



26th
Annual Report
2018-2019

RAVI KUMAR
DISTILLERIES LIMITED



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CORPORATE INFORMATION

BOARD OF DIRECTORS

| | |
|--|----------------------|
| Mr. R.V. Ravikumar | Managing Director |
| Mr. Badrinath S Gandhi | Executive Director |
| Mrs. S. Vijayalakshmi (upto 7th Feb, 2019) | Executive Director |
| Mr. K.S.M. Rao | Independent Director |
| Mr. Ashok R Shetty | Independent Director |
| Mr. Papatlal M. Kathariya | Independent Director |
| Ms N Jeyanthei (since 29th Dec, 2018) | Independent Director |

CFO

Ms L Bhuvaneswari (since 29th May, 2018)

CS & COMPLIANCE OFFICER

CS V Rajkumar (since 14th Nov, 2018)

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

Bank of Baroda

REGISTERED OFFICE

S1 & S2, 2nd Floor, B-Block,
“Ameen Manors”,
No.138, Nungambakkam High Road,
Nungambakkam, Chennai – 600 034, India.
Tel. No. 91 –44 – 28332087
Website: www.ravikumardistilleries.com
Email: cs@ravikumardistilleries.com
CIN: L51909TN1993PLC025981

CORPORATE OFFICE

No.17, Kamaraj Salai, Puducherry – 605 011, India.
Tel. No. 91 – 0413 – 2244007, 2248888 & 2248887
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



RAVI KUMAR DISTILLERIES LIMITED

(CIN: L51909TN1993PLC025981)

Regd. Office: S1 & S2, Second Floor, B Block, "Ameen Manors"
No.138, Nungambakkam High Road, Nungambakkam, Chennai – 600 034, India.
Tel No: 044-28332087 E-mail : cs@ravikumardistilleries.com
Website : www.ravikumardistilleries.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of Ravi Kumar Distilleries Limited will be held at Bharathiya Vidya Bhavan, 8/12, East Mada Street, Mylapore, Chennai – 600 004 on Tuesday, 24th September 2019 at 2 p.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statements of the company for the financial year end 31st March, 2019, the reports of Board of Directors and Auditors thereon.

SPECIAL BUSINESS

2. Re-appointment of Mr Papatlal M Katharia (DIN 00281395) as Independent Director of the Company

To consider re-appoint of Mr Papatlal M Katharia, as an Independent Director and in this regard, pass the following resolution as a Special Resolution, with or without modifications:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 with its sub-sections, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr Papatlal M Katharia (DIN: 00281395), who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company, with effect from the conclusion of this AGM.”

3. Re-appointment of Mr KSM Rao (DIN 02096588) as Independent Director of the Company

To consider re-appoint of Mr KSM Rao, as an Independent Director and in this regard, pass the following resolution as a Special Resolution, with or without modifications:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 with its sub-sections, read with Schedule IV and other applicable provisions, if any, of the Companies

Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr KSM Rao (DIN: 02096588), who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company with effect from the conclusion of this AGM.”

4. Appointment of Ms Jeyanthei N (DIN: 07143462) as an Independent Director of the Company

To consider to appoint of Ms Jeyanthei N, as an Independent Director and in this regard, pass the following resolution as an Ordinary Resolution, with or without modifications:

“RESOLVED THAT pursuant to the provisions of Section 149,150,152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms Jeyanthei N (DIN: 07146432) who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as an Independent Director to hold office for an initial term of 5 consecutive years with effect from the conclusion of this AGM.”

5. Approval of loans, investments, guarantee or security under section 185 of Companies act, 2013

To Consider and, if thought fit, to pass the following resolution, with or without Modifications as a “Special Resolution”.

“RESOLVED THAT pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rules made thereunder as amended from time to time, the consent of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company, (in which any director is deemed to be interested), together with the loans and guarantees already provided, upto an aggregate sum of Rs. 50 Crores (Rupees Fifty Crores Only) in their absolute discretion deem beneficial and in the interest of the Company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

6. Approval of the limits for the Loans and Investment by the Company in terms of the provisions of Section 186 of the Companies Act 2013

To consider and if thought fit, to pass with or without modification(s), the following resolutions Item No. 1: Special Resolution for approval of the limits for the Loans and Investment by the Company in terms of the provisions Section 186 of the Companies Act, 2013

“RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), if any, the approval of the members of the Company be and is hereby accorded to the Board to (a) give any loan to any body corporate(s) / person (s); (b) give any guarantee or provide security in connection with a loan to any body corporate(s) / person (s); and (c) acquire by way of subscription, purchase or otherwise, securities of any body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding Rs 100 crores only (Rs Hundred crores only) outstanding at any time notwithstanding that such investments, outstanding

loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT in case of divestment of the investment, the Directors of the Company be and are hereby authorized to sign the necessary applications, papers, forms, documents etc. for effective implementation of decision of divestment taken by the Company from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, Board of Directors of the Company and/or any person authorized by the Board from time to time be and is hereby empowered and authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

7. To approve the Related Party Transactions u/s 188 of the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION: “

“RESOLVED THAT pursuant to Section 188 and other applicable provisions if any, of the Companies Act, 2013, in terms of the Rule 15 of the Companies (Meetings of Board and its Powers) Rule 2014 and also Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such other Regulations, Guidelines and Laws (including any statutory modifications or reenactment thereof for the time being in force) and subject to all applicable approvals, permissions and such conditions as may be prescribed by any of the concerned authorities while granting such approvals, which may be agreed to by the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to the Board for entering into any contracts and / or arrangements with the Related Parties including the Parties set out in Note 34 of the Notes to Financials for FY 2019, for an amount not exceeding the limits of Rs 120 crores (Rupees Hundred and Twenty crores only)

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board / Committee be and is hereby authorized to agree, make, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as it may deem fit within the aforesaid limits and the Board/ Committee is also hereby authorized to resolve and settle all questions, difficulties or doubts that may



arise with regard to such payment and to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board / Committee in its absolute discretion may deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution.”

8. Approve the borrowing powers to the Board u/s 180(1)(a), 180(1)(c) and other applicable provisions of the Companies Act, 2013

To consider and if thought to fit to pass with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a), 180(1)(c), and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force; the consent of the Company be and is hereby accorded to the Board of

Directors of the Company for borrowing from time to time as they may think fit, any sum or sums of money not exceeding Rs 60 crores (Rupees Sixty crores only), [including the money already borrowed by the Company] on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company’s assets and effects or properties whether moveable or immovable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorised to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf.”

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than 48 (forty-eight) hours before the commencement of the Meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Corporate Governance Report forming part of the Annual Report
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Company has notified closure of Register of Members and Share Transfer Books from 17.09.2019 to 24.09.2019 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / M/s. Karvy Computershare Pvt. Ltd.
9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. Karvy Computershare Pvt. Ltd., for consolidation into a single folio.
11. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

12. Members are requested to send their queries to the Company, if any on Accounts at least 10 days before the Meeting.

13. E-Voting:

The Company is pleased to provide E-voting facility through M/s. Karvy Computershare Private Limited as an alternative, for all members of the Company to enable them to cast their votes electronically on the resolutions mentioned in the notice of 26th Annual General Meeting of the Company dated 09.08.2019 (the AGM Notice). The Company has appointed Mr. Roy Jacob, Practicing Company Secretary, as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The E-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 16.09.2019 being the Cut-off date for the purpose. Shareholders of the Company holding shares either in physical or in dematerialized form, as on the Cut-off date, may cast their vote electronically.

The instructions for E-Voting are as under:

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

The procedure and instructions for e-voting are as follows

- i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
- ii) Enter the login credentials (i.e., user-id & password) mentioned in the Cover Letter. Your folio/DP Client ID will be your User-ID.

| | |
|-----------|--|
| User - ID | For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL:- 16 digits beneficiary ID For Members holding shares in Physical Form:- • Event no. followed by Folio Number registered with the company |
| Password | Your Unique password is printed on the cover letter / via email forwarded through the electronic notice |
| Captcha | Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons. |

- iii) Please contact our toll free No. 1-800-34-54-001 for any further clarifications.
- iv) Members can cast their vote online from 21.09.2019 @ 9.00 A.M. to 23.09.2019 @ 5.00 P.M.
- v) After entering these details appropriately, click on "LOGIN".

- vi) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii) You need to login again with the new credentials.
- viii) On successful login, system will prompt to select the 'Event' i.e., 'Ravi Kumar Distilleries Limited'.
- ix) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company, then your exiting login id and password are to be used.
- x) On the voting page, you will see Resolution Description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'
- xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

Corporate / Institutional Members (corporate / Fls / Flls / Trust / Mutual Funds / Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to cs@ravikumardistilleries.com with copy to evoting@karvy.com and royjacobandco@gmail.com. The file scanned image of the Board Resolution should be in the naming format "Ravi Kumar Distilleries Limited Event no. ___".



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1)
OF THE COMPANIES ACT, 2013 AND RULE 22 OF THE
COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014:**

ITEM NO. 2 & 3

Mr Popatlal M Katharia (DIN 00281395) and Mr KSM Rao (DIN 02096588) were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. They hold office as Independent Directors of the Company up to the conclusion / date of this Annual General Meeting of the Company ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act). The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended reappointment of them as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company. The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of them would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

None of the other Directors of the Company are interested in the proposed resolution except to the extent of shares held in the Company, if any.

ITEM NO.4

Ms Jeyanthei N (DIN 07146432) has been appointed as an additional director (Independent & non-executive) of the Company on 29th December, 2018.

The company has received declarations from her confirming that she meets the criteria of independence as prescribed u/s 149(6) of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors taking into account the recommendations received from the Nominations and Remuneration Committee, appointed Ms Jeyanthei N as Additional Director of the Company subject to the approval of the shareholders of the Company.

She has been consented to and declared as qualified for the appointment as Independent Director, if approved.

In the opinion of the Board she fulfils the conditions specified in the Companies Act, 2013 and is independent of the management. Accordingly the Board recommends the passing of the resolution set out in Item No. 4 as an Ordinary Resolution.

None of the other Directors of the Company are interested in the proposed resolution except to the extent of shares held in the Company, if any.

ANNEXURE TO NOTICE

DETAILS OF DIRECTOR/S SEEKING APPOINTMENT / REAPPOINTMENT IN ANNUAL GENERAL MEETING FIXED ON 24th SEPTEMBER, 2019.

| | | | |
|---|--|--|---|
| Name of Director | Mr. Popatlal M Katharia | Mr. KSM Rao | Ms. Jeyanthei N |
| Date of Birth | 21.06.1953 | 01.08.1947 | 08.07.1958 |
| Educational Qualification | Chartered Accountant | B.Com., LLB | FCS, M.Com. PGDBA, (CMA) |
| Expertise in specific functional areas | Accounting and Taxation | Legal, Finance, Administration and Banking | Compliance, Corporate Legal, Accounting, Finance and Administration |
| Directorship in other Indian Public Listed Companies as on 31.03.2019 | Makers Laboratories Ltd | Nil | KMC Speciality Hospitals (India) Ltd |
| Chairman/Member of the Committees of the Board of other Indian Public Limited Companies as on 31.03.2019 | Chairman of Audit Committee & Member of Nomination and Remuneration Committee of Makers Laboratories Ltd | Nil | Nil |
| No. of Shares held in the Company | NIL | NIL | NIL |
| Disclosure in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | None of the Directors & KMP or their relatives are related | None of the Directors & KMP or their relatives are related | None of the Directors & KMP or their relatives are related |

ITEM NO. 5 & 6

The company has passed a Special Resolution u/s 372A of the Companies Act, 1956 in the AGM held in 2011, for an amount of Rs 200 crores, contemplating expansion of business, then.

Currently considering the financial constraints faced by the Company due to its various legal issues, no additional activities attracting these sections could be scheduled or planned.

The above resolutions are only the renewal of the resolutions under the Companies Act, 2013 (Reference to Section 465 (2) of Companies Act, 2013 and Note no.34 of the Note on Financials).

The shareholders are requested to note that the total amount of both the resolutions are only Rs 150 crores, which is lesser than the old resolution.

None of the Directors of the Company are interested in the proposed resolution except to the extent of shares held in the Company, if any.

Place: Mumbai
Date : 09.08.2019

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

ITEM NO. 7

The list of existing Related Parties are set out in Note 34, of the Notes to Financials for FY 2019.

All transactions are at arms length and in ordinary course of Business or in contemplation of expansion of business.

None of the Directors of the Company are interested in the proposed resolution except to the extent of shares held in the Company, if any.

ITEM NO. 8

Earlier the company has passed a special resolution u/s 293(1)(d) of the Companies Act, 1956 in the AGM 2011, for an amount of Rs 400 crores.

The above resolutions are only the renewal of the resolutions under the Companies Act, 2013 (Reference to Section 465 (2) of Companies Act, 2013).

The shareholders are requested to note that the amount of the resolution is only Rs 60 crores, which is far lesser than the old resolution.

None of the Directors of the Company are interested in the proposed resolution except to the extent of shares held in the Company, if any.

By order of the Board of Directors

R.V. Ravikumar
Managing Director
(DIN: 00336646)

ROUTE MAP TO THE VENUE OF THE
TWENTY FIFTH ANNUAL GENERAL MEETING





DIRECTORS' REPORT

To
The Members
Ravi Kumar Distilleries Limited.

