighted average number of shares as at the end of the year	24,000,000	24,000,000

Additional Statements of Notes to Accounts

Note 29: Financial instruments – Fair values and risk management

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

March 31, 2018	Notes	Carrying amount				Fair value			
		Fair value through profit and loss	Fair value through OCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investments	4,4A			1,073.50	1,073.50			1,073.50	1,073.50
- Equity instruments		-	-	1,073.50	1,073.50				
Financial assets measured at amortized cost									
Trade receivables				2,797.45	2,797.45				
Cash and cash equivalents				15.98	15.98				
Bank Balance other than cash & cash equivalents				0.44	0.44				
Other Financial Asset				4,314.32	4,314.32				
		-	-	7,128.20	7,128.20				
Financial liabilities measured at amortized cost									
Borrowings				3,544.89	3,544.89				
Trade payables				960.45	960.45				
Other Financial Liabilities				2,378.60	2,378.60				
		-	44	-	6,883.94				6,883.94

March 31, 2017	Notes	Carrying amount				Fair value			
		Fair value through profit and loss	Fair value through OCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investments									
- Equity instruments				1,303.05	1,303.05		-	1,303.05	1,303.05
		-	-	1,303.05	1,303.05				
Financial assets measured at amortized cost									
Trade receivables				2,194.29	2,194.29				
Cash and cash equivalents				30.87	30.87				
Bank Balance other than cash & cash equivalents				28.42	28.42				
Other Financial Asset				4,203.29	4,203.29				
		-	-	6,456.87	6,456.87				
Financial liabilities measured at amortized cost									
Borrowings				3,737.60	3,737.60				
Trade payables				698.89	698.89				
Other Financial Liabilities				2,233.43	2,233.43				
		-	-	6,669.92	6,669.92				

April 1, 2016	Notes	Fair value	Carrying amount				Fair value			
			Fair value through profit and loss	Amortised through OCI	Total Cost	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value										
Investments										
- Equity instruments				1,303.05	1,303.05		-	1,303.05	1,303.05	
		-	-	1,303.05	1,303.05					
Financial assets measured at amortized cost										
Trade receivables				1,884.98	1,884.98					
Cash and cash equivalents				43.38	43.38					
Bank Balance other than cash & cash equivalents				26.78	26.78					
Other Financial Asset				4,264.89	4,264.89					
		-	-	6,220.04	6,220.04					
Financial liabilities measured at amortized cost										
Borrowings				3,040.34	3,040.34					
Trade payables				703.61	703.61					
Other Financial Liabilities				2,268.86	2,268.86					
		-	-	6,012.81	6,012.81					

Valuation technique used to determine fair value

Investments included in Level 1 of Fair Value Hierarchy are based on prices quoted in stock exchange and/or NAV declared by the Funds.

Investments included in Level 2 of Fair Value Hierarchy have been valued based on inputs from banks and other recognised institutions such as FIMMDA/FEDAI.

Investments included in Level 3 of Fair Value Hierarchy have been valued using acceptable valuation techniques such as Net Asset Value and/or Discounted Cash Flow Method.

B. Financial risk management

Company has exposure to the following risks arising from financial instruments:

- Credit risk; ▪ Liquidity risk; and ▪ Market risk

Risk management framework

The Company's activities expose it to a variety of financial risks such as credit risk, market risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and to minimize potential adverse effects on its financial performance. The primary market risk is foreign exchange risk and Interest risk. The company uses derivative financial instruments to mitigate foreign exchange related risks.



Notes forming part of the Financial Statements

(Rs. in Lacs)

Financial instruments – Fair values and risk management (continued)

I. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The maximum exposure to credit risk for trade and other receivables by type of counterparty was as follows :

(INR in lakhs)

	Carrying amount			
	Notes	March 31, 2018	March 31, 2017	April 01, 2016
Financial Assets (Current)				
Trade and other receivables	9	2,797.45	2,194.29	1,884.98
Cash and cash equivalents	10A	15.98	30.87	43.38
Bank Balance other than cash & cash equivalents above	10B	0.44	28.42	26.78
Other financial assets	12	4,314.32	4,203.29	4,264.89
		7,128.20	6,456.87	6,220.04

a) Trade receivables

The company individually monitors the sanctioned credit limits as against the outstanding balances.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables. The Company uses a provision matrix to compute the expected credit loss for trade receivables. The Company has developed this matrix based on historical data as well as forward looking information pertaining to assessment of credit risk.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 7. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdiction and Industries and operate largely in Independent markets.

b) Concentration of credit risk

Company has a geographic concentration of trade receivables which is given below :

(INR in lakhs)

	March 31, 2018	March 31, 2017	April 01, 2016
Domestic Trade Receivables	2,797.45	2,194.29	1,884.98
Foreign Trade Receivables	-	-	-
	2,797.45	2,194.29	1,884.98

