



18th Annual Report 2011



RAVIKUMAR DISTILLERIES LIMITED



Factory



Factory Premises

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPANY SECRETARY & PRESIDENT (CORP. AFFAIRS)

Mr. G.K. Prem Kumar Menon

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

"Mena Kampala", 3rd Floor,
B Wing, B-Block,
No.114 & 115, Sir Theagaraya Road,
T. Nagar, Chennai - 600 017, India.
Tel. No. 91 - 044 - 28154087
Fax No. 91 - 044 - 28154087
Website: www.ravikumardistilleries.com
Email: cs@ravikumardistilleries.com

CORPORATE OFFICE:

No.17, Kamaraj Salai,
Puducherry - 605 011
Tel. No. 91 - 0413 - 2343278 & 2346386
Fax No. 91 - 0413 - 2331032
Website: www.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 OFFICE:

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

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DIRECTORS' REPORT

To

The Members,
Ravikumar Distilleries Limited

Your Directors have pleasure in presenting the 18th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2011.

	(Rs)	
Financial Results	2010-11	2009-10
Income from Operations	530597417	502049002
Profit Before Depreciation and Taxes	19770884	34655841
Less: Depreciation	6401109	7094680
Less : Provision for		
(a) Income tax	5080707	9996600
(b) Deferred tax	(467465)	(407253)
Less proposed dividend	6000000	-
Dividend Distribution tax	1019700	-
Profit for the Year	1736833	17971814
Balance Carried Forward to Balance sheet	1736833	17971814

Business:

The performance of the Company during the year under review was as follows:

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, Konarak as well as under tie-up arrangements with other Companies. The IMFL comprises of Whisky, Brandy, Rum, Gin and Vodka. Your Company currently operate through own manufacturing unit located at R.S 89/4A, Katterikuppam Village, Mannadipet Commune, Puducherry. The Unit is equipped with state of art 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. 10074.94 lakhs compared to Rs.9865.18 lakhs in the previous year recording a growth of 210.76. Gross profit was Rs. 1236.79 lakhs as against gross profit of Rs.1048.88 lakhs in the previous year. The net profit was Rs. 87.56 lakhs as against profit after tax Rs.179.72 lakhs in the previous year. Earning per share is Rs. 0.57 against Rs.1.56 in the previous year on a weighted average basis as per Accounting Standard 20 issued by the Institute of Chartered Accountants of India.

Dividend during the year

Your Directors are happy to propose a dividend of Rs.0.25 paise per share for the year 2010-11 which constitutes 2.5% on the paid up capital of the Company.

Initial Public ISSUE:

During the year under review your Company successfully completed the Initial Public Offer and is listed with Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited(NSE). The Scrip code in BSE is 533294 and NSE is RKDL. Your Directors are happy to inform that, there are 5967 valued shareholders with the Company. The shareholding pattern and other particulars are given in the Corporate Governance report annexed to this report.

Future Outlook:

During current year, your Company will try to achieve maximum capacity utilization in our existing plant at Pondicherry. Further, your Company management has entered into a Share Purchase Agreement with the promoters of S V Distilleries Private Limited, Regd.Office S No.112 to 114, Malchapur Village, Balki Taluk, Bidar Dist., Karnataka for acquiring 51% of the paid up capital of the said company thus acquired the control of the Company. During the current financial year your Company management plan to acquire the balance 49% thus making it wholly owned subsidiary of your Company.

S V Distilleries Pvt. Limited, has an existing plant with a manufacturing capacity of Rectified Spirit (RS) of 20,000 Litres per day and an ENA plant of 20,000 litres per day. It has an expansion project which is under process with a capacity of 1,00,000 litres ENA per day. When it becomes fully operational, it will have capacity of 1,20,000 litres of ENA and 20000 litres RS per day. Additionally, it will produce ENA, Ethanol, Compost, 4.5 MW Power, IMFL, CO₂, Ash for Bricks manufacturing. Once the project is completed it will be a zero emission plant.