Your Directors have pleasure in presenting the 26th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2019.

| 1. Financial Results: | | (Rs. in lakhs) | |
|---|---------|----------------|--|
| Particulars | 2018-19 | 2017-18 | |
| Total Revenue (Net of Excise Duty) | 8359.23 | 7246.50 | |
| Profit / (Loss) before Prior period, Exceptional and Extra-Ordinary items | 393.18 | (-) 157.41 | |
| Prior Period items | -- | -- | |
| Exceptional items | 493.66 | 1321.04 | |
| Tax Expenses | 19.96 | (-) 1.00 | |
| Profit / (Loss) for the Year | 373.21 | (-) 156.41 | |
| Balance Carried Forward to Balance sheet | 216.80 | (-) 156.41 | |

2. 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. 8359 lakhs compared to Rs.7247 lakhs in the previous year recording a loss of (Rs. 100.48 lakhs), as against the net net loss of Rs. 156.41 lacs in the previous year. However during the year, the Company has made a One Time Settlement with M/s Sundaram Finance Ltd and settled their total dues of Rs 993.66 lacs, at an amount of Rs 500 lacs, thus resulting in a profit of Rs 493.66 lacs, which ultimately resulted in a net profits of Rs 373.21 lacs after taxes. Earning per share is Rs 1.58 against Rs.(0.65) in the previous year on a weighted average basis as per Accounting Standard 20 issued by the Institute of Chartered Accountants of India.

The major reasons attributable for the loss, are the legal actions taken by/against the company, due to various issues and fraudulences committed by Mr. Anil Agrawal, Managing Director of M/s. Comfort Securities Limited, M/s. Comfort Intech Limited and his associates against the Company, consuming considerable executive hours and funds of the company which otherwise could be utilized for the organic/inorganic growth of the Company. However your management is not leaving any possible stone unturned to maintain stability and improve the performance in favour of the stakeholders.

3. Future Outlook

During the current financial year, your Company is making all possible efforts to improve the performance.

4. Insurance

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

5. Legal Cases Pertaining to the Company

The following table is self explanatory in presenting the legal status of the cases by/against, the Company.

| Sl.no | Particulars | Status as on 31.03.2018 | Status as on 31.03.2019 |
|-------|--|-------------------------|---|
| 1. | SEBI - Investigation - RKDL's IPO funds swindling by Mr.Anil Agrawal | Under investigation. | SEBI has concluded the investigation and vide order no: WTM/GM/EFD/99/2018-19 dated 12.03.2019 has directed Mr.Anil Agrawal and his associates to return Rs.33.83 cr to the Company with 12% p.a interest w.e.f 01.04.2011. |

| Sl.no | Particulars | Status as on 31.03.2018 | Status as on 31.03.2019 |
|-------|--|---|--|
| 2. | Hon'ble Supreme Court - Criminal Appeals in Special Leave Petitions in the matter of M/s.Liquors India Limited and IPO Funds. | Hon'ble Supreme Court has given direction that the Investigation shall proceed in the matter and the Investigation Authorities shall be at liberty to take such steps as may be advised to them in accordance with the provision of law. Final disposal is pending. | Same as in col.3 |
| 3. | Company Petition u/s 111A, in the matter of M/s.Liquors India Limited. | Proceedings are in progress. | Same as in col.3 |
| 4. | Civil Suit O.S.No: 103 of 2013, in the matter of M/s.Liquors India Limited. | Proceedings are in progress. | Same as in col.3 |
| 5. | FIR no: 248 of 2013 registered by Hyderabad Police against Mr.Anil Agrawal and others in the matter of M/s.Liquors India Limited & IPO Funds | Investigation is in progress | Same as in col.3 |
| 6. | Monetary Suit in the matter of RKDL's IPO swindled by Mr.Anil Agrawal & Others. Recovery suit - S/1144 of 2015 on Comfort Intech Limited - S/74 of 2015 on Ranisati Dealer P Ltd - COMS/107 of 2015 on Sukusama Trading & Investment P Ltd - COMS/110 of 2015 on Gulistan Vanijya P Ltd - COMS/337/2016 on Gaungour Suppliers P Ltd - S/128 of 2015 on Vibhuti Multitrade P Ltd | Proceedings are in progress. | Same as in col.3 |
| 7. | Prevention of Money Laundering under PMLA, 2002 - Enforcement Directorate. | Proceedings are in progress. | Same as in col.3 |
| 8. | Complaint against Mr.Anil Agrawal in ICAI under Other Misconduct u/s.21 of CA Act,1949/2006. | ICAI in its preliminary report has found that Mr.Anil Agrawal is GUILTY of "Other Misconduct" | Hearing by the Board of Discipline is in progress. |
| 9. | Company Petition u/s.397 & 398 in NCLT, Chennai filed by Comfort Intech Ltd against the Company. | Hearing in progress. | Hearing in progress. |



Status / Actions subsequent to 31.03.2019:

| Sl.no | Particulars | | |
|-------|--|---|--------------------------------------|
| 1. | SEBI - Investigation - RKDL's IPO funds swindling by Mr. Anil Agrawal | Mr. Anil Agrawal has filed Appeal before SAT. Mr. Anil Agrawal resigned from Directorship in Comfort Intech Ltd, Comfort Fincap Ltd and Comfort Commotrade Ltd complying SEBI Order. | SAT hearing posted for on 30.08.2019 |
| 2. | Company Petition u/s 111A, in the matter of M/s. Liquors India Limited. | Final Hearing in progress. | Posted on 13.09.2019 for further |
| 3. | FIR no: 248 of 2013 registered by Hyderabad Police against Mr. Anil Agrawal and others in the matter of M/s. Liquors India Limited & IPO Funds | Investigation in final stage. | |
| 4. | Company Petition u/s. 397 & 398 in NCLT, Chennai filed by Comfort Intech Ltd against the Company. | NCLAT has stayed the order by NCLT directing "Investigation into the affairs of the Company". | Posted on 29.09.2019 for disposal. |

Material Events occurring after the Balance Sheet date are covered by the above table which is self explanatory.

6. Dividend

Considering the financial situation, the Board of Directors does not recommend any Dividend for the year 2018-2019.

7. 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 31.03.2019.

8. Subsidiary Companies

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

9. Directors

Policy of Directors' Appointment and Remuneration

The current policy is to have an appropriate mix of executive and independent directors, as considered and recommended by the Nomination and Remuneration Committee and as per stipulations of the statutes, to maintain the independence of the board. As of 31st March, 2019, the board had 6 members, as mentioned below.

The list of Directors as on 31st March, 2019 is

| Sl. No. | NAME OF THE DIRECTOR | NATURE OF DIRECTORSHIP |
|---------|--|------------------------|
| 1 | Mr Ravikumar RV | Managing Director |
| 2 | Mr Badrinath S Gandhi | Executive Director |
| 3 | Mr Ashok K Shetty | Independent Director |
| 4 | Mr Popatlal M Katharia | Independent Director |
| 5 | Mr KSM Rao | Independent Director |
| 6 | Ms N Jeyanthei (since 29th Dec, 2018) | Independent Director |

The office of Mrs. S. Vijayalakshmi, the Executive Director of the Company, has been vacated u/s 167(1)(b) of the Companies Act, 2013 since 7th February, 2019. The Board places its appreciations on record for her contributions during her tenure of office in the company.

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.

Mr Popatlal Katharia and Mr MSM Rao are to be re-appointed as Independent Directors in this AGM, for a second term of five years. Ms N Jeyanthei, has been appointed as an Additional Director since 29th Dec, 2019. She is recommended to be appointed as an Independent Director for a first term of five years, from the conclusion of this AGM 2019. The resolutions set out in the Notice to AGM are self explanatory.

10. 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.

11. Declaration of Independence 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.

12. 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.

13. Appointment/ Cessation of KMP

During the year under review, Ms L Bhuvanewari was appointed as CFO and Mr V Rajkumar as Company Secretary of the Company, since 29.05.2018 and 14.11.2018 respectively.

14. 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.

15. 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.

16. 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.

17. Auditors

The statutory auditors of the Company M/s. Ramanand & Associates, Mumbai are appointed by the shareholders for audit upto FY 2019-2020. The Auditors Report for the financial year ended March 31, 2019 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.



Directors' comments on qualifications, reservations or adverse remarks of the Auditors, Note Number wise in the Auditors Report:

1. Note 3.1—The shareholders, through Directors' Report of the yester years, are aware that the Company has filed complaints, taken legal actions in various legal forums for recovery of the amounts, against Mr Anil Agrawal who is responsible for swindling the funds of the Company cited in Note 3.1. the company has filed various cases against the parties and initiated action for recovery. Further, as indicated by our Statutory Auditors, Securities and Exchange Board of India' (SEBI) vide its Order dated 12-03-2019 directed Mr Anil Agrawal and his associates, to repay the amounts back to Company, with 12% interest with retrospective effect from 1st April, 2011.
2. Note 3.2 - The matter is self-explanatory. Apart from the civil suit, the company has also filed Company Petition in NCLT, recovery suits in Mumbai High Court, and complaints with Police Authorities and Enforcement Directorate. 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. Note 3.3 -- 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. Note 3.4 -- 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. Note 14(g)(iii) -- The required amount of Rs 43987 was transferred to IEPF account on 16th March, 2019. However the relevant forms have been filed with ROC, subsequent to 31st March, 2019.
6. Note 'III' of Annexure 1 to the Auditors' Report – S.V.Distilleries P Ltd is facing financial difficulty and hardships caused by Mr.Anil Agrawal by swindling off IPO funds due to want of further funds . However the management is confident to infuse further funds and run S.V.Distilleries P Ltd successfully and profitably. Interest not charged on prudence basis.
7. Note 'VII (a)' of Annexure 1 to the Auditors' Report – Due to the fund constraints caused by various legal issues, your management had to postpone the dues.

However, your management assures you to clear all the statutory dues and keep an up-to-dated status within this FY 2019-2020.

18. 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"

19. 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 , (FCS 9017, COP 8220), to conduct Secretarial Audit for the financial year 2018-2019. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith: Annexure "B"

The point 'h(a)' due to oversight, and we assure you the non-repetition.

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 Mr. Uttam Shetty , FCS 8681, COP 16861, Company Secretary, Mumbai, as Secretarial Auditor of the Company in relation to the financial year 2019-20. The Company has received their consent for such appointment.

20. Statement in respect of adequacy of internal financial controls with reference to the Financial Statements

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

M/s. M.B. Kasar & Co., (FRN 122378W), Chartered Accountants, Mumbai, were the Internal Auditors for the FY 2019, and they have submitted their Reports quarterly duly, to the Audit Committee.

M/s R.O. Pandey & Associates (FRN 134455W), A106, Jay Bharat Society, Lalji Pada, Link Road, Kandivali West, Mumbai-400067, have been appointed as the Internal Auditors of the Company for the FY 2019-2020.

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

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 | 2018-19 | 2017-18 |
|--------|--|---------|----------|
| 1. | Power including lighting | | |
| | Units Consumed | 179108 | 1,27,123 |
| | Rate per Unit (in Rs.) | 5.10 | 5.10 |
| | Amount paid (in Rs.) | 913458 | 6,48,327 |
| 2. | Own generation by Diesel Generator | | |
| | Diesel utilized Litres | 2023 | 2224 |
| | Unit per Litre of diesel oil generated | 4.40 | 4.45 |

22. 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 |

23. 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.

24. Particulars of loans, guarantees or investments under section 186:

Particulars of loans given, investments made, guarantees given and securities provided, are depicted in the financial statement as well as in the relevant resolutions included in the Notice to the Shareholders.

The resolutions u/s 185 and 186 of the Companies Act, 2013 set out in the Notice to the AGM 2019 with their explanatory statements are made as reference here.

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

The transactions of the 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 as well as depicted in the relevant resolution set out in the Notice to the Shareholders.



26. 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.

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

28. Employee Relations:

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

29. 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.

30. Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a new initiative brought in by the Ministry of Company Affairs whereby every company having net worth of rupees 500 crore or more, or turnover of rupees 1000 crore or more or a net profit of rupees 5 crore or more during any financial year are mandated to serve society by contributing at least 2% of average net profits of the Company during three immediately preceding financial year's profit in various CSR activities as defined in Schedule VII of the Companies Act 2013.

Your Company does not fall in any of the above categories and hence CSR rule is not applicable to the Company.

31. Details of establishment of Vigil Mechanism

The Company has formulated and adopted a vigil mechanism for employees to report genuine concerns to the Chairman of the Audit Committee. The policy provides opportunities for employees to access in good faith, the Audit Committee, if they observe unethical and improper practices. The Whistle Blower policy of the Company is available in the website of the Company.

32. Transfer to Investor Education and Protection Fund

As required under the provisions of Section 125 and other applicable provisions of Companies Act, 2013, dividends that remain unpaid/unclaimed for a period of seven years, are to be transferred to the account administered by the Central Government viz., Investor Education and Protection Fund ("IEPF"). An amount of Rs 43,987, which remained unpaid and unclaimed for a period of seven years. A DD for Rs. 43,987 has been taken in favour of IEPF account in the month of March 2019. However relevant forms with DD, has been submitted to the concerned authorities in the month of June 2019. This comment is with reference to point 14(g)(iii) of the Independent Auditors Report for FY 2019.

33. Maintenance of Cost Records

As per the Companies (Cost Records and Audit) Rules, 2014, the Company does not attract the provisions of Section 148(1) of the Companies Act, 2013 for maintenance of Cost Records, and hence not subject to Cost Audit.