The following table gives concentration of credit risk in terms of Top 10 amounts receivable from customers

	March 31, 2018	March 31, 2017	April 01, 2016
Trade Receivables	776.39	558.22	434.62

Credit Risk exposure

The following are details of allowances on expected credit loss and its movement thereon (INR in lakhs)

	March 31, 2018	March 31, 2017	April 01, 2016
Balance at the beginning	120.35	109.93	-
Add: Provisions made/(reversed)	34.93	10.42	109.93
Less: Written off	-	-	-
Others	-	-	-
Balance as at the end	155.28	120.35	109.93

Management believes that the unimpaired amounts which are past due are collectible in full.

c) Cash and cash equivalents

Cash and cash equivalents of INR 15.98 Lakhs at March 31, 2018 (March 31, 2017: INR 30.87 Lakhs, March 31, 2016: INR 43.38 Lakhs). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

Notes forming part of the Financial Statements

(Rs. in Lacs)

Financial instruments – Fair values and risk management (continued)

II. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

a) Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows

(INR in lakhs)

March 31, 2018	Carrying amount	Overdue	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Non-derivative financial liabilities							
Borrowings	3,544.89		3,544.89			-	3,544.89
Trade and other payables	960.45		960.45				960.45
Other financial liabilities	2,378.60		2,378.60				2,378.60
Contingent consideration							
- Financial Guarantee	8,385.00	-	8,385.00			-	8,385.00
March 31, 2017	Carrying amount	Overdue	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Non-derivative financial liabilities							
Borrowings	3,737.60		3,737.60			-	3,737.60
Trade and other payables	960.45		960.45				960.45
Other financial liabilities	2,233.43		2,233.43				2,233.43
Contingent consideration							
- Financial Guarantee	8,385.00		8,385.00				8,385.00
April 1, 2016	Carrying amount	Overdue	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Non-derivative financial liabilities							
Borrowings	3,040.34	-	3,040.34				3,040.34
Trade and other payables	703.61		703.61				703.61
Other financial liabilities	2,268.86		2,268.86				2,268.86
Contingent consideration							
- Financial Guarantee	8,385.00		8,385.00				8,385.00

III. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Interest rate risk, currency risk and other price risk such as equity price risk and commodity risk.

a) Currency risk

The Company operates in local Currency only, hence there is no currency risk in the Company

b) Commodity Risk

The Company is in to manufacturing of liquor. The company who has licence can only deal in liquor products and there is no major fluctuation in price. Hence the Commodity risk is mitigated.



Notes forming part of the Financial Statements

(Rs. in Lacs)

Financial instruments – Fair values and risk management (continued)

c) Interest rate risk

The Company manages its Interest rate risk by having a balanced portfolio of Interest bearing and Interest free loans and borrowings.

i. Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the company is as follows.

	(INR in lakhs)		
	March 31, 2018	March 31, 2017	April 01, 2016
Fixed-rate instruments			
Financial liabilities	-	-	-
Variable-rate instruments			
Financial liabilities	993.66	2,046.29	2,636.87
	993.67	2,046.29	2,636.87

ii. Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	(INR in Lakhs)			
	Profit or (loss) March 31, 2018		Profit or (loss) March 31, 2017	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable-rate instruments	(9.94)	9.94	(20.46)	20.46
Cash flow sensitivity	(9.94)	9.94	(20.46)	20.46

Note 30: Income tax expense

This note provide an analysis of the Company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

The tax reconciliation is not required in the Company since the Company is in the losses and there is no income tax liability on the Company.

Note 31 Disclosure of related parties / related party transactions :

A. List of related parties :

i) Key Management Personnel

- 1 R.V.Ravikumar (Managing Director)
- 2 Mrs Vijayalakshmi (Whole Time Director)
- 3 Badrinath S Gandhi (Executive Director)

ii) Other Related parties

- 1 Ravikumar Properties Private Limited
- 2 Ravikumar Resorts and Hotels Private Limited
- 3 Ravikumar Powergen Private Limited
- 4 Reality Projects & Entertainments Private Limited
- 5 Liquor India Limited
- 6 SVDistilleries Pvt Limited

