



# RAMANAND & ASSOCIATES

— CHARTERED ACCOUNTANTS —

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**INDEPENDENT AUDITOR'S REPORT TO BOARD OF DIRECTORS OF 'RAVI KUMAR DISTILLERIES LIMITED' ON THE FINANCIAL RESULTS, PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

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To

The Board of Directors of

**Ravi Kumar Distilleries Limited**

1. We have audited the quarterly financial results of **Ravi Kumar Distilleries Limited** ("the company") for the quarter ended 31.03.2018 and the year to date results for the year from 01.04.2017 to 31.03.2018, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related financial statements which have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under ('IND AS') and other accounting principles generally accepted in India. Our responsibility is to express opinion on the statements based on our audit of such financial statements.



3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

## 5. Basis of Qualified Opinion

***5.1 Your attention is invited to Note No. 5 'Advances to Suppliers' of Rs. 2,900.25 Lacs; which have been classified as 'Other Non-Current Assets'; though the company has filed various cases against the parties and initiated action for recovery, we are unable to comment on reliability/ recoverability of these debts and advances given and no provision for Expected Credit Loss as per Indian Accounting Standards (IND AS) for doubtful recovery of such advances is considered necessary by the company.***



5.2 *Note No. 6 Regarding 'Investment in Liquor India Limited' and 'Advance received from 'Lemonade Shares & Securities Private Limited' which is considered as disputed and no adjustment for sale thereof have been incorporated in the financial statements by the Company. The sale agreement entered into with 'Lemonade Shares & Securities Private Limited' for sale of entire undertaking has been challenged and civil suit has been filed before II<sup>nd</sup> 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 2017-18. As the matter is sub-judice we are unable to comment whether any adjustments are needed for the recoverability of investments thereof. Accordingly, impact on loss for the year and investments thereof if any, is unascertainable.*

5.3 *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 31<sup>st</sup> March 2018; we are unable to comment on whether any provision for diminution in value of investments thereof is necessary.*

5.4 *Confirmations not obtained as of March 31, 2018 in respect of certain financial assets such as Sundry Debtors, Sundry Creditors, Tie Up Parties etc. and allowance for expected credit not recognized on these financial assets even though indications of increase in credit risks were observed. Consequential impact on financial results is not ascertained by the Company.*

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



**6. Emphasis of Matters**

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

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

7. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard;

8. **Except for the matters described in basis for qualified opinion paragraph,** the statement gives a true and fair view of the net loss and other financial information for the quarter ended 31.03.2018 as well as the year to date results for the year from 01.04.2017 to 31.03.2018.

9. The financial results includes the results for the Quarter ended 31.03.2018 being the balancing figures between audited figures in respect of the full financial year and published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

**For Ramanand & Associates**

**Chartered Accountants**

**FRN No. 117776W**



**Ramanand G. Gupta**

**Partner**

**M. No. 103975**

**Date: May 29, 2018**

**Place: Mumbai**



**RAVI KUMAR DISTILLERIES LIMITED**  
Corporate Identity Number : L51909TN1993PLC025981

Registered Office : Amin Manors, S1 & S2, Second Floor, B Block, No. 138, Nungambakkam High Road, Chennai, Pin - 600034, Tamilnadu

**Statement of Financial Results for the Quarter and Year ended 31st March, 2018**

Rs. in Lac (Except per Equity Share data)

