



**21st  
Annual Report  
2013-2014**

**RAVI KUMAR  
DISTILLERIES LIMITED**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

### COMPLIANCE OFFICER

Mr. Badrinath S Gandhi

### AUDITORS

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

### BANKERS

State Bank of India

### REGISTERED OFFICE

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

### CORPORATE OFFICE

No.17, Kamaraj Salai,  
Puducherry – 605 011, India.  
Tel. No. 91 – 0413 – 2343278 & 2346386  
Fax No. 91 – 0413 – 2343278 & 2331032  
Website: www.ravikumardistilleries.com  
Email: cs@ravikumardistilleries.com

### REGISTRAR & SHARE TRANSFER AGENT

M/s. Karvy Computershare Pvt.Ltd.,  
17-24, Vittal Rao Nagar,  
Madhapur,  
Hyderabad – 500 081.  
Phone: 91 – 040 – 44655000  
Email: einward.ris@karvy.com

### FACTORY:

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

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## DIRECTORS' REPORT

To  
The Members

Ravi Kumar Distilleries Limited.

Your Directors have pleasure in presenting the 21st Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2014.

| Financial Results:                          | (Rs. in lakhs)    |                  |
|---------------------------------------------|-------------------|------------------|
| Particulars                                 | 2013-14           | 2012-13          |
| Income from Operations                      | 3819.00           | 4,076.00         |
| Other Income                                | 16.00             | 16.00            |
| <b>Profit Before Depreciation and Taxes</b> | <b>(-) 580.00</b> | <b>(-)139.00</b> |
| Less: Depreciation                          | 49.00             | 63.00            |
| Less : Provision for                        |                   |                  |
| (a) Income tax                              | 14.00             | 0.00             |
| (b) Deferred tax                            | (4.00)            | (7.00)           |
| Less Proposed Dividend                      | 0.00              | 0.00             |
| Dividend Distribution tax                   | 0.00              | 0.00             |
| Profit for the Year                         | -580.00           | -194.00          |
| Balance Carried Forward to Balance sheet    | -580.00           | -194.00          |

### 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, 2 Barrels, Green Magic, Chevalier as well as under tie-up arrangements with other Companies. The 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. 3819 lakhs compared to Rs.4076 lakhs in the previous year recording a loss of (Rs. - 580) lakhs. The net loss was Rs. -580 lakhs as against the profit Rs.-194 lakhs in the previous year. Earning per share is Rs. -2.42 against Rs.- 0.81 in the previous year on a weighted average basis as per Accounting Standard 20 issued by the Institute of Chartered Accountants of India.

However, the Company is taking possible steps to revive the business and has tied-up with M/s. Radico Khaitan Limited

for bottling their brands for Andhra Pradesh. The company is also looking out for other tie-ups for bottling for other states.

### Future Outlook:

During current year, your Company will try to achieve maximum capacity utilization in our existing plant at Pondicherry.

The company has already tied up with M/s. Radico Khaitan Limited, for supply of IMFL to Andhra Pradesh. The company is also hopeful of other tie-ups and achieve maximum capacity utilization.

### Insurance:

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

### Reply to Auditors' Comments:

1. In the point No. vii, the Auditor have commented an internal audit system. However, the Auditors are satisfied on the adequate internal control procedures in Point No. iv.
2. In the point No. xvi of annexure to Auditors' Report, the Auditors have commented about non utilization of loan for the purpose for which it was availed by the Company. The reason for the same is the machinery proposed for purchase was not usable as per the requirement of the Company and hence the program was shelved with intimation to the said NBFC.

### Reasons for Loss during the year

The Board of Directors discussed on the Loss of the company to the tune of Rs. -580 lacs and attribute following main reasons for non growth of the company:

#### A. LABOUR STRIKE

The Company has faced illegal labour strike in the month of July 2013 and August 2013 which affected the performance and out look of the company very badly. However the issue was resolved in August 2013.

#### B. CHANGE IN EXCISE LAW

The increase of Excise Duty implemented last year has severely affected the sales this year also. However the company is working on other avenues and areas for increasing the sales and has already tied-up with M/s. Radico Khaitan Limited for sale of IMFL to Andhra Pradesh and is also looking forward for other tie-ups.

#### C. LEGAL CASES PERTAINING TO THE COMPANY

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

Your Company has filed complaints against Mr. Anil Agrawal, M/s. Comfort Securities Ltd., Merchant Bankers, M/s. Comfort

Intech Ltd. and its other group companies with the following authorities.

1. A Civil Suit OS No. 103/2013 and I.A. No. 405/2013 before 2nd Additional District Judge, Ranga Reddy District, L.B. Nagar, Hyderabad with prayers (i) to rescind the agreements as being void and restore the parties back to the position prior to the MOU dated 05.09.2012. (ii) To declare the notice for EGM dated 05.02.2013 as null and void and illegal. The court has passed an order restraining Mr. Anil Agrawal from holding the EGM till further orders.
2. I.A. No. 1452 of 2013 filed with IInd Additional District Judge, Ranga Reddy District, L.B. Nagar, Hyderabad praying Not to alienate, encumber assets of M/s.Liquors India Ltd. Judgement is reserved.
3. I.A. No. 1453 of 2013 filed with IInd Additional District Judge, Ranga Reddy District, L.B. Nagar, Hyderabad praying Not to alter the Board. Judgement is reserved.
4. Writ petition No. 12960 of 2013 filed with the Hon'ble High Court, Andhra Pradesh requesting not to transfer the excise license of M/s. Liquors India Limited, Nacharam, Hyderabad to Mr. Anil Agrawal. Case disposed off directing the Excise Commissioner of Prohibition & Excise, Hyderabad to consider Mr. R.V. Ravikumar's representation dated 23.01.2013 and 05.02.2013 before considering the application of Mr. Anil Agrawal for transfer of the license of Liquor India Limited. Mr. Anil Agrawal has filed a Writ Petition No. 34448 of 2013 the court as ordered to dispose the petition in accordance with law.
5. Complaint with Excise Commissioner of Prohibition and Excise, Hyderabad stating that the Company has filed several complaints / petitions and the same are pending before the Courts and Authorities and therefore the Excise License of Liquors India Limited should not be transferred until all our cases / complaints are resolved. License not transferred in the name of Mr. Anil Agrawal. The Excise Department has renewed the License of Liquors India Limited in the name of the company.
6. Complaint with the Commissioner of Police, Hyderabad against the fraud and cheating committed by Mr. Anil Agrawal. The Police has registered the FIR No.248/2013 dated 23.08.2013 against Mr. Anil Agrawal and others under Section 406-IPC, 420-IPC, 447-IPC, 385-IPC, 386-IPC, 467-IPC, 468-IPC, 469-IPC, 471-IPC, 120B-IPC, 34-IPC.
  - i. Mr. Anil Agrawal has filed C.P. No. 11292 of 2013 in the High Court of Hyderabad against FIR No. 248/2013 dated 23.08.2013 filed with the Police Department, Hyderabad and order was passed to the concerned police to complete the investigation without arresting Mr. Anil Agrawal and others.
  - ii. Mr. Anil Agrawal has also filed C.P. No. 3389 of 2013 in the High Court of Bombay against the same FIR No. 248/2013 dated 23.08.2013 of Police Department, Hyderabad and the same was withdrawn by him, after objection by the Government of Andhra Pradesh.
  - iii. M/s. Tilaknagar Industries Limited – accused A7, A8 and A9 filed W.P. No. 4945 of 2014 with the Hon'ble High Court, Andhra Pradesh to stay all further proceedings of FIR No. 248/2013 of Andhra Police. The W.P. is pending for admission.
7. Writ Petition No. 12713 of 2014 with the Hon'ble High Court, Andhra Pradesh praying License of Liquors India Limited issued by the Excise Department should be cancelled and sub-lease agreement also be cancelled. The order has been passed that all transactions including financial transactions between Mr. Anil Agrawal and Tilaknagar Industries Limited shall be booked and recorded faithfully pending further consideration of W.P.M.P. No. 15944 of 2014 in W.P. No. 12713 of 2014. Mr. Anil Agrawal and Tilaknagar Industries Limited shall not create any charge or third party interest relating to the assets of Liquors India Limited.
8. Complaint with SEBI, Mumbai against BRLM M/s. Comfort Securities Ltd., & Comfort Intech Ltd. (DP) promoted by Mr. Anil Agrawal for violations of SEBI Regulations.
9. Complaint with EOW, Mumbai for cheating and money laundering to recover company's money of Rs. 33.72 crores. EOW has registered FIR No.34/14 dated 21.01.2014 under section 409, 420, 465, 467, 468, 471, 474, 120(B) and the case is under active investigation.
  - i. Mr. Anil Agrawal has filed application for Anticipatory Bail vide Petition No. 148 of 2014. Bail Application is pending before the Session Court, Mumbai.
  - ii. Mr. Anil Agrawal has also filed quash petition No. 2059 of 2014 with High Court of Mumbai for quash of EOW-FIR. The same is pending before the court.
  - iii. M/s. Sukusama Trading & Investment Pvt.Ltd., M/s. Rani Sati Dealers Pvt.Ltd., M/s. Gulistan Vanijiya Pvt.ltd., Gangor Suppliers Pvt.Ltd., and M/s. B.L.C. Trading Agencies Pvt.Ltd. have filed C.W.P. Nos. 811, 812, 861, 863 & 913 of 2014 in the High court of Mumbai praying to direct EOW to record their statements as true facts without insisting on additions / alterations. The cases were dismissed.
10. Recovery suits No. SL/1135, 1136, 1137, 1138 and 1139 of 2013 filed against M/s. Ranisati Dealer Pvt.Ltd., M/s. Vibhuti Multi Trade Pvt.Ltd., M/s. Gulistan Vnijiya Pvt.Ltd., M/s. Sukusama Trading and Investments Pvt.Ltd. and M/s. BLC Trading and Agencies Pvt.Ltd. in the High Court of Bombay. Matter pending before the court.



11. Complaint with Enforcement Directorate, Mumbai to investigate the frauds committed by Mr. Anil Agrawal and his companies. Enforcement Directorate has initiated enquiries against Mr. Anil Agrawal, his companies and others under the provisions of prevention of Money Laundering Act 2002 on the basis of the FIR No. 34/14 dated 21.01.2014.
12. Complaint with SEBI for Cancellation of BRLM License. The complaint has been registered by SEBI in its site [www.scores.gov.in](http://www.scores.gov.in) vide Complaint Registration No. SEBIP/MH14/0003906/1 dated 07.08.2014.
13. Complaint with SEBI and CDSL for Cancellation of DP License. The complaint has been registered with SEBI in its site [www.scores.gov.in](http://www.scores.gov.in) vide Complaint Registration No. SEBIP/MH14/0003325/1 dated 07.07.2014.
14. Complaint with RBI and Ministry of Finance to appoint officer to investigate the affair of CIL and cancel the License to act as NBFC for violating the guidelines. The matter is under process.
15. Complaint with The Police Commissioner of Chennai against the fraud and cheating committed by Mr. Anil Agrawal. Mr. Anil Agrawal filed Writ Petition No. 32829 of 2013 with High Court of Chennai to direct the Police, Chennai not to proceed further with the investigation. The matter is pending before the Court without further date since December 2013.
16. Petition Under section 111A r/w 111(4) of the Companies Act 1956 filed before the Company Law Board, Chennai in the matter of Liquor India Limited, Mr. Anil Agrawal and others. Matter is pending before the CLB.

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

1. The Company Law Board, Chennai under section 397, 398, 235(2) and 237(b) of the Companies Act, 1956. The Company has filed counter and the matter is pending before the CLB.
2. W.P. No. 7956 of 2014 filed with Hon'ble High Court, Andhra Pradesh to register the complaint filed by him against Mr. R.V. Ravikumar. The matter is pending before the court without further date.
3. Complaint with Malad Police Station, Mumbai against the company. Preliminary enquiry by the Malad Police Station is in progress.

One Mr. Anand Agrawal, Director of M/s.Comfort Intech Limited has filed a complaint with RoC under Investor's Complaint and ROC has closed the complaint after verification and proper scrutiny.

M/s. First Financial Services Limited, Chennai has filed O.S. No. 6602 of 2013 at City Civil Court, Chennai alleging mismanagement of the company. The matter is pending before the court.

**Dividend**

The Board of Directors does not recommend any Dividend for the year 2013-14.

**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.

**Subsidiary Companies**

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

**Particulars of employees' under section 217 (2A) of the Companies Act, 1956**

None of the employees of the Company employed throughout the financial year/part of the year were in receipt of remuneration in excess of the limits as prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and hence no particulars are required to be given.

**Directors**

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Mr.K.S.M. Rao and Mr. Popatlal M Kathariya, Independent Directors retire by rotation at this Annual General Meeting being eligible, offer themselves for reappointment as Independent Directors for five consecutive years and Mr. Badrinath S Gandhi and Mrs. S. Vijayalakshmi, Executive Directors retire by rotation at this AGM being eligible, offer themselves for re-appointment. Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, brief resume of Mr. K.S.M. Rao and Mr. Popatlal M Kathariya as well as Mr. Badrinath S Gandhi and Mrs. S. Vijayalakshmi have been provided in the notice convening the Annual General Meeting.

**Directors' Responsibility statement**

As required under Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

1. In the preparation of the Annual Accounts for the financial year 2013-14, the applicable Accounting Standards have been followed and there are no material departures;
2. The accounting policies selected and applied are consistent and the judgment and estimates made 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 loss of the Company for the financial year 2013-14;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Annual Accounts have been prepared on a going concern basis.

## Corporate Governance

The Company has complied with the requirements of the Code of Corporate Governance as stipulated in clause 49 of the listing agreement with the stock exchanges. A Report on Corporate Governance along with Certification by the Managing Director 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 clause 49 of the listing agreement is attached to this Directors' Report.

## Auditors

The statutory auditors of the Company M/s. Ramanand & Associates, Mumbai retire at the conclusion of the ensuing Annual General Meeting. The retiring auditors have furnished a certificate under Sec. 224 (1B) of the Companies Act, 1956 confirming their eligibility for reappointment.

## Employee Relations

The relations between the employees and management continued to be cordial during the year inspite of the Labour Strike in the months of July 2013 and August 2013, which has adversely affected the performance of the company.

**Particulars as required under section 217(1) (e) of the companies act, 1956 read with the companies (disclosure of particulars in the report of board of directors) rules, 1988:**

### 1. Conservation of Energy, Technology Absorption

The particulars regarding the disclosure of the conservation of energy, technology absorption, as required under clause (e) of sub Section (1) of Section 217 of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 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.

- Installation of circuit breakers, safely and easily operative and accessible in each machinery / equipment resulting in reduction of idle run.
- Trip system in bottling lines easily and safely operative, in case of lag / fault in any equipment / machinery across the line.
- Recycling of wash water resulting in conservation of water and energy.

Place: Mumbai  
Date : 28.08.2014

#### Registered Office:

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

- Gravity Liquor flow system in all process areas resulting in lesser consumption of energy.
- Installation of "Turbo Vent" for Natural ventilation system in roofs of all buildings.
- 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:

| S.No. | Power and Fuel Consumption              | 2013-2014 | 2012-2013 |
|-------|-----------------------------------------|-----------|-----------|
| 1.    | Power including lighting Units Consumed | 72,034    | 83,982    |
|       | Rate per Unit (in Rs.)                  | 5.27      | 4.00      |
|       | Amount paid (in Rs.)                    | 3,79,689  | 3,14,644  |
| 2.    | Own generation by Diesel Generator      |           |           |
|       | Diesel utilized Litres                  | 620       | 2,490     |
|       | Unit per Litre of diesel oil generated  | 3.30      | 3.30      |
|       | Rate per Unit (in Rs.)                  | 18.48     | 12.75     |

### 2. Foreign Exchange Inflow & Outgo:

- 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.

- Total Foreign Exchange used and earned:

Used : Nil

Earned : Nil

#### 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.

For and on behalf of the Board of Directors

**R.V. Ravikumar**  
Managing Director

## 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. 3819 lakhs compared to Rs 4076 lakhs in the previous year recording a reduction of Rs. 257 lakhs. The net loss was Rs. 580 lakhs as against the Loss of Rs. 194 lakhs in the previous year.