The total project cost of this plant is estimated at approximately Rs.10000 Lakhs. Your Company management is in discussion with Banks for additional fund requirements. The project is proposed to be completed by February/March 2012. When the Company is fully operational your Company management foresee that, it will generate a profit of Rs.2000 Lakhs per year including sale of power on a sales volume of Rs. 12000 Lakhs per year.

Further, your management is planning further acquisitions and expansions during the year to make your Company a major one in the Southern Region of the Country.

Employees' Stock Option Plan 2011

During the current financial year, your company management is proposing Stock Options to the employees to keep the talents within the industry and to incentiwise them.

Subsidiary Companies:

Your Company do not have any subsidiary Companies during the year under review.

Auditors' Report:

The Auditors report to the shareholders is self-explanatory under serial no.16 of annexure to auditor report, the auditors commented about non utilisation of loan for the purpose availed by the Company. The reason for the same is the machinery proposed for purchase was from to be not usable as per requirement of the Company an hence the programme was shelved with intimation to the said NBFC.

Directors:

Mr. K S M Rao and Mr. Ashok R Shetty, Directors retire by rotation and being eligible, offers 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. Ashok R Shetty have been provided in the Notice convening the Annual General Meeting.

Mrs. Amrithavalli, Director has resigned from the Board of the Company w.e.f. 28th May 2011 and accepted the same in the Board meeting dated 30th May 2011. The Board placed on record the valuable contribution made by Mrs. Amrithavalli during her continuance as the Director of the Company.

Directors' Responsibility statement:

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

In the preparation of the Annual Accounts for the year 2010-11, the applicable Accounting Standards have been followed and there are no material departures;

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 profit of the Company for the financial year;

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;

The annual accounts have been prepared on a going concern basis.

Particulars of employees' U/S 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.

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.

Corporate Governance Report:

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, a Report on Corporate Governance with Auditors Certificate on Compliance with the conditions of Corporate Governance and a Management Discussion & Analysis Report has been attached and form part of the Annual Report.

Personnel.

During the year under review the overall industrial relation were normal.

Annexure to Directors' Report showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo:**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.

- i. Installation of circuit breakers, safely and easily operative and accessible in each machinery / equipment resulting in reduction of idle run.
- ii. Trip system in automatic bottling lines easily and safely operative, in case of lag / fault in any equipment / machinery across the line.
- iii. Use of Waste Water after recycling thereby reduction of pumping of fresh water resulting in conservation of energy and water.
- iv. Gravity Liquor flow system for blend to bottling transfer resulting in lesser consumption of energy.
- v. Natural ventilation system along with air operated exhaust fans have been fixed in roofs of all buildings resulting in avoiding of power consuming exhaust fans.
- vi. Installation of Transparent Poly Coat Sheets in the roof resulting in availability of natural light.



- b) Statement of total energy consumption and energy consumption per unit are given as under:

Power and Fuel Consumption 2010-2011 2009-2010

1. Lighting

Units Consumed	14,255	33,232
Rate per Unit (in Rs.)	4.00	3.25
Amount paid (in Rs.)	53,533/-	1,08,281/-

2. Power

Units Consumed	1,10,964	91,402
Rate per Unit (in Rs.)	3.00	2.45
Amount paid (in Rs.)	3,21,228/-	2,23,997/-

3. Own generation by Diesel Generator

Diesel utilized Litres	3,001	1,981
Unit per Litre of diesel oil generated	3.30	3.30
Rate per Unit (in Rs.)	12.35	11.52

4. Foreign Exchange Earnings and Outgo:

There was no Foreign Exchange inflow or outgo during the last year.

Acknowledgments:

The management is grateful to the Regulatory Authorities, share holders, Company's Bankers, Financial Institutions, Insurance Companies, Investors, Clients and 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, which enabled the management to contribute to the growth of the Company.

For and on behalf of the Board of Directors

Place : Chennai
Date : 30/05/2011

R. V. Ravikumar
Managing Director

Registered Office:

"Mena Kampala"
3rd Floor, B Wing, B-Block,
No.114 & 115, Sir Theagaraya Road,
T. Nagar, Chennai - 600 017.