B. Transactions during the year :

INR in Lakhs

Sr. No.	Nature of transaction	Key Management Personnel	Other Related Parties	Total
1	Loans & Advances:			
	Loans Given:			
	SV Distilleries Pvt Limited	-	6.00	6.00
	Loans Repaid:			
	SV Distilleries Pvt Limited	-	(100.00)	(100.00)
2	Unsecured Loans:			
	Loan Taken:			
	R.V. Ravikumar	860.00	-	860.00
		(2,240.00)	(-)	(2,240.00)
	Remuneration to Key Management Personnel:-			
	R.V. Ravikumar	-	-	-
		(13.00)	(-)	(13.00)
	Mrs Vijayalakshmi	3.00	-	3.00
		(6.00)	(-)	(6.00)
	Badrinath S Gandhi	10.00	-	10.00
		(10.00)	(-)	(10.00)
	Rent:			
Mr. R V Ravikumar	31.00	-	31.00	
	(31.00)	(-)	(31.00)	
Corporate Guarantee:				
SV Distilleries Pvt Limited	-	8,385.00	8,385.00	
	(-)	(8,385.00)	(8,385.00)	

(Figures in bracket represents previous years' amounts)

C. Outstanding as at March 31, 2018:

Sr. No.	Nature of transaction	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
1	Loans and Advance to Related Parties:			
	S.V. Distilleries Pvt Limited	2,543.00	2,537.00	2,637.00
	Liquor India Limited	1,640.00	1,640.00	1,640.00
	Total	4,183.00	4,177.00	4,277.00
2	Loans from Related Parties			
	R.V. Ravikumar	2,551.00	1,691.00	403.00
	Total	2,551.00	1,691.00	403.00
	Total	6,734.00	5,868.00	4,680.00

Note 32 Accounting for Operating Leases

The Company has operating leases for premises, the leases are renewable on periodic basis and cancelable in nature.

Note 33: Capital Management**a) Risk Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. Company monitors capital using a ratio of 'Adjusted Net Debt' to 'Equity'. For this purpose, Adjusted Net Debt is defined as total liabilities, comprising loans/borrowings less cash and cash equivalents.

The Company's Debt to Equity ratio at March 31, 2018 was as follows.

(INR in lakhs)

	Notes	March 31, 2018	March 31, 2017	April 01, 2016
Total Borrowings	16 & 20	3,544.89	3,737.60	3,040.34
Less: Cash and cash equivalents	10A	15.98	30.87	43.38
Adjusted net debt		3,528.91	3,706.74	2,996.96
Total equity		6,291.89	6,448.31	6,771.99
Adjusted net debt to equity ratio		0.56	0.57	0.44



b) Dividends

The directors have not recommended the payment of dividend for the F.Y. 2017-18 and previous years.

Note 34: Operating Segment

"Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director (MD) and Chief Operating Officer (COO) of the Company. The company operates only in one reportable business segment namely manufacture and sale of Indian Manufactured Foreign Liquor based on the information reviewed by CODM. The liquor business incorporates the product groups (viz) IMFL and others, which have similar risks and returns.

Note 35: Contingent liabilities

	March 31, 2018	March 31, 2017	April 1, 2016
(a) Contingent liabilities			
The Company had contingent liabilities at 31 March 2018 in respect of:			
i) Turnover Tax	116.24	116.24	116.24
ii) Guarantee given to a bank	1.00	1.00	1.00
iii) Counter Guarantee provided by the Bank on behalf of the Company	120.00	120.00	120.00
iv) Counter Guarantee in favour of Bank of Baroda, Barkatpura Branch, Hyderabad against credit facilities sanctioned to 'SV Distilleries Private Limited'	8,385.00	8,385.00	8,385.00
v) Income Tax matters / Service Tax	710.26	1,613.45	1,613.45

Taxation Matters :

The company has received Demand notices from Income Tax Department regarding Appeals filed by with the Commissioner of Income Tax (Appeals) and Tribunal against the orders of the Assessing officer: in respect of the Assessment Year 2007-2008, 2010-11 and 2012-13 on account of disallowance of expenditure under section 40 a (ia) and other sections of the Income Tax Act, 1961. The Department has raised a demand of Rs. 238.2 lacs, Rs. 81.65 lacs and Rs. 297.41 lacs respectively for the said assessment year. The Company has filed a petition in High Court against the Appeal orders issued by the Commissioner of Income Tax (appeal) for the AY 2007-2008 and 2010-2011 and with the Income Tax Appellate Tribunal, Chennai for the AY 2012-13.

Service Tax:

The Company has received the order from Commissioner of Central Excise demanding Rs. 83.60 lacs towards service Tax on direct expenses. The company has appealed before the Commissioner of Central Excise Appeals - II. The Company is confident of succeeding in the said petitions/appeals and the company has also taken favorable opinion from legal experts. Hence no provision has been made in the books of accounts and the demand raised by the Department has been shown under "Contingent Liabilities". In respect of other disputed liabilities pertaining to earlier years such as Turnover Tax, Bank Guarantee amount, the amounts have been shown under "Contingent Liabilities" in the respective years.

"Legal Matters :1.

