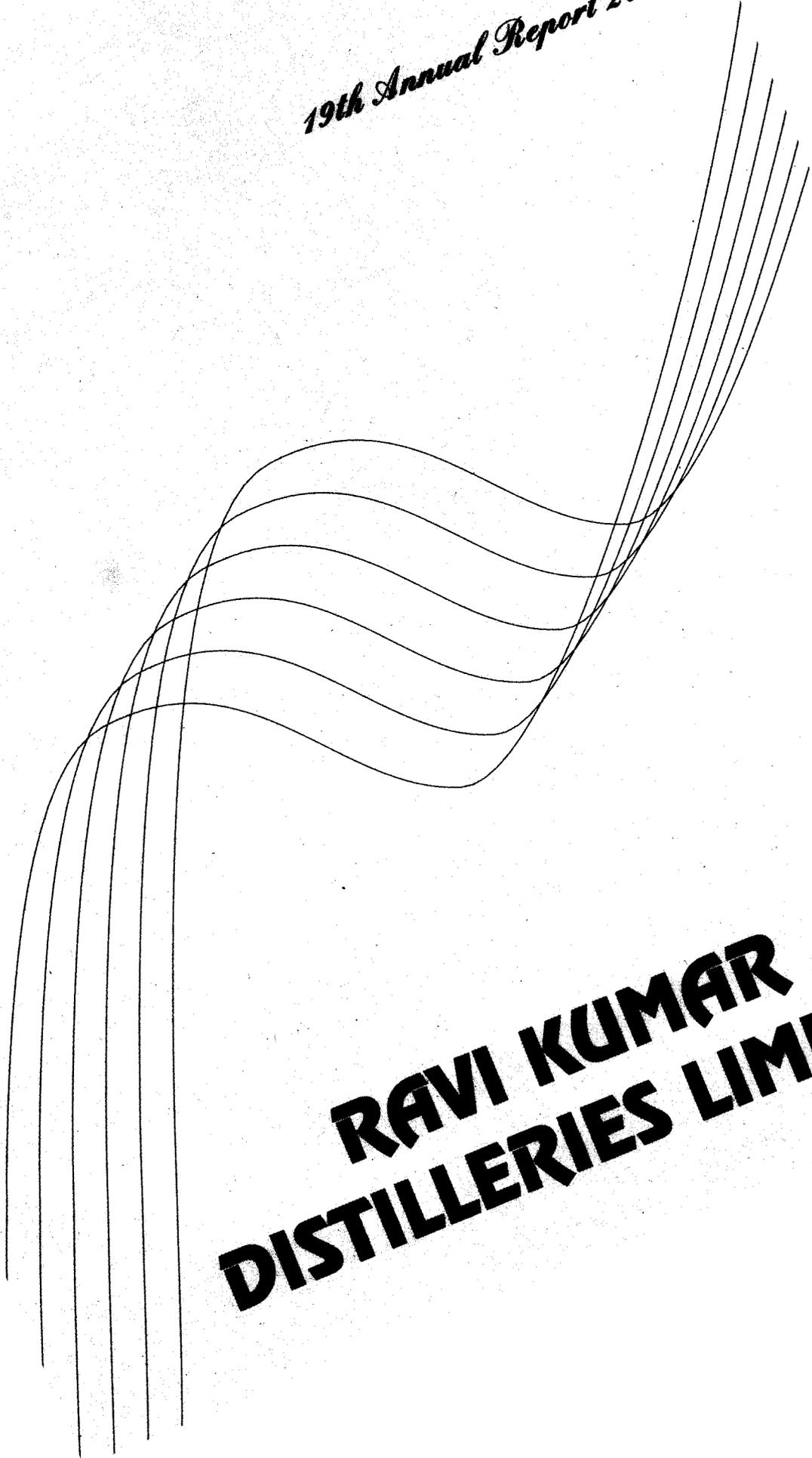




19th Annual Report 2012



**RAVI KUMAR
DISTILLERIES LIMITED**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. R.V. Ravikumar	Managing Director
Dr. Anand Ravikumar	Vice Chairman & Joint 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
Mr. R. Ramanujam	Independent Director

COMPANY SECRETARY

Mr. V. Viswanathan

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,
BWing, 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, 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 – 26744444, 2674888

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DIRECTORS' REPORT

To
The Members
Ravi Kumar Distilleries Limited.

Your Directors have pleasure in presenting the 19th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2012.