CORPORATE GOVERNANCE REPORT

Mandatory Requirements

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

Effective Corporate Governance is needed to maintain public trust and to active success in business. The Company lays great emphasis on regulatory compliance and strives to ensure that high standard of professionalism and ethical conduct is maintained throughout the organization. The Company believes that shareholders interest is utmost and the management is only a trustee to carry out the activities in a truthful manner.

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 eight members. Half of the Board consists of Independent Directors. The size and composition of the Board therefore conforms to the requirements of Corporate Governance Clause under the Listing Agreement with the Stock Exchanges.

3. Board Meetings & Procedures

During the year, the Board met 10 times on 07.06.2010, 14.06.2010, 12.08.2010, 30.08.2010, 23.09.2010, 02.11.2010, 03.11.2010, 18.12.2010, 12.01.2011 and 12.02.2011.

No Director of the Company is a member in more than 10 or Chairman of more than 5 specified committees of the Board across all the companies in which he is a Director.

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 are as under:

Name of Director	Category	No. of Board meetings attended	Last AGM attendance	No of other Directorships	Membership/ Chairmanship of Board Committees *
Mr. R.V. Ravikumar	Managing Director	10	Yes	7	-
Mrs. R. Amirthavalli	Executive Director	7	Yes	7	-
Mr. Badrinath S Gandhi	Director	10	Yes	-	2/0
Mr. K.S.M. Rao	Independent Director	4	Yes	-	1/1
Mr. Ashok R Shetty	Independent Director	4	-	-	1/1
Mr. Popatlal Kathariya	Independent Director	2	-	1	1/0
Mr. R. Ramanujam	Independent Director	5	Yes	-	-
Mr. S. Vijayalakshmi	Executive Director	7	-	-	-

* Includes only Audit & Shareholder's Committee

4. Appointment/Reappointment of Directors:

Mr. K.S.M. Rao is an Independent Director of the Company. He has graduated in Law and is a retired Banker. At the time of retirement he was a working at senior level in a Nationalised Bank. His association with the Company will be beneficial to the Company in the overall business interests of the Company.

Mr. K.S. M. Rao do not hold any shares in the Company.



Mr. Ashok R. Shetty is an Independent Director of the Company. He is a Chartered Accountant by profession and has varied experience in finance and accounts related areas.

Mr. Ashok R. Shetty do not hold any shares in the Company.

5. Audit Committee:

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 Katharia 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 finance and industrial management.

During the year, the Committee met 5 times on 23.06.2010, 15.07.2010, 30.08.2010, 22.10.2010 and 12.02.2011 and the gap between any 2 meetings was less than 4 months.

The Board had designated the Company Secretary as the Compliance Officer.

Attendance at the Audit Committee Meeting:

Name	Designation	Category	Attendance out of 4 meetings
Mr. Ashok R Shetty	Chairman	Independent	5
Mr. K.S.M. Rao	Member	Independent	5
Mr. Popatlal Kathariya	Member	Independent	1
Mr. Badrinath S Gandhi	Member	Director	5

6. Shareholders' Grievance Committee:

During the year under review the Committee met once in a year on 12.01.2011. The Shareholders' Grievance Committee focuses on shareholders' grievances and strengthening of investor relations, specifically looking into re-dressal 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

The committee comprises of

Name	Designation	Category	Attendance out of two meetings held
Mr. K.S.M. Rao	Chairman	Independent	1
Mr. Ashok R Shetty	Member	Independent	1
Mr. Badrinath S Gandhi	Member	Director	1

- The Company Secretary has been designated as Compliance Officer.
- The investors may register their complaints at the email-id cs@ravikumardistilleries.com
- During the year, the Company received 10 complaints on various matters. The Company has attended the same and complaints pending unresolved at the end of the financial year were NIL.

7. Remuneration / Compensation Committee:

The Board constituted a Remuneration/Compensation Committee comprising the following members:

1. Mr. K.S.M. Rao, Chairman
2. Mr. Ashok R Shetty, Member
3. Mr. R.V. Ravikumar, Member

One meeting was held on 18.08.2010

Details of remuneration paid to the Directors.