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

Place: Mumbai
Date : 09.08.2019

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

For and on behalf of the Board of Directors

R.V. Ravikumar
Managing Director
DIN: 00336646

Badrinath S Gandhi
Executive Director
DIN:01960087

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2019

[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

| Name and Description of main Services | NIC Code of the Product/Service | % to Total Turnover |
|---------------------------------------|---------------------------------|---------------------|
| Indian Made Foreign Liquors | 2200 | 99.99 |



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 (31.03.2018) | | | | No. of Shares held at the end of the year (31.03.2019) | | | | % of Change |
|--|--|----------|----------|-------------------|--|----------|----------|-------------------|-------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (I) Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| (a) Individual/HUF | 5662345 | - | 5662345 | 23.59 | 5662345 | - | 5662345 | 23.59 | 0.00 |
| (b) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-Total (A) (1) | 5662345 | - | 5662345 | 23.59 | 5662345 | - | 5662345 | 23.59 | 0.00 |
| (2) Foreign | - | - | - | - | - | - | - | - | - |
| (II) Public Shareholding | | | | | | | | | |
| (1) Institutions | - | - | - | - | - | - | - | - | - |
| (2) Non- Institutions Bodies Corporate | | | | | | | | | |
| 2(a) Indian | 11322877 | - | 11322877 | 47.18 | 11248823 | - | 11248823 | 46.87 | (0.31) |
| 2(b) individuals | | | | | | | | | |
| b(i) Individual shareholders holding nominal share capital up to Rs. 2 lakh | 4381099 | 28552 | 4409651 | 18.37 | 4529348 | 102 | 4529450 | 18.87 | 0.50 |
| b(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 2443200 | - | 2443200 | 10.18 | 2295457 | 28450 | 2323907 | 9.68 | 0.50 |
| b(iii) NBFCs Registered with RBI | 1000 | - | 1000 | 0.00 | 1000 | - | 1000 | 0.00 | 0.00 |
| 2(c) Any Other (specify) | | | | | | | | | |
| Clearing Members | 9252 | - | 9252 | 0.04 | 6273 | - | 6273 | 0.03 | (0.01) |
| Non Resident Indians | 144607 | - | 144607 | 0.60 | 221085 | - | 221085 | 0.92 | (0.32) |
| NRI Non Repatriable | 7068 | - | 7068 | 0.03 | 7117 | - | 7117 | 0.03 | - |
| Total Public Shareholding (B)=(B)(1)+ (B)(2)+(c) | 18309103 | 28552 | 18337655 | 76.41 | 18309103 | 28552 | 18337655 | 76.41 | - |
| III Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (I+II+III) | 23971448 | 28552 | 24000000 | 100 | 23971448 | 28552 | 24000000 | 100 | - |

(ii) Shareholding of Promoters:

| Sl. No. | Share Holders Name | Shareholding at the beginning of the year (31.03.2018) | | | Shareholding at the end of the year (31.03.2019) | | | % 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 | 5508976 | 22.95 | - | 5508976 | 22.95 | - | - |
| 2 | R Amrithavalli | 150497 | 0.63 | 0.61 | 150497 | 0.63 | 0.61 | - |
| 3 | Siva Sankar V | 2872 | 0.01 | - | 2872 | 0.01 | - | - |
| | Total | 5662345 | 23.59 | 0.61 | 5662345 | 23.59 | 0.61 | |

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

| Sl. No. | Particulars | 2017-2018 | | 2018-2019 | |
|---------|--|---------------|----------------------------------|---------------|----------------------------------|
| | | 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 | 5657044 | 23.57% | 5662345 | 23.59% |
| 2 | Increase / Decrease in Promoters Share holding during the year | 5301 | 0.02% | - | - |
| 3 | At the End of the year | 5662345 | 23.59 | 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 | 2017-2018 | | 2018-2019 | |
|---------|---|---------------|----------------------------------|---------------|----------------------------------|
| | | 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% | 11396125 | 47.49% |
| 2 | Increase / Decrease in Share holding during the year | 59216 | 0.25% | 19496 | 0.08% |
| 3 | At the End of the year (or on the date of separation, if Separated during the year) | 11396125 | 47.49% | 11415621 | 47.57% |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Mr. RV Ravikumar | 2017-2018 | | 2018-2019 | |
|---------|--|---------------|----------------------------------|---------------|----------------------------------|
| | | 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 | 5506375 | 22.93% | 5508976 | 22.95% |
| 2 | Increase / Decrease in Promoters Share holding during the year | 5301 | 0.02% | - | - |
| 3 | At the End of the year | 5508976 | 22.95% | 5508976 | 22.95% |



IV. INDEBTEDNESS:

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

Rs in Lakhs

| 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 | 993.66 | 2551.23 | -- | 3544.89 |
| | (ii) Interest due but not paid | -- | -- | -- | -- |
| | (iii) Interest accrued but not due | -- | -- | -- | -- |
| | Total (i+ii+iii) | 993.66 | 2551.23 | -- | 3544.89 |
| (B) | Change in Indebtedness during the Financial Year | | | | |
| | Addition | -- | 534.98 | -- | 534.98 |
| | Reduction | 993.66 | -- | -- | (993.66) |
| | Net Change | (993.66) | 534.98 | -- | (458.68) |
| (C) | Indebtedness at the end of the Financial Year | | | | |
| | (i) Principal Amount | -- | 3086.21 | -- | 3086.21 |
| | (ii) Interest due but not paid | -- | -- | -- | -- |
| | (iii) Interest accrued but not due | -- | -- | -- | -- |
| | Total (i+ii+iii) | -- | 3086.21 | -- | 3086.21 |

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (per annum)

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 | 13.20 | 10.00 | 6.00 |
| (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) | 13.20 | 10.00 | 6.00 |
| | Ceiling as per the Act | 60.00 | 60.00 | 60.00 |

The ratio of the remuneration of WTDs v/s the other employees is un-comparable due to the varied nature of contributions and designations, of each of them leaving no ground of comparison.

Other than the above no amounts are payable to the WTDs, except gratuity as retirement benefit.

B. Remuneration to other Directors : Nil**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD :**

Rs in Lakhs

| S.No. | Particulars of Remuneration | Name of the CFO | Name of the CS |
|----------|---|--------------------|----------------|
| | | Ms. L. Bhuvanewari | Mr. V Rajkumar |
| 1 | Gross salary | | |
| (a) | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 5.64 per annum | 2.40 per annum |
| (b) | Value of perquisites u/s 17(2) Income-tax Act, 1961 | Nil | Nil |
| (c) | Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | Nil | Nil |
| 2 | Stock Option | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil |
| 4 | Commission - as % of profit | Nil | Nil |
| 5 | Others, please specify | Nil | Nil |
| | Total (A) | 5.64 | 2.4 |

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 | Regulation 6(1) of SEBI (LODR) Regulations cs | For non-appointment of Company Secretary till 14th November, 2018 | Rs. 51920, each - Fine | NSE / BSE | Nil |
| | SEBI Order dated 16.3.2019 | Case filed against Mr Anil Agrawal | Promoters/Directors debarred from accessing the Capital Market for 3 years. | SEBI | Please refer-Item 5 of the Directors Report |
| 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 |

However pursuant to the inquiry and inspection u/s 206(5) of the Companies Act, 2013, undergoing by the Company, a Preliminary Findings Report (PFR) has been received by the Company from ROC, Chennai, for which, company is under the process of giving reply within the stipulated time. The company may have to go for compounding under certain sections of the Companies Act, 2013, the nature and quantum shall be known after getting the final Report from ROC.

Shareholders are requested to refer item number 5 of the Directors Report.



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2019

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

RAVI KUMAR DISTILLERIES LIMITED

For the year ended 31/03/2019

We, Roy Jacob & Co, Company Secretaries, (COP 8220) having our office at 207, Anjani Complex, Periera Hill Road off Andheri-Kurla Road, Nr. WEH Metro Station, Andheri-East, Mumbai-400099 have examined:

- (a) all the documents and records made available to us and explanation provided by RAVI KUMAR DISTILLERIES LIMITED (“the listed entity”),
- (b) the filings/submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31/03/2019 (“Review Period”) in respect of compliance with the provisions of:
 - a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and based on the above examination, I/We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

| Sr. No. | Compliance Requirement (Regulations/ circulars/ guidelines including specific clause) | Deviations | Observations/ Remarks of the Practicing Company Secretary |
|---------|---|--|---|
| 1 | Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 | Delayed by 3 days for filing for the Quarter ended 31/12/2018. | Nil |

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

| Sr.No | Action taken by | Details of violation | Details of action taken e.g. Fines, warning letter, debarment, etc. | Observations/ remarks of the Practicing Company Secretary, if any. |
|-------|-----------------|----------------------|---|--|
| 1. | NA | NA | NA | NA NA |

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr.No. | Observations of the Practicing Company Secretary in the previous reports | Observation mad in the secretarial compliance report for the year ended... (The years are to be mentioned) | Actions taken by the listed entity, if any | Comments of the Practicing Company Secretary on the on the action taken by the listed entity. |
|--------|--|--|--|---|
| 1 | NA | NA | NA | NA |

Place : Mumbai
Date : 27.05.2019

For Roy Jacob & Co
Company Secretaries
(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. 8359 lakhs compared to Rs.7247 lakhs in the previous year recording a loss of (Rs. 100.48 lakhs), as against the net net loss of Rs. 156.41 lacs in the previous year. However during the year, the Company has made a One Time Settlement with M/s Sundaram Finance Ltd and settled their total dues of Rs 993.66 lacs, at an amount of Rs 500 lacs, thus resulting in a profit of Rs 493.66 lacs, which ultimately resulted in a net profits of Rs 373.21 lacs after taxes.

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 performance with applying optimistic efforts on 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 2019, the Board comprised of six Directors until 7th February, 2019. 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. Since 7.2.2019, the Office of the Whole Time Women Director was vacated u/s 167(1)(b). However since 29.12.2018, a women independent director was appointed as additional independent director. 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, legal and compliance 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, 2019 and category of Directors are as under:



RAVI KUMAR DISTILLERIES LIMITED.

| Name of the Director | Category of Directorship | 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 | 2 | - | - |
| Mrs.S. Vijayalakshmi (upto 7.2.2019) | Executive Director | - | - | - |
| Mrs N Jeyanthei (Since 29.12.2018) | Additional Director | 1 | - | - |

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

More details are given in the Directors Report for reference.

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

| Name of Directors | 29.05.2018 | 8.8.2018 | 14.11.2018 | 7.2.2019 |
|---------------------------|------------|----------|------------|----------|
| Mr. R.V. Ravikumar | Present | Present | Present | Present |
| Mr. Badrinath S Gandhi | Present | -- | -- | Present |
| Mr. K.S.M. Rao | Present | Present | Present | Present |
| Mr. Ashok R Shetty | Present | Present | Present | Present |
| Mr. Popatlal M. Kathariya | -- | Present | Present | present |
| Mrs. S. Vijayalakshmi | -- | -- | -- | -- |
| Mrs N Jeyanthei | NA | NA | NA | Present |

(c) Attendance of each Director at the AGM held on 24/09/2018

| Name of Directors | |
|---------------------------|---------|
| Mr. R.V. Ravikumar | Present |
| Mr. Badrinath S Gandhi | Present |
| Mr. K.S.M. Rao | Present |
| Mr. Ashok R Shetty | Present |
| Mr. Popatlal M. Kathariya | Present |

(d) Inter-se relationship between Directors:

| Name of the Directors | Inter-se relation |
|------------------------|---|
| Mr. R.V Ravi Kumar | Mrs S Vijayalakshmi – Wife of Brother-in-law Mr. Badrinath S Gandhi – Co-Brother of his Brother-in-law |
| Mr. Badrinath S Gandhi | Co-Brother of Mr R V Ravikumar’s Brother-in-law Co-Brother to Mrs S Vijayalakshmi’s Husband |
| Mrs. S. Vijayalakshmi | Mr. R. V. Ravikumar’s Brother-in-law’s wife and Sister-in-law of Mr. Badrinath S Gandhi |

(e) Shares held by Executive Directors:

| Name of the Directors | Number of shares having face value of Re.10/- each | |
|------------------------|--|------------------------|
| | As on 31st March, 2019 | As on 31st March, 2018 |
| Mr. R.V Ravi Kumar | 55,08,976 Shares | 55,08,976 Shares |
| Mr. Badrinath S Gandhi | - | - |
| Mrs. S. Vijayalakshmi | 988 Shares | 988 Shares |

(f) Shares held by Non-Executive Directors:

| Name of the Directors | Number of shares having face value of Re.10/- each | |
|--------------------------|--|------------------------|
| | As on 31st March, 2019 | As on 31st March, 2018 |
| MMr. K.S.M. Rao | - | - |
| Mr. Ashok R Shetty | - | - |
| Mr. Popatlal M Kathariya | - | - |
| Mrs N Jeyanthei | - | - |

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 and the gap between any 2 meetings was less than 4 months.

Attendance at the Audit Committee Meeting:

c) Attendance of each Director at the Audit Committee Meetings

| Name of Directors | Designation | Category | 29.05.2018 | 8.8.2018 | 14.11.2018 | 7.2.2019 |
|---------------------------|-------------|-------------|------------|----------|------------|----------|
| Mr. Ashok R Shetty | Chairman | Independent | Present | Present | Present | Present |
| Mr. K.S.M. Rao | Member | Independent | Present | Present | Present | Present |
| Mr. Popatlal M. Kathariya | Member | Independent | -- | Present | Present | Present |
| Mr Badrinath S Gandhi | Member | Executive | Present | -- | -- | Present |

d) 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 physically met 1 time on 7th February, 2019. Attendance at the Shareholders' Grievance Committee Meeting:

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

- Mr. V Rajkumar 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 1 complaint 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:
- (i) Look into redressing of the shareholders complaints and queries and to focus on the strengthening of investors relations.
 - (ii) 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 Clause 49 of the Listing Agreement 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 29.05.2018, 8.08.2018, 28.12.2018 and 14.11.2018. The composition and attendance of the Nomination and Remuneration Committee as on 31st March, 2019 is as under:

| Name | Designation | Category | Attendance |
|--------------------------|-------------|-------------|------------|
| Mr. Ashok R Shetty | Chairman | Independent | 4 |
| Mr. Popatlal M Kathariya | Member | Independent | 4 |
| Mr. K.S.M. Rao | Member | Independent | 4 |

(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. (per annum)**(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 | 8.20 | - | - | - | 8.20 |
| Mr Badrinath S Gandhi | 10.00 | - | - | - | 10.00 |
| Mrs S. Vijayalakshmi | 3.00 | - | - | - | 3.00 |
| Mr K.S.M. Rao | - | - | - | 0.60 | 0.60 |
| Mr Ashok R Shetty | - | - | - | 0.60 | 0.60 |
| Mr Popatlal M Kathariya | - | - | - | 0.45 | 0.45 |
| Mrs N Jeyanthei | - | - | - | 0.15 | 0.15 |

The Company does not have any Employee Stock Option Scheme.