### Business Outlook

India is currently the 3rd largest market for branded alcoholic beverages in the world by volume, and the global spirits industry is estimated at over 2 billion cases per annum with India accounting for about 12% at 236 million cases per annum without considering 300 million of country liquor. The Indian Alcohol Industry has grown rapidly in recent years primarily due to favorable demographic trends, substantial economic growth, increased per capita consumption and a marked shift in societal acceptance of alcohol consumption. Sales of alcoholic drinks continue to be driven by urban consumption in the country. IMFL comprises one third of the total liquor consumption in India and has been growing at a CAGR of more than 10% over the last five years. In IMFL, Brown spirits constituted the largest segment with whisky, brandy and dark rum accounting for 95% of the market, by both volume and value while white spirits with gin and vodka having only 5% market share. However the International trends are opposite where white spirits enjoys prominent presence.

Demand for spirits in India is expected to grow at a 10% CAGR during. Key drivers for this growth will be higher per capita incomes, increasing social acceptance of alcohol in India, brand exposure, availability and the shift towards branded spirits by country liquor consumers. The growth will be also due increasing urbanization and young adults reaching the age to be eligible to drink. However, presently the growth rate are moderate compared FY12 due to high base effect.

The Indian IMFL market is dominated by low-priced whisky. The whisky segment constitutes almost 60% of the total IMFL market. 17% & 18% is brandy and Rum and the rest 5% is white spirits. The maximum consumption is in Andhra Pradesh followed by Karnataka and Maharashtra.

### 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 achieve maximum capacity utilization in our existing plant at Pondicherry. The Company has already tied-up with M/s. Radico Khaitan Limited for bottling their brands for Andhra Pradesh. The Company is looking forward for further tie-ups to increase its business.

### Internal control systems and their adequacy

The Managing 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 2013-2014

In accordance with Clause 49 of the Listing Agreement 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.

#### Code of Conduct:

The Board has laid down a code of conduct for all the Board Members and Senior Management of the Company. Senior Management includes personnel of the core management team excluding Board of Directors but including all functional heads.

### 2. Board of Directors:

The Board of Directors comprises of both executive and non-executive directors with rich professional experience in various fields. The present strength of the Board of Directors is six in number. Half of the Board consists of Independent Directors.

### 3. Board Meetings & Procedures

During the year, the Board met 5 times on 13.05.2013, 30.05.2013, 13.08.2013, 15.11.2013 and 13.02.2014.

The composition of Board of Directors, attendance at the Board Meetings during the financial year and attendance at the last Annual General Meeting, number of outside Directorship, Chairman/Membership of Committees is as under:

| Name of Director         | Category             | No. of Board meetings attended | Last AGM attendance | No of Directorships | Membership/ Chairmanship of other Audit & Shareholders' Grievance Committees |
|--------------------------|----------------------|--------------------------------|---------------------|---------------------|------------------------------------------------------------------------------|
| Mr. R.V. Ravikumar       | Managing Director    | 4                              | Yes                 | 9                   | -                                                                            |
| Mr. Badrinath S Gandhi   | Executive Director   | 4                              | Yes                 | 2                   | 2/0                                                                          |
| Mr. K.S.M. Rao           | Independent Director | -                              | Yes                 | 2                   | 2/1                                                                          |
| Mr. Ashok R Shetty       | Independent Director | 5                              | Yes                 | 3                   | 1/2                                                                          |
| Mr. Popatlal M Kathariya | Independent Director | 5                              | Yes                 | 2                   | 2/0                                                                          |
| Mrs. S. Vijayalakshmi    | Executive Director   | -                              | Yes                 | 1                   | -                                                                            |

### 4. Appointment/Reappointment:

- Mr. Badrinath S Gandhi (DIN 01960087) who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Executive Director of the company liable to retire by rotation.

| Name               | Age      | Qualification             | Expertise             | Other Directorship |
|--------------------|----------|---------------------------|-----------------------|--------------------|
| Badrinath S Gandhi | 53 years | D.E., D.C.A., D.S.A. D.P. | Industrial Management | 2                  |

- Mrs. S. Vijayalakshmi (DIN 02091138) who retires by rotation and being eligible offers herself for re-appointment, be and is hereby re-appointed as a Whole Time Director of the company liable to retire by rotation

| Name             | Age      | Qualification   | Expertise          | Other Directorship |
|------------------|----------|-----------------|--------------------|--------------------|
| S. Vijayalakshmi | 41 years | B.Sc. Chemistry | Blending of Liquor | Nil                |

- Mr. K.S.M. Rao whose term expires at the ensuing Annual General Meeting be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years at the ensuing Annual General Meeting. (In pursuance of clause 49 of the Listing Agreement)

| Name       | Age      | Qualification | Expertise         | Other Directorship |
|------------|----------|---------------|-------------------|--------------------|
| K.S.M. Rao | 67 years | B.Com, LLB    | Banking & Finance | 1                  |

4. Mr. Popatlal M Katariya whose term expires at the ensuing Annual General Meeting be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years at the ensuing Annual General Meeting. (In pursuance of clause 49 of the Listing Agreement)

| Name                | Age      | Qualification              | Expertise  | Other Directorship |
|---------------------|----------|----------------------------|------------|--------------------|
| Popatlal M Katariya | 61 years | B.Com, L.L.B (Gen), F.C.A. | Accounting | 1                  |

#### 5. Audit Committee:

##### Terms of reference:

The Audit Committee has been constituted pursuant to section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. 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.

##### Composition:

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

During the year, the Committee met 4 times on 30.05.2013, 13.08.2013, 15.11.2013 and 13.02.2014 and the gap between any 2 meetings was less than 4 months.

##### Attendance at the Audit Committee Meeting:

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

#### 6. Shareholders' Grievance Committee:

Constitution and attendance:

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

Attendance at the Shareholders' Grievance Committee Meeting:

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

- Mr. Badrinath S Gandhi has been designated as Compliance Officer.
- The investors may register their complaints at the email-id [cs@ravikumardistilleries.com](mailto:cs@ravikumardistilleries.com)
- During the year, the Company received 2 complaints on various matters. The Company has attended the same and complaints pending unresolved at the end of the financial year were NIL.

##### Terms of reference:

During the year under review the Committee met once in a year on 15.11.2013. The Shareholders' Grievance Committee focuses on shareholders' grievances and strengthening of investor relations, specifically looking into redressal of grievances pertaining to:

- 1) transfer and transmission of shares
- 2) non-receipt of balance sheet
- 3) non-receipt of declared dividend
- 4) matters relating to demat / remat
- 5) other related issues



## RAVI KUMAR DISTILLERIES LIMITED.

### 7. Remuneration / Compensation Committee:

#### Constitution and attendance:

The Board constituted a Remuneration/Compensation Committee comprises of Mr. Ashok R Shetty, Mr. Popatlal M Kathariya and Mr. K.S.M. Rao.

Attendance at the Remuneration / Compensation Committee Meeting:

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

One meeting was held on 30.05.2013

#### Terms of reference:

The terms of reference of the Remuneration Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges that include determination of the Company's policy on specific remuneration packages for Directors.

#### 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 2013- 2014.

#### Details of remuneration paid to the Directors.

(Rs. in Lacs)

| Directors               | Salary (including Performance Incentive, if any and other allowance) | Perquisites | Contribution to P.F. superannuation and Gratuity | Sitting Fees | Total |
|-------------------------|----------------------------------------------------------------------|-------------|--------------------------------------------------|--------------|-------|
| Mr R. V. Ravikumar      | NIL                                                                  | NIL         | NIL                                              | NIL          | NIL   |
| Mrs S. Vijayalakshmi    | 5.20                                                                 | NIL         | NIL                                              | NIL          | 5.20  |
| Mr K.S.M. Rao           | NIL                                                                  | NIL         | NIL                                              | NIL          | NIL   |
| Mr Ashok R Shetty       | NIL                                                                  | NIL         | NIL                                              | 0.70         | 0.70  |
| Mr Badrinath S Gandhi   | 9.75                                                                 | NIL         | NIL                                              | NIL          | 9.75  |
| Mr Popatlal M Kathariya | NIL                                                                  | NIL         | NIL                                              | 0.65         | 0.65  |

### 8. General Body Meetings:

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

| Financial Year | Day, Date & Time                       | Venue                                                                         | Special resolution passed |
|----------------|----------------------------------------|-------------------------------------------------------------------------------|---------------------------|
| 2010-11        | Saturday, 6th August 2011, 3.00 p.m.   | Hotel Benzz Park, 62, Thirumalai Pillai Road, T. Nagar, Chennai – 600 017     | Yes                       |
| 2011-12        | Monday, 5th November 2012, 10.00 a.m.  | Bharathiya Vidya Bhavan, 8/12, East Mada Street, Mylapore, Chennai – 600 004. | Yes                       |
| 2012-13        | Friday, 27th September 2013, 2.30 p.m. | Bharathiya Vidya Bhavan, 8/12, East Mada Street, Mylapore, Chennai – 600 004. | Yes                       |

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

| Year      | Date              | Special Resolution passed |
|-----------|-------------------|---------------------------|
| 2012-2013 | 27 September 2013 | 1                         |
| 2011-2012 | 05 November 2012  | 1                         |
| 2010-2011 | 06 August 2011    | 2                         |

**(iii) Special Resolution passed through Postal ballot last year: NIL****9. 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 point No.37 of the notes on the accounts in the Annual Report as required by Accounting Standards under AS 18 issued by the Institute of Chartered Accountants of India.
- iii. There were no non-compliances by the Company during the year. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authorities on any matters related to the capital markets, during the previous three financial years.
- iv. The Board has adopted a Code of Conduct including for its Directors and Senior Management. This is available on the Company's web-site.
- v. The Managing Director has submitted before the Board a declaration of compliance with the Code of Conduct by the Directors during the financial year ended March 31, 2014.
- 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 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 Clause 49 (V) of the Listing Agreement with the Stock Exchanges.
- ix. The Company has complied with all mandatory requirements under Clause 49 of the Listing Agreement with the Stock Exchanges. The adoption of non-mandatory requirements has been dealt with in this Report.
- x. Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee. The company has formulated ethical practice policy in line with the Whistle Blower Policy which is a channel for receiving and redressing employees' complaints. .

**10. Means of Communication:**

Quarterly un-audited financial results are published in leading English/Vernacular newspapers. The half yearly report is not sent separately to the Shareholders. Annual Reports will be sent to the shareholders at their registered address with the company and also put up on Company's web site [www.ravikumardistilleries.com](http://www.ravikumardistilleries.com).

The quarterly results, shareholding pattern and other mandatory information are available at the website of Bombay Stock Exchange ([www.bseindia.com](http://www.bseindia.com)) and National Stock Exchange ([www.nseindia.com](http://www.nseindia.com)).

**11. General Shareholders' Information:****Annual General Meeting**

Date & Time : 29th September, 2014 at 11.30 a.m.

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

**Financial Calendar (Tentative)**

Financial reporting for the quarter ending June 30, 2014 : 2nd week of August 2014

Financial reporting for the quarter ending September 30, 2014 : 2nd week of November 2014

Financial reporting for the quarter ending December 31, 2014 : 2nd week of February 2015

Financial reporting for the quarter ending March 31, 2015 : 2nd week of May 2015

Annual General Meeting for the year ended March 31, 2015 : August-September, 2015

**Date of Book Closure** : 22.09.2014 to 28.09.2014 (Both days inclusive)

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

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

**Payment of Annual Listing fees** : Listing fees for the financial year 2013-2014 has been Paid to the Stock Exchanges BSE, NSE, CDSL & NSBL

**Demat ISIN for NSDL & CDSL** : INE722J01012



## RAVI KUMAR DISTILLERIES LIMITED.

### Stock performance vs. BSE and NSE

Market Price Data during the year ended 31.03.2014

#### Bombay Stock Exchange:

| Month     | Open | High  | Low  | Close |
|-----------|------|-------|------|-------|
| Apr-2013  | 9.10 | 10.70 | 8.31 | 9.50  |
| May-2013  | 9.85 | 11.00 | 8.50 | 9.50  |
| June-2013 | 9.12 | 10.45 | 7.80 | 8.10  |
| July-2013 | 8.00 | 9.58  | 7.50 | 8.61  |
| Aug-2013  | 8.65 | 9.40  | 5.30 | 5.54  |
| Sept-2013 | 5.55 | 6.87  | 5.00 | 5.26  |
| Oct-2013  | 5.40 | 5.62  | 5.05 | 5.22  |
| Nov-2013  | 5.11 | 5.50  | 4.50 | 4.85  |
| Dec-2013  | 4.75 | 4.85  | 4.25 | 4.50  |
| Jan-2014  | 4.55 | 5.11  | 3.40 | 3.59  |
| Feb-2014  | 3.50 | 4.60  | 3.50 | 4.12  |
| Mar-2014  | 4.84 | 7.14  | 3.65 | 4.50  |

#### National Stock Exchange

| Month     | Open  | High  | Low  | Close |
|-----------|-------|-------|------|-------|
| Apr-2013  | 9.00  | 10.90 | 8.30 | 9.35  |
| May-2013  | 9.60  | 10.90 | 8.65 | 9.70  |
| June-2013 | 10.00 | 10.50 | 7.80 | 8.10  |
| July-2013 | 8.85  | 9.20  | 7.40 | 8.50  |
| Aug-2013  | 8.90  | 8.95  | 5.30 | 5.50  |
| Sept-2013 | 5.35  | 6.85  | 5.15 | 5.35  |
| Oct-2013  | 5.15  | 5.65  | 4.70 | 5.15  |
| Nov-2013  | 5.25  | 5.35  | 4.25 | 4.75  |
| Dec-2013  | 4.80  | 4.95  | 4.10 | 4.50  |
| Jan-2014  | 4.60  | 4.65  | 3.35 | 3.55  |
| Feb-2014  | 3.45  | 4.70  | 3.35 | 4.15  |
| Mar-2014  | 4.65  | 7.00  | 4.05 | 4.40  |

**Registrars & Transfer Agents :** M/s. Karvy Computershare Pvt.Ltd.,  
17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081.

**Contact person :** Ms. C. Shobha Anand

**Contact No. :** 040 - 44655000

**Email :** einward.ris@karvy.com

#### Share Transfer System

- Securities lodged for transfer at the Registrar's Office are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. The Company Secretary is empowered to approve transfer of shares and other investor related matters. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc are processed by the Registrars within 30 days.
- Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-Practice for timely dematerialization of the shares of the Company and for conducting a Secretarial Audit on a quarterly basis for reconciliation of the Share Capital of the Company.

#### Distribution of Shareholding as on 31-03-2014

| No of equity shares held | No. of share holders | % of share holders | Total Amount        | % of Amount   |
|--------------------------|----------------------|--------------------|---------------------|---------------|
| Upto 1- 5000             | 6834                 | 76.47              | 10909480.00         | 4.55          |
| 5001 - 10000             | 1004                 | 11.23              | 8338690.00          | 3.47          |
| 10001 - 20000            | 518                  | 5.80               | 8187200.00          | 3.41          |
| 20001 - 30000            | 180                  | 2.01               | 4671390.00          | 1.95          |
| 30001 - 40000            | 96                   | 1.07               | 3460840.00          | 1.44          |
| 40001 - 50000            | 86                   | 0.96               | 4135520.00          | 1.72          |
| 50001 - 100000           | 116                  | 1.30               | 8750900.00          | 3.65          |
| 100001 and above         | 103                  | 1.15               | 191545980.00        | 79.81         |
| <b>Total</b>             | <b>8937</b>          | <b>100</b>         | <b>240000000.00</b> | <b>100.00</b> |

**Shareholding Pattern as on 31-03-2014**

| Sl. No. | Category                              | No. of Shares      | Percentage of Holding |
|---------|---------------------------------------|--------------------|-----------------------|
| 1       | Promoters & Persons acting in Concert | 56,45,044          | 23.52                 |
| 2       | Mutual funds / UTI / Banks / FIs      | --                 | --                    |
| 3       | Private Corporate Bodies              | 1,21,95,179        | 50.81                 |
| 4       | NRIs / OCBs                           | 1,11,433           | 0.46                  |
| 5       | Indian Public                         | 60,48,344          | 25.21                 |
| 6       | Foreign Institutional Investors       | --                 | --                    |
|         | <b>Grand Total</b>                    | <b>2,40,00,000</b> | <b>100.00</b>         |

Dematerialization of shares

: NSDL – No. of Shares – 16318647 - 67.99 %  
 CDSL – No. of Shares – 7681307 - 32.01 %  
 Physical – No. of Shares – 46 - 0.00 %  
 100% of the shares have been dematerialized by the members so far.