(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	12.00	NIL	NIL	NIL	12.00
Mrs. R. Amirthavalli	7.20	NIL	NIL	NIL	7.20
Mrs. S. Vijayalakshmi	3.12	NIL	NIL	NIL	3.12
Mr. K.S.M. Rao	NIL	NIL	NIL	0.20	0.20
Mr. Ashok R Shetty	NIL	NIL	NIL	0.20	0.20
Mr. Badrinath S Gandhi	NIL	NIL	NIL	0.10	0.10
Mr. R. Ramanujam	NIL	NIL	NIL	NIL	NIL
Mr. Popatlal Kathariya	NIL	NIL	NIL	0.20	0.20

8. General Body Meetings:

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

Financial Year	Day, Date & Time	Venue	Special Resolution passed
2008-09	Wednesday, 30th September, 2009 at 10.00 a.m.	Registered Office at No.1-C, Nandita Apartments, 47, Thirumalai Pillai Road, T. Nagar, Chennai - 600 017.	Yes
2009-10	Tuesday, 28th September, 2010 at 11.00 a.m	Registered Office at No.1-C, Nandita Apartments, 47, Thirumalai Pillai Road, T. Nagar, Chennai - 600 017.	Yes
2010-11	Saturday, 6th August 2011, 3.00 p.m	Hotel Benzz Park, 62, Thirumalai Pillai Road, T. Nagar, Chennai - 600 017	Yes

Postal Ballot

In the ensuing AGM one resolution u/s 372 A of the Companies Act, 1956 is proposed under postal ballot from members approval.

9. Disclosures:

- There were no transactions of material nature with its Promoters, Directors or the Management, their subsidiaries or relatives during the period that may have potential conflict with the interest of the company at large.
- Transactions with the related parties are disclosed in Note No.11 of Schedule 23 (B) to the accounts in the Annual Report as required by Accounting Standards under AS 18 issued by Institute of Chartered Accountants of India.
- 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.
- The Board has adopted a Code of Conduct including Business Ethics Policy for its Directors and Senior Management. This is available on the Company's web-site.
- 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, 2011.
- 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.
- Risk assessment and minimization procedures are periodically reviewed by the Audit Committee and the Board of Directors of the Company.
- The Chief Executive Officer has submitted a certificate to the Board of Directors in compliance of Clause 49(V) of the Listing Agreement with the Stock Exchanges.
- 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 The Company is proposing a special resolution u/s. 372A of the Company's Act, 1956 under Postal Ballot in Compliance of the said provisions which is clearly elaborated in the notice to the shareholders attached along with this Annual Report.

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

11. General Shareholders' Information:

Annual General Meeting

Date	:	6th August, 2011
Time	:	3 .00 p.m.
Venue	:	Hotel Benz Park, 62,Thirumalai Pillai Road, T. Nagar, Chennai - 600 017.

Financial Calendar (Tentative)

Financial reporting for the quarter ending June 30, 2011	:	1st week of August 2011
Financial reporting for the quarter ending Sept. 30, 2011	:	1st week of November 2011
Financial reporting for the quarter ending Dec. 31, 2011	:	1st week of February 2012
Financial reporting for the quarter ending Mar. 31, 2012	:	Last week of June 2012
Annual General Meeting for the year ended Mar. 31, 2012	:	August-September, 2012

Date of Book Closure : 28th July 2011 to 6th August 2011 (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 2011-2012 has been paid to both the Stock Exchanges BSE & NSE

Demat ISIN for NSDL& CDSL : INE722J01012

12. Stock performance vs BSE Sensex and NSE

Market Price Data during the year ended 31.03.2011

BSE

Month	High	Low	BSE Sensex (High)
Apr-2010	-	-	-
May-2010	-	-	-
June-2010	-	-	-
July-2010	-	-	-
Aug-2010	-	-	-
Sept-2010	-	-	-
Oct-2010	-	-	-
Nov-2010	-	-	-
Dec-2010	93.95	64.00	20552.03
Jan-2011	82.45	27.00	20664.80
Feb-2011	31.15	25.10	18690.97
Mar-2011	40.40	27.10	19575.16