Financial Results:		(Rs. in lakhs)	
Particulars	2011-12	2010-11	
Income from Operations	5,689	4,934	
Other Income	740	76	
Profit Before Depreciation and Taxes	270.00	197.71	
Less: Depreciation	67.00	64.01	
Less : Provision for	-	-	
(a) Income tax	71.00	50.81	
(b) Deferred tax	(6.00)	(4.67)	
Less Proposed Dividend	0.00	60.00	
Dividend Distribution tax	0.00	10.19	
Profit for the Year	138.00	87.56	
Balance Carried Forward to Balance sheet	138.00	87.56	

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 operate through own manufacturing unit located at R.S 89/4A, Katterikuppam Village, Mannadipet Commune, Pondicherry. 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 5,689 lakhs compared to Rs 4,934 lakhs in the previous year recording a growth of 755 lakhs. The net profit was Rs. 138 lakhs as against Rs 87.56 lakhs in the previous year. Earning per share is Rs. 0.58 against Rs. 0.57 in the

previous year on a weighted average basis as per Accounting Standard 20 issued by the Institute of Chartered Accountants of India.

Future Outlook:

During current year, your Company will try to achieve maximum capacity utilization in our existing plant at Pondicherry. Further, your management is planning for acquisitions and expansions during the year to make your Company a major one in the Southern Region of the Company.

The acquisition of SV Distilleries Private Limited, which the Company was about to finalize in the last financial year, was put on hold for not being able to obtain the applicable statutory licenses and incompleteness of other formalities. However the Board expects to conclude this transaction by the end of this financial year.

Insurance:

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

Reply to Auditors' Comments:

In the point no.16 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 found to be not usable as per requirement of the Company and hence the program was shelved with intimation to the said NBFC.

Directors:

Mr. R. Ramanujam, Director passed away on 01 October 2012 and the Board members and employees place on record the support and guidance given by him for the growth of the Company.

Mrs R. Amirthavalli and Mr Anand Ravikumar resigned from the directorship on 28 May 2011 and 10 October 2012 respectively and the same was considered and approved by the Board of Directors. The Board expresses its gratitude towards the services rendered by them for the Company.

Mr Popatlal M Kathariya and Mr K S M Rao, Directors retire by rotation at this Annual general meeting and being eligible, offers themselves for re-appointment. Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, brief resume of Mr Popatlal M Kathariya and Mr K S M Rao have been provided in the notice convening the Annual General Meeting.

Dividend:

The Board of Directors wishes to retain the profits of the Company to be deployed for the future growth and hence does not recommend any dividend for the year 2011-12.

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' 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 2011-12, 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 profit of the Company for the financial year 2011-12;
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 Chairman 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.

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:

I. 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 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:

S.No.	Power and Fuel Consumption	2011-2012	2010-2011
1.	Power including lighting Units Consumed	1,19,602	1,10,964
	Rate per Unit (in Rs.)	3.00	3.00
	Amount paid (in Rs.)	3,49,762	3,21,228
2.	Own generation by Diesel Generator		
	Diesel utilized Litres	3,104	3,001
	Unit per Litre of diesel oil generated	3.30	3.30
	Rate per Unit (in Rs.)	12.12	12.35



RAVIKUMAR DISTILLERIES LIMITED

2. Foreign Exchange Inflow & Outgo:

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

The Company has not undertaken any export activities.

b) **Total Foreign Exchange used and earned:**

Used : Nil

Earned : Nil

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

R.V. Ravikumar

Date : 10.10.2012 Chairman and Managing Director

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.

Registered Office:

"Mena Kampala"

3rd Floor, B Wing, B-Block,

No.114 & 115, Sir Theagaraya Road,

T. Nagar, Chennai – 600 017.

CORPORATE GOVERNANCE REPORT 2011-12

Mandatory Requirements

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

Effective Corporate Governance is needed to maintain public trust and to succeed in business. The Company lays great emphasis on regulatory compliances and strives to ensure that high standard of professionalism and ethical conducts 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 in number. Half of the Board consists of Independent Directors.

3. Board Meetings & Procedures

During the year, the Board met 5 times on 30.05.2011, 06.08.2011, 03.11.2011, 21.12.2011 and 14.02.2012.