Outstanding GDRs/ADRs/Warrants or any convertible / instruments, conversion data and likely impact on equity

: N.A.

Plant location

: R.S. No. 89/4-A, Katterikuppam Village, Mannadipet Commune, Puducherry – 605 502.

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.

**Non-mandatory requirements:****1 Chairman of the Board**

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

Mr. Popatlal M Kathariya, Mr. K.S.M. Rao and Mr. Ashok R Shetty are Independent Directors on the Board of the Company. No specific period has been specified for these Directors. All of them have requisite qualification and experience and in the opinion of the Company this would enable them to contribute effectively to the Company in their capacity as Independent Directors.

**2 Shareholder Right**

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

**3 Audit Qualifications**

During the year under review, there was no major audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

**4 Training of Board Members**

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

**5 Mechanism for evaluation of Non-Executive Board Members**

The evaluation process is yet to be formulated by the Board.

**DECLARATION**

In accordance with Clause 49 of the Listing Agreement 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, 2014.

Place: Mumbai  
 Date : 28.08.2014

**R.V. Ravikumar**  
 Managing Director

**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, 2014 and to the best of our knowledge and belief.
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with 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.

For Ravi Kumar Distilleries Ltd

R V Ravi Kumar  
Managing Director

Place: Mumbai  
Date : 28.08.2014

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## **Auditors' Certificate on Corporate Governance**

TO THE MEMBERS OF  
RAVI KUMAR DISTILLERIES LIMITED

We have reviewed the relevant records of Ravi Kumar Distilleries Limited for the year ended 31 March 2014 relating to compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges.

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 Clause 49 of the Listing Agreement.

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

For Ramanand & Associates  
Chartered Accountants  
Firm No. 117776W

CA Ramanand R. Gupta  
Partner  
Membership No.: 103975

Place: Mumbai  
Date: 28.08.2014

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of **RAVIKUMAR DISTILLERIES LIMITED.**

### Report on the Financial Statements

We have audited the accompanying financial statements of '**RAVIKUMAR DISTILLERIES LIMITED**' ("the Company"); which comprise the Balance Sheet as at **31st March, 2014**, and the statement of Profit & Loss Account & Cash flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

### Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matters

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

- a. *Reference is invited to Note No. 17 regarding pending confirmations and reconciliations with sundry debtors and sundry creditors; Note No. 5.3 regarding balances of tie-up parties and Note No. 14.1 regarding amounts transferred to various parties post IPO, which have been classified as 'Long Term Loans and Advances' (Under Recovery Proceedings); which might require adjustments in the financial statements. Though the company has filed various cases against the parties and initiated action for recovery, we are unable to comment on realisability/recoverability of these debts and advances given and no provision for doubtful debts is considered necessary by the company. The impact on the loss for the year and current assets, if any, is unascertainable.*
- b. *Reference is invited to Note No. 13 regarding 'Investment in Liquor India Limited' and 'Advance received from 'Lemonade Shares & Securities Private Limited' (Refer Note No. 10.1) 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 IIInd 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. Management does not anticipate any liability on this account. However, since the matter is pending before court, we are unable to comment whether, any adjustments are needed or the recoverability of investment thereof. Accordingly, impact on loss for the year and Investments thereof, if any, is unascertainable.*

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, subject to our observations noted in part (a) and (b) 'Emphasis of Matters' Paragraph above, give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Profit and Loss Account, of the loss for the year ended on the date; and
- c) In the case of the Cash Flow statement, of the cash flow for the year ended on that date.



## **RAVI KUMAR DISTILLERIES LIMITED.**

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### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) That Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representation received from the auditors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules for cess payable by the Company.

For Ramanand & Associates  
Chartered Accountants  
FRN: 117776W

**CA Ramanand Gupta**  
Partner  
Membership No: 103975

Place: Mumbai  
Date : 29.05.2014

## ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in paragraph 1 of our Report of even date to the members of RAVIKUMAR DISTILLERIES LIMITED; on the accounts of the company for the year ended March 31, 2014.

### i. In respect of its fixed assets :

- 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. No substantial part of the fixed assets has been disposed off during the year, which has bearing on the going concern status of the company.

### ii. In respect of its inventories :

- a. As explained to us, inventories have been physically verified during the year by the Management at reasonable intervals.
- 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. a. 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 301 of the Companies Act, 1956. Maximum amount outstanding during the year ended 31st March 2014 was Rs. 2613 Lacs and the year ended balance was Rs. 2613 Lacs.

b. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has taken interest free, unsecured loan from a director covered in the register maintained under section 301 of the Companies Act 1956. Maximum amount outstanding during the year ended 31st March 2014 was Rs. 794 Lacs and the year ended balance was Rs. Nil.

c. According to information and explanations provided to us, the terms and conditions of the said unsecured loans are prima facie not prejudicial to the interest of the Company.

d. According to information provided to us there is no stipulation of time schedule for repayment of principal and hence provision of clause 4(iii) (g) of the order is not applicable.

iv. In our opinion and according to information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regards to purchase of inventory and fixed assets and for the sale of inventories. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.

v. a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

b. In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

vi. The Company has not accepted deposits from public within the meaning of section 58-A or Section 58-AA of the Companies Act, 1956.

vii. In our opinion and according to the information and explanations given to us the Company does not have an internal audit system commensurate with the size and nature of its business.

viii. According to the information and explanations given to us, the Central Government has prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in terms of 'Cost Accounting Record Rules, 2011' which are applicable w.e.f. Financial Year 2011-2012 for products of the company. We are prima facie of the opinion that, such records are not maintained by the company.

ix. 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. The company is generally regular in depositing statutory tax dues including Excise Duty Customs Duty and other applicable dues with appropriate authorities.

There is no amount payable in respect of the above undisputed dues are in arrears, as at 31st March, 2014 for the period of more than six months from the date on which they become payable due.

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:

:



## RAVI KUMAR DISTILLERIES LIMITED.

| Sl. no. | Name of the Statute               | Nature of dues                                                       | Amount (in lakhs) | Period to which the amount relates | Forum where the dispute is pending.           |
|---------|-----------------------------------|----------------------------------------------------------------------|-------------------|------------------------------------|-----------------------------------------------|
| 1       | Pondicherry General Sales Tax Act | Turnover Tax                                                         | 25.89             | 2002-2004                          | Appellate Assistant Commissioner Pondicherry  |
| 2       | Pondicherry General Sales Tax Act | Turnover Tax                                                         | 84.70             | 2004-2008                          | High Court, Madras                            |
| 3       | Pondicherry General Sales Tax Act | Turnover Tax                                                         | 27.04             | 1999-2002                          | High Court, Madras                            |
| 4       | Kerala General Sales Tax Act      | Turnover Tax & Interest thereon                                      | 84.92             | 2001-2004                          | High Court, Kerala                            |
| 5       | Income Tax Act 1961               | Non Deduction of Tax Deducted at Source - Disallowance u/s 40(a)(ia) | 138.94            | 2009-2010                          | Commissioner of Income Tax (Appeals), Chennai |

- x. In our opinion, The Company has accumulated losses as at the end of financial year. The Company has incurred cash loss of Rs. 531 Lacs during the Financial Year 2013-2014. (Previous Year Rs. 132 Lacs).
- xi. Based on the audit procedures and on the basis of information and explanations given by the management, we are of the opinion that, the company has defaulted in repayment of dues to financial institution or bank to the tune of Rs. 2,894.44 Lacs.
- xii. In our opinion and according to the records of the Company, the Company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities and hence the provisions of clause 4(xii) of the Order are not applicable to the Company.
- xiii. The company is not a chit fund, nidhi, mutual benefit fund or a society and clause 12 of the order is not applicable. Therefore the provision of clause 4 (xiii) of the Companies (Auditor's report) order, 2003 are not applicable to the company.
- xiv. As the company is not dealing or trading in shares, securities, debentures and other investments so clause (xiv) of the said order is not applicable to the company.
- xv. According to the information and explanations given to us, the Company has given guarantee for loan taken by others from bank or financial institutions, the terms of which are not prejudicial to the interest of company.
- xvi. In our Opinion & on the Basis of the Review of utilization of funds pertaining to term loan & related information as made available to us, the term loan taken by the company from Sundaram Finance Limited, (Non Banking Financial Institution) of Rs. 70 Lacs for the purpose of Machinery have been utilized for working capital purpose.
- xvii. According to the information and explanations given to us, and on the basis of an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- xviii. According to the information and explanation given to us, during the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act; hence question of issue price of shares prejudicial to interest of the company does not arise.
- xix. During the year covered by our audit report, the company has not issued any Secured debentures. Hence the creation of security in respect of debenture is not applicable.
- xx. The Company has not made any invitation to public to subscribe to share of the Company during the financial year 2013-2014.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the course or our audit during the year.

Place: Mumbai  
Date: May 29, 2014

For Ramanand & Associates  
Chartered Accountants  
FRN: 117776W

**CA Ramanand Gupta**, Partner  
Membership No: 103975

**BALANCE SHEET AS AT MARCH 31, 2014**

(Rs. in Lacs)

| Particulars                                                                | Note | As At<br>31-03-2014 | As At<br>31-03-2013 |
|----------------------------------------------------------------------------|------|---------------------|---------------------|
| <b>I EQUITY AND LIABILITIES</b>                                            |      |                     |                     |
| <b>1 Shareholders' Funds</b>                                               |      |                     |                     |
| (a) Share Capital                                                          | 3    | 2,400               | 2,400               |
| (b) Reserves & Surplus                                                     | 4    | 5,845               | 6,425               |
| <b>2 Non- Current Liabilities</b>                                          |      |                     |                     |
| (a) Long - Term borrowings                                                 | 5    | 572                 | 781                 |
| (b) Deferred Tax Liabilities (Net)                                         | 6    | 21                  | 25                  |
| (c) Other Long - Term Liabilities                                          | 7    | 31                  | 31                  |
| <b>3 Current Liabilities</b>                                               |      |                     |                     |
| (a) Short - Term borrowings                                                | 8    | 2,740               | 2,513               |
| (b) Trade Payables                                                         | 9    | 314                 | 332                 |
| (c) Other Current Liabilities                                              | 10   | 1,559               | 1,547               |
| (d) Short - Term Provisions                                                | 11   | 132                 | 108                 |
| <b>Total</b>                                                               |      | <b>13,614</b>       | <b>14,161</b>       |
| <b>II ASSETS</b>                                                           |      |                     |                     |
| <b>1 Non-Current Assets</b>                                                |      |                     |                     |
| (a) Fixed Assets                                                           | 12   |                     |                     |
| (i) Tangible Assets                                                        |      | 391                 | 489                 |
| (ii) Intangible Assets                                                     |      | 0                   | 0                   |
| (iii) Capital Work- In- Progress                                           |      | 0                   | 0                   |
| (iv) Intangible assets under development                                   |      | 0                   | 0                   |
| (b) Non- Current Investments                                               | 13   | 3,734               | 3,734               |
| (c) Deferred Tax Assets (Net)                                              |      | 0                   | 0                   |
| (d) Long Term Loans & Advances                                             | 14   | 3,100               | 3,083               |
| (e) Other Non- Current Assets                                              | 15   | 82                  | 129                 |
| <b>2 Current Assets</b>                                                    |      |                     |                     |
| (a) Current Investments                                                    |      | 0                   | 0                   |
| (b) Inventories                                                            | 16   | 2,098               | 2,298               |
| (c) Trade Receivables                                                      | 17   | 1,400               | 1,693               |
| (d) Cash And Cash Equivalents                                              | 18   | 127                 | 147                 |
| (e) Short - Term Loans And Advances                                        | 19   | 2,621               | 2,561               |
| (f) Other Current Assets                                                   | 20   | 61                  | 28                  |
| <b>Total</b>                                                               |      | <b>13,614</b>       | <b>14,161</b>       |
| Summary of Significant Accounting Policies                                 | 2    |                     |                     |
| The Notes to Accounts form an integral part of these financial statements. |      |                     |                     |
| This is the Balance Sheet as referred to in our report of even date.       |      |                     |                     |

**For Ramanand and Associates**

Chartered Accountants

Firm Registration No. 117776W

On behalf of the Board

**CA Ramanand Gupta** - Partner

Membership No. 103975

Date : May 29, 2014

Place : Mumbai

Mr. R.V. Ravikumar  
Managing DirectorMr. Badrinath S. Gandhi  
Executive Director



## RAVI KUMAR DISTILLERIES LIMITED.

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2014 (Rs. in Lacs)

| Particulars                                                                         | Note | As on<br>31-03-2014 | As on<br>31-03-2013 |
|-------------------------------------------------------------------------------------|------|---------------------|---------------------|
| 1 Revenues From Operations                                                          | 21   | 3,819               | 4,076               |
| 2 Other Income                                                                      | 22   | 16                  | 16                  |
| <b>3 Total Revenue</b>                                                              |      | <b>3,836</b>        | <b>4,091</b>        |
| <b>4 Expenses :</b>                                                                 |      |                     |                     |
| Cost Of Material Consumed                                                           | 23   | 1,324               | 1,695               |
| Purchase of Goods Traded                                                            | 24   | 1,634               | 1,496               |
| Changes in Inventory                                                                | 25   | 121                 | -415                |
| Employee Benefit Expenses                                                           | 26   | 178                 | 151                 |
| Finance Cost                                                                        | 27   | 463                 | 532                 |
| Depreciation and Amortization                                                       | 12   | 49                  | 63                  |
| Other Expenses                                                                      | 28   | 629                 | 771                 |
| <b>5 Total Expenses</b>                                                             |      | <b>4,398</b>        | <b>4,293</b>        |
| <b>6 Profit / Loss Before Prior Period Items</b>                                    |      | <b>-563</b>         | <b>-201</b>         |
| 7 Prior Period Items                                                                | 33   | 7                   | 0                   |
| <b>8 Profit Before Exceptional and Extraordinary Items and Tax</b>                  |      | <b>-569</b>         | <b>-201</b>         |
| 9 Exceptional Items                                                                 |      | 0                   | 0                   |
| <b>10 Profit before extraordinary items and tax</b>                                 |      | <b>-569</b>         | <b>-201</b>         |
| 11 Extraordinary Items                                                              |      | 0                   | 0                   |
| <b>12 Profit before tax (VII-VIII)</b>                                              |      | <b>-569</b>         | <b>-201</b>         |
| <b>13 Tax Expense:</b>                                                              |      |                     |                     |
| (1) Current Income Tax                                                              |      | 0                   | 0                   |
| (2) Deferred Income Tax                                                             | 6    | -4                  | -7                  |
| (3) Others (I.T. Paid as per assessment order A.Y. 11-12)                           |      | 14                  | 0                   |
| <b>14 "Profit / (Loss) for the period From Continuing Operations "</b>              |      | <b>-580</b>         | <b>-195</b>         |
| 15 "Profit / (Loss) from Discontinuing Operations "                                 |      | 0                   | 0                   |
| 16 Tax Expenses of Discontinuing Operations                                         |      | 0                   | 0                   |
| <b>17 Profit / (Loss) from Discontinuing Operations (after tax)</b>                 |      | <b>0</b>            | <b>0</b>            |
| <b>18 Profit / (Loss) for the period</b>                                            |      | <b>-580</b>         | <b>-195</b>         |
| <b>19 Earning Per Equity Share :</b>                                                |      |                     |                     |
| (1) Basic Earnings Per Share                                                        |      | -2.42               | 0.81                |
| (2) Diluted Earnings Per Share                                                      |      | -2.42               | 0.81                |
| The Notes to Accounts form an integral part of these financial statements.          |      |                     |                     |
| This is the Statement of Profit and Loss as referred to in our report of even date. |      |                     |                     |

#### For Ramanand and Associates

Chartered Accountants

Firm Registration No. 117776W

On behalf of the Board

CA Ramanand Gupta - Partner

Membership No. 103975

Date : May 29, 2014

Place : Mumbai

Mr. R.V. Ravikumar  
Managing Director

Mr. Badrinath S. Gandhi  
Executive Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2014**