Details of Legal Cases Files by or against the the Company are as follows :

The company's performance was also severely affected due to various issues and fraudulence committed by Mr. Anil Agrawal, Managing Director of M/s. Comfort Securities Limited, M/s. Comfort Intech Limited and his associates against the Company.

Your Company has filed complaints against Mr. Anil Agrawal, M/s. Comfort Securities Ltd., Merchant Bankers, M/s. Comfort Intech Ltd. and its other group companies with the following authorities.

(I). A Civil Suit OS No. 103/2013 and I.A. No. 405/2013 before 2nd Additional District Judge, Ranga Reddy District, L.B. Nagar, Hyderabad with prayers:

- a. To rescind the agreements as being void and restore the parties back to the position prior to the MOU dated 05.09.2012.
- b. To declare the notice for EGM of M/s. Liquors India Limited dated 05.02.2013 as null and void and illegal. The court has passed an order restraining Mr. Anil Agrawal from holding the EGM till further orders in the case of M/s. Liquors India Ltd.,
- c. I.A. No. 1453 of 2013 filed with IIInd Additional District Judge, Ranga Reddy District, L.B. Nagar, Hyderabad praying not to alienate, encumber assets of M/s. Liquors India Ltd.
- d. I.A. No. 1452 of 2013 filed with IIInd Additional District Judge, Ranga Reddy District, L.B. Nagar, Hyderabad praying not to alter the Board."

The Court has passed interim order in IA No.1452 & 1453, not to alienate, encumber assets of LIL and not to alter the Board. Mr. Anil Agrawal filed appeal in High Court, Hyderabad and HC permitted to sub-lease with third parties and set aside the order of lower court regarding altering the composition of the Board of Directors of Liquors India Limited with observation that "any change of composition in Appellant Company effected during the pendency of the suit shall be subject to the result of the same". Aggrieved by this order, your company filed SLP with the Supreme Court of India against the above order. The Supreme Court has permitted the sub-lease for the purpose mentioned in the Rules of A.P. Distilleries (manufacture of IMFL) Rules, 2006. However the Supreme Court has directed that the company shall not create any sub-lease for any other purpose, and neither LIL nor sub-lessees can claim any right on the basis of the lease created under the Rules. Further Supreme Court has directed the lower court to dispose of the suit by end of June 2016. The matter is pending before the court."

e. I.A. No. 654 of 2016 in OS no. 103/2013 filed with IInd Additional District Judge, Ranga Reddy District, L.B.Nagar, Hyderabad praying to appoint Official Receiver conferring powers on the receiver for the management, protection, collection of profits and improvement of M/s.Liquors India Limited. The Court ordered to appoint administrator. However Mr.Anil Agrawal obtained stay order in the matter. "

"(II) Writ Petition No. 12713 of 2014 with the Hon'ble High Court, Andhra Pradesh praying License of Liquors India Limited issued by the Excise Department should be cancelled and sub-lease agreement also be cancelled. High Court directed that all transactions including financial transactions between Mr. Anil Agrawal and Tilaknagar Industries Limited shall be booked and recorded faithfully pending further consideration of this W.P.M.P. No. 15944 of 2014 in W.P. No. 12713 of 2014. Mr. Anil Agrawal and Tilaknagar Industries Limited shall not create any charge or third party interest relating to the assets of Liquors India Limited."

"(III) Your company filed a Complaint with the Commissioner of Police, Hyderabad against the fraud and cheating committed by Mr. Anil Agrawal. The Police registered the FIR No.248/2013 dated 23.08.2013 against Mr. Anil Agrawal and others under Section 406-IPC, 420-IPC, 447-IPC, 385-IPC, 386-IPC, 467-IPC, 468-IPC, 469-IPC, 471-IPC, 120B-IPC, 34-IPC. Mr. Anil Agrawal filed C.P. No. 11292 of 2013 in the High Court of Hyderabad against FIR No. 248/2013 dated 23.08.2013 and High Court passed order to complete the investigation without arresting Mr. Anil Agrawal and others. The complaint has been transferred to EOW, CID, Hyderabad for further investigation, and the investigation is in progress. The High Court of Mumbai dismissed the writ petitions filed by Mr.Anil Agrawal, his companies and associate companies against the Demat and Bank account freeze order of EOW, CID, Hyderabad. Mr.Anil Agrawal again filed writ petitions in High Court, Hyderabad against the Demat and Bank Account freeze order in Ranga Reddy District Court and High Court. The matters are pending. "

"(IV) Your company filed a Complaint with EOW, Mumbai for cheating and money laundering and to recover company's money of Rs. 33.73 crores. EOW registered FIR No.34/14 dated 21.01.2014 under section 409, 420, 465, 467, 468, 471, 474, 120(B). Mr. Anil Agrawal filed W.P. No. 2059 of 2014 in High Court of Mumbai and the Court directed that the FIR registered by EOW is not maintainable since Nacharam Police Station has registered the FIR first."