No other amounts, except the above were paid to WTDs in FY 2019.

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 7th February, 2019 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 |
|----------------|--|--|
| 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. |
| 2017-18 | Monday, 24th September 2018, 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 |
|-----------|-------------------|-----------------------------------|
| 2015-2016 | 26 September 2016 | No Special Resolution was passed |
| 2016-2017 | 26 September 2017 | No Special Resolution was passed |
| 2017-2018 | 24 September 2018 | One Special Resolution was passed |

(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 except as stated in the Directors Report. 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, except as stated in the Directors Report.
- 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, 2019.
- 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.

b) Annual General Meeting

Date & Time : 24th September, 2019 at 2.00 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 : 17th September, 2019 to 24th September, 2019 (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 2019-2020 have been 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 31.03.2019

Bombay Stock Exchange:

| Month | Open | High | Low | Close |
|-----------|-------|-------|-------|-------|
| Apr-2018 | 13.20 | 17.15 | 12.55 | 15.30 |
| May-2018 | 16.00 | 16.95 | 11.70 | 12.10 |
| June-2018 | 11.75 | 12.65 | 10.10 | 10.96 |
| July-2018 | 12.05 | 12.05 | 8.11 | 9.02 |
| Aug-2018 | 9.87 | 12.97 | 8.55 | 10.81 |
| Sept-2018 | 10.00 | 16.30 | 10.00 | 10.13 |
| Oct-2018 | 10.13 | 12.44 | 9.63 | 11.00 |
| Nov-2018 | 11.45 | 11.46 | 9.70 | 10.19 |
| Dec-2018 | 10.24 | 11.88 | 9.18 | 10.20 |
| Jan-2019 | 9.80 | 10.49 | 8.01 | 8.61 |
| Feb-2019 | 8.03 | 8.70 | 7.12 | 8.30 |
| Mar-2019 | 8.10 | 10.00 | 8.01 | 8.84 |

National Stock Exchange

| Month | Open | High | Low | Close |
|-----------|-------|-------|-------|-------|
| Apr-2018 | 13.30 | 17.00 | 12.60 | 15.05 |
| May-2018 | 15.80 | 16.00 | 11.55 | 12.25 |
| June-2018 | 11.95 | 12.20 | 10.05 | 10.85 |
| July-2018 | 11.45 | 11.45 | 8.00 | 9.25 |
| Aug-2018 | 9.25 | 11.50 | 8.90 | 10.05 |
| Sept-2018 | 10.00 | 15.45 | 9.50 | 9.85 |
| Oct-2018 | 9.55 | 12.20 | 9.40 | 10.55 |
| Nov-2018 | 10.60 | 11.55 | 9.65 | 9.90 |
| Dec-2018 | 10.30 | 11.95 | 8.90 | 9.95 |
| Jan-2019 | 10.20 | 11.00 | 8.05 | 8.40 |
| Feb-2019 | 8.15 | 8.70 | 7.00 | 7.80 |
| Mar-2019 | 7.80 | 9.75 | 7.20 | 8.85 |

**RAVI KUMAR DISTILLERIES LIMITED.**

- 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. However as per SEBI (ICDR) Regulations, no more physical transfers are entertained since December, 2018.

l) Distribution of Shareholding as on 31-03-2019

| No of equity shares held | No. of share holders | % of share holders | Total Shares | Total Amount | % of Amount |
|--------------------------|----------------------|--------------------|--------------|--------------|-------------|
| Upto1 - 5000 | 6271 | 77.34 | 938753 | 9387530.00 | 3.91 |
| 5001 - 10000 | 886 | 10.93 | 748281 | 7482810.00 | 3.12 |
| 10001 - 20000 | 451 | 5.56 | 715692 | 7156920.00 | 2.98 |
| 20001 - 30000 | 146 | 1.80 | 380498 | 3804980.00 | 1.59 |
| 30001 - 40000 | 85 | 1.05 | 306421 | 3064210.00 | 1.28 |
| 40001 - 50000 | 89 | 1.10 | 424441 | 4244410.00 | 1.77 |
| 50001 -100000 | 87 | 1.07 | 654954 | 6549540.00 | 2.73 |
| 100001 and above | 93 | 1.15 | 19830960 | 198309600.00 | 82.63 |
| Total | 8108 | 100.00 | 24000000 | 240000000.00 | 100.00 |

m) Shareholding Pattern as on 31-03-2019

| 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 | 1,12,48,823 | 46.87 |
| 4 | NRIs/OCBs | 2,21,085 | 0.92 |
| 5 | NRI Non Repatriable | 7,117 | 0.03 |
| 5 | Indian Public | 66,09,944 | 27.54 |
| 6 | Clearing Members | 6,273 | 0.03 |
| 7 | NBFC | 1,000 | 0.00 |
| 8 | HUF | 2,43,413 | 1.01 |
| 6 | Foreign Institutional Investors | -- | -- |
| | Grand Total | 2,40,00,000 | 100.00 |

n) Dematerialization of shares

| | No. of Shares | % |
|----------|---------------|--------|
| NSDL | 1,71,09,588 | 71.29% |
| CDSL | 68,61,860 | 28.59% |
| Physical | 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
 The Chairman of the Board is normally Mr R V Ravikumar, the MD of the Company. In his absence the Chairman shall be elected by the Board members present then.
- ii). Shareholder Right
 The Company publishes the financial results 2 news papers, one in Vernacular and one in English newspaper. The Shareholders Right stipulated are duly taken care of by the Company.
- iii). Audit Qualifications
 During the year under review, there was audit qualification in the Company's financial statements as well as Secretarial Audit Report, for which the suitable comments of Directors were given in their 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, 2019.

For and on behalf of the Board of Directors

Place: Mumbai
 Date : 09.08.2019

R.V. Ravikumar
 Managing Director
 DIN: 00336646

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



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, 2019 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 : 09.08.2019

For Ravi Kumar Distilleries Ltd

L. Bhuvanewari
Chief Financial Officer

Auditors' Certificate on Corporate Governance

TO THE MEMBERS OF
RAVIKUMAR DISTILLERIES LIMITED

We have reviewed the relevant records of Ravi Kumar Distilleries Limited for the year ended 31 March 2019 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.

Place: Mumbai
Date: 09.08.2019

For Ramanand & Associates
Chartered Accountants
Firm No. 117776W

Ramanand R. Gupta
Partner
Membership No.: 103975

INDEPENDENT AUDITOR'S REPORT

To,
The Members of RAVIKUMAR DISTILLERIES LIMITED.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying financial statements of 'RAVIKUMAR DISTILLERIES LIMITED' ("the Company"), which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 March 31, 2019, its Profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis of Qualified Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.
- 3.1 Your attention is invited to Note No. 4 'Advances to Suppliers' of Rs. 2,900.25 Lakhs; which have been classified as 'Other Non-Current Assets'; the company has filed various cases against the parties and initiated action for recovery. Further, 'Securities and Exchange Board of India' (SEBI) vide its Order dated 12-03-2019 directed the above parties to repay the amounts back to Company. 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.
- 3.2 Your attention is invited to Note No. 3 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 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 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 2018-19. 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.
- 3.3 Your attention is invited to Note No. 6 - 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 2019; we are unable to comment on whether any provision for diminution in value of investments thereof is necessary.
- 3.4 Note No. 7 regarding Confirmations not obtained as of March 31, 2019 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.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our Opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusions thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



Responsibility of Management and those charged with Governance for the Standalone Financial Statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity)[iv] and cash flows of the Company in accordance with the 2/6 accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

13. 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 Companies Act, 2013, we give in the Annexure-1 a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. Further to our comments in Annexure-1, as required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) We have also audited the Internal Financial Controls over Financial Reporting (IFCoFR) of the Company as on 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report as per Annexure-2 expressed an unmodified opinion.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company, as detailed in Note 39 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31st March 2019.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

| Particulars | Amount Rs. | Due Date | Delay in Days | Remarks |
|--|------------|------------|-------------------------------------|--|
| Unpaid Dividend for Financial Year 2010-11 | 43,987 | 10-10-2018 | 230 Days till the date of reporting | Amount not yet paid till the date of reporting |

Place: Mumbai
Date : 27.05.2019

For Ramanand & Associates
Chartered Accountants
FRN: 117776W

CA Ramanand Gupta
Partner
Membership No: 103975



“Annexure-1” to 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, 2019

(Referred to in paragraph 14 under ‘Report on other Legal and Regulatory Requirements’ section of our report to the Members of even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and to the best of our knowledge and belief, 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 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 2019 was Rs. 4189 Lakhs the year ended balance was Rs. 4184 Lakhs. (Previous Year Rs. 4184 Lakhs).
- 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) To the best of our knowledge and as per the information and explanations given to us, the Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 which are not applicable for products of 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, 2019 for the period of more than six months from the date they became payable, *except the following amounts as mentioned in the table below :*

| Particulars | Amount Rs. In Lakhs |
|---------------------------|------------------------|
| Tax Collected at Source | 44.71 |
| Tax Deducted at Source | 7.99 |
| Service Tax | 3.22 |
| Employees State Insurance | 5.93 |
| Provident Fund | 44.99 |
| Total | 106.84 |

- (c) Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

| Particulars | Amount Rs. | Due Date | Delay in Days | Remarks |
|--|------------|------------|-------------------------------------|--|
| Unpaid Dividend for Financial Year 2010-11 | 43,987 | 10-10-2018 | 230 Days till the date of reporting | Amount not yet paid till the date of reporting |

- (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 | 1,209.99 |
| Service Tax | CESTAT | April 2009 to June 2012 | 83.60 |

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank.
- (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) 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.
- (xii) 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.
- (xiii) 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.
- (xiv) 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.

Place: Mumbai
Date : 27.05.2019

For Ramanand & Associates
Chartered Accountants
FRN: 117776W

CA Ramanand Gupta
Partner
Membership No: 103975



“Annexure-2” to 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, 2019

Referred to in paragraph 14(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, 2019

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, 2019 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, 2019, 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 : 27.05.2019

CA Ramanand Gupta
Partner
Membership No: 103975

BALANCE SHEET AS AT MARCH 31, 2019

(Rs. in Lacs)

| Particulars | Note No. | As at 31-Mar-19 | As at 31-Mar-18 |
|---|----------|------------------|------------------|
| I ASSETS | | | |
| 1 NON-CURRENT ASSETS | | | |
| (a) Property, plant and equipment | 2.1 | 380.09 | 268.55 |
| (b) Capital work-in-progress | 2.2 | 145.45 | 59.00 |
| (c) Intangible assets | 2.3 | 7.49 | 10.53 |
| (d) Financial assets | | | |
| (i) Investments | 3 | 825.71 | 825.71 |
| (e) Other non-current assets | 4 | 3,104.08 | 3,101.63 |
| TOTAL NON-CURRENT ASSETS | | 4,462.81 | 4,265.41 |
| 2 CURRENT ASSETS | | | |
| (a) Inventories | 5 | 1,983.42 | 1,819.57 |
| (b) Financial assets | | | |
| (i) Investments | 6 | 247.79 | 247.79 |
| (ii) Trade receivables | 7 | 2,965.11 | 2,797.45 |
| (iii) Cash and cash equivalents | 8A | 10.02 | 15.98 |
| (iv) Bank balances other than (iii) above | 8B | 90.25 | 0.44 |
| (v) Others | 9 | 4,314.23 | 4,314.32 |
| (c) Other current assets | 10 | 103.72 | 107.05 |
| TOTAL CURRENT ASSETS | | 9,714.54 | 9,302.60 |
| TOTAL ASSETS | | 14,177.35 | 13,568.02 |
| I EQUITY & LIABILITIES | | | |
| 1 EQUITY | | | |
| (a) Equity Share Capital | 11 | 2,400.00 | 2,400.00 |
| (b) Other Equity | 12 | 4,198.09 | 3,891.89 |
| TOTAL EQUITY | | 6,598.09 | 6,291.89 |
| 2 NON-CURRENT LIABILITIES | | | |
| (a) Financial Liabilities | | | |
| (i) Others | 13 | 1,142.15 | 886.90 |
| (b) Deferred Tax Liabilities | 14 | 1.65 | 4.25 |
| TOTAL NON-CURRENT LIABILITIES | | 1,143.80 | 891.15 |
| 3 CURRENT LIABILITIES | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 15 | 3,086.21 | 3,544.89 |
| (ii) Trade payables | 16 | 1,231.25 | 960.45 |
| (iii) Other financial liabilities | 17 | 1,475.05 | 1,491.69 |
| (b) Provisions | 18 | 86.52 | 27.75 |
| (c) Other current liabilities | 19 | 552.77 | 360.18 |
| (d) Current Tax Liabilities (Net) | 20 | 3.65 | - |
| TOTAL CURRENT LIABILITIES | | 6,435.46 | 6,384.98 |
| TOTAL LIABILITIES | | 7,579.26 | 7,276.13 |
| TOTAL EQUITY AND LIABILITIES | | 14,177.35 | 13,568.02 |

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
Partner
Membership No. 103975
Date : May 27, 2019
Place : Mumbai

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

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

L. Bhuvanewari
Chief Financial Officer

V Rajkumar
Company Secretary

Ashok R Shetty
Independent Director
DIN: 02236271

CA Ramanand Gupta
for Ramanand Associates
Statutory Auditors(FRN 117776W)
MNO. 103975



RAVI KUMAR DISTILLERIES LIMITED.