(Rs. in Lacs)

| Particulars                                                           | Year ended<br>31-03-2014 | Year ended<br>31-03-2013 |
|-----------------------------------------------------------------------|--------------------------|--------------------------|
| <b>A Cash flow from Operating Activities</b>                          |                          |                          |
| "Net Profit Before Taxation and Prior Period and Extraordinary Items" | -563                     | -201                     |
| Adjustments for                                                       |                          |                          |
| Depreciation on Fixed Assets                                          | 49                       | 63                       |
| Miscellaneous Expenditure Written off                                 | 47                       | 47                       |
| Finance Costs                                                         | 463                      | 532                      |
| Interest and other income                                             | -16                      | -16                      |
| Operating Profit before Working Capital Changes                       | -20                      | 425                      |
| <b>Adjustments for Working Capital Changes</b>                        |                          |                          |
| Changes in Current Investments                                        | 0                        | 0                        |
| Changes in Inventories                                                | 200                      | -214                     |
| Changes in Trade Receivables                                          | 293                      | -148                     |
| Changes in Short Term Loans and Advances                              | -60                      | 3,771                    |
| Changes in Other Current Assets                                       | -33                      | 66                       |
| Changes in Short Term Borrowings                                      | 227                      | -1,856                   |
| Changes in Trade Payables                                             | -18                      | -169                     |
| Changes in Other Current Liabilities                                  | 12                       | 1,045                    |
| Changes in Short Term Provisions                                      | 24                       | 22                       |
| <b>Net Cash generated from Operating Activities</b>                   | <b>625</b>               | <b>2,942</b>             |
| Income Taxes Paid                                                     | -20                      | -72                      |
| <b>Cash Flow before Prior Period and Extraordinary Items</b>          | <b>605</b>               | <b>2,870</b>             |
| Cash Flow from Prior Period and Extraordinary Items                   | -7                       | 0                        |
| <b>Net Cash from Operating Activities</b>                             | <b>598</b>               | <b>2,870</b>             |
| <b>B Cash flow from Investing Activities</b>                          |                          |                          |
| Purchase of Fixed Assets                                              | -3                       | -17                      |
| Purchase of shares                                                    | 0                        | -3,734                   |
| Sale of Fixed Assets                                                  | 52                       | 43                       |
| Interest and other income                                             | 16                       | 16                       |
| <b>Net Cash from Investing activities</b>                             | <b>65</b>                | <b>-3,692</b>            |
| <b>C Cash flow from Financing Activities</b>                          |                          |                          |
| Long Term Borrowings                                                  | -208                     | -762                     |
| Finance Costs                                                         | -463                     | -532                     |
| Long Term Loans and Advances                                          | -11                      | 132                      |
| <b>Net Cash Flow from Financing Activities</b>                        | <b>-683</b>              | <b>-1,162</b>            |
| <b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>       | <b>-20</b>               | <b>-1,983</b>            |
| <b>Cash and Cash Equivalents at the beginning of the year</b>         | <b>147</b>               | <b>2,130</b>             |
| <b>Cash and Cash Equivalents at the end of the year</b>               | <b>127</b>               | <b>147</b>               |

This is the Cash Flow Statement as referred to in our report of even date.

**For Ramanand and Associates**

Chartered Accountants

Firm Registration No. 117776W

On behalf of the Board

**CA Ramanand Gupta** - Partner

Membership No. 103975

Date : May 29, 2014

Place : Mumbai

Mr. R.V. Ravikumar  
Managing Director

Mr. Badrinath S. Gandhi  
Executive Director



## RAVI KUMAR DISTILLERIES LIMITED.

### Notes Forming Part of Balance Sheet as on 31st March 2014

(Rs. in Lacs)

| Particulars                                                     | As On<br>31-03-2014 | As On<br>31-03-2013 |
|-----------------------------------------------------------------|---------------------|---------------------|
| <b>A Share Capital</b>                                          |                     |                     |
| <b>Authorised Capital</b>                                       |                     |                     |
| 2,50,00,000 Nos. Equity Shares of 10/- each                     | 2,500               | 2,500               |
| (Previous Year:- 2,50,00,000 Nos. Equity Shares of ` 10/- each) |                     |                     |
| <b>Issued, Subscribed &amp; Paid up Share Capital</b>           |                     |                     |
| 2,40,00,000 Equity Shares of ` 10/- each Fully Paid.            | 2,400               | 2,400               |
| (Previous Year 2,40,00,000 Equity Shares of ` 10/- each)        |                     |                     |
| <b>Total</b>                                                    | <b>2,400</b>        | <b>2,400</b>        |
| <b>B Reserves And Surplus</b>                                   |                     |                     |
| <b>1 Securities Premium Account</b>                             |                     |                     |
| <b>Opening Balance</b>                                          | <b>6,210</b>        | <b>6,210</b>        |
| Add :- Securities Premium Credit On Shares                      | 0                   | 0                   |
| Less :- Premium Utilised For Various Reasons                    |                     |                     |
| Premium on Redemption Of Debentures.                            | 0                   | 0                   |
| For Issuing Bonus Shares                                        | 0                   | 0                   |
| <b>Closing Balance</b>                                          | <b>6,210</b>        | <b>6,210</b>        |
| <b>2 Profit &amp; Loss Account</b>                              |                     |                     |
| Opening Balance                                                 | 215                 | 409                 |
| Add:- Net Profit as per Profit & Loss Account                   | -580                | -194                |
| Less:- Bonus shares Issued                                      | 0                   | 0                   |
| Less:- Proposed Dividend                                        | 0                   | 0                   |
| Less : Dividend Distribution Tax                                | 0                   | 0                   |
| <b>Closing Balance</b>                                          | <b>-365</b>         | <b>216</b>          |
| <b>Total Reserves and Surplus</b>                               | <b>5,845</b>        | <b>6,426</b>        |
| <b>C Long Term Borrowings</b>                                   |                     |                     |
| <b>(a) Term Loans</b>                                           |                     |                     |
| From Banks                                                      | 14                  | 23                  |
| From Other Parties                                              | 0                   | 0                   |
| <b>(b) Deferred Payment Liabilities</b>                         | <b>868</b>          | <b>978</b>          |
| <b>(c) Deposits</b>                                             | <b>0</b>            | <b>0</b>            |
| <b>(d) Loans &amp; Advances from related party</b>              | <b>0</b>            | <b>0</b>            |
| <b>(e) Long Term maturities of finance lease obligation</b>     | <b>0</b>            | <b>0</b>            |
| <b>(f) Other Loans and advances (specify nature)</b>            | <b>0</b>            | <b>0</b>            |
| <b>Total Long Term Borrowings</b>                               | <b>882</b>          | <b>1,001</b>        |
| <b>D Other Long Term Liabilities</b>                            |                     |                     |
| <b>(a) Trade Payables</b>                                       | <b>0</b>            | <b>0</b>            |
| <b>(b) Others</b>                                               | <b>31</b>           | <b>31</b>           |
| <b>Total Other Long Term Liabilities</b>                        | <b>31</b>           | <b>31</b>           |
| <b>E Long Term Provisions</b>                                   |                     |                     |
| <b>(a) Provisions for Employee benefits</b>                     | <b>0</b>            | <b>0</b>            |
| <b>(b) Others (Specify nature)</b>                              | <b>0</b>            | <b>0</b>            |
| <b>Total Long Term Provisions</b>                               | <b>0</b>            | <b>0</b>            |
| <b>F Short term borrowings</b>                                  |                     |                     |
| <b>(a) Loans repayable on demand</b>                            |                     |                     |
| From Banks                                                      | 2,740               | 2,512               |
| From Other Parties                                              | 0                   | 0                   |
| <b>(b) Loans and advances from related parties</b>              | <b>0</b>            | <b>0</b>            |
| <b>(c) Deposits</b>                                             | <b>0</b>            | <b>0</b>            |
| <b>(d) Other Loans and Advances</b>                             | <b>0</b>            | <b>1</b>            |
| <b>Total Short Term Borrowings</b>                              | <b>2,740</b>        | <b>2,513</b>        |

## Notes Forming Part of Balance Sheet as on 31st March 2014

(Rs. in Lacs)

| Particulars                                                                        | As On<br>31-03-2014 | As On<br>31-03-2013 |
|------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>G Trade Payables</b>                                                            |                     |                     |
| Sundry Creditors - For Goods                                                       | 314                 | 332                 |
| <b>Total Trade Payables</b>                                                        | <b>314</b>          | <b>332</b>          |
| <b>H Other Current Liabilities</b>                                                 |                     |                     |
| Current maturities of long term debt                                               | 10                  | 10                  |
| Current maturities of finance lease obligations                                    | 210                 | 210                 |
| Interest accrued but not due on borrowings                                         |                     |                     |
| Interest accrued and due on borrowings                                             |                     |                     |
| Income received in advance                                                         |                     |                     |
| Unpaid dividends                                                                   | 0                   | 0                   |
| Unpaid matured deposits and interest accrued thereon                               |                     |                     |
| Unpaid matured debentures and interest accrued thereon                             |                     |                     |
| Others Payable (Specify nature)                                                    | 1,248               | 1,327               |
| <b>Total Other Current Liabilities</b>                                             | <b>1,469</b>        | <b>1,547</b>        |
| <b>I Short Term Provisions</b>                                                     |                     |                     |
| Provision For employee benefits                                                    | 56                  | 39                  |
| Provision for Taxation                                                             | 0                   | 0                   |
| Others (Specify nature)                                                            | 75                  | 69                  |
| <b>Total Short Term Provisions</b>                                                 | <b>132</b>          | <b>108</b>          |
| <b>J Non Current Investments</b>                                                   |                     |                     |
| (a) Investments in Government or Trust securities                                  | 1                   | 1                   |
| (b) Investments in Equity Instruments                                              | 3,734               | 3,734               |
| <b>Grand Total (A + B)</b>                                                         | <b>3,734</b>        | <b>3,734</b>        |
| <b>Less : Provision for diminution in the value of Investments</b>                 | <b>0</b>            | <b>0</b>            |
| <b>Total Non - Current Investments.</b>                                            | <b>3,734</b>        | <b>3,734</b>        |
| <b>K Long term loans and advances</b>                                              |                     |                     |
| Capital Advances                                                                   | 0                   | 0                   |
| Security Deposits                                                                  | 51                  | 51                  |
| Loans and advances to related parties (details)                                    | 0                   | 0                   |
| Advance Income Tax                                                                 | 105                 | 99                  |
| Other Loans and advances (specify nature)                                          | 2,943               | 2,932               |
| <b>Total Long Term Loans and Advances `.</b>                                       | <b>3,100</b>        | <b>3,083</b>        |
| <b>L Other Non-Current assets</b>                                                  |                     |                     |
| Long Term Trade Receivables (including trade receivables on deferred credit terms) | 0                   | 0                   |
| Others                                                                             | 82                  | 129                 |
| <b>Total Other Non - Current Assets `.</b>                                         | <b>82</b>           | <b>129</b>          |
| <b>M Current Investment</b>                                                        |                     |                     |
| Investments in Equity Instruments                                                  | 0                   | 0                   |
| Investments in Preference Shares                                                   | 0                   | 0                   |
| Investments in government or trust securities                                      | 0                   | 0                   |
| Investments in debenture or bonds                                                  | 0                   | 0                   |
| Investments in mutual funds                                                        | 0                   | 0                   |
| Investments in Partnership Firm                                                    | 0                   | 0                   |
| Other Investments (specify nature)                                                 | 0                   | 0                   |
| <b>Total Current Investments</b>                                                   | <b>0</b>            | <b>0</b>            |



**Notes Forming Part of Balance Sheet as on 31st March 2014**

(Rs. in Lacs)

| Particulars                                | As On<br>31-03-2014 | As On<br>31-03-2013 |
|--------------------------------------------|---------------------|---------------------|
| <b>N Inventories</b>                       |                     |                     |
| Raw Materials                              | 1,051               | 1,130               |
| Work - In - Progress                       | 58                  | 75                  |
| Finished Goods                             | 459                 | 564                 |
| Stock In Trade                             | 529                 | 528                 |
| Stores & Spares                            | 0                   | 0                   |
| Loose Tools                                | 0                   | 0                   |
| Others                                     | 0                   | 0                   |
| <b>Total Inventories</b>                   | <b>2,098</b>        | <b>2,298</b>        |
| <b>O Trade Receivables</b>                 |                     |                     |
| Less Than Six Months                       |                     |                     |
| Secured, considered good                   | 784                 | 1,218               |
| Unsecured, considered good                 |                     |                     |
| Unsecured, considered doubtful             |                     |                     |
| Less : Provision for doubtful debts        |                     |                     |
| More Than Six Months                       |                     |                     |
| Secured, considered good                   |                     |                     |
| Unsecured, considered good                 | 616                 | 475                 |
| Unsecured, considered doubtful             |                     |                     |
| Less : Provision for doubtful debts        |                     |                     |
| <b>Total Trade Receivables</b>             | <b>1,400</b>        | <b>1,693</b>        |
| <b>P Cash and cash equivalents</b>         |                     |                     |
| Balances with Banks                        | 46                  | 24                  |
| Cheques, drafts on hand                    | 0                   | 0                   |
| Cash on hand                               | 6                   | 30                  |
| Other Bank Balances                        | 74                  | 93                  |
| <b>Total Cash and Cash Equivalents</b>     | <b>127</b>          | <b>147</b>          |
| <b>Q Short term Loans and advances</b>     |                     |                     |
| Loans and advances to related parties      | 2,613               | 2,521               |
| Others Loans and advances                  | 8                   | 40                  |
| <b>Total Short Term Loans and Advances</b> | <b>2,621</b>        | <b>2,561</b>        |
| <b>R Other Current assets</b>              |                     |                     |
| Prepaid Expenses                           | 61                  | 28                  |
| <b>Total Other Current Assets</b>          | <b>61</b>           | <b>28</b>           |

# **FIXED ASSETS AND DEPRECIATION FOR THE PERIOD ENDED 31-03-2014**

Schedule " 5 "

DEPRECIATION AS PER COMPANIES ACT, 1956

(Rs. in Lacs)

| GROSS BLOCK |                                      |                        | DEPRECIATION BLOCK    |                           |                           |                  | NET BLOCK                    |                               |                              |                              |                  |                  |
|-------------|--------------------------------------|------------------------|-----------------------|---------------------------|---------------------------|------------------|------------------------------|-------------------------------|------------------------------|------------------------------|------------------|------------------|
| No.         | Particulars                          | Rate of Depre- ciation | Cost as on 01-04-2013 | Additions during the Year | Delitions during the Year | As on 31-03-2014 | Depreciation upto 01-04-2013 | Adjustment on Account of Sale | Depreciation during the Year | Depreciation upto 31-03-2014 | As on 31-03-2014 | As on 31-03-2013 |
| A           | Tangible Assets                      |                        |                       |                           |                           |                  |                              |                               |                              |                              |                  |                  |
| 1.          | Land (Inclusive of Development Cost) | 0%                     | 127                   | 0                         | 52                        | 75               | 0                            | 0                             | 0                            | 0                            | 75               | 127              |
| 2.          | Factory Building                     | 10%                    | 532                   | 0                         | 0                         | 532              | 362                          | 0                             | 17                           | 379                          | 153              | 170              |
| 3.          | Plant & Machinery                    | 13.91%                 | 625                   | 2                         | 0                         | 627              | 491                          | 0                             | 19                           | 510                          | 117              | 134              |
| 4.          | Furniture & Fixtures                 | 18.10%                 | 44                    | 0                         | 0                         | 44               | 32                           | 0                             | 2                            | 34                           | 10               | 12               |
| 5.          | Vehicles                             |                        |                       |                           |                           |                  |                              |                               |                              |                              |                  |                  |
|             | Motor Vehicles                       | 25.89%                 | 47                    | 0                         | 5                         | 42               | 20                           | 5                             | 7                            | 22                           | 20               | 27               |
|             | Cycle                                | 20.00%                 | 1                     | 0                         | 0                         | 1                | 0                            | 0                             | 1                            | 1                            | 0                | 1                |
| 6.          | Office Equipments                    | 13.91%                 | 41                    | 1                         | 0                         | 42               | 26                           | 0                             | 2                            | 28                           | 14               | 15               |
| 7.          | Computers & Printers                 | 40.00%                 | 57                    | 0                         | 0                         | 57               | 54                           | 0                             | 1                            | 55                           | 2                | 3                |
|             | Total Tangible Assets                |                        | 1,474                 | 3                         | 57                        | 1,420            | 985                          | 5                             | 49                           | 1,029                        | 391              | 489              |
| B           | Intangible Assets                    | 40.00%                 | 0                     | 0                         | 0                         | 0                | 0                            | 0                             | 0                            | 0                            | 0                | 0                |
| C           | Capital Work in Progress             | 0%                     | 0                     | 0                         | 0                         | 0                | 0                            | 0                             | 0                            | 0                            | 0                | 0                |
| D           | Intangible Assets under Development  | 40%                    | 0                     | 0                         | 0                         | 0                | 0                            | 0                             | 0                            | 0                            | 0                | 0                |
|             | Current Year Total                   |                        | 1,474                 | 3                         | 57                        | 1,420            | 985                          | 5                             | 49                           | 1,029                        | 391              | 489              |
|             | Previous Year Total                  |                        | 1,537                 | 18                        | 81                        | 1,474            | 961                          | 39                            | 63                           | 985                          | 489              | 576              |