"(V) Aggrieved by delay in investigation by the Hyderabad Police and order by the High Court, Mumbai, Your company filed two SLPs with the Supreme Court of India against High Court of Mumbai order and delay in investigation by Hyderabad Police. The Supreme Court has directed the Investigating Authorities to take such steps as may be advised to them in accordance with the provisions of Law."

"(VI) Your company has filed a Complaint with SEBI, Mumbai against BRLM M/s. Comfort Securities Ltd., (DP) promoted by Mr. Anil Agrawal for violations of SEBI Regulations and others.

(VII) Your company filed a Recovery suits No. SL/1135, 1136, 1137 and 1138 of 2013 and SL/1259, 141 of 2014 filed against M/s. Ranisati Dealer Pvt.Ltd., M/s. Vibhuti Multi Trade Pvt.Ltd., M/s. Gulistan Vnija Pvt.Ltd., M/s. Sukusama Trading and Investments Pvt.Ltd., M/s. Comfort Intech Limited and M/s. Gaungour Suppliers Pvt.Ltd.. in the High Court of Bombay. Matter pending before the court. "

"(VIII) Your company filed a Complaint with Enforcement Directorate, Mumbai to investigate the frauds committed by Mr. Anil Agrawal and his companies. Enforcement Directorate has initiated enquiries against Mr. Anil Agrawal, his companies and others under the provisions of prevention of Money Laundering Act 2002 on the basis of the FIR No. 34/14 dated 21.01.2014.

(IX) Your company filed a Complaint with RBI and Ministry of Finance to appoint officer to investigate the affair of CIL and cancel the License to act as NBFC for violating the guidelines. RBI has cancelled the NBFC Licence of Comfort Intech Limited based on forgery and misrepresentation by CIL in some other different matter for forging and fabricating RBI documents."

"(X) Your company filed a Petition Under section 111A r/w 111(4) of the Companies Act filed before the Company Law Board, Chennai in the matter of Liquor India Limited, Mr. Anil Agrawal and others. CLB is dissolved and the matter transferred to NCLT, Hyderabad and is pending. Your company also filed Amendment Petition including the shares which were under pledge with Tilak Nagar Industries Ltd. Mr.Anil Agrawal has filed appeal in National Company Law Appellant Tribunal, New Delhi against Amendment Petition. Matter pending before NCLAT."

"2. Mr. Anil Agrawal has filed complaints against the company with the following authorities:

(I). The Company Law Board, Chennai under section 397, 398, 235(2) and 237(b) of the Companies Act, 1956. The Company has filed counter. CLB is dissolved. Matter transferred to NCLT and is in argument stage.

(II). Mr. Anil Agrawal filed a Counter Complaint with Hyderabad Police against Mr. R.V. Ravikumar. The Hyderabad Police have not considered the complaint since there was no substance. Aggrieved, Mr. Anil Agrawal filed W.P. No. 7956 of 2014 filed with Hon'ble High Court, Andhra Pradesh to register the complaint filed by him against Mr. R.V. Ravikumar with Hyderabad Police. The Police have submitted their report to the High Court, Hyderabad stating that there is no substance in the Complaint. The matter is pending before the court. "

"(III). Mr. Anil Agrawal filed a Counter Complaint with Malad Police Station, Mumbai against the company and its Directors. Enquiry is being conducted by the Malad Police. (IV).M/s. First Financial Services Limited, Chennai filed O.S. No. 6602 of 2013 alleging mismanagement of the company. The court has rejected the suit.(V). M/s. Tilaknagar Industries Limited – accused A7, A8 and A9 in the Hyderabad Police FIR, filed W.P. No. 4945 of 2014 with the Hon'ble High Court, Andhra Pradesh to stay all further proceedings of the FIR. The W.P. is pending for admission."



Note 36 : First time adoption of Ind AS

Transition to Ind AS

Pursuant to the Companies (Indian Accounting Standard) Rules, 2015, Company has adopted March 31, 2018 as reporting date for first time adoption of Indian Accounting Standard (Ind-AS) and consequently April 1, 2016 as the transition date for preparation of financial statements. The financial statements for the year ended March 31, 2018, are the first financials, prepared in accordance with Ind-AS. Upto the Financial year ended March 31, 2017, Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Companies (Accounts) Rules 2014 (Previous GAAP). For preparing these financial statements, opening balance sheet was prepared as at April 01, 2016 i.e. the date of transition to Ind-AS. The figures for the previous periods and for the year ended March 31, 2017 have been restated, regrouped and reclassified, wherever required to comply with Ind-AS and Schedule III to the Companies Act, 2013 and to make them comparable.