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	5	Yes	9	-
Dr. Anand Ravikumar #	Joint Managing Director	3	Yes	3	-
Mr. Badrinath S Gandhi	Executive Director	5	Yes	3	-
Mr. K.S.M. Rao	Independent Director	4	Yes	-	-
Mr. Ashok R Shetty	Independent Director	5	Yes	-	-
Mr. Popatlal M Kathariya	Independent Director	5	Yes	1	-
Mr. R. Ramanujam*	Independent Director	-	-	-	-
Mrs. S. Vijayalakshmi	Executive Director	2	-	-	-
Mrs Amirthavalli**	Director	-	-	7	-

Resigned from directorship with effect from 10 October 2012

*Ceased to be a Director with effect from 01 October 2012

** Resigned from directorship with effect from 28 May 2011



RAVIKUMAR DISTILLERIES LIMITED

4. Appointment/Reappointment:

Mr. Popatlal M Kathariya and MR K S M Rao are the Independent Directors of the Company and is retiring at this Annual General Meeting and being eligible offer themselves for re-appointment.

The details of these directors are provided in the notes to the notice calling Annual general meeting.

5. Resignation of Directors:

Mrs Amirthavalli and Mr Anand Ravikumar resigned from the directorship on 28 May 2011 and 10 October 2012 respectively and the same was considered and approved by the Board of Directors. The Board expresses its gratitude towards the services rendered by them for the Company.

6. 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 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 4 times on 30.05.2011, 06.08.2011, 03.11.2011 & 14.02.2012 and the gap between any 2 meetings was less than 4 months.

Attendance at the Audit Committee Meeting:

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

7. 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 2 meetings held
Mr. K.S.M. Rao	Chairman	Independent	1
Mr. Ashok R Shetty	Member	Independent	2
Mr. Badrinath S Gandhi	Member	Executive	2

- Mr V Viswanathan, 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 21 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 twice in a year on 30.05.2011 & 14.02.2012. 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

8. Remuneration / Compensation Committee:**Constitution and attendance:**

The Board constituted a Remuneration/Compensation Committee comprises of Mr. Ashok R Shetty, Mr. Papatlal M Kathariya and Mr. R. Ramanujam.

Attendance at the Remuneration / Compensation Committee Meeting:

Name	Designation	Category	Attendance out of 4 meetings
Mr. Ashok R Shetty	Chairman	Independent	1
Mr. Papatlal M Kathariya	Member	Independent	1
Mr. R. Ramanujam	Member	Independent	-

The Committee was reconstituted on 10 October 2012 with the following members:

One meeting was held on 30.05.2011

Name	Designation	Category
Mr. Ashok R Shetty	Chairman	Independent
Mr. Papatlal M Kathariya	Member	Independent
Mr. K.S.M. Rao	Member	Independent

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 2011- 2012, shareholding and relationship with Directors are as under:


Details of remuneration paid to the Directors.
(Rs. In lakhs)

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
Dr Anand Kumar Ravikumar	1.00	NIL	NIL	NIL	1.00
Mrs S. Vijayalakshmi	5.00	NIL	NIL	NIL	5.00
Mr K.S.M. Rao	NIL	NIL	NIL	0.63	0.63
Mr Ashok R Shetty	NIL	NIL	NIL	0.84	0.84
Mr Badrinath S Gandhi	5.00	NIL	NIL	0.33	5.33
Mr R. Ramanujam	NIL	NIL	NIL	NIL	NIL
Mr Popatlal M Kathariya	NIL	NIL	NIL	0.23	0.23
Mrs Amirthavalli	5.00	NIL	NIL	NIL	5.00

9. 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	No
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 Benz Park, 62, Thirumalai Pillai Road, T. Nagar, Chennai – 600 017	Yes

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

Year	Date	Special Resolution passed
2010-2011	06 August 2011	2
2009-2010	28 September 2010	3
2008-2009	30 September 2011	-

 (iii) **Special Resolution passed through Postal ballot last year:**

The Resolution passed under 372A of the Companies Act 1956, through Postal Ballot.

10. 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. 38 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, 2012.
- 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. Company has not established any Whistle Blower Policy. However no personnel is denied access to the Audit Committee.

11. 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.

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

12. General Shareholders' Information:

Annual General Meeting

Date	:	5th November, 2012.
Time	:	10.00 a.m.
Venue	:	Bharathiya Vidya Bhavan, 8/12, East Mada Street, Mylapore, Chennai 600004

Financial Calendar (Tentative)

Financial reporting for the quarter ending June 30, 2012	:	2nd week of August 2012
Financial reporting for the quarter ending September 30, 2012	:	1st week of November 2012
Financial reporting for the quarter ending December 31, 2012	:	1st week of February 2013
Financial reporting for the quarter ending March 31, 2013	:	1st week of May 2013
Annual General Meeting for the year ended March 31, 2013	:	August-September, 2013
Date of Book Closure	:	02.11.2012 to 05.11.2012 (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 2012-2013 has been paid to both the Stock Exchanges BSE & NSE
Demat ISIN for NSDL & CDSL	:	INE722J01012