**Notes Forming Part of Profit and Loss A/c. for the year ended 31st March 2014** (Rs. in Lacs)

| Particulars                                                         | For the year ended<br>31-03-2014 | For the year ended<br>31-03-2013 |
|---------------------------------------------------------------------|----------------------------------|----------------------------------|
| <b>Revenue From Operations</b>                                      |                                  |                                  |
| Sales Of Products                                                   | 6,727                            | 8,115                            |
| Other Operating Revenue                                             | 99                               | 112                              |
| Less: Excise Duty Paid                                              | 3,007                            | 4,151                            |
| <b>Total Revenue From Operations</b>                                | <b>3,819</b>                     | <b>4,076</b>                     |
| <b>Other Income</b>                                                 |                                  |                                  |
| Interest Income                                                     | 16                               | 16                               |
| <b>Total Other Income</b>                                           | <b>16</b>                        | <b>16</b>                        |
| <b>"Cost Of Raw Materials including Packing Materials Consumed"</b> |                                  |                                  |
| <b>Opening Stock</b>                                                |                                  |                                  |
| Raw Materials                                                       | 714                              | 892                              |
| Flavours & Essence                                                  | 52                               | 70                               |
| Packing Materials                                                   | 364                              | 369                              |
| <b>Total (A)</b>                                                    | <b>1,130</b>                     | <b>1,331</b>                     |
| <b>Add : Purchases</b>                                              |                                  |                                  |
| Raw Materials                                                       | 594                              | 712                              |
| Flavours & Essence                                                  | 13                               | 17                               |
| Packing Materials                                                   | 638                              | 765                              |
| <b>Total (B)</b>                                                    | <b>1,245</b>                     | <b>1,494</b>                     |
| <b>Total (A+B)</b>                                                  | <b>2,376</b>                     | <b>2,825</b>                     |
| <b>Less : Closing Stock</b>                                         |                                  |                                  |
| Raw Materials                                                       | 518                              | 714                              |
| Flavours & Essence                                                  | 36                               | 52                               |
| Packing Materials                                                   | 497                              | 364                              |
| <b>Total</b>                                                        | <b>1,051</b>                     | <b>1,130</b>                     |
| <b>Cost of Materials Consumed</b>                                   | <b>1,324</b>                     | <b>1,695</b>                     |
| <b>Purchases of Goods Traded</b>                                    |                                  |                                  |
| Purchase Of Stock In Trade                                          | 1,634                            | 1,496                            |
| <b>Total Purchase of Goods Traded</b>                               | <b>1,634</b>                     | <b>1,496</b>                     |
| <b>Changes in Inventories</b>                                       |                                  |                                  |
| <b>Opening Stock</b>                                                |                                  |                                  |
| Work-in-Progress                                                    | 75                               | 58                               |
| Finished Goods                                                      | 564                              | 560                              |
| Stock Of Goods Traded                                               | 528                              | 134                              |
| <b>Total</b>                                                        | <b>1,167</b>                     | <b>752</b>                       |
| <b>Closing Stock</b>                                                |                                  |                                  |
| Work-in-Progress                                                    | 58                               | 75                               |
| Finished Goods                                                      | 459                              | 564                              |
| Stock Of Goods Traded                                               | 529                              | 528                              |
| <b>Total</b>                                                        | <b>1,046</b>                     | <b>1,167</b>                     |
| <b>Increase in Stock</b>                                            | <b>-121</b>                      | <b>415</b>                       |

**Notes Forming Part of Profit and Loss A/c. for the year ended 31st March 2014** (Rs. in Lacs)

| Particulars                                         | For the year ended<br>31-03-2014 | For the year ended<br>31-03-2013 |
|-----------------------------------------------------|----------------------------------|----------------------------------|
| <b>Employee Cost</b>                                |                                  |                                  |
| Salaries, Wages & Incentives                        | 131                              | 93                               |
| Contribution to provident & other funds             | 12                               | 14                               |
| Staff welfare expenses                              | 7                                | 7                                |
| Remuneration to Whole Time Directors                | 28                               | 37                               |
| <b>Total Of Employee Cost</b>                       | <b>178</b>                       | <b>151</b>                       |
| <b>Financial Expenses</b>                           |                                  |                                  |
| Loan Processing Charges                             | 0                                | 9                                |
| Interest & Finance Charges                          | 463                              | 523                              |
| <b>Total Of Financial Expenses</b>                  | <b>463</b>                       | <b>532</b>                       |
| <b>Other Expenses</b>                               |                                  |                                  |
| <b>Other Manufacturing &amp; Operating Expenses</b> |                                  |                                  |
| Excise Duty & Charges                               | 12                               | 11                               |
| Factory Expenses                                    | 47                               | 44                               |
| Label Charges                                       | 4                                | 5                                |
| Utilities                                           | 5                                | 5                                |
| Operational Support Cost                            | 254                              | 421                              |
| Other Operating Expenses                            | 13                               | 9                                |
| Rent                                                | 21                               | 27                               |
| Electricity Charges                                 | 6                                | 5                                |
| Rates, Duties & Taxes                               | 2                                | 9                                |
| Insurance                                           | 2                                | 3                                |
| Professional & Consultancy Charges                  | 11                               | 14                               |
| Telephone & Communication Expenses                  | 6                                | 7                                |
| Travelling & Conveyance                             | 5                                | 10                               |
| Printing & Stationery                               | 4                                | 4                                |
| Security Charges                                    | 2                                | 2                                |
| Vehicle Running & Maintenance Expenses              | 4                                | 12                               |
| Postage & Courier Charges                           | 1                                | 1                                |
| Repairs & Maintenance                               | 18                               | 12                               |
| Miscellaneous Expenses written off                  | 47                               | 47                               |
| Internal Audit Fees                                 | 0                                | 3                                |
| Auditors Remuneration                               | 7                                | 7                                |
| Legal Expenses                                      | 20                               | 0                                |
| Custodian Charges                                   | 1                                | 1                                |
| Board Meeting Expenses                              | 3                                | 3                                |
| Share Transfer Charges                              | 2                                | 2                                |
| Directors Sitting Fees                              | 2                                | 2                                |
| Listing Fees                                        | 1                                | 1                                |
| Other Expenses                                      | 5                                | 10                               |
| Advertisement Expenses                              | 2                                | 2                                |
| Discounts, Schemes & Allowances                     | 50                               | 35                               |
| Sales Promotion                                     | 42                               | 25                               |
| Incentives & Commissions                            | 9                                | 13                               |
| Outward Freight Charges                             | 6                                | 6                                |
| Bank Charges                                        | 17                               | 14                               |
| <b>Total other Expenses</b>                         | <b>629</b>                       | <b>771</b>                       |



## **NOTES TO FINANCIAL STATEMENTS :**

### **1. General Information :**

The Company was 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.

### **2. Significant Accounting Policies :**

#### **2.1 Basis of preparation of Financial Statements :**

The Financial Statements have been prepared in accordance with the generally accepted accounting principles ('GAAP') applicable in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211 (3C), Companies (Accounting Standard) Rules, 2006, as amended from time to time and the other relevant provisions of the Companies Act, 1956.

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI of the Companies Act, 1956.

#### **2.2 Use of Estimates :**

The preparation of Financial Statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized. Management believes that the estimates used in preparation of financial statements are prudent and reasonable.

#### **2.3 Tangible Assets :**

Tangible Assets are stated at cost (or revalued amount as the case may be) less accumulated depreciation and accumulated impairment losses if any. Cost comprises purchase price and any other attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Gain or loss arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on fixed assets is provided on written down value method (WDV) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 over their useful life. Depreciation of asset sold / discarded during the period is proportionately charged. Individual low cost assets (acquired for less than Rs 5000/-) are depreciated within a year of acquisition. Intangible assets are amortized over their estimated useful life on a straight line basis.

#### **2.4 Borrowing Costs :**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### **2.5 Impairment of assets :**

As on Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there are any indications that those assets have suffered "Impairment Loss". Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

#### **2.6 Investments :**

Investments that are readily realizable and intended to be held for not more than a year are classified as "Current Investments". All other Investments are classified as Long Term Investments.

Current Investments are carried at lower of cost or Market / Fair Value determined on an individual investment basis.

Long Term investments are valued at cost. Provision for diminution in the value of long term investment is made only if such decline is other than temporary in nature.

**2.7 Grants and Subsidies :**

Grants and Subsidies are recognized when there is reasonable assurance that the Grant / Subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to a revenue item it is recognized as income over the period necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the Grant on subsidy relates to an asset its value is deducted in arriving at the carrying amount of the related asset.

**2.8 Revenue Recognition :**

The company is in the business of manufacture and sale of IMFL products. Sale of goods are recognized when the goods are dispatched / on passing title of the Goods to the customers. The sales are accounted by including the scheme / discounts / Excise Duty and Sales Tax. The Scheme discounts / Sales Tax are charged off separately to the Profit and Loss Account. Profit on sale of investments is recorded on transfer of title from the company and is determined as the difference between the sale price and the carrying value of the investment. Interest is recognized based on time-proportion method based on rates implicit in the transaction.

**2.9 Inventories :**

Inventories are valued at lower of cost and estimated net realizable value after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Cost includes taxes, duties and all incidental expenses directly attributable to the purchases.

**Method of assignment of cost is as under:**

Raw Material, Stores & Spares : Weighted average cost basis

Work – in – progress : Direct expenses plus appropriate Factory overheads on the basis of completed production

Finished Goods : Cost of goods, direct expenses plus appropriate Factory overheads and Excise Duty

Traded Goods : Actual cost Basis

**2.10 Employee Benefits :**

The Provident fund scheme and Employee State Insurance Scheme are defined contribution plans. The company contributes a fixed sum to the Provident Fund / Employees State Insurance Scheme maintained by the Central Government. The contribution paid / payable under the schemes is recognised during the period in which the employee renders the related service.

The liability for Gratuity to employees as at the Balance Sheet date is as per the obligation to gratuity fund administered by the trustees and managed by Life Insurance Corporation of India. The contribution thereof paid / payable for the relevant period is charged off to Profit and Loss Account.

**2.11 Foreign Exchange Transactions :**

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions.

Foreign Exchange monetary items in the Balance Sheet are translated at the year-end rates. Exchange differences on settlement / conversion are adjusted to Profit and Loss Account.

**2.12 Tax Expense :**

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961 and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income".

Deferred Tax represents the tax effect of timing differences between taxable income and accounting income for the reporting period and is capable of reversal in one or more subsequent periods. Deferred tax are quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet Date.

Deferred Tax Assets are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax asset on unabsorbed depreciation and carry forward of losses are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**2.13 Contingent Liabilities and Provisions :**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.


**Contingent Liability is disclosed for**

- Possible obligation which will be confirmed only by future events not wholly within the control of the company or
- Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made.
- Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

**2.14 Earnings Per Share :**

In determining the Earnings Per share, the company considers the net profit after tax including any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the Weighted average number of shares outstanding during the period. The number of shares used in computing Diluted earnings per share comprises the Weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

**2.15 Leases :**
**Finance Lease**

Leases which effectively transfer to the company all the risks and benefits incidental to ownership of the leased item, are classified as Finance Lease. Lease rentals are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return.

**Operating Lease**

Lease where the lessor effectively retains substantially all risks and benefits of the asset are classified as Operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account on a Straight Line Basis over the Lease term.

**2.16 Segment Reporting:**

The generally accepted accounting principles used in the preparation of the financial statements are applied to record revenue and expenditure in individual segments.

Segment revenue and segment results include transfers between business segments. Such transfers are accounted for at the agreed transaction value and such transfers are eliminated in the consolidation of the segments.

Expenses that are directly identifiable to segments are considered for determining the segment result. Expenses, which relate to the company as a whole and are not allocable to segments are included under unallocated corporate expenses.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.

**3. Equity Share Capital :**
**(Rs. in Lacs)**

| Particulars                                                       | As on<br>31-03-2014 | As on<br>31-03-2013 |
|-------------------------------------------------------------------|---------------------|---------------------|
| <b>A Share Capital</b>                                            |                     |                     |
| <b>Authorised Capital</b>                                         |                     |                     |
| 2,50,00,000 Nos. Equity Shares of Rs. 10/- each                   | 2,500               | 2,500               |
| (Previous Year:- 2,50,00,000 Nos. Equity Shares of Rs. 10/- each) |                     |                     |
| <b>Issued, Subscribed &amp; Paid up Share Capital</b>             |                     |                     |
| 2,40,00,000 Equity Shares of Rs. 10/- each Fully Paid.            | 2,400               | 2,400               |
| (Previous Year 2,40,00,000 Equity Shares of Rs. 10/- each)        |                     |                     |
| <b>Total</b>                                                      | <b>2,400</b>        | <b>2,400</b>        |

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

| Particulars                               | As on<br>31-03-2014<br>Numbers | As on<br>31-03-2014<br>Rupees in Lacs | As on<br>31-03-2013<br>Numbers | As on<br>31-03-2013<br>Rupees in Lacs |
|-------------------------------------------|--------------------------------|---------------------------------------|--------------------------------|---------------------------------------|
| <b>Equity Shares</b>                      |                                |                                       |                                |                                       |
| <b>At the Beginning of the year</b>       | <b>24,000,000</b>              | <b>2,400</b>                          | <b>24,000,000</b>              | <b>2,400</b>                          |
| Less : Cancelled during the year          | 0                              | 0                                     | 0                              | 0                                     |
| Add : Issued during the Year              | 0                              | 0                                     | 0                              | 0                                     |
| <b>Outstanding at the end of the year</b> | <b>24,000,000</b>              | <b>2,400</b>                          | <b>24,000,000</b>              | <b>2,400</b>                          |

**b. Details of Shareholders holding more than 5% shares in the company**

| No. | Particulars                       | As on<br>31-03-2014<br>Numbers | As on<br>31-03-2014<br>% of holding | As on<br>31-03-2013<br>Numbers | As on<br>31-03-2013<br>% of holding |
|-----|-----------------------------------|--------------------------------|-------------------------------------|--------------------------------|-------------------------------------|
| 1   | Mr. R V Ravikumar                 | 5,496,675                      | 22.90%                              | 5,381,696                      | 22.42%                              |
| 2   | BPJ Holding Private Limited       | 3,675,000                      | 15.31%                              | 3,675,000                      | 15.31%                              |
| 3   | Comfort Intech Limited            | 2,366,000                      | 9.86%                               | 2,366,000                      | 9.86%                               |
| 4   | Chiraag Suppliers Private Limited | 1,408,906                      | 6.17%                               | 1,408,906                      | 6.17%                               |
| 5   | Nandlal Vyapaar Private Limited   | 1,409,000                      | 5.87%                               | 1,409,000                      | 5.87%                               |

c. The Company issued 55 Lacs Shares as bonus shares by way of capitalization of free reserves during the Financial Year 2007-2008 and 2009-2010.

d. Out of the above, 25 Lacs shares were issued for consideration other than cash during the financial year 2007-2008.