Sr. No	Particulars	3 months ended	Preceding 3	Corresponding	Year ended	Year ended
		31st March, 2018	months ended 31st December, 2017	3 months ended in the previous year 31st March 2017	31st March, 2018	31st March, 2017
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	<b>Income from Operations</b>					
	a) Sales / Income from Operations	3,777.38	3,567.00	3,582.00	15,560.38	13,173.67
	b) Other Operating Income	(0.06)	-	1.00	0.94	1.82
	<b>Total Income from Operations</b>	<b>3,777.32</b>	<b>3,567.00</b>	<b>3,583.00</b>	<b>15,561.32</b>	<b>13,175.49</b>
2	<b>Expenses</b>					
	a) Cost of Materials consumed	996.90	830.00	648.00	3,738.90	2,889.86
	b) Purchase of stock-in-trade	348.85	450.00	486.00	1,798.85	1,983.99
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	182.52	17.00	396.00	90.52	123.02
	d) Excise Duty	2,000.82	1,851.00	1,727.00	8,314.82	6,753.23
	e) Employee benefits expense	45.49	72.00	54.00	227.49	222.46
	f) Depreciation and amortisation expense	9.54	8.00	5.00	41.54	28.84
	g) Other expenses	642.24	471.00	389.00	2,680.24	1,270.42
	<b>Total Expenses</b>	<b>4,226.36</b>	<b>3,699.00</b>	<b>3,705.00</b>	<b>16,892.36</b>	<b>13,271.82</b>
3	<b>Profit/ (Loss) from operations before other income, finance costs and exceptional items (1 - 2)</b>	<b>(449.04)</b>	<b>(132.00)</b>	<b>(122.00)</b>	<b>(1,331.04)</b>	<b>(96.33)</b>
4	Other Income	-	-	-	-	-
5	<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)</b>	<b>(449.04)</b>	<b>(132.00)</b>	<b>(122.00)</b>	<b>(1,331.04)</b>	<b>(96.33)</b>
6	Finance Costs	37.41	40.00	37.00	147.41	230.87
7	<b>Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)</b>	<b>(486.45)</b>	<b>(172.00)</b>	<b>(159.00)</b>	<b>(1,478.45)</b>	<b>(327.20)</b>
8	Exceptional Items	(28.96)	-	-	1,321.04	-
9	<b>Profit / (Loss) from ordinary activities before tax (7 - 8)</b>	<b>(457.50)</b>	<b>(172.00)</b>	<b>(159.00)</b>	<b>(157.41)</b>	<b>(327.20)</b>
10	Tax Expense	(1.00)	-	(4.52)	(1.00)	(3.52)
11	<b>Net Profit / (Loss) from ordinary activities after tax (9 - 10)</b>	<b>(456.50)</b>	<b>(172.00)</b>	<b>(154.48)</b>	<b>(156.41)</b>	<b>(323.68)</b>
12	Extraordinary Items	-	-	-	-	-
13	<b>Net Profit / (Loss) for the period (11 - 12)</b>	<b>(456.50)</b>	<b>(172.00)</b>	<b>(154.48)</b>	<b>(156.41)</b>	<b>(323.68)</b>
14	Other Comprehensive Income (net of income tax)	-	-	-	-	-
15	<b>Total Comprehensive Income after taxes (13 + 14)</b>	<b>(456.50)</b>	<b>(172.00)</b>	<b>(154.48)</b>	<b>(156.41)</b>	<b>(323.68)</b>
16	Paid-up Equity Share Capital (Face Value of Rs.10/- per share)	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00
17	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	3,891.89	4,048.31
18	Earnings per share (before extraordinary items) (Face Value of Rs. 10/- each) (not annualised)					
	(a) Basic	(1.90)	(0.72)	(0.64)	(0.65)	(1.35)
	(b) Diluted	(1.90)	(0.72)	(0.64)	(0.65)	(1.35)
19	Earnings per share (after extraordinary items) (Face Value of Rs. 10/- each) (not annualised)					
	(a) Basic	(1.90)	(0.72)	(0.64)	(0.65)	(1.35)
	(b) Diluted	(1.90)	(0.72)	(0.64)	(0.65)	(1.35)

**Notes:**

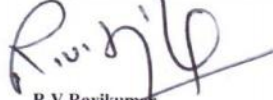
- 1 The Financial Results are prepared in compliance with Indian Accounting Standards (Ind-AS) subsequent to its adoption as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Consequently, results for the Quarter and Year ended 31st March, 2017 have been restated to comply with Ind AS
- 2 The above Financial Results which are published in accordance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 have been reviewed and recommended by Audit Committee and has been approved by the Board of Directors at its Meeting held on Thursday, 29th May, 2018.
- 3 The above audited financial results are in compliance with Indian Accounting Standards (IND AS) notified by Ministry of Corporate Affairs, read with SEBI circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016 and have been audited by the statutory auditors. The auditors have given a modified opinion on the financials. A statement showing the impact of the audit qualifications is submitted to the stock exchanges in the specified format
- 4 During the Quarter ended March 2018, the Company sold 18% Stake in 'S.V. Distilleries Private Limited' for Rs. 200.00 Lacs. The company has valued the Current Investment in shares of 'S V Distilleries Private Limited' at cost.
- 5 Other Non- Current Assets includes 'Advances to Suppliers' amounting to Rs. 2900.25 Lacs. However, as the capital commitments could not be 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 advance and filed recovery suits. The management expects to get back the advances in due course. Hence, no provision has been made for Expected Credit Loss on these advances.
- 6 Non Current Investments, includes Investment in shares of 'Liquors India Limited' of Rs. 825.71 Lacs. The Company entered into an agreement with '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, 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 received from 'M/s Lemonade Shares and Securities Private Limited' is shown under 'Other Current Financial Liabilities'. Further, in the absence of relevant data, the company has not provided for diminution in value of Investments in shares and Expected Credit Loss in respect of loan to 'Liquor India Limited'.
- 7 In the absence of actuarial valuation, the Company has not made provision for Gratuity and Leave Encashment during the year.
- 8 The figures for the quarter ended 31st March, 2018 and 31st March, 2017 are the balancing figures between the audited figures in respect of the full financial year and published year to date figure upto the third quarter of the year.
- 9 The Company has only one reportable segment i.e. Manufacturing of Indian Made Foreign Liquor (IMFL)
- 10 Exceptional Items (as disclosed in the columns "Year ended 31st March, 2018" comprises Gain on One Time Settlement (OTS) with State Bank of India.
- 11 Figures of previous year / period have been re-grouped/reclassified wherever necessary, to confirm to this period's classification.
- 12 The reconciliation of Net Profit or Loss reported in accordance with Indian GAAP to Total Comprehensive Income in accordance with Ind AS is given below:

Description	Corresponding 3 months ended in the previous year 31st March 2017	Year ended 31st March, 2017
	(Audited)	(Audited)
<b>Net Profit / (Loss) as per previous Indian GAAP</b>	(153.80)	(313.26)
<b>Add/(Less) :</b>		
- Expected Credit Loss on Trade Receivables	(2.61)	(10.42)
<b>Net Profit / (Loss) as per Ind-AS</b>	<b>(156.41)</b>	<b>(323.68)</b>
Other Comprehensive Income (net of income tax)	-	-
<b>Total Comprehensive Income for the period</b>	<b>(156.41)</b>	<b>(323.68)</b>

13 The reconciliation of Reserves & Surplus reported in accordance with Indian GAAP to Other Equity in accordance with Ind AS is given below:

Description	31st March, 2017
	(Audited)
Reserves & Surplus as per Indian GAAP	4,367.68
Add/(Less) :	
Provision for expected credit loss as under	
- Sundry Debtors	(120.35)
- Loans and Advances	(42.19)
- Security Deposits	(11.47)
Fair Valuation of Inventory	(143.80)
Fair Valuation of Investments	(0.51)
Others	(1.05)
<b>Other Equity as per Ind AS</b>	<b>4,048.31</b>

For Ravikumar Distilleries Limited



R V Ravikumar  
Managing Director

DIN :- 00336646

Tuesday, 29th May, 2018, Mumbai

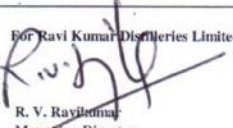
**Ravi Kumar Distilleries Limited**  
**Corporate Identity Number : L51909TN1993PLC025981**  
**Registered Office : Amin Manors, S1 & S2, Second Floor, B Block, No. 138, Nungambakkam High Road,**  
**Chennai, Pin - 600034, Tamilnadu**

**Statement of Assets and Liabilities as at 31st March, 2018**

(Rs. In Lac)

	(Audited)	(Audited)
<b>ASSETS</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
<b>(1) Non-current Assets</b>		
(a) Property, plant and equipment	268.55	304.99
(b) Capital Work-In-Progress	59.00	32.00
(c) Investment property	-	-
(d) Goodwill	-	-
(e) Other Intangible Assets	10.53	-
(f) Intangible Assets Under Development	-	-
(g) Biological Assets other than bearer plants	-	-
(h) Investments in Subsidiaries	-	-
(h) Financial Assets		
(i) Investments	825.71	825.71
(ii) Trade Receivables	-	-
(iii) Loans	-	-
(ii) Others	-	-
(i) Income tax assets (net)	-	-
(j) Deferred Tax Assets (net)	-	-
(k) Other Non-current Assets	3,101.63	3,083.11
<b>Total Non Current Assets</b>	<b>4,265.41</b>	<b>4,245.81</b>
<b>(2) Current Assets</b>		
(a) Inventories	1,819.57	2,150.61
(b) Financial Assets		
(i) Investments	247.79	477.35
(ii) Trade Receivables	2,797.45	2,194.29
(iii) Cash & Cash Equivalents	15.98	30.87
(iv) Bank Balance other than (iii) above	0.44	28.42
(v) Loans	-	-
(vi) Others	4,314.32	4,203.29
(c) Other Current Assets	107.05	81.34
<b>Total Current Assets</b>	<b>9,302.60</b>	<b>9,166.16</b>
<b>Total Assets</b>	<b>13,568.02</b>	<b>13,411.97</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share Capital	2,400.00	2,400.00
(b) Other Equity	3,891.89	4,048.31
<b>Total Equity</b>	<b>6,291.89</b>	<b>6,448.31</b>
<b>Minority Interest</b>		
<b>Liabilities</b>		
<b>(1) Non-current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	-	-
(ii) Trade payables	-	-
(iii) Other Financial Liabilities	886.90	780.39
(b) Provisions	-	-
(c) Deferred Tax Liabilities (net)	4.25	5.25
(d) Other Non-current Liabilities	-	-
<b>Total Non Current Liabilities</b>	<b>891.15</b>	<b>785.64</b>
<b>(2) Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	3,544.89	3,737.60
(ii) Trade payables	960.45	698.89
(iii) Other Financial Liabilities	1,491.69	1,453.04
(b) Other Current Liabilities	360.18	261.55
(c) Provisions	27.75	26.95
(d) Current Tax Liabilities (net)	-	-
<b>Total Current Liabilities</b>	<b>6,384.98</b>	<b>6,178.03</b>
<b>Total Equity and Liabilities</b>	<b>13,568.02</b>	<b>13,411.97</b>

For Ravi Kumar Distilleries Limited

  
**R. V. Ravindran**  
**Managing Director**  
**DIN :- 00336646**  
**Tuesday, 29th May, 2018, Mumbai**