This note explains the principal adjustments made by Company in restating its financial statements prepared in accordance with the Previous GAAP, including the balance sheet as at April 01, 2016 and the financial statements as at March 31, 2017 and for the year ended March 31, 2017.

A. Exemptions and exceptions availed

"Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS."

A.1 Ind AS optional exemptions

A.1.1. Derecognition of financial assets and financial liabilities

The Company has elected to apply derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

A.1.2. Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

A.1.3. Use of Deemed cost

"The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment. The Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets."

A.2 Ind AS mandatory exceptions

The company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101: A.2.1 Estimates

"An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 01 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP: 1) Investment in equity instruments carried at FVPL or FVOCI; 2) Impairment of financial assets based on expected credit loss model."

B: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at April 01, 2016

(INR in lakhs)

	Notes to first time adoption	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
I ASSETS				
1 NON-CURRENT ASSETS				
(a) Property, plant and equipment		301.05	-	301.05
(b) Financial assets				
(i) Investments	1	826.22	-0.51	825.71
(c) Other non-current assets		3,111.43	-53.66	3,057.77
TOTAL NON-CURRENT ASSETS		4,238.70	-54.17	4,184.53
2 CURRENT ASSETS				
(a) Inventories		2,179.77	-143.80	2,035.97
(b) Financial assets				
(i) Investments		477.35	-	477.35
(ii) Trade receivables	2	1,994.91	(109.93)	1,884.98
(iii) Cash and cash equivalents		44.43	-1.05	43.38
(iv) Bank balances other than (iii) above		26.78	-	26.78
(v) Others		4,264.89	-	4,264.89
(c) Other current assets		91.79	-	91.79
TOTAL CURRENT ASSETS		9,079.93	(254.79)	8,825.14
TOTAL ASSETS		13,318.64	(308.96)	13,009.67
I EQUITY & LIABILITIES				
1 EQUITY				
(a) Equity Share Capital		2,400.00	-	2,400.00
(b) Other Equity	1,2,3,4	4,680.95	-308.96	4,371.99
TOTAL EQUITY		7,080.95	(308.96)	6,771.99
2 NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Others		515.95	-	515.95
(b) Deferred Tax Liabilities		8.77	-	8.77
TOTAL NON-CURRENT LIABILITIES		524.73	-	524.72
3 CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings		3,040.34	-	3,040.34
(ii) Trade payables		703.61	-	703.61
(iii) Others		1,752.91	-	1,752.91
(b) Provisions		27.75	-	27.75
(c) Other current liabilities		188.34	-	188.34
TOTAL CURRENT LIABILITIES		5,712.95	-	5,712.95
TOTAL LIABILITIES		6,237.69	-	6,237.68
TOTAL EQUITY AND LIABILITIES		13,318.64	(308.96)	13,009.67

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



RAVI KUMAR DISTILLERIES LIMITED.

Reconciliation of equity as at April 01, 2017

(INR in lakhs)

	Notes to first time adoption	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
I ASSETS				
1 NON-CURRENT ASSETS				
(a) Property, plant and equipment		304.99	-	304.99
(b) Capital work-in-progress		32.00	-	32.00
(c) Financial assets				
(i) Investments	1	826.22	-0.51	825.71
(d) Other non-current assets		3,136.77	-53.66	3,083.11
TOTAL NON-CURRENT ASSETS		4,299.98	-54.17	4,245.81
2 CURRENT ASSETS				
(a) Inventories		2,294.41	-143.80	2,150.61
(b) Financial assets				
(i) Investments		477.35	-	477.35
(ii) Trade receivables	2	2,314.64	(120.35)	2,194.29
(iii) Cash and cash equivalents		31.92	-1.05	30.87
(iv) Bank balances other than (iii) above		28.42	-	28.42
(v) Others		4,203.29	-	4,203.29
(c) Other current assets		81.34	-	81.34
TOTAL CURRENT ASSETS		9,431.37	(265.20)	9,166.16
TOTAL ASSETS		13,731.35	(319.37)	13,411.97
I EQUITY & LIABILITIES				
1 EQUITY				
(a) Equity Share Capital		2,400.00	-	2,400.00
(b) Other Equity	1,2,3,4	4,367.68	-319.37	4,048.31
TOTAL EQUITY		6,767.68	(319.37)	6,448.31
2 NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Others		780.39	-	780.39
(b) Deferred Tax Liabilities		5.25	-	5.25
TOTAL NON-CURRENT LIABILITIES		785.64	-	785.64
3 CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings		3,737.60	-	3,737.60
(ii) Trade payables		698.89	-	698.89
(iii) Others		1,453.04	-	1,453.04
(b) Provisions		26.95	-	26.95
(c) Other current liabilities		261.55	-	261.55
TOTAL CURRENT LIABILITIES		6,178.03	-	6,178.03
TOTAL LIABILITIES		6,963.67	-	6,963.67
TOTAL EQUITY AND LIABILITIES		13,731.35	(319.37)	13,411.97