**4. Reserves and Surplus :**

(Rs. in Lacs)

| Particulars                                   | As on<br>31-03-2014 | As on<br>31-03-2013 |
|-----------------------------------------------|---------------------|---------------------|
| <b>B Reserves And Surplus</b>                 |                     |                     |
| <b>1 Securities Premium Reserve</b>           |                     |                     |
| <b>Balance at the beginning of the year</b>   | <b>6,210</b>        | <b>6,210</b>        |
| Add :- Securities Premium Credit On Shares    | 0                   | 0                   |
| Less :- Premium Utilised For Various Reasons  |                     |                     |
| Premium on Redemption Of Debentures           | 0                   | 0                   |
| For Issuing Bonus Shares                      | 0                   | 0                   |
| <b>Balance at the end of the year</b>         | <b>6,210</b>        | <b>6,210</b>        |
| <b>2 Profit &amp; Loss Account</b>            |                     |                     |
| <b>Balance at the beginning of the year</b>   | <b>215</b>          | <b>408</b>          |
| Add:- Net Profit as per Profit & Loss Account | -580                | -194                |
| Less:- Bonus shares Issued                    | 0                   | 0                   |
| Less:- Proposed Dividend                      | 0                   | 0                   |
| Less: Dividend Distribution Tax               | 0                   | 0                   |
| <b>Balance at the end of the year</b>         | <b>-365</b>         | <b>215</b>          |
| <b>Total Reserves and Surplus `.</b>          | <b>5,845</b>        | <b>6,425</b>        |



## RAVI KUMAR DISTILLERIES LIMITED.

### 5. Long Term Borrowings :

(Rs. in Lacs)

| Particulars                                       | As on<br>31-03-2014<br>Non Current | As on<br>31-03-2014<br>Current | As on<br>31-03-2013<br>Non Current | As on<br>31-03-2013<br>Current |
|---------------------------------------------------|------------------------------------|--------------------------------|------------------------------------|--------------------------------|
| <b>Long Term Borrowings</b>                       |                                    |                                |                                    |                                |
| <b>Secured Loans</b>                              |                                    |                                |                                    |                                |
| Term Loan from Banks                              | 4                                  | 10                             | 13                                 | 10                             |
| Long Term maturities of finance lease Obligations | 142                                | 300                            | 130                                | 210                            |
| <b>Unsecured Loans</b>                            |                                    |                                |                                    |                                |
| Deferred Payment Liabilities                      | 426                                | 0                              | 638                                | 0                              |
| Other Loans and Advances                          | 0                                  | 0                              | 0                                  | 0                              |
| <b>Total Long Term Borrowings</b>                 | <b>572</b>                         | <b>310</b>                     | <b>781</b>                         | <b>220</b>                     |

#### 5.1 Term Loan from Banks :

Term Loan from Banks includes Term Loan availed from HDFC Bank of Rs. 32.75 Lacs (Outstanding as on 31-03-2014 Rs. 14.07 Lacs) which is secured against hypothecation of vehicles. The same is repayable by way of 48 monthly installments of Rs. 0.95 Lacs each. As on 31-03-2014, the company has defaulted in payment of installment for the month of March 2014 amounting to Rs. 0.98 Lacs.

#### 5.2 Long Term Liabilities of Finance Lease Obligations :

The Company has availed Term Loan from 'Sundaram Finance Limited' a Non Banking Financial Corporation amounting to Rs. 1,268.74 lakhs for expansion of facilities. The Finance Lease obligations are secured against leased assets. Outstanding as on 31-03-2014 Rs. 442.20 lacs.

As on 31-03-2014, the company has defaulted in payment of installments aggregating to Rs. 278.39 Lacs.

#### 5.3 Deferred Payment Liabilities Manufacture of IMFL Brands owned by other Corporates

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 Manufacturing 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 "Non Current Long Term Borrowings". The Balances of tie up parties are subject to confirmation and reconciliation. In the opinion of management, there would not be any substantial differences on reconciliation.

### 6. Deferred Taxes

Deferred Tax liability on account of depreciation has been recognized in the financial statements. Details of deferred tax are as under:

(Rs. in Lacs)

| Particulars                                                     | Year Ending<br>March 31, 2014 | Year Ending<br>March 31, 2013 |
|-----------------------------------------------------------------|-------------------------------|-------------------------------|
| Deferred Tax Liability related to Fixed Assets                  | 21                            | 25                            |
| Deferred Tax Asset on items Disallowed under the Income Tax Act | 0                             | 0                             |

Deferred Tax Assets on accumulated losses has not been considered on prudence basis.

**7. Other Long Term Liabilities :**

(Rs. in lacs)

| Particulars                                     | As on 31-03-2014 | As on 31-03-2013 |
|-------------------------------------------------|------------------|------------------|
| Other Long Term Liabilities                     |                  |                  |
| (a) Trade Payables                              | 0                | 0                |
| (b) Current Maturities of Long Term Obligations | 0                | 0                |
| (c) Others                                      | 31               | 31               |
| <b>Total Other Long Term Liabilities</b>        | <b>31</b>        | <b>31</b>        |

Other Long Term Liabilities represent 'Deposits' received from 'Tie Up Parties' which are not expected to be repaid back within a period of 12 months from the date of financial statements.

**8. Short Term Borrowings :**

(Rs. in Lacs)

| Particulars                             | As on 31-03-2014 | As on 31-03-2013 |
|-----------------------------------------|------------------|------------------|
| <b>Short term borrowings</b>            |                  |                  |
| <b>Secured Short Term Borrowings</b>    |                  |                  |
| <b>Working Capital Loans</b>            |                  |                  |
| From Banks                              | 2,650            | 2,360            |
| From Other Parties                      | 0                | 0                |
| <b>Unsecured Short Term Borrowings</b>  |                  |                  |
| From Banks                              | 90               | 152              |
| From Other Parties                      | 0                | 0                |
| Loans and advances from related parties | 0                | 1                |
| <b>Total Short Term Borrowings</b>      | <b>2,740</b>     | <b>2,513</b>     |

8.1 Working Capital Loans are secured by hypothecation of present and future stock of raw materials, Stock in Process, Finished Goods, Spares, Book Debts, Outstanding monies, receivables, claims, materials in transit etc.

**8.2 Term Loan from Banks :**

8.2.1 Term Loan from State Bank of India is collaterally secured by Equitable Mortgage of Factory Land and Building at RS No. 89 / 4A and 89 / 1, Katterikuppam, Mannadipet Commune, Pondicherry. The collateral security as mentioned above is common security for all facilities granted by the bank viz. Cash Credit, Term Loan, Bank Guarantee etc.

8.2.2 The promoters, directors and shareholders of the company have also given their personal assets as collateral security for entire facilities sanctioned by State Bank of India. The disclosure of the same is given below :

| No. | Name of the Promoter / Shareholder / Related Party | Relationship           | Particulars of Security                                         |
|-----|----------------------------------------------------|------------------------|-----------------------------------------------------------------|
| 1   | Mr. R V Ravikumar                                  | Director / Shareholder | Personal Guarantee<br>Equitable Mortgage of Personal Properties |
| 2   | Ravikumar Properties Private Limited               | Related Party          | Corporate Guarantee                                             |
| 3   | Mrs. R Amirthavalli                                | Shareholder            | Personal Guarantee<br>Equitable Mortgage of Personal Properties |
| 4   | Mr. V Sivashankar                                  | Related Party          | Personal Guarantee<br>Equitable Mortgage of Personal Properties |
| 5   | Mr. S Boopalan                                     | Related Party          | Personal Guarantee<br>Equitable Mortgage of Personal Properties |



## RAVI KUMAR DISTILLERIES LIMITED.

### 8.2.3 Overdue Facilities with State Bank of India :

State Bank of India has classified entire facilities as 'Non Performing Assets' as on 31-03-2014 (Outstanding Rs. 2650 Lacs) (Principal Overdue Rs. 2386.37 Lacs and Interest Overdue Rs. 264.02 Lacs). Further, State Bank of India has initiated action under 'SERFAESI Act' for recovery of dues outstanding amounting to Rs. 2615.08 Lacs.

### 9. Trade Payables :

(Rs. in Lacs)

| Particulars                  | As on 31-03-2014 | As on 31-03-2013 |
|------------------------------|------------------|------------------|
| <b>Trade Payables</b>        |                  |                  |
| Sundry Creditors - For Goods | 314              | 332              |
| <b>Total Trade Payables</b>  | <b>314</b>       | <b>332</b>       |

The company has not received intimation from all the "Suppliers" regarding their status under **Micro, Small and Medium Enterprises Development Act, 2006**, and hence, the disclosure relating to amounts unpaid as at March 31, 2014 together with interest paid /payable as required under the said Act has been provided only to the extent of intimations received.

### 10. Other Current Liabilities :

(Rs. in Lacs)

| Particulars                                     | As on 31-03-2014 | As on 31-03-2013 |
|-------------------------------------------------|------------------|------------------|
| <b>Other Current Liabilities</b>                |                  |                  |
| Current maturities of long term debt            | 10               | 10               |
| Current maturities of finance lease obligations | 300              | 210              |
| Unpaid dividends                                | 0                | 0                |
| Others Payable                                  | 1,249            | 1,327            |
| <b>Total Other Current Liabilities</b>          | <b>1,559</b>     | <b>1,547</b>     |

10.1 During the financial year 2011-12, the Company acquired 38.43% stake in Liquors India Limited. However due to various issues with Mr. Anil Agrawal, Managing Director of 'Comfort Securities Ltd.', (the Merchant Banker to the Initial Public Offering of the company) and 'M/s. Comfort Intech Ltd.', the company entered into agreement with Mr. Anil Agrawal and 'Lemonade Shares & Securities Private Limited' for sale of entire undertaking. The agreement has been challenged and Civil suit has been filed before IIInd Additional District Judge, Ranga Reddy District, L.B. Nagar, Hyderabad with prayers inter-alia to rescind the agreements as being void and restore the parties back to the position prior to the MOU dated 05.09.2012. Pending the outcome of the suit, the amount received from M/s. Lemonade Shares and Securities Private Limited is shown under "Other Current Liabilities".

### 11. Short Term Provisions :

(Rs. in Lacs)

| Particulars                        | As on 31-03-2014 | As on 31-03-2013 |
|------------------------------------|------------------|------------------|
| <b>Short Term Provisions</b>       |                  |                  |
| Provision For employee benefits    | 56               | 39               |
| Provision for Expenses             | 76               | 69               |
| <b>Total Short Term Provisions</b> | <b>132</b>       | <b>108</b>       |

### 12. Fixed Assets (Continuation of page 35)

**FIXED ASSETS AND DEPRECIATION FOR THE PERIOD ENDED 31-03-2014**  
**Schedule " 5 "**  
**DEPRECIATION AS PER COMPANIES ACT, 1956**

(Rs. in Lacs)

| GROSS BLOCK |                                                  |                      | DEPRECIATION BLOCK    |                           |                           |                  | NET BLOCK                    |                               |                              |                              |                  |                  |
|-------------|--------------------------------------------------|----------------------|-----------------------|---------------------------|---------------------------|------------------|------------------------------|-------------------------------|------------------------------|------------------------------|------------------|------------------|
| No.         | Particulars                                      | Rate of Depreciation | Cost as on 01-04-2013 | Additions during the Year | Deletions during the Year | As on 31-03-2014 | Depreciation upto 01-04-2013 | Adjustment on Account of Sale | Depreciation during the Year | Depreciation upto 31-03-2014 | As on 31-03-2014 | As on 31-03-2013 |
| A           | Tangible Assets                                  |                      |                       |                           |                           |                  |                              |                               |                              |                              |                  |                  |
| 1           | Land (Inclusive of Development Cost)             | 0%                   | 127                   | 0                         | 52                        | 75               | 0                            | 0                             | 0                            | 0                            | 75               | 127              |
| 2           | Building                                         | 10%                  | 532                   | 0                         | 0                         | 532              | 362                          | 0                             | 17                           | 379                          | 153              | 170              |
| 3           | Plant and Equipments                             | 13.91%               | 625                   | 2                         | 0                         | 627              | 491                          | 0                             | 19                           | 510                          | 117              | 134              |
| 4           | Furniture and Fixtures                           | 18.10%               | 44                    | 0                         | 0                         | 44               | 32                           | 0                             | 2                            | 34                           | 10               | 12               |
| 5           | Vehicles                                         | 25.89%               | 47                    | 0                         | 5                         | 42               | 20                           | 5                             | 7                            | 22                           | 20               | 27               |
| 6           | Motor Vehicles                                   | 20.00%               | 1                     | 0                         | 0                         | 1                | 0                            | 0                             | 1                            | 1                            | 0                | 1                |
| 7           | Office Equipments                                | 13.91%               | 41                    | 1                         | 0                         | 42               | 26                           | 0                             | 2                            | 28                           | 14               | 15               |
|             | Office Equipments                                |                      |                       |                           |                           |                  |                              |                               |                              |                              |                  |                  |
|             | Others                                           |                      |                       |                           |                           |                  |                              |                               |                              |                              |                  |                  |
|             | Computers & Printers                             | 40.00%               | 57                    | 0                         | 0                         | 57               | 54                           | 0                             | 1                            | 55                           | 2                | 3                |
|             | Total Tangible Assets                            |                      | 1,474                 | 3                         | 57                        | 1,420            | 985                          | 5                             | 49                           | 1,029                        | 391              | 489              |
| B           | Intangible Assets                                |                      |                       |                           |                           |                  |                              |                               |                              |                              |                  |                  |
|             | Goodwill                                         | 40.00%               | 0                     | 0                         | 0                         | 0                | 0                            | 0                             | 0                            | 0                            | 0                | 0                |
|             | Brands / Trademarks                              | 40.00%               | 0                     | 0                         | 0                         | 0                | 0                            | 0                             | 0                            | 0                            | 0                | 0                |
|             | Computer Software                                | 40.00%               | 0                     | 0                         | 0                         | 0                | 0                            | 0                             | 0                            | 0                            | 0                | 0                |
|             | Mastheads and publishing titles                  | 40.00%               | 0                     | 0                         | 0                         | 0                | 0                            | 0                             | 0                            | 0                            | 0                | 0                |
|             | Mining Rights                                    | 40.00%               | 0                     | 0                         | 0                         | 0                | 0                            | 0                             | 0                            | 0                            | 0                | 0                |
|             | Copyrights and Patents                           | 40.00%               | 0                     | 0                         | 0                         | 0                | 0                            | 0                             | 0                            | 0                            | 0                | 0                |
|             | Recipes, Formulae, Models designs and Prototypes | 40.00%               | 0                     | 0                         | 0                         | 0                | 0                            | 0                             | 0                            | 0                            | 0                | 0                |
|             | Licences and Franchise                           | 40.00%               | 0                     | 0                         | 0                         | 0                | 0                            | 0                             | 0                            | 0                            | 0                | 0                |
|             | Others                                           | 40.00%               | 0                     | 0                         | 0                         | 0                | 0                            | 0                             | 0                            | 0                            | 0                | 0                |
|             | Total Intangible Assets                          |                      | 0                     | 0                         | 0                         | 0                | 0                            | 0                             | 0                            | 0                            | 0                | 0                |
| C           | Capital Work in Progress                         | 0%                   | 0                     | 0                         | 0                         | 0                | 0                            | 0                             | 0                            | 0                            | 0                | 0                |
|             | Total Capital Work in Progress                   |                      | 0                     | 0                         | 0                         | 0                | 0                            | 0                             | 0                            | 0                            | 0                | 0                |
| D           | Intangible Assets under Development              | 40%                  | 0                     | 0                         | 0                         | 0                | 0                            | 0                             | 0                            | 0                            | 0                | 0                |
|             | Total Intangible assets under development        |                      | 0                     | 0                         | 0                         | 0                | 0                            | 0                             | 0                            | 0                            | 0                | 0                |
|             | Current Year Total                               |                      | 1,474                 | 3                         | 57                        | 1,420            | 985                          | 5                             | 49                           | 1,029                        | 391              | 489              |
|             | Previous Year Total                              |                      | 1,537                 | 18                        | 81                        | 1,474            | 961                          | 39                            | 63                           | 985                          | 489              | 576              |



## RAVI KUMAR DISTILLERIES LIMITED.

### 13. Non Current Investments:

(Rs. in Lacs)

| Particulars                                                                                                  | As on 31-03-2014 | As on 31-03-2013 |
|--------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Non Current Investments – Other Investments</b>                                                           |                  |                  |
| <b>Investments in Government or Trust securities - Unquoted</b>                                              |                  |                  |
| 6 Years National Savings Certificates (Deposited with Sales Tax Department and Other Government Authorities) | 1                | 1                |
| Investment in Equity Instruments                                                                             | 3,734            | 3,734            |
| <b>Total</b>                                                                                                 | <b>3,734</b>     | <b>3,734</b>     |
| Less : Provision for diminution in the value of Investments                                                  | 0                | 0                |
| <b>Total Non - Current Investments</b>                                                                       | <b>3,734</b>     | <b>3,734</b>     |
| <b>Non Current Investments in Equity Instruments :</b>                                                       |                  |                  |
| Investment in Equity Shares of Associate Companies :                                                         |                  |                  |
| Unquoted fully paid up                                                                                       |                  |                  |
| Liquor India Limited                                                                                         | 1,311            | 1,311            |
| SV Distilleries Private Limited                                                                              | 2,423            | 2,423            |
| <b>Total</b>                                                                                                 | <b>3,734</b>     | <b>3,734</b>     |

13.1 During the financial year 2011-12, the Company acquired 38.43% stake of Liquors India Limited. However due to various issues with Mr. Anil Agrawal, Managing Director of Comfort Securities Ltd., (the Merchant Banker to the IPO) and M/s. Comfort Intech Ltd., the company entered into agreement with Mr. Anil Agrawal and Lemonade Shares & Securities Private Limited for sale of entire undertaking. The agreement has been challenged and Civil suit has been filed before IIInd Additional District Judge, Ranga Reddy District, L.B. Nagar, Hyderabad with prayers inter-alia to rescind the agreements as being void and restore the parties back to the position prior to the MOU dated 05.09.2012. Pending the outcome of the suit, the investment in shares of "Liquor India Ltd." is considered as disputed and shown under "Non-Current Investments."