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2019 (Rs. in Lacs)

| Particulars | Note No. | For the year ended 31-Mar-19 | For the year ended 31-Mar-18 |
|--|----------|------------------------------|------------------------------|
| Income: | | | |
| Revenue from Operations | 21 | 18,165.13 | 15,560.38 |
| Other Income | 22 | - | 0.94 |
| Total Income | | 18,165.13 | 15,561.32 |
| Expenses: | | | |
| Purchases of Stock in trade | 23 | 1,702.30 | 1,798.85 |
| Cost of Material Consumed | 24 | 4,616.23 | 3,738.90 |
| Changes in inventories | 25 | 26.86 | 90.52 |
| Excise Duty Paid | 26 | 9,805.90 | 8,314.82 |
| Employee Benefit Expenses | 27 | 366.71 | 297.19 |
| Finance Cost | 28 | 16.46 | 147.41 |
| Depreciation and amortization | 2 | 52.04 | 41.54 |
| Other Expenses | 29 | 1,679.12 | 2,610.54 |
| Total Expenses | | 18,265.61 | 17,039.76 |
| Profit Before Exceptional Items and Tax | | (100.48) | (1,478.45) |
| Exceptional Items | 30 | 493.66 | 1,321.04 |
| Profit Before Tax after Exceptional Items | | 393.18 | (157.41) |
| Less : Provision for Taxation | | | |
| Current Year | | 22.56 | - |
| Deferred Tax | 14 | (2.60) | (1.00) |
| Profit/(Loss) for the year | | 373.21 | (156.41) |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurements of post-employment benefit obligations | | 6.88 | 0.00 |
| Income tax relating to items that will not be reclassified to profit or Loss | | 0.00 | 0.00 |
| Total comprehensive income for the year | | 380.09 | (156.41) |
| Earnings per equity share for profit/ (Loss) | 31 | | |
| Basic | | 1.58 | (0.65) |
| Diluted | | 1.58 | (0.65) |
| 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
Partner
Membership No. 103975
Date : May 27, 2019
Place : Mumbai

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

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

Ashok R Shetty
Independent Director
DIN: 02236271

L. Bhuvanewari
Chief Financial Officer

V Rajkumar
Company Secretary

CA Ramanand Gupta
for Ramanand Associates
Statutory Auditors(FRN 117776W)
MNO. 103975

STATEMENT OF CHARGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

| A. Equity share capital | | March 31, 2019 | March 31, 2018 |
|---|-------|----------------|----------------|
| | Notes | 2,400.00 | 2,400.00 |
| Balance as at the beginning of the reporting period | | - | - |
| Changes in equity share capital during the year | | 2,400.00 | 2,400.00 |
| Balance as at the end of the reporting period | | 2,400.00 | 2,400.00 |

| | Notes | Reserves & Surplus | | Other Comprehensive Income | | Total |
|--|-------|----------------------------|-------------------|----------------------------|--------------|----------|
| | | Securities premium reserve | Retained earnings | Other Comprehensive Income | Total equity | |
| B. Other equity | | | | | | |
| i) Balance as at April 1, 2017 | | 6,210.00 | (2,161.69) | - | 4,048.31 | 4,048.31 |
| Profit/(loss) for the year | | | (156.41) | | (156.41) | (156.41) |
| Other comprehensive income for the year | | | - | | - | - |
| Total comprehensive income for the year | | - | (156.41) | - | (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 | (2,318.09) | - | 3,891.91 | 3,891.91 |
| i) Balance as at April 1, 2018 | | 6,210.00 | (2,318.09) | - | 3,891.91 | 3,891.91 |
| Adjustment to Opening Equity - Prior Period Expenses | | | | | | |
| Prior Period Expenses | | | 73.91 | | 73.91 | 73.91 |
| Adjusted Equity as on April 1, 2018 | | 6,210.00 | (2,392.00) | | 3,818.00 | 3,818.00 |
| Profit/(loss) for the year | | | 373.21 | | 373.21 | 373.21 |
| Other comprehensive income for the year | | | 6.88 | | 6.88 | 6.88 |
| Total comprehensive income for the year | | - | 380.09 | - | 380.09 | 380.09 |
| 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, 2019 | | 6,210.00 | (2,011.91) | - | 4,198.09 | 4,198.09 |

As per our report of even date attached

For Ramanand and Associates
Chartered Accountants
Firm Registration No. 11776W

CA Ramanand Gupta
Partner
Membership No. 103975
Date : May 27, 2019
Place : Mumbai

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

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

Ashok R Shetty
Independent Director
DIN: 02236271

L. Bhuvaneshwari
Chief Financial Officer

V Rajkumar
Company Secretary

CA Ramanand Gupta
for Ramanand Associates
Statutory Auditors (FRN 11776W)
MNO. 103975

**RAVI KUMAR DISTILLERIES LIMITED.****Cash Flow Statement for the Year Ended on March 31, 2019**

(Rs. in Lacs)

| Particulars | 31-03-2019 | 31-03-2018 |
|--|------------|------------|
| A Cash flow from Operating Activities | | |
| Profit before tax including Other Comprehensive Income (OCI) | 400.06 | (157.41) |
| Adjustments for | | |
| Depreciation and amortisation expense | 52.04 | 41.54 |
| Prior Period Expenses | (73.91) | 0.00 |
| Interest expenses | 16.46 | 147.41 |
| Loss on sale of Investments | 0.00 | 29.55 |
| Operating Profit Before Working Capital Changes | 394.66 | 61.09 |
| Change in operating assets and liabilities | | |
| (Increase)/decrease in trade receivables | (167.66) | (603.16) |
| (Increase)/decrease in other financial assets | 0.10 | (111.04) |
| (Increase)/decrease in other assets | 0.88 | (44.22) |
| (Increase)/decrease in inventories | (163.85) | 331.04 |
| Increase/(decrease) in trade payables | 270.79 | 261.56 |
| Increase/(decrease) in provisions | 58.77 | 0.81 |
| Increase/(decrease) in other liabilities | 192.59 | 98.63 |
| (Increase)/decrease in other financial liability | 238.61 | 145.17 |
| Cash generated from operations | 824.88 | 139.88 |
| Income tax paid | (18.91) | 0.00 |
| Net cash inflow / (outflow) operating activities | 805.97 | 139.88 |
| Cash flow from investing activities | | |
| Payments for Fixed Assets | (246.98) | (42.63) |
| Proceed from sale of Investment | 0.00 | 200.00 |
| Bank Fixed Deposits redeemed/(invested) | (89.81) | 27.98 |
| Interest received | 0.00 | 0.00 |
| Net cash inflow / (outflow) investing activities | (336.79) | 185.35 |
| Cash flow from financing activities | | |
| Proceeds from borrowings | 0.00 | (192.71) |
| Repayment of borrowings | (458.68) | 0.00 |
| Interest paid | (16.46) | (147.41) |
| Dividend paid | 0.00 | 0.00 |
| Net cash inflow (outflow) from financing activities | (475.14) | (340.12) |
| Net increase / (decrease) in cash and cash equivalents | (5.97) | (14.88) |
| Cash and cash equivalents at the beginning of the year | 15.98 | 30.87 |
| Cash and cash equivalents at the end of the year | 10.02 | 15.98 |
| Breakup of Cash and Cash Equivalent | | |
| Cash in hand | 1.21 | 5.73 |
| Balances with Banks | | |
| On Current account | 8.81 | 10.25 |
| Deposits with maturity less than 3 months | 0 | 0 |
| Total | 10.02 | 15.98 |
| Total Cash and Cash Equivalent | 10.02 | 15.98 |

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

As per our report attached

For & on behalf of the Board of Directors
Ravi Kumar Distilleries LimitedFor Ramanand and Associates
Chartered Accountants
Firm Registration No. 117776WMr. R.V. Ravikumar
Managing Director
DIN: 00336646Ashok R Shetty
Independent Director
DIN: 02236271CA Ramanand Gupta
Partner
Membership No. 103975
Date : May 27, 2019
Place : MumbaiL. Bhuvanewari
Chief Financial OfficerV Rajkumar
Company SecretaryCA Ramanand Gupta
for Ramanand Associates
Statutory Auditors(FRN 117776W)
MNO. 103975

Notes forming part of the Financial Statements

(Rs. in Lacs)

Note: 2.1

| Particulars | Cost or Deemed cost | | | Accumulated Amortisation | | | Carrying Amount | |
|------------------------------|-----------------------------|-----------|--|--------------------------|------------------------------|-----------------------------------|-----------------|----------------------|
| | Balance as at April 1, 2018 | Additions | Acquisitions through business Combinations | *Disposals/ Adjustments | Balance as at March 31, 2019 | Eliminated on disposals of assets | | Depreciation expense |
| Property plant and equipment | | | | | | | | |
| Land | 75.40 | - | - | - | 75.40 | - | - | 75.40 |
| Building and structures | 532.23 | 8.19 | - | - | 540.42 | - | 10.54 | 435.95 |
| Vehicles | 20.08 | - | - | - | 20.08 | - | - | 20.08 |
| Data processing equipments | 3.14 | 0.75 | - | - | 3.89 | - | 0.99 | 3.02 |
| Office equipments | 14.09 | 6.34 | - | - | 20.43 | - | 3.50 | 14.56 |
| Furniture and fixtures | 3.24 | 1.03 | - | - | 4.27 | - | 0.58 | 2.37 |
| Plant & Machineries | 388.21 | 144.23 | - | - | 532.44 | - | 33.40 | 340.87 |
| Subtotal | 1,036.39 | 160.53 | - | - | 1,196.92 | - | 49.00 | 816.84 |

Note: 2.2

(Rs. in Lacs)

| Particulars | Cost or Deemed cost | | | Accumulated Amortisation | | | Carrying Amount | |
|--------------------------|-----------------------------|-----------|--|--------------------------|------------------------------|-----------------------------------|-----------------|--------------|
| | Balance as at April 1, 2018 | Additions | Acquisitions through business Combinations | Disposals/ Adjustments | Balance as at March 31, 2019 | Eliminated on disposals of assets | | Amortisation |
| Capital work-in-progress | 59.00 | 86.45 | - | - | 145.45 | - | - | 145.45 |
| Total | 59.00 | 86.45 | - | - | 145.45 | - | - | 145.45 |

Note: 2.3

(Rs. in Lacs)

| Particulars | Cost or Deemed cost | | | Accumulated Amortisation | | | Carrying Amount | |
|---|-----------------------------|-----------|--|--------------------------|------------------------------|-----------------------------------|-----------------|--------------|
| | Balance as at April 1, 2018 | Additions | Acquisitions through business Combinations | Disposals/ Adjustments | Balance as at March 31, 2019 | Eliminated on disposals of assets | | Amortisation |
| Software / Licences | 10.99 | - | - | - | 10.99 | - | 3.04 | 3.50 |
| Trademarks and licences | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - |
| Subtotal (a) | 10.99 | - | - | - | 10.99 | - | 3.04 | 3.50 |
| License to collect Toll (b) | - | - | - | - | - | - | - | - |
| Intangible assets under development (c) | - | - | - | - | - | - | - | - |
| Total | 10.99 | - | - | - | 10.99 | - | 3.04 | 3.50 |



Notes forming part of the Financial Statements

(Rs. in Lacs)

Note: 2.1

| Particulars | Cost or Deemed cost | | | | Accumulated Amortisation | | | | 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: 2.2

| Particulars | Cost or Deemed cost | | | | Accumulated Amortisation | | | | 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: 2.3

| Particulars | Cost or Deemed cost | | | | Accumulated Amortisation | | | | 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 | 0.46 |
| Total | - | 10.99 | - | - | 10.99 | - | - | 0.46 | 10.53 |

Notes forming part of the Financial Statements

(Rs. in Lacs)

| Note No | Particulars | March 31, 2019 | March 31, 2018 |
|---------|---|----------------|----------------|
| 3 | 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 |
| | 16,72,445 (March 31, 2018: 16,72,445) shares of Rs. 10/- each | | |
| | Aggregate cost of Unquoted Investments | 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 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 Crores received from 'M/s Lemonade Shares and Securities Private Limited' is shown in other Payables under 'Other Financial Liabilities - Current'. | | |
| 4 | Other Non Current Asset | | |
| | Trade and Security Deposits | 21.65 | 19.15 |
| | Taxes Recoverable from Government Authorities | 4.57 | 4.57 |
| | Advances to Suppliers | 2900.25 | 2,900.25 |
| | Other Advances | 0.17 | 0.23 |
| | TDS Receivable | 177.43 | 177.43 |
| | Total | 3,104.08 | 3,101.63 |
| | Note: | | |
| | Advance to suppliers includes amounts transferred to various parties post IPO amounting to Rs. 2,900.25 Lakhs 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. Further, 'Securities and Exchange Board of India' (SEBI) vide its Order dated 12-03-2019 directed the above parties to repay the amounts back to Company. 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. | | |
| 5 | INVENTORIES | March 31, 2019 | March 31, 2018 |
| | Inventories (lower of cost and net realisable value) | | |
| | Raw Materials | 989.82 | 799.11 |
| | Work - In - Progress | 33.51 | 34.92 |
| | Finished Goods | 752.27 | 667.87 |
| | Stock In Trade | 207.82 | 317.67 |
| | Total | 1983.42 | 1819.57 |
| 6 | 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 | 247.79 |
| | 1,943,112 (March 31, 2018: 1,943,112) shares of Rs. 10/- each | | |
| | Aggregate cost of Unquoted Investments | 247.79 | 247.79 |
| | Total | 247.79 | 247.79 |
| | Note: | | |
| | i) Investment in equity shares of 'S.V. Distilleries Private Limited' are classified as current investments and valued at cost in the absence of relevant information regarding fair value as on 31st March 2019. | | |