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total comprehensive income for the year ended March 31, 2017

(INR in lakhs)

	Notes to first time adoption	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
Income:				
Revenue from Operations		13,173.67	-	13,173.67
Other Income		1.82	-	1.82
		13,175.49	-	13,175.49
Expenses:				
Purchases of Stock-in-trade		1,983.99	-	1,983.99
Cost of Material Consumed		2,889.86	-	2,889.86
Change in inventories of Stock-in-trade		123.02	-	-
Excise duty		6,753.23	-	-
Employee Benefit Expenses		222.46	-	222.46
Finance Cost		230.87	-	230.87
Depreciation		28.84	-	28.84
Other Expenses	2	1,260.00	10.42	1,270.42
		13,492.27	10.42	6,626.44
Profit Before Tax		(316.78)	(10.42)	(327.20)
Less : Provision for Taxation		-	-	-
Deferred Tax		(3.52)	-	(3.52)
Profit/(Loss) for the year		(313.26)	(10.42)	(323.68)
Other Comprehensive Income		-	-	-
Income tax relating to items that will not be reclassified to profit or Loss		-	-	-
Total comprehensive income for the year		(313.26)	(10.42)	(323.68)

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2017

	Notes to first time adoption	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
Net cash flow from operating activities		139.88	-	139.88
Net cash flow from investing activities		185.35	-	185.35
Net cash flow from financing activities		(340.12)	-	(340.12)
Net increase/(decrease) in cash and cash equivalents		(14.88)	-	(14.88)
Cash and cash equivalents as at April 1, 2016		30.87	-	30.87
Effects of exchange rate changes on cash and cash equivalents		-	-	-
Cash and cash equivalents as at March 31, 2016		15.99	-	15.99

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

C. Notes to first-time adoption

- Investment:** Investment in Equity Instruments are carried at fair value through PL in Ind AS, as compared to being carried at cost under IGAAP
- Trade Receivables:** The Provision has been made for Expected Credit Losses under Ind AS, as compared to being carried at cost under IGAAP
- Re-measurement of post-employment benefit obligations:** Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the Previous GAAP, these re-measurements were forming part of the profit or loss for the year. The Company has not complied with the provisions of IND-AS-19 regarding employee benefits.

As per our report of even date attached

For Ramanand and Associates
Chartered Accountants
Firm Registration No. 117776W

CA Ramanand Gupta
Managing Partner
Membership No. 103975
Date : May 29, 2018
Place : Mumbai

For & on behalf of the Board of Directors
Ravi Kumar Distilleries Limited

Mr. R.V. Ravikumar
Managing Director
DIN: 00336646

Mr. Badrinath S. Gandhi
Executive Director
DIN: 01960087

Mrs. L. Bhuvaneshwari
Chief Financial Officer



Notes forming part of the Financial Statements

Note 1: Significant Accounting Policies

General Information

The Company is incorporated during the year 1993 and is engaged in the business of manufacture and sale of Indian Manufactured Foreign Liquor (IMFL). The Company has its manufacturing unit at Pondicherry.

Significant Accounting Policies

1. Compliance with Ind AS

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. These financial statements include the balance sheet, the statement of profit and loss, the statement of changes in equity and the statement of cash flows and notes, comprising a summary of significant accounting policies and other explanatory information—and comparative information in respect of the preceding period.

Up to the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of generally accepted accounting principles (GAAP) in compliance with Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 read with Rule 7(1) of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. These are the Company's first Ind AS financial Statements. The date of transition to Ind AS is April 1, 2016.

The company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards.

Refer Note 36 for the details of first time adoption exemptions availed by the Company.

2. Basis of Accounting

The Company maintains its accounts on accrual basis following the historical cost convention except certain financial instruments that are measured at fair values in accordance with Ind AS.

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level I inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date
- Level II inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level III inputs are unobservable inputs for the asset or liability

3. Presentation of financial statements

The financial statements (except Statement of Cash-flow) are prepared and presented in the format prescribed in Division II – IND AS Schedule III ("Schedule III") to the Companies Act, 2013.

The Statement of Cash Flow has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows".

Disclosure requirements with respect to items in the financial statements, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

Amounts in the financial statements are presented in Indian Rupees in Lakhs in line with the requirements of Schedule III. Per share data are presented in Indian Rupees to two decimals places.

4. Key estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that impact the reported amount of assets, liabilities, income, expenses and disclosure of contingent liabilities as at the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Difference between the actual and estimates are recognised in the period in which they actually materialise or are known. Any revision to accounting estimates is recognised prospectively. Management believes that the estimates used in preparation of Financial Statements are prudent and reasonable.