13.2 As on 31-03-2014, the company holds 49% stake of 'SV Distilleries Private Limited' amounting to Rs. 2,422.49 Lacs.

### 14. Long Term Loans and Advances:

(Rs. in Lacs)

| Particulars                                              | As on 31-03-2014 | As on 31-03-2013 |
|----------------------------------------------------------|------------------|------------------|
| <b>Long term loans and advances</b>                      |                  |                  |
| <b>Unsecured Considered Good unless otherwise stated</b> |                  |                  |
| Capital Advances                                         | 0                | 0                |
| Security Deposits                                        | 51               | 51               |
| Loans and Advances to Related Parties                    | 0                | 0                |
| Advance Income Tax                                       | 105              | 99               |
| Other Loans and advances                                 |                  |                  |
| - Under Recovery Proceedings                             | 2900             | 2,900            |
| - Others                                                 | 43               | 32               |
| <b>Total Long Term Loans and Advances</b>                | <b>3,100</b>     | <b>3,083</b>     |

14.1 Other Loans and advances amounts transferred to various parties post IPO includes of Rs. 2,900 Lacs given as advances to suppliers during Financial Year 2010-2011. However, since, the capital commitments were not acted upon by the parties, the management has decided to recall the advances paid. During the financial year 2013-2014, the company has sent legal notices to parties and has also filed Recovery Suits for refund of advances lying with them. The management expects to get the advances back in due course. Hence, no provision has been made in the accounts for doubtful recovery of above advances. The company has also filed complaint with Economic Offence Wing, Unit-V, Mumbai for recovery.

**15. Other Non – Current Assets :**

(Rs. in Lacs)

| Particulars                                                                        | As on 31-03-2014 | As on 31-03-2013 |
|------------------------------------------------------------------------------------|------------------|------------------|
| <b>Other Non-Current assets</b>                                                    |                  |                  |
| Unsecured Considered Good unless otherwise stated                                  |                  |                  |
| Long Term Trade Receivables (including trade receivables on deferred credit terms) | 0                | 0                |
| Others #                                                                           | 82               | 129              |
| <b>Total Other Non - Current Assets</b>                                            | <b>82</b>        | <b>129</b>       |

# The above includes an amount of Rs. 35.67 Lacs which represents Turnover Tax paid during the previous financial years which is under dispute.

**16. Inventories :**

(Rs. in Lacs)

| Particulars                       | As on 31-03-2014 | As on 31-03-2013 |
|-----------------------------------|------------------|------------------|
| <b>Inventories</b>                |                  |                  |
| Raw Materials & Packing Materials | 1,051            | 1130             |
| Work - In - Progress              | 58               | 75               |
| Finished Goods                    | 459              | 564              |
| Stock In Trade                    | 529              | 528              |
| <b>Total Inventories</b>          | <b>2,098</b>     | <b>2,298</b>     |

**17. Trade Receivable :**

(Rs. in Lacs)

| Particulars                         | As on 31-03-2014 | As on 31-03-2013 |
|-------------------------------------|------------------|------------------|
| <b>Trade Receivables</b>            |                  |                  |
| <b>Less Than Six Months</b>         |                  |                  |
| Secured, considered good            | 0                | 0                |
| Unsecured, considered good          | 784              | 1,218            |
| Unsecured, considered doubtful      | 0                | 0                |
| Less : Provision for doubtful debts | 0                | 0                |
| <b>More Than Six Months</b>         |                  |                  |
| Secured, considered good            | 0                | 0                |
| Unsecured, considered good          | 616              | 475              |
| Unsecured, considered doubtful      | 0                | 0                |
| Less : Provision for doubtful debts | 0                | 0                |
| <b>Total Trade Receivables</b>      | <b>1,400</b>     | <b>1,693</b>     |

The Balances of trade receivables are subject to confirmation and reconciliation. In the opinion of management, there would not be any substantial differences on reconciliation.

**18. Cash and Cash Equivalents :**

(Rs. in Lacs)

| Particulars                            | As on 31-03-2014 | As on 31-03-2013 |
|----------------------------------------|------------------|------------------|
| <b>Cash and cash equivalents</b>       |                  |                  |
| Balances with Banks                    | 46               | 24               |
| Cash on hand                           | 6                | 30               |
| Other Bank Balances                    | 74               | 93               |
| <b>Total Cash and Cash Equivalents</b> | <b>127</b>       | <b>147</b>       |

18.1 Balance with banks include unclaimed dividend of Rs. 0.44 Lacs (Previous Year Rs. 0.44 Lacs).

18.2 Fixed Deposits of Rs. 1 Lacs are pledged with Electricity Departments as Deposit.



## RAVI KUMAR DISTILLERIES LIMITED.

18.3 Fixed Deposits of Rs. 47.63 Lacs with Axis Bank are pledged as security against deposit given to BSE.

18.4 Fixed Deposits of Rs. 25.74 Lacs are pledged with State Bank of India for Non Funded Facilities granted.

### 19. Short Term Loans and Advances :

(Rs. in Lacs)

| Particulars                                       | As on 31-03-2014 | As on 31-03-2013 |
|---------------------------------------------------|------------------|------------------|
| <b>Short term Loans and advances</b>              |                  |                  |
| Unsecured considered good unless otherwise stated |                  |                  |
| Loans and advances to related parties             | 2,613            | 2,522            |
| Others Loans and advances                         | 8                | 40               |
| <b>Total Short Term Loans and Advances</b>        | <b>2,621</b>     | <b>2,561</b>     |

19.1 Loans and Advances to related parties includes, working capital advance given to 'Liquor India Limited' (Associate Enterprises – Also Refer Note No. 13.1) of Rs. 1,155 Lacs and 'S V Distilleries Private Limited' (Associate Enterprises – Also Refer Note No. 13.2) of Rs. 1,458 Lacs. No interest has been charged on these loan on prudence basis.

19.2 During the financial year 2011-12, the Company acquired 38.43% stake of Liquors India Limited. However due to various issues with Mr. Anil Agrawal, Managing Director of Comfort Securities Ltd., (the Merchant Banker to the IPO) and M/s. Comfort Intech Ltd., the company entered into agreement with Mr. Anil Agrawal and Lemonade Shares & Securities Private Limited for sale of entire undertaking. The agreement 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 agreements as being void and restore the parties back to the position prior to the MOU dated 05.09.2012. Pending the outcome of the suit, the advances given to "Liquors India Ltd." is considered as disputed and shown under "Short Term Loans and Advances to Related Parties."

### 20. Other Current Assets :

(Rs. in Lacs)

| Particulars                       | As on 31-03-2014 | As on 31-03-2013 |
|-----------------------------------|------------------|------------------|
| Other Current assets              |                  |                  |
| Prepaid Expenses                  | 61               | 28               |
| <b>Total Other Current Assets</b> | <b>61</b>        | <b>28</b>        |

### 21. Revenue from Operations :

(Rs. in Lacs)

| Particulars                          | For the Year 31-03-2014 | For the Year 31-03-2013 |
|--------------------------------------|-------------------------|-------------------------|
| Revenue From Operations              |                         |                         |
| Sales Of Products                    | 6727                    | 8115                    |
| Other Operating Revenue              | 99                      | 112                     |
| Less: Excise Duty Paid               | 3007                    | 4151                    |
| <b>Total Revenue From Operations</b> | <b>3819</b>             | <b>4076</b>             |

### 22. Other Income :

(Rs. in Lacs)

| Particulars               | For the Year 31-03-2014 | For the Year 31-03-2013 |
|---------------------------|-------------------------|-------------------------|
| Other Income              |                         |                         |
| Interest Income           | 16                      | 16                      |
| <b>Total Other Income</b> | <b>16</b>               | <b>16</b>               |

**23. Cost of Raw Materials Consumed :**

(Rs. in Lacs)

| Particulars                                                | For the Year 31-03-2014 | For the Year 31-03-2013 |
|------------------------------------------------------------|-------------------------|-------------------------|
| Cost Of Raw Materials including Packing Materials Consumed |                         |                         |
| Raw Materials                                              | 714                     | 892                     |
| Flavours & Essence                                         | 52                      | 70                      |
| Packing Materials                                          | 364                     | 369                     |
| <b>Total (A)</b>                                           | <b>1130</b>             | <b>1331</b>             |
| Add : Purchases                                            |                         |                         |
| Raw Materials                                              | 594                     | 712                     |
| Flavours & Essence                                         | 13                      | 17                      |
| Packing Materials                                          | 638                     | 765                     |
| <b>Total (B)</b>                                           | <b>1245</b>             | <b>1494</b>             |
| <b>Total (A+B)</b>                                         | <b>2376</b>             | <b>2825</b>             |
| Less : Closing Stock                                       |                         |                         |
| Raw Materials                                              | 518                     | 714                     |
| Flavours & Essence                                         | 36                      | 52                      |
| Packing Materials                                          | 497                     | 364                     |
| <b>Total</b>                                               | <b>1051</b>             | <b>1130</b>             |
| <b>Cost of Materials Consumed</b>                          | <b>1324</b>             | <b>1695</b>             |

**24. Purchases of Goods Traded :**

(Rs. in Lacs)

| Particulars                           | For the Year 31-03-2014 | For the Year 31-03-2013 |
|---------------------------------------|-------------------------|-------------------------|
| Purchase Of Goods Traded              | 1634                    | 1496                    |
| <b>Total Purchase of Goods Traded</b> | <b>1634</b>             | <b>1496</b>             |

**25. Changes in Inventories :**

(Rs. in Lacs)

| Particulars              | For the Year 31-03-2014 | For the Year 31-03-2013 |
|--------------------------|-------------------------|-------------------------|
| Changes in Inventories   |                         |                         |
| <b>Opening Stock</b>     |                         |                         |
| Work-in-Progress         | 75                      | 58                      |
| Finished Goods           | 564                     | 560                     |
| Stock Of Goods Traded    | 528                     | 134                     |
|                          | <b>1167</b>             | <b>753</b>              |
| <b>Closing Stock</b>     |                         |                         |
| Work-in-Progress         | 58                      | 75                      |
| Finished Goods           | 459                     | 564                     |
| Stock Of Goods Traded    | 529                     | 528                     |
|                          | <b>1046</b>             | <b>1167</b>             |
| <b>Increase in Stock</b> | <b>-121</b>             | <b>415</b>              |

**26. Employee Benefit Expenses :**

(Rs. in Lacs)

| Particulars                             | For the Year 31-03-2014 | For the Year 31-03-2013 |
|-----------------------------------------|-------------------------|-------------------------|
| Employee Cost                           |                         |                         |
| Salaries, Wages & Incentives            | 131                     | 93                      |
| Contribution to provident & other funds | 12                      | 14                      |
| Staff welfare expenses                  | 7                       | 7                       |
| Remuneration to Whole Time Directors    | 28                      | 37                      |
| <b>Total Of Employee Cost</b>           | <b>178</b>              | <b>151</b>              |

**RAVI KUMAR DISTILLERIES LIMITED.****27. Finance Costs:**

(Rs. in Lacs)

| Particulars                        | For the Year 31.03.2014 | For the Year 31.03.2013 |
|------------------------------------|-------------------------|-------------------------|
| Financial Expenses                 |                         |                         |
| Loan Processing Charges            | 0                       | 9                       |
| Interest & Finance Charges         | 463                     | 523                     |
| <b>Total Of Financial Expenses</b> | <b>463</b>              | <b>532</b>              |

**28. Other Expenses:**

(Rs. in Lacs)

| Particulars                                         | For the Year 31-03-2013 | For the Year 31-03-2012 |
|-----------------------------------------------------|-------------------------|-------------------------|
| <b>Other Expenses</b>                               |                         |                         |
| <b>Other Manufacturing &amp; Operating Expenses</b> |                         |                         |
| Excise Duty & Charges                               | 12                      | 11                      |
| Factory Expenses                                    | 47                      | 44                      |
| Label Charges                                       | 4                       | 5                       |
| Utilities                                           | 5                       | 5                       |
| Operational Support Cost                            | 254                     | 421                     |
| Other Operating Expenses                            | 13                      | 9                       |
| Rent                                                | 21                      | 27                      |
| Electricity Charges                                 | 6                       | 5                       |
| Rates, Duties & Taxes                               | 2                       | 9                       |
| Insurance                                           | 2                       | 3                       |
| Professional & Consultancy Charges                  | 11                      | 14                      |
| Telephone & Communication Expenses                  | 6                       | 7                       |
| Travelling & Conveyance                             | 5                       | 10                      |
| Printing & Stationery                               | 4                       | 4                       |
| Security Charges                                    | 2                       | 2                       |
| Vehicle Running & Maintenance Expenses              | 4                       | 12                      |
| Postage & Courier Charges                           | 1                       | 1                       |
| Repairs & Maintenance                               | 18                      | 12                      |
| Miscellaneous Expenses written off                  | 47                      | 47                      |
| Internal Audit Fees                                 | 0                       | 3                       |
| Auditors Remuneration                               | 7                       | 7                       |
| Legal Expenses                                      | 20                      | 0                       |
| Custodian Charges                                   | 1                       | 1                       |
| Board Meeting Expenses                              | 3                       | 3                       |
| Share Transfer Charges                              | 2                       | 2                       |
| Directors Sitting Fees                              | 2                       | 2                       |
| Listing Fees                                        | 1                       | 1                       |
| Other Expenses                                      | 5                       | 10                      |
| Advertisement Expenses                              | 2                       | 2                       |
| Discounts, Schemes & Allowances                     | 50                      | 35                      |
| Sales Promotion                                     | 42                      | 25                      |
| Incentives & Commissions                            | 9                       | 13                      |
| Outward Freight Charges                             | 6                       | 6                       |
| Bank Charges                                        | 17                      | 14                      |
| <b>Total other Expenses</b>                         | <b>629</b>              | <b>771</b>              |

**29. Gratuity and Other Post Employment Benefit Plans:**

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below

## Defined Contribution Plan

(Rs. in Lacs)

| Particulars                              | Year Ending March, 31 2014 | Year Ending March, 31 2013 |
|------------------------------------------|----------------------------|----------------------------|
| Employers Contribution to Provident Fund | 6                          | 6                          |
| Employers Contribution to Gratuity Fund  | 0                          | 5                          |

**Gratuity**

The liability for Gratuity to employees as at the Balance Sheet date is determined on the basis of actuarial valuation based on Projected Unit Credit method and is funded to a Gratuity fund administered by the trustees and managed by Life Insurance Corporation of India. The contribution thereof paid/payable is charged in the books of accounts.

The employees and the Company make monthly fixed contributions to a Provident Fund Trust, equal to a specified percentage of the covered employee's salary. The interest rate payable by the Trust to the beneficiaries is being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

In the absence of adequate information, the status of the Gratuity plan and the Superannuation and the other Pension Plans of the Company and the amount recognized in the Balance Sheet and Profit and Loss Account could not be disclosed.