Notes forming part of the Financial Statements

(Rs. in Lacs)

| Note No | Particulars | March 31, 2019 | March 31, 2018 |
|---------|---|----------------|----------------|
| 7 | TRADE RECEIVABLES-Unsecured | | |
| | Unsecured: | | |
| | Trade Receivable | | |
| | - Considered good: | 2965.11 | 2,797.45 |
| | - Considered doubtful: | 277.39 | 155.28 |
| | Less: Allowances for expected Credit Losses | 277.39 | 155.28 |
| | Sub Total | - | - |
| | Total | 2,965.11 | 2,797.45 |
| | 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 | | |
| | Cash & Cash Equivalents | | |
| | Cash in Hand | 1.21 | 5.73 |
| | Balances with Banks | | |
| | On Current account | 8.81 | 10.25 |
| | Deposits with maturity less than 3 months | - | - |
| | Sub Total | 10.02 | 15.98 |
| | Other Bank Balances | | |
| | Deposits with maturity for more than 3 months but less than 12 months | 90.25 | - |
| | Unpaid Dividend Bank Accounts | - | 0.44 |
| | Sub Total | 90.25 | 0.44 |
| | Total | 100.27 | 16.42 |
| | Balances with banks held as: | | |
| | Margin against Bank Guarantees and with Regulatory Authorities | 90.25 | - |
| 9 | OTHER FINANCIAL ASSET - CURRENT | | |
| | Loans & Advances to related parties | 4188.70 | 4,183.86 |
| | Other Loans and Advances | 125.53 | 130.46 |
| | Total | 4,314.23 | 4,314.32 |
| | Loans & Advances to related parties | | |
| | S V Distilleries Private Limited | 2548.18 | 2,543.34 |
| | Liquor India Limited | 1640.52 | 1640.52 |
| | Total | 4188.70 | 4,183.86 |
| | Advance Employees | 8,56,436 | 11,06,787 |
| | Rental Advance | 13,75,611 | 13,75,611 |
| | Building constructions | 40,77,378 | 25,88,634 |
| | SS construction | 25,00,000 | 25,00,000 |
| | Loan from Others | 37,43,728 | 54,75,293 |
| | Total | 1,25,53,153 | 1,30,46,325 |
| | Loans & Advances to related parties | | |
| | S V Distilleries Private Limited | 2548.18 | 2,543.34 |
| | Liquor India Limited | 1640.52 | 1640.52 |
| | Total | 4188.70 | 4,183.86 |
| 10 | Other Current Asset | | |
| | Prepaid Expenses | 103.72 | 107.05 |
| | Total | 103.72 | 107.05 |

Notes forming part of the Financial Statements

(Rs. in Lacs)

| Particulars | March 31, 2019 | March 31, 2018 |
|---|-----------------------|-----------------------|
| 11 EQUITY SHARE CAPITAL | | |
| i Authorised : | | |
| 25,000,000 (March 31, 2018: 25,000,000) Equity shares of the par value of INR 10 each (March 31, 2018: INR 10 each) | 2,500.00 | 2,500.00 |
| TOTAL | 2,500.00 | 2,500.00 |
| ii Issued and Subscribed: | | |
| 24,000,000 (March 31, 2018: 24,000,000) Equity shares of the par value of INR 10 each (March 31, 2018: INR 10 each) | 2,400.00 | 2,400.00 |
| TOTAL | 2,400.00 | 2,400.00 |
| 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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders." | | |
| (v) Shareholders holding more than 5% shares in the Company is set out below: | | |
| Name of the Shareholder | March 31, 2019 | March 31, 2018 |
| | No of shares | No of shares |
| | % | % |
| Mr. R V Ravikumar | 5,508,976 | 5,508,976 |
| | 22.95% | 22.95% |
| BPJ Holding Private Limited | 3,675,000 | 3,675,000 |
| | 15.31% | 15.31% |
| Comfort Intech Limited | 2,366,000 | 2,366,000 |
| | 9.86% | 9.86% |
| Chiraag Suppliers Private Limited | 1,484,906 | 1,484,906 |
| | 6.19% | 6.19% |
| Nandlal Vyapaar Private Limited | 1,409,000 | 1,409,000 |
| | 5.87% | 5.87% |
| Particulars | March 31, 2019 | March 31, 2018 |
| 12 Other Equity | | |
| Security Premium Reserve | | |
| Balance as per Last balance Sheet | 6210.00 | 6,210.00 |
| Addition During the Year | - | - |
| Deduction During the year | - | - |
| As at end of year | 6210.00 | 6,210.00 |
| Surplus / Retained Earnings | | |
| Balance as per Last balance Sheet | (2,318.11) | (2,161.69) |
| Addition During the Year | 373.21 | (156.41) |
| Deduction During the year | 73.91 | - |
| Amount aviliable for apporoprations | (2,018.79) | (2,318.11) |
| Appropriation : | | |
| IND As Adjustment | | |
| As at end of year | (2,018.79) | (2,318.11) |
| Other Comprehensive Income | | |
| Balance as per Last balance Sheet | - | - |
| Transfer from Statement of Profit and Loss | 6.88 | - |
| Deduction During the year | - | - |
| As at end of year | 6.88 | - |
| Gross Total | 4,198.09 | 3,891.89 |
| 13 OTHER FINANCIAL LIABILITIES - NON CURRENT | | |
| Security Deposits Received | 75.00 | 75.00 |
| Deferred Payment Liabilities - Tie Up | 1067.15 | 811.90 |
| Total | 1,142.15 | 886.90 |



Notes forming part of the Financial Statements

(Rs. in Lacs)

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 | Particulars | March 31, 2019 | March 31, 2018 |
|------|---|---------------------------|--------------------------------|
| 14 | DEFERRED TAX LIABILITY | | |
| | The balance comprises temporary/deductible differences attributable to: | | |
| | Property, plant and equipment | 1.65 | 4.25 |
| | Net deferred tax assets / (Liabilities) | 1.65 | 4.25 |
| | Movement in deferred tax balances | | |
| | | Net balance April 1, 2018 | Recognised in (profit) or loss |
| | | Recognised in OCI | Net balance March 31, 2019 |
| | Deferred tax Asset | | |
| | Property, plant and equipment | 4.25 | 2.60 |
| | Tax assets (Liabilities) | 4.25 | 2.60 |
| 15 | BORROWINGS - CURRENT | | |
| | Secured - at amortized cost | | |
| | (a) Loans repayable on demand | | |
| | Loan from Banks | 0.00 | 0.00 |
| | From Others | 0.00 | 993.66 |
| | Unsecured - at amortized cost | | |
| | (a) Loans repayable on demand | | |
| | Loans from Related Parties | | |
| | Domestic currency loan | 3086.21 | 2551.23 |
| | Foreign currency loan | - | - |
| | Total | 3,086.21 | 3,544.89 |
| | Loans from related parties | | |
| | R.V.Ravikumar | 3086.21 | 2,551.23 |
| | Total | 3,086.21 | 2,551.23 |
| 16 | TRADE PAYABLES - CURRENT | | |
| | Trade Payable | | |
| | Micro, Small & Medium Enterprises | 120.97 | 0.00 |
| | Others | 1110.28 | 960.45 |
| | Total | 1,231.25 | 960.45 |
| | Dues to Micro, Small and Medium Enterprises (MSME) : | | |
| | (i) Principal Amount due to suppliers registered under the MSMED Act and remaining unpaid as at the year end | 120.97 | 0.00 |
| | (ii) Interest Amount due to suppliers registered under the MSMED Act and remaining unpaid as at the year end | | |
| | (iii) Principal Amount paid to suppliers registered under the MSMED Act beyond the appointed day during the year | | |
| | (iv) Interest due and payable towards suppliers registered under MSMED Act for payments already made | | |
| | (v) Interest paid under Section 16 of MSMED Act TO Suppliers registered under the MSMED Act beyond the appointed day during the year. | | |
| | (vi) Interest due and payable towards suppliers registered under MSMED Act for payments already made | | |

Notes forming part of the Financial Statements

(Rs. in Lacs)

| Note | Particulars | March 31, 2019 | March 31, 2018 |
|------|---------------------------------------|----------------|----------------|
| 17 | OTHER FINANCIAL LIABILITIES - CURRENT | | |
| | Current Maturities of Long-Term Debt | - | - |
| | Dividend Unpaid | 0.00 | 0.44 |
| | Other Payables | 1310.05 | 1,326.25 |
| | Advance against Sale of Shares | 165.00 | 165.00 |
| | Total | 1,475.05 | 1,491.69 |

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 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 Crores received from 'M/s Lemonade Shares and Securities Private Limited' is shown in other Payables under 'Other Financial Liabilities - Current'.

| Note | Particulars | March 31, 2019 | March 31, 2018 |
|------|---|----------------|----------------|
| 18 | PROVISIONS - CURRENT | | |
| | Provision for Gratuity | 86.52 | 27.75 |
| | Total | 86.52 | 27.75 |
| 19 | OTHER CURRENT LIABILITIES | | |
| | Duties and Taxes | 552.77 | 360.18 |
| | Total | 552.77 | 360.18 |
| 20 | CURRENT TAX LIABILITIES - NET | | |
| | Current Tax Liability | 3.65 | 0.00 |
| | Total | 3.65 | 0.00 |
| 21 | REVENUE FROM OPERATIONS | | |
| | Sale of Products | 18092.42 | 15,483.24 |
| | Other Operating Revenue | 72.71 | 77.14 |
| | Total | 18,165.13 | 15,560.38 |
| 22 | OTHER INCOME | | |
| | Interest Income | 0.00 | 0.94 |
| | Total | 0.00 | 0.94 |
| 23 | PURCHASES OF STOCK IN TRADE | | |
| | Purchases of Stock in Trade | 1702.30 | 1,798.85 |
| | Total | 1,702.30 | 1,798.85 |
| 24 | COST OF MATERIALS CONSUMED | | |
| | Raw materials as at the beginning of the year | 799.11 | 1,039.20 |
| | Purchase of Raw Materials | 4806.95 | 3,498.81 |
| | Less: Raw materials as at the end of the year | 989.82 | 799.11 |
| | TOTAL | 4,616.23 | 3,738.90 |



Notes forming part of the Financial Statements

(Rs. in Lacs)

| Note | Particulars | March 31, 2019 | March 31, 2018 |
|------|---|-----------------|-----------------|
| 25 | CHANGES IN INVENTORIES OF WORK IN PROGRESS AND FINISHED GOODS | | |
| | Opening balance : | | |
| | Work-in-progress | 34.92 | 62.23 |
| | Finished goods | 667.87 | 449.64 |
| | Stock of Goods Traded | 317.67 | 599.11 |
| | | <u>1,020.46</u> | <u>1,110.98</u> |
| | Closing Balance : | | |
| | Work-in-progress | 33.51 | 34.92 |
| | Finished goods | 752.27 | 667.87 |
| | Stock of Goods Traded | 207.82 | 317.67 |
| | | <u>993.60</u> | <u>1,020.46</u> |
| | TOTAL | <u>26.86</u> | <u>90.52</u> |
| 26 | EXCISE DUTY PAID | | |
| | Excise Duty Paid | 9805.90 | 8,314.82 |
| | Total | <u>9,805.90</u> | <u>8,314.82</u> |
| 27 | EMPLOYEE BENEFIT EXPENSES | | |
| | Salaries, Wages and Incentives | 253.16 | 221.20 |
| | Remuneration to Directors | 25.88 | 15.18 |
| | Contribution to Provident Fund and Other Funds | 29.51 | 19.23 |
| | Staff Welfare Expenses | 58.15 | 41.58 |
| | Total | <u>366.71</u> | <u>297.19</u> |
| 28 | FINANCE COSTS | | |
| | Interest and Finance Charges | 16.46 | 147.41 |
| | Total | <u>16.46</u> | <u>147.41</u> |
| 29 | OTHER EXPENSES | | |
| | Repairs and Maintenance | 144.13 | 72.43 |
| | Excise Duty and Charges | 39.27 | 26.21 |
| | Factory Expenses | | |
| | Licence Fees | 73.64 | 68.70 |
| | Manufacturing Expenses | 38.44 | 61.64 |
| | Insurance Expenses | 3.44 | 4.05 |
| | Legal Expenses | 3.99 | 65.39 |
| | Professional Charges | 50.58 | 71.61 |
| | Auditors Remuneration (Statutory Audit Fees, Internal Audit Fees etc.) | 8.85 | 8.85 |
| | Rent Paid | 55.07 | 48.94 |
| | Rates Duties and Taxes | 35.07 | 65.02 |
| | Security Charges | 9.45 | 3.08 |
| | Advertisement and Sales Promotion Expenses | 75.03 | 79.03 |
| | Travelling Expenses | 89.49 | 126.40 |
| | Discounts and Incentives | 191.96 | 113.92 |
| | Utilities (Electricity Expenses, Telephone Expenses etc.) | 20.97 | 20.76 |
| | Operating Support Cost | 643.75 | 773.21 |
| | Printing and Stationery | 6.90 | 7.70 |
| | Vehicle Running and Maintenance Expenses | 26.20 | 16.04 |
| | Provision for amount payable to Sundaram Finance as per Arbitration Order (Refer Note 25 (b) below) | 0.00 | 858.19 |
| | Allowances for Expected Credit loss | 122.11 | 34.93 |
| | Loss on Sale of Investments | 0.00 | 29.55 |
| | Other expenses | 40.77 | 54.89 |
| | Total | <u>1,679.12</u> | <u>2,610.54</u> |

Notes forming part of the Financial Statements

(Rs. in Lacs)

| Note | Particulars | March 31, 2019 | March 31, 2018 |
|---|-------------|----------------|----------------|
| Note 29 (a) : DETAILS OF PAYMENTS TO AUDITORS | | | |
| | Audit Fees | 8.85 | 8.85 |
| | TOTAL | 8.85 | 8.85 |

30 EXCEPTIONAL ITEMS

| | | |
|---|--------|----------|
| Gain on One time Settlement with 'Sundaram Finance Limited' (Previous Year : Gain on One time Settlement with State Bank of India) | 493.66 | 1,321.04 |
| | 493.66 | 1,321.04 |

The Company settled its liability towards Short Term Borrowings amounting to Rs. 10.94 Crores from 'Sundaram Finance Limited' in terms of 'One Time Settlement' (OTS) of Rs. 5.00 Crores. The resultant gain of Rs. 4.94 Crores (After setting of Interest Charged during the year) has been recognised as 'Exceptional items' in the Financial Statements.