5. Foreign CurrencyFunctional and presentation currency

The financial statements of the Company are presented using Indian Rupee (INR) i.e. currency of the primary economic environment in which the entity operates ('the functional currency').

Transactions and balances

Foreign currency transactions are translated into the respective functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Premium/Discount in respect of forward contracts is accounted over the period of contract

6. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Escalation and other claims, which are not ascertainable/acknowledged by customers, are not taken into account. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Criteria for recognition of revenue are as under:

a) Sale of Goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- i. significant risks and rewards of ownership of the goods are transferred to the buyer;
- ii. Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii. it is probable that economic benefits associated with transaction will flow to the Company; and
- iv. amount of revenue can be measured reliably;

b) In cases where trade contracts provide for crystallization of price or for price adjustment on a subsequent date, corresponding purchase and sales are recognized on the basis of expected settlement price and any differential determined subsequently is accounted for at the time of final settlement.

c) Interest income is recognized on a time proportion basis taking into account amount outstanding and applicable interest rate.

7. Property, Plant and Equipment (PPE)

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Freehold land is carried at historical cost. All other items of PPE are stated at cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment. Cost includes expenditure that is directly attributable to the acquisition and installation of such assets.

PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress".

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the WDV method to allocate their cost, net of their residual values, over their estimated useful lives specified in schedule II to the Companies Act, 2013.

8. Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets acquired by the Company are measured at cost less accumulated amortisation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition and installation of such assets.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives.

The intangible assets are amortised over the estimated useful lives as given below:

Type of Asset	Life
Trade Mark and Brand	5 years



9. Impairment of Non Financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

10. Inventories

Inventory is valued at cost or net realizable value whichever is lower. Cost includes all non refundable taxes and expenses incurred to bring the inventory to the present location. Cost is determined using the Weighted Average method of valuation for Raw Material, Work in Progress and Finished Goods. Traded Goods are valued at actual cost.

11. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

12. Provisions & Contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated as at the balance sheet date.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. Information on contingent liabilities is disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefit is remote.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

13. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

14. Income tax

Income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate and changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated in accordance with the provisions of the Income Tax Act 1961.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and brought forward losses only if it is probable that future taxable profit will be available to realise the temporary differences.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

15. Employee benefits

a) Short-term obligations

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. These are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Post-employment obligations i.e.

- Defined benefit plans and
- Defined contribution plans.

Defined benefit plans:

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent periods.

Defined contribution plans:

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

16. Financial instrumentsInitial Recognition

Financial instruments i.e. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial instruments at fair value through profit or loss) are added to or deducted from the fair value of the financial instruments, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial instruments assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

Subsequent Measurement**Financial Assets**

All recognised financial assets are subsequently measured at amortized cost except financial assets carried at fair value through Profit and loss (FVTPL) or fair value through other comprehensive income (FVOCI).

- a) Equity investments (other than investments in subsidiaries, associates and joint venture) All equity investments falling within the scope of Ind-AS 109 are mandatorily measured at Fair Value Through Profit and Loss (FVTPL) with all fair value changes recognized in the Statement of Profit and Loss.

The Company has an irrevocable option of designating certain equity instruments as FVOCI. Option of designating instruments as FVOCI is done on an instrument-by-instrument basis. The classification made on initial recognition is irrevocable.

If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument are recognized in Statement of Other Comprehensive Income (SOI). Amounts from SOI are not subsequently transferred to profit and loss, even on sale of investment.

- b) Derecognition

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and with that a) the Company has transferred substantially all the risks and rewards of the asset, or b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

- c) Impairment of financial assets

The Company applies the expected credit loss model for recognising allowances for expected credit loss on financial assets measured at amortised cost.

Financial Liabilities**Classification**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Subsequent measurement Loans and borrowings are subsequently measured at Amortised costs using Effective Interest Rate (EIR), except for financial liabilities at fair value through profit or loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Amortisation is included as a part of Finance Costs in the Statement of Profit and Loss



Financial liabilities recognised at FVTPL, including derivatives, shall be subsequently measured at fair value.

a) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Derivatives financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to mitigate its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Re-classification of financial instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest. The Company has not reclassified any financial asset during the current year or previous year.

For & on behalf of the Board of Directors
Ravi Kumar Distilleries Limited

Place: Mumbai
Date: 29.05.2018

Mr. R.V. Ravikumar
Managing Director
DIN: 00336646

Mr. Badrinath S. Gandhi
Executive Director
DIN: 01960087

L. Bhuvanewari
Chief Financial Officer



RAVIKUMAR DISTILLERIES LIMITED

(CIN: L51909TN1993PLC025981)

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