**30. Impairment of Assets :**

Assets of the Company are being tested for impairment. Considering the internal and external sources of information, there was no indication of potential impairment loss, and hence estimation of recoverable amount does not arise.

**31. Segment Reporting :**

The company operates only in one reportable business segment namely manufacture and sale of Indian Manufactured Foreign Liquor. The liquor business incorporates the product groups (viz) IMFL and others, which have similar risks and returns. Hence segment reporting is not applicable.

**32. Payment to Auditors :**

(Rs. in Lacs)

| Particulars          | Year Ending March 31, 2014 | Year Ending March 31, 2013 |
|----------------------|----------------------------|----------------------------|
| As Statutory Auditor | 6                          | 6                          |
| For Taxation Matters | 1                          | 1                          |
| <b>Total</b>         | <b>7</b>                   | <b>7</b>                   |

**33. Prior Period Items :**

(Rs. in Lacs)

| Particulars                                | FY 2013-2014 | FY 2012-2013 |
|--------------------------------------------|--------------|--------------|
| Prior Period Finance Charges               | 7            | 0            |
| <b>Net Prior Period Income / (Expense)</b> | <b>7</b>     | <b>0</b>     |

**34. Particulars of Raw Materials, Goods Purchased for Trading and Finished Goods :**

(Rs. in Lacs)

| No. Particulars                      | Amount             |
|--------------------------------------|--------------------|
| <b>A Raw Materials</b>               | <b>Consumption</b> |
| 1 Extra Neutral Alcohol (ENA)        | 789                |
| 2 Essence and Flavours               | 30                 |
| 3 Packing Material & Others          | 505                |
| <b>Total</b>                         | <b>1324</b>        |
| <b>B Goods Purchased for Trading</b> | <b>Purchases</b>   |
| Whisky                               | 96                 |
| Rum                                  | 53                 |
| Brandy                               | 901                |
| Others                               | 584                |
| <b>Total</b>                         | <b>1634</b>        |
| <b>C Work in Progress</b>            | <b>WIP</b>         |
| Blend                                | 58                 |
| <b>Total</b>                         | <b>58</b>          |



## RAVI KUMAR DISTILLERIES LIMITED.

(Rs. in Lacs)

| No. | Particulars        | Sales        | Closing Inventory | Opening Inventory |
|-----|--------------------|--------------|-------------------|-------------------|
| 1   | Manufactured Goods | 4,665        | 459               | 564               |
|     | <b>Total</b>       | <b>4,665</b> | <b>459</b>        | <b>564</b>        |
| 2   | Traded Goods       | 2,062        | 529               | 528               |
|     | <b>Total</b>       | <b>2,062</b> | <b>529</b>        | <b>528</b>        |

### 35. Expenditure in Foreign Currency : (Rs. in Lacs)

| Foreign Currency Transaction    | Year Ending March 31, 2014 | Year Ending March 31, 2013 |
|---------------------------------|----------------------------|----------------------------|
| A) Foreign Exchange Earnings    | Nil                        | Nil                        |
| B) Foreign Exchange Expenditure | Nil                        | Nil                        |

### 36. Value of Raw Materials, Spare Parts and Components consumed during the year (Rs. in Lacs)

| Raw Material and Other Materials | Year Ending March 31, 2014 |      | Year Ending March 31, 2013 |      |
|----------------------------------|----------------------------|------|----------------------------|------|
|                                  | Amount                     | %    | Amount                     | %    |
| Imported                         | Nil                        | Nil  | Nil                        | Nil  |
| Indigenous                       | 1,324                      | 100% | 1,695                      | 100% |
| <b>Total</b>                     | <b>1,324</b>               |      | <b>1,695</b>               |      |

### 37. Related Party Transactions : A. Related parties and their relationship:

| Nature of Relationship                                                                                                                                               | Name of the Related Party                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Enterprises that directly or indirectly through one or more intermediaries, control, or are controlled by or are under common control with the reporting enterprises | Ravikumar Properties Private Limited<br>Ravikumar Resorts and Hotels Private Limited<br>Ravikumar Powergen Private Limited<br>Reality Projects & Entertainments Private Limited<br>Liquor India Limited<br>SV Distilleries Limited |
| Key Management personnel                                                                                                                                             | Mr. R.V.Ravikumar<br>Mrs. S. Vijayalakshmi<br>Mr. Badrinath S Gandhi                                                                                                                                                               |

### B. Transactions with Related Parties (other than those advances given for business purposes) (Rs. in Lacs)

| Transaction                         | Related Party                        | Year Ending March 31, 2014 | Year Ending March 31, 2013 |
|-------------------------------------|--------------------------------------|----------------------------|----------------------------|
| Remuneration                        | Mr R V Ravikumar                     | 13                         | 12                         |
|                                     | Mrs. Vijayalakshmi                   | 5                          | 5                          |
|                                     | Mr. Badrinath S Gandhi               | 10                         | 9                          |
| Rent                                | Mr. R V Ravikumar                    | 13                         | 13                         |
| Unsecured Loans received and repaid | Mr. R.V.Ravikumar                    | 740                        | 819                        |
| <b>Year End Balances:</b>           |                                      |                            |                            |
| Purchase / Advance for              |                                      |                            |                            |
| Purchase of Immoveable Assets       | Ravikumar Properties Private Limited | 0                          | 558                        |
| Loan from director                  | Mr. R V Ravikumar                    | 0                          | 1                          |
| Advances to Companies               | Liquors India Limited                | 1155                       | 1155                       |
|                                     | SV Distilleries Private Limited      | 1458                       | 809                        |

**38. Earnings Per Share as per Accounting Standard 20:**

(Rs. in Lacs)

| Particulars                                                                      | Year Ending March31, 2014 | Year Ending March31, 2013 |
|----------------------------------------------------------------------------------|---------------------------|---------------------------|
| Profit / (Loss) after Tax                                                        | (580)                     | (194)                     |
| Weighted Average number of Equity Shares used as denominator for calculating EPS | 2,40,00,000               | 2,40,00,000               |
| Basic Earnings Per Share of Rs.10/- each                                         | Rs. (2.42)                | Rs. (0.81)                |
| Potentially dilutive shares                                                      | Nil                       | Nil                       |
| Diluted Earnings per share                                                       | Rs. (2.42)                | Rs. (0.81)                |

**39. Taxation Matters:**

The Company has received a Demand Notice from Income Tax Department regarding Appeals filed by with the Commissioner of Income Tax (Appeals) against the orders of the Assessing Officer; in respect of the Assessment Year 2010-2011; on account of disallowance of expenditure under section 40 a (ia) of the Income Tax Act, 1961. The Department has raised a demand of **Rs.138.94 Lacs** for the said assessment year. The Company has decided to file a petition in High Court against the Appeal Orders issued by the Commissioner of Income Tax (Appeals). The Company is confident of succeeding in the said petition 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.

**40. Contingent Liabilities:**

(Rs. in Lacs)

| Contingent Liability not provided for in the books                                                                                                     | Year Ending March 31, 2014 | Year Ending March 31, 2013 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| Turnover Tax                                                                                                                                           | 222.55                     | 222.55                     |
| Guarantee given to a bank                                                                                                                              | 1.00                       | 1.00                       |
| Counter Guarantee provided by the Bank on behalf of the Company                                                                                        | 120.00                     | 120.00                     |
| Counter Guarantee in favour of Bank of Baroda, Barkatpura Branch, Hyderabad against credit facilities sanctioned to 'S V Distilleries Private Limited' | 8,385.00                   | 8,385.00                   |
| Income Tax matters                                                                                                                                     | 142.19                     | 562.58                     |
| Claims against the company not acknowledged as debt                                                                                                    | Nil                        | Nil                        |

**Legal cases filed by and against the company are as follows:**

1. A Civil Suit OS No. 103/2013 and I.A. No. 405/2013 before 2nd Additional District Judge, Ranga Reddy District, L.B. Nagar, Hyderabad with prayers (i) to rescind the agreements as being void and restore the parties back to the position prior to the MOU dated 05.09.2012. (ii) To declare the notice for EGM dated 05.02.2013 as null and void and illegal. The court has passed an order restraining Mr. Anil Agrawal from holding the EGM till further orders.
2. I.A. No. 1452 of 2013 filed with IInd Additional District Judge, Ranga Reddy District, L.B. Nagar, Hyderabad praying Not to alienate, encumber assets of M/s.Liquors India Ltd. Judgement is reserved.
3. I.A. No. 1453 of 2013 filed with IInd Additional District Judge, Ranga Reddy District, L.B. Nagar, Hyderabad praying Not to alter the Board. Judgement is reserved.
4. Writ petition No. 12960 of 2013 filed with the Hon'ble High Court, Andhra Pradesh requesting not to transfer the excise license of M/s. Liquors India Limited, Nacharam, Hyderabad to Mr. Anil Agrawal. Case disposed off directing the Excise Commissioner of Prohibition & Excise, Hyderabad to consider Mr. R.V. Ravikumar's representation dated 23.01.2013 and 05.02.2013 before considering the application of Mr. Anil Agrawal for transfer of the license of Liquor India Limited. Mr. Anil Agrawal has filed a Writ Petition No. 34448 of 2013. The court as orderd to dispose the petition in accordance with law.
5. Complaint with Excise Commissioner of Prohibition and Excise, Hyderabad stating that the Company has filed several complaints / petitions and the same are pending before the Courts and Authorities and therefore the Excise License of Liquors India Limited should not be transferred until all our cases / complaints are resolved. License not transferred in the name of Mr. Anil Agrawal. The Excise Department has renewed the License of Liquors India Limited in the name of the company.
6. Complaint with the Commissioner of Police, Hyderabad against the fraud and cheating committed by Mr. Anil Agrawal. The



## **RAVI KUMAR DISTILLERIES LIMITED.**

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Police has registered the FIR No.248/2013 dated 23.08.2013 against Mr. Anil Agrawal and others under Section 406-IPC, 420-IPC, 447-IPC, 385-IPC, 386-IPC, 467-IPC, 468-IPC, 469-IPC, 471-IPC, 120B-IPC, 34-IPC.

- i. Mr. Anil Agrawal has filed C.P. No. 11292 of 2013 in the High Court of Hyderabad against FIR No. 248/2013 dated 23.08.2013 filed with the Police Department, Hyderabad and order was passed to the concerned police to complete the investigation without arresting Mr. Anil Agrawal and others.
- ii. Mr. Anil Agrawal has also filed C.P. No. 3389 of 2013 in the High Court of Bombay against the same FIR No. 248/2013 dated 23.08.2013 of Police Department, Hyderabad and the same was withdrawn by him, after objection by the Government of Andhra Pradesh.
- iii. M/s. Tilaknagar Industries Limited – accused A7, A8 and A9 filed W.P. No. 4945 of 2014 with the Hon'ble High Court, Andhra Pradesh to stay all further proceedings of FIR No. 248/2013 of Andhra Police. The W.P. is pending for admission.
7. Writ Petition No. 12713 of 2014 with the Hon'ble High Court, Andhra Pradesh praying License of Liquors India Limited issued by the Excise Department should be cancelled and sub-lease agreement also be cancelled. The order has been passed that all transactions including financial transactions between Mr. Anil Agrawal and Tilaknagar Industries Limited shall be booked and recorded faithfully pending further consideration of W.P.M.P. No. 15944 of 2014 in W.P. No. 12713 of 2014. Mr. Anil Agrawal and Tilaknagar Industries Limited shall not create any charge or third party interest relating to the assets of Liquors India Limited.
8. Complaint with SEBI, Mumbai against BRLM M/s. Comfort Securities Ltd., & Comfort Intech Ltd. (DP) promoted by Mr. Anil Agrawal for violations of SEBI Regulations.
9. Complaint with EOW, Mumbai for cheating and money laundering to recover company's money of Rs. 33.72 crores. EOW has registered FIR No.34/14 dated 21.01.2014 under section 409, 420, 465, 467, 468, 471, 474, 120(B) and the case is under active investigation.
  - i. Mr. Anil Agrawal has filed application for Anticipatory Bail vide Petition No. 148 of 2014. Bail Application is pending before the Session Court, Mumbai.
  - ii. Mr. Anil Agrawal has also filed quash petition No. 2059 of 2014 with High Court of Mumbai for quash of EOW-FIR. The same is pending before the court.
  - iii. M/s. Sukusama Trading & Investment Pvt.Ltd., M/s. Rani Sati Dealers Pvt.Ltd., M/s. Gulistan Vanijiya Pvt.Ltd., Gangor Suppliers Pvt.Ltd., and M/s. B.L.C. Trading Agencies Pvt.Ltd. have filed C.W.P. Nos. 811, 812, 861, 863 & 913 of 2014 in the High court of Mumbai praying to direct EOW to record their statements as true facts without insisting on additions / alterations. The cases were dismissed.
10. Recovery suits No. SL/1135, 1136, 1137, 1138 and 1139 of 2013 filed against M/s. Ranisati Dealer Pvt.Ltd., M/s. Vibhuti Multi Trade Pvt.Ltd., M/s. Gulistan Vnijiya Pvt.Ltd., M/s. Sukusama Trading and Investments Pvt.Ltd. and M/s. BLC Trading and Agencies Pvt.Ltd. in the High Court of Bombay. Matter pending before the court.
11. Complaint with Enforcement Directorate, Mumbai to investigate the frauds committed by Mr. Anil Agrawal and his companies. Enforcement Directorate has initiated enquiries against Mr. Anil Agrawal, his companies and others under the provisions of prevention of Money Laundering Act 2002 on the basis of the FIR No. 34/14 dated 21.01.2014.
12. Complaint with SEBI for Cancellation of BRLM License. The complaint has been registered by SEBI in its site [www.scores.gov.in](http://www.scores.gov.in) vide Complaint Registration No. SEBIP/MH14/0003906/1 dated 07.08.2014.
13. Complaint with SEBI and CDSL for Cancellation of DP License. The complaint has been registered with SEBI in its site [www.scores.gov.in](http://www.scores.gov.in) vide Complaint Registration No. SEBIP/MH14/0003325/1 dated 07.07.2014.
14. Complaint with RBI and Ministry of Finance to appoint officer to investigate the affair of CIL and cancel the License to act as NBFC for violating the guidelines. The matter is under process.
15. Complaint with The Police Commissioner of Chennai against the fraud and cheating committed by Mr. Anil Agrawal. Mr. Anil Agrawal filed Writ Petition No. 32829 of 2013 with High Court of Chennai to direct the Police, Chennai not to proceed further with the investigation. The matter is pending before the Court without further date since December 2013.
16. Petition Under section 111A r/w 111(4) of the Companies Act 1956 filed before the Company Law Board, Chennai in the matter of Liquor India Limited, Mr. Anil Agrawal and others. Matter is pending before the CLB.

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

1. The Company Law Board, Chennai under section 397, 398, 235(2) and 237(b) of the Companies Act, 1956. The Company has filed counter and the matter is pending before the CLB.
2. W.P. No. 7956 of 2014 filed with Hon'ble High Court, Andhra Pradesh to register the complaint filed by him against Mr. R.V. Ravikumar. The matter is pending before the court without further date.
3. Complaint with Malad Police Station, Mumbai against the company. Preliminary enquiry by the Malad Police Station is in progress.

One Mr. Anand Agrawal, Director of M/s.Comfort Intech Limited has filed a complaint with RoC under Investor's Complaint and ROC has closed the complaint after verification and proper scrutiny.

M/s. First Financial Services Limited, Chennai has filed O.S. No. 6602 of 2013 at City Civil Court, Chennai alleging mis-management of the company. The matter is pending before the court.

#### **41. Previous Year Figures :**

The financial statements for the year ended March 31, 2014 have been prepared as per Revised Schedule VI. The figures for the previous year have been regrouped, reclassified or rearranged to meet the recognition and measurement principles followed for preparation of financial statements.

For and on behalf of the Board of Directors  
**For RAVI KUMAR DISTILLERIES LIMITED**

Date : 28.08.2014  
Place : Mumbai

**Mr. R.V. Ravikumar**  
Managing Director

**Mr. Badrinath S. Gandhi**  
Executive Director



## **RAVIKUMAR DISTILLERIES LIMITED**

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