Note 31 : EARNINGS PER SHARE

| | March 31, 2019 | March 31, 2018 |
|----------------------------|----------------|----------------|
| Basic Earnings per share | 1.58 | (0.65) |
| Diluted Earnings per share | 1.58 | (0.65) |
| 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.

| | March 31, 2019 | March 31, 2018 |
|--|----------------|----------------|
| i. Profit attributable to equity shareholders (basic & diluted) | | |
| Profit/(loss) for the year, attributable to equity shareholders of the company | 380.09 | (156.41) |
| No of shares | | |
| 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 32 : Financial instruments – Fair values and risk management

A. 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, 2019 | 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 | 4,4A | | | 1,073.50 | 1,073.50 | | | 1,073.50 | 1,073.50 |
| Investments - Equity instruments | | - | - | 1,073.50 | 1,073.50 | | | | |
| Financial assets measured at amortized cost | | | | | | | | | |
| Trade receivables | | | | 2,965.11 | 2,965.11 | | | | |
| Cash and cash equivalents | | | | 10.02 | 10.02 | | | | |
| Bank Balance other than cash & cash equivalents | | | | 90.25 | 90.25 | | | | |
| Other Financial Asset | | | | 4,314.23 | 4,314.23 | | | | |
| | | - | - | 7,379.61 | 7,379.61 | | | | |
| Financial liabilities measured at amortized cost | | | | | | | | | |
| Borrowings | | | | 3,086.21 | 3,086.21 | | | | |
| Trade payables | | | | 1,231.25 | 1,231.25 | | | | |
| Other Financial Liabilities | | | | 2,633.84 | 2,633.84 | | | | |
| | | - | - | 6,951.30 | 6,951.30 | | | | |



| 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 | | | | | | | | | |
| - Equity instruments | | | | 1,073.50 | 1,073.50 | | - | 1,073.50 | 1,073.50 |
| | | - | - | 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 | | | | |
| | | - | - | 6,883.94 | 6,883.94 | | | | |

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

The 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 credit worthiness 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, 2019 | March 31, 2018 |
| Financial Assets (Current) | | | |
| Trade and other receivables | 9 | 2,965.11 | 2,797.45 |
| Cash and cash equivalents | 10A | 10.02 | 15.98 |
| Bank Balance other than cash & cash equivalents above | 10B | 90.25 | 0.44 |
| Other financial assets | 12 | 4,314.23 | 4,314.32 |
| | | 7,379.61 | 7,128.20 |

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, 2019 | March 31, 2018 |
|----------------------------|----------------|----------------|
| Domestic Trade Receivables | 2,965.11 | 2,797.45 |
| Foreign Trade Receivables | - | - |
| | 2,965.11 | 2,797.45 |

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

| | March 31, 2019 | March 31, 2018 |
|-------------------|----------------|----------------|
| Trade Receivables | 784.55 | 776.39 |

Credit Risk exposure

The following are details of allowances on expected credit loss and its movement thereon

(INR in lakhs)

| | March 31, 2019 | March 31, 2018 |
|---------------------------------|----------------|----------------|
| Balance at the beginning | 155.28 | 120.35 |
| Add: Provisions made/(reversed) | 122.11 | 34.93 |
| Less: Written off | - | - |
| Others | - | - |
| Balance as at the end | 277.39 | 155.28 |

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 10.02 Lakhs at March 31, 2019 (March 31, 2018: INR 15.98 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, 2019 | Carrying amount | Overdue | Less than 1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
|--------------------------------------|-----------------|---------|------------------|-----------|-----------|-------------------|-----------|
| Non-derivative financial liabilities | | | | | | | |
| Borrowings | - | - | - | - | - | - | - |
| Trade and other payables | 14,177.35 | | 14,177.35 | | | | 14,177.35 |
| Other financial liabilities | 10.02 | | 10.02 | | | | 10.02 |
| Contingent consideration | | | | | | | |
| - Financial Guarantee | | - | | - | - | - | - |
| 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 |

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, 2019 | March 31, 2018 |
|---------------------------|----------------|----------------|
| Fixed-rate instruments | | |
| Financial liabilities | - | - |
| Variable-rate instruments | | |
| Financial liabilities | - | 993.66 |
| | - | 993.67 |

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, 2019 | |
|---------------------------|------------------------------------|-----------------|
| | 100 bp increase | 100 bp decrease |
| Variable-rate instruments | - | - |
| Cash flow sensitivity | - | - |

Note 33: 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.

Following a significant improvement in trading conditions, the company reviewed previously unrecognised tax losses and determined that it was now probable that taxable profits will be available against which the tax losses can be utilised.

(a) Tax Expense recognised in the Statement of Profit and Loss

| | Year ended March 31st 2019 | Year ended March 31st 2018 |
|--|-------------------------------|-------------------------------|
|--|-------------------------------|-------------------------------|

Current Tax

| | | |
|--|-------|------|
| Provision for Income Tax on account of Minimum Alternate Tax (MAT) | 22.56 | 0.00 |
|--|-------|------|

(b) Reconciliation of Effective Tax Rate

| | | |
|---|--------|---------|
| Profit before Taxation | 393.18 | -157.41 |
| Less : Adjustment of Carried Forward Losses of Previous Years | 393.18 | 0 |
| Taxable Net Profit | 0.00 | 0.00 |
| Calculation of Tax Liability as per Minimum Alternate Tax (MAT) | | |
| Profit before Taxation | 393.18 | -157.41 |
| Add : Remeasurement of Post Employment Benefits (OCI) | 6.88 | 0.00 |
| Add : Depreciation as per Books | 52.04 | 41.54 |
| Less : Negative Adjustments as per MAT | | |
| - Depreciation | 52.04 | 41.54 |
| - Lower of Brought Forward or Book Losses | 282.80 | - |
| Book Profit as per MAT | 117.26 | -157.41 |
| Enacted Tax Rate as per MAT (Plus Education Cess @ 4%) | 18.50% | 18.50% |
| Current Tax Expense | 22.56 | 0.00 |



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(c) Unabsorbed Business Losses

The Company has tax losses that are available for offsetting against future taxable profits. The Company has partially utilised brought forward losses and unabsorbed depreciation against taxable profits earned in the current year.

(d) Amounts recognised in other comprehensive income

| | For the year ended March 31, 2019 | | | For the year ended March 31, 2018 | | |
|---|-----------------------------------|-----------------------|------------|-----------------------------------|-----------------------|------------|
| | Before tax | Tax (expense) benefit | Net of Tax | Before tax | Tax (expense) benefit | Net of Tax |
| Remeasurements of defined benefit liability (asset) | | 6.88 | 0.00 | 6.88 | 0.00 | 0.000.00 |
| | 6.88 | 0.00 | 6.88 | 0.00 | 0.00 | 0.00 |

Note 34 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 S V Distilleries Pvt Limited
- 7 Mrs. R. Amirthavalli (Relative of Key Management Personnel)

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 | - | 4.84 | 4.84 |
| | Loans Repaid: SV Distilleries Pvt Limited | (-) | (6.00) | (6.00) |
| 2 | Unsecured Loans : Loan Taken : R.V. Ravikumar | 534.98 (860.00) | - (-) | 534.98 (860.00) |
| | Remuneration to Key Management Personnel : - R.V. Ravikumar | 13.58 - | - (-) | 13.58 - |
| | Mrs Vijayalakshmi | 2.40 3.00 | - (-) | 2.40 3.00 |
| | Badrinath S Gandhi | 9.90 (10.00) | - (-) | 9.90 (10.00) |
| | Rent : Mr. R V Ravikumar | 33.00 (31.00) | - (-) | 33.00 (31.00) |
| | Mrs. R. Amirthavalli | 3.00 - | - - | 3.00 - |
| | 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 31.03.2019 | As at 31.03.2018 |
|---------|--|------------------|------------------|
| 1 | Loans and Advance to Related Parties : | | |
| | S.V. Distilleries Pvt Limited | 2,548.18 | 2,543.34 |
| | Liquor India Limited | 1,640.52 | 1,640.52 |
| | Total | 4,188.70 | 4,183.86 |
| 2 | Loans from Related Parties | | |
| | R.V. Ravikumar | 3,086.21 | 2,551.23 |
| | Total | 3,086.21 | 2,551.23 |
| | Total | 7,274.91 | 6,735.10 |

Note 35 Accounting for Operating Leases

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

Note 36 - The following table set out the status of the Gratuity Plan as required under Ind AS-19:

Reconciliation of opening and closing balance of present value of the defined benefit obligation and plan assets:

| | |
|--|--------|
| Obligation at the beginning | 82.48 |
| Interest Cost | 6.50 |
| Service Cost | 4.42 |
| Actuarial (Gain)/Loss | - |
| Due to Change in Financial Assumptions | 1.60 |
| Due to Experience | (8.48) |
| Benefit Paid - | |
| Obligation at the period end | 86.52 |

Defined benefit obligation liability as at the Balance Sheet is wholly funded by the company :

Change in plan assets:

| | |
|---|---|
| Fair Value of plan asset at the beginning | - |
| Interest Income - | |
| Actuarial Gain / (Losses) | |
| Contribution - | |
| Benefit paid - | |
| Return on Plan Assets excluding Interest Income | - |
| Fair Value of plan asset at the end of the year | - |

Reconciliation of present value of obligation and fair value of plan asset:

| | |
|---|-------|
| Fair Value of plan asset at the end of the year | 0.00 |
| Present Value of defined obligation at the end of the period. | 86.52 |
| Liability recognized in the balance sheet | 86.52 |

Actuarial Assumptions:

| | |
|---|--------------|
| Discount Rate (p.a.) | 7.69% |
| Estimated rate of return on plan assets (p.a.) | NA |
| Mortality Table (IALM - Indian Assured Lives Mortality) | IALM 2006-08 |
| Rate of Employee Turnover | 1.00% |
| Rate of escalation in salary (p.a.) | 7.00% |



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Expenses recognised in the Statement of Profit or Loss for the Current Period

| | |
|---|-------|
| Service cost | 4.42 |
| Interest cost | 6.50 |
| Expected return on plan assets | - |
| Expense recognized in Profit and Loss Account | 10.92 |

Gratuity Cost for the period

| | |
|---|--------|
| Actuarial (Gains)/ Losses on Obligation for the period | (6.88) |
| Return on Plan Assets excluding Interest Income | - |
| Net (Income)/Expense recognized in Other Comprehensive Income | (6.88) |

Balance Sheet Reconciliation

| | |
|--|--------|
| Opening Net Liability | 82.48 |
| Expenses recognised in Statement of Profit or Loss | 10.92 |
| Expenses recognised on Other Comprehensive Income | (6.88) |
| Net Liability / (Asset) - Transfer in | - |
| Net (Liability) / Asset - Transfer out | - |
| Benefits paid directly by the employer | - |
| Employer's Contribution | - |
| Expense recognized in Profit and Loss Account | 86.52 |

Maturity Analysis of the Benefits Payments - From the Employer

| | |
|---|--------|
| Projected Benefits Payable in Future Years from the Date of Reporting | - |
| 1st Following Year | 5.08 |
| 2nd Following Year | 2.33 |
| 3rd Following Year | 1.39 |
| 4th Following Year | 3.78 |
| 5th Following Year | 6.56 |
| Sum of Years 6 to 10 | 34.37 |
| Sum of Years 11 and above | 156.70 |

Sensitivity Analysis

| | |
|--|--------|
| Projected Benefits Obligations on Current Assumptions | 86.52 |
| Delta Effect of (+) 0.5% Change in Rate of Discounting | (4.13) |
| Delta Effect of (-) 0.5% Change in Rate of Discounting | 4.42 |
| Delta Effect of (+) 0.5% Change in Rate of Salary Increase | 4.43 |
| Delta Effect of (-) 0.5% Change in Rate of Salary Increase | (4.17) |
| Delta Effect of (+) 0.5% Change in Rate of Employee Turnover | 0.23 |
| Delta Effect of (-) 0.5% Change in Rate of Employee Turnover | (0.24) |

Note 37: 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, 2019 was as follows.

(INR in lakhs)

| | Notes | March 31, 2019 | March 31, 2018 |
|-----------------------------------|---------|----------------|----------------|
| Total Borrowings | 16 & 20 | 3,086.21 | 3,544.89 |
| Less : Cash and cash equivalents | 10A | 10.02 | 15.98 |
| Adjusted net debt | | 3,076.19 | 3,528.91 |
| Total equity | | 6,598.09 | 6,291.89 |
| Adjusted net debt to equity ratio | | 0.47 | 0.56 |

b) Dividends

The directors have not recommended the payment of dividend for the F.Y. 2018-19 and previous years.

