



Date: 02nd September 2019

Bombay Stock Exchange Ltd. PhirozeJeejeeboy Towers Dalal Street