Note 38: 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 39 : CONTINGENT LIABILITIES

| | March 31, 2019 | March 31, 2018 |
|---|----------------|----------------|
| (a) Contingent liabilities | | |
| The Company had contingent liabilities at 31 March 2019 in respect of: | | |
| i) Turnover Tax | 116.24 | 116.24 |
| ii) Guarantee given to a bank | 1.00 | 1.00 |
| iii) Counter Guarantee provided by the Bank on behalf of the Company | 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 |
| v) Income Tax matters / Service Tax | 684.94 | 684.94 |

Taxation Matters :

The Company has received demand notices from Income Tax Department regarding appeals filed with the Commissioner of Income Tax (Appeals) and Tribunal against the orders of the Assessing Officer in respect of 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. 238.20 Lakhs, Rs. 81.65 Lakhs and Rs. 297.41 Lakhs respectively for the said assessment years. The Company has filed a petition in High Court against the Appeal Orders issued by the Commissioner of Income Tax (Appeals) for the Assessment Year 2007-08 and 2010-11 and with the Income Tax Appellate Tribunal, Chennai for the Assessment Year 2012-13."

Service Tax Matters :

The Company has received the order from Commissioner of Central Excise demanding Rs. 83.60 Lakhs 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.



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"Legal Matters :

The following table is self explanatory in presenting the legal status of the cases by/against, the Company.

| Sl.no | Particulars | Status as on 31.03.2018 | Status as on 31.03.2019 |
|-------|--|---|---|
| 1. | SEBI - Investigation - RKDL's IPO funds swindling by Mr.Anil Agrawal | Under investigation. | SEBI has concluded the investigation and vide order no: WTM/GM/EFD/99/2018-19 dated 12.03.2019 has directed Mr.Anil Agrawal and his associates to return Rs.33.83 cr to the Company with 12% p.a interest w.e.f 01.04.2011. |
| 2. | Hon'ble Supreme Court - Criminal Appeals in Special Leave Petitions in the matter of M/s.Liquors India Limited and IPO Funds. | Hon'ble Supreme Court has given direction that the Investigation shall proceed in the mattes and the Investigation Authorities shall be at liberty to take such steps as may be advised to them in accordance with the provision of law. Final disposal is pending. | Same as in col.3 |
| 3. | Company Petition u/s 111A, in the matter of M/s.Liquors India Limited. | Proceedings are in progress. | Same as in col.3 |
| 4. | Civil Suit O.S.No: 103 of 2013, in the matter of M/s.Liquors India Limited. | Proceedings are in progress. | Same as in col.3 |
| 5. | FIR no: 248 of 2013 registered by Hyderabad Police against Mr.Anil Agrawal and others in the matter of M/s.Liquors India Limited & IPO Funds | Investigation is in progress | Same as in col.3 |
| 6. | Monetary Suit in the matter of RKDL's IPO swindled by Mr.Anil Agrawal & Others. Recovery suit - S/1144 of 2015 on Comfort Intech Limited - S/74 of 2015 on Ranisati Dealer P Ltd - COMS/107 of 2015 on Sukusama Trading & Investment P Ltd - COMS/110 of 2015 on Gulistan Vanijya P Ltd - COMS/337/2016 on Gaungour Suppliers P Ltd - S/128 of 2015 on Vibhuti Multitrade P Ltd | Proceedings are in progress. | Same as in col.3 |
| 7. | Prevention of Money Laundering under PMLA, 2002 - Enforcement Directorate. | Proceedings are in progress. | Same as in col.3 |

| Sl.no | Particulars | Status as on 31.03.2018 | Status as on 31.03.2019 |
|-------|--|---|--|
| 8. | Complaint against Mr.Anil Agrawal in ICAI under Other Misconduct u/s.21 of CA Act,1949/2006. | ICAI in its preliminary report has found that Mr.Anil Agrawal is GUILTY of "Other Misconduct" | Hearing by the Board of Discipline is in progress. |
| 9. | Company Petition u/s.397 & 398 in NCLT, Chennai filed by Comfort Intech Ltd against the Company. | Hearing in progress. | Hearing in progress. |

Status / Actions subsequent to 31.03.2019:

| Sl.no | Particulars | | |
|-------|--|---|--------------------------------------|
| 1. | SEBI - Investigation - RKDL's IPO funds swindling by Mr.Anil Agrawal | Mr.Anil Agrawal has filed Appeal before SAT. Mr.Anil Agrawal resigned from Directorship in Comfort Intech Ltd, Comfort Fincap Ltd and Comfort Commotrade Ltd complying SEBI Order. | SAT hearing posted for on 30.08.2019 |
| 2. | Company Petition u/s 111A, in the matter of M/s.Liquors India Limited. | Final Hearing in progress. | Posted on 13.09.2019 for further |
| 3. | FIR no: 248 of 2013 registered by Hyderabad Police against Mr.Anil Agrawal and others in the matter of M/s.Liquors India Limited & IPO Funds | Investigation in final stage. | |
| 4. | Company Petition u/s.397 & 398 in NCLT, Chennai filed by Comfort Intech Ltd against the Company. | NCLAT has stayed the order by NCLT directing "Investigation into the affairs of the Company". | Posted on 29.09.2019 for disposal. |



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.

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 Currency

Functional 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 instruments

Initial 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.



RAVI KUMAR DISTILLERIES LIMITED.

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

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

Ashok R Shetty
Independent Director
DIN: 02236271

Place: Mumbai
Date: 27.05.2019

L. Bhuvanewari
Chief Financial Officer

V Rajkumar
Company Secretary

CA Ramanand Gupta
for Ramanand Associates
Statutory Auditors(FRN 117776W)
MNO. 103975



RAVI KUMAR DISTILLERIES LIMITED

(CIN: L51909TN1993PLC025981)

Regd. Office: S1 & S2, Second Floor, B Block, "Ameen Manors" No.138, Nungambakkam High Road
Nungambakkam, Chennai – 600 034, India. Tel No: 044-28332087
E-mail : cs@ravikumardistilleries.com Website : www.ravikumardistilleries.com

ATTENDANCE SLIP

(To be presented at the entrance)

Name of Shareholders _____ DP ID* : _____

Registered Address _____ CLIENT ID* : _____

_____ FOLIO NO : _____

_____ NO.OF SHARES : _____

I hereby record my presence at the 26th Annual General Meeting of the Company at Bharathiya Vidya Bhavan, 8/12, East Mada Street, Mylapore, Chennai – 600 004 on Tuesday 24th September, 2019 at 2 p.m.

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of Annual Report to the meeting.

*Applicable for investors holding shares in electronic form.

Signature of the Shareholder /
Proxy



RAVI KUMAR DISTILLERIES LIMITED

(CIN: L51909TN1993PLC025981)

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PROXY FORM

(Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies
(Management and Administration) Rules, 2014)

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

I/We being the member(s) of _____ shares of shares of Ravi Kumar Distilleries Limited, hereby appoint:

- (1) Name :
Address :
E-mail Id : or failing him;
- (2) Name :
Address :
E-mail Id : or failing him;
- (3) Name :
Address :
E-mail Id :

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/our and my/our behalf at the **26th Annual General Meeting** of the Company, to be held on **Tuesday, September 24, 2019 at 2 p.m. at Bharathiya Vidya Bhavan, 8/12, East Mada Street, Mylapore, Chennai – 600 004** and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Signed this day of 2019.

Signature of the Shareholder

Affix
Re.1
Revenue
Stamp
Shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

| Resolution No. | Resolutions | For | Against |
|----------------|--|-----|---------|
| 1. | To consider and adopt the audited financial statements of the company for the financial year end 31st March, 2019, the reports of Board of Directors and Auditors thereon. | | |
| 2. | Re-appointment of Mr Popatlal M Katharia (DIN 00281395) as Independent Director of the Company | | |
| 3. | Re-appointment of Mr KSM Rao (DIN 02096588) as Independent Director of the Company | | |
| 4 | Appointment of Ms Jeyanthei N (DIN: 07143462) as an Independent Director of the Company | | |
| 5 | Approval of loans, investments, guarantee or security under section 185 of Companies act, 2013 | | |
| 6 | Approval of the limits for the Loans and Investment by the Company in terms of the provisions of Section 186 of the Companies Act 2013 | | |
| 7 | To approve the Related Party Transactions u/s 188 of the Companies Act, 2013 | | |
| 8 | Approve the borrowing powers to the Board u/s 180(1)(a), 180(1)(c) and other applicable provisions of the Companies Act, 2013 | | |

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Signed this day of 2019.

Signature of the Shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

I hereby record my presence at the 26th Annual General Meeting of the Company at Bharathiya Vidya Bhavan, 8/12, East Mada Street, Mylapore, Chennai – 600 004 on Tuesday 24th September, 2019 at 2 p.m.

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of Annual Report to the meeting.

*Applicable for investors holding shares in electronic form.

Signature of the Shareholder /
Proxy



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No.138, Nungambakkam High Road, Nungambakkam, Chennai – 600 034, India.
Tel. No. 91-044-2833 2087 Website: www.ravikumardistilleries.com
Email: cs@ravikumardistilleries.com

Form No. MGT-12

Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

RAVI KUMAR DISTILLERIES LIMITED

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Email: cs@ravikumardistilleries.com ; Website: www.ravikumardistilleries.com

BALLOT PAPER

| Sl. No | Particulars | Details |
|--------|---|---------|
| 1. | Name of the First Named Shareholder (In block letters) | |
| 2. | Postal address | |
| 3. | Registered folio No. / *Client ID No. (*Applicable to investors holding shares indematerialized form) | |
| 4. | No. of Shares | |

I hereby exercise my/our vote in respect of resolutions enumerated below by recording my/our assent or dissent to the said resolution in the following manner:

| No. | Item No. | No. of Shares Held by me | I assent to the resolution (For) | I dissent from the resolution (Against) |
|-----|--|--------------------------|----------------------------------|---|
| 1. | To consider and adopt the audited financial statements of the company for the financial year end 31st March, 2019, the reports of Board of Directors and Auditors thereon. | | | |
| 2. | Re-appointment of Mr Popatlal M Katharia (DIN 00281395) as Independent Director of the Company | | | |
| 3. | Re-appointment of Mr KSM Rao (DIN 02096588) as Independent Director of the Company | | | |
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| 5 | Approval of loans, investments, guarantee or security under section 185 of Companies act, 2013 | | | |
| 6 | Approval of the limits for the Loans and Investment by the Company in terms of the provisions of Section 186 of the Companies Act 2013 | | | |
| 7 | To approve the Related Party Transactions u/s 188 of the Companies Act, 2013 | | | |
| 8 | Approve the borrowing powers to the Board u/s 180(1)(c) and other applicable provisions of the Companies Act, 2013 | | | |



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Sl.No

Name & Registered Address :
of the Sole / First named Member

Name(s) of the Joint Member(s) if any :

Registered Folio No. / DP & Client ID No. :

Number of Shares held

Dear Shareholder(s)

Please find enclosed the Notice convening the 26th Annual General Meeting (AGM) of the Members of (the Company) to be held on Tuesday, the 24th September 2019 at 3 p.m. at Bharathiya Vidya Bhavan, 8/12, East Mada Street, Mylapore, Chennai - 600 004. The Company is offering e-voting facility to its Members enabling them to cast their votes electronically. The Company has appointed Karvy Computershare Private Limited ('KCPL' 'Karvy' or 'Service Provider') for facilitating e-voting to enable the Members to cast their votes electronically pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of Companies (Management and Administration) Rules, 2014 and as per Listing Agreement with the Stock Exchanges.

In this regard, please turn over for detailed process and manner for e-voting:

ELECTRONIC VOTING PARTICULARS

| EVEN (E Voting Event Number) | User ID | Password /PIN |
|------------------------------|---------|---------------|
| | | |

Enter the verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

The instructions for e-voting are as under:

- (A) In case a Member receiving an email of the AGM Notice from Karvy [for Members whose email IDs are registered with the Company/ Depository Participant(s)]:
- i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii) Enter the login credentials (i.e., User ID and password mentioned below). Event No. followed by Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - iii) After entering these details appropriately, Click on "LOGIN".
 - iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v) You need to login again with the new credentials.
 - vi) On successful login, the system will prompt you to select the "EVENT" i.e., Ravi Kumar Distilleries Limited .
 - vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned therein. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
 - ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - x) You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution(s).
 - xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID royjacobandco@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT NO."
 - xiii) In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. **16th September 2019**, may write to the Karvy on the email Id: evoting@karvy.com or to Ms. C. Shobha Anand, Contact No. 040-67162222 at [Unit: Ravi Kumar Distilleries Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast the vote.
- B. In case of Members receiving physical copy of the AGM Notice by Post [for Members whose email IDs are not registered with the Company/Depository Participant(s)]:
- i). **User ID and initial password as provided below.**
 - ii). Please follow all steps from Sr. No. (i) to (xiii) as mentioned in (A) above, to cast your vote.
- C. The e-voting period commences on **Saturday, the 21st September, 2019 at 9:00 A.M. and ends on Monday, the 23rd September, 2019 at 5.00 P.M.** During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being **Monday, 16th September, 2019**, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not vote by way of poll, if held at the Meeting.
- D. In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com>. (Karvy's website).
- E. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date being **Monday, 16th September, 2019**.
- F. The Company has appointed Mr. Roy Jacob, Practicing Company Secretary (Membership No.18815) as a **Scrutinizer** to scrutinize the e-voting process in a fair and transparent manner.
- G. The Scrutinizer shall, immediately after the conclusion of the voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than 3 days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Managing Director of the Company.
- H. The Results on resolutions shall be declared on or after the Annual General Meeting of the Company and the resolution(s) will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolution(s).
- I. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (website) and Service Provider's website (<https://evoting.karvy.com>) and the communication will be sent to the BSE Limited and the National Stock Exchange of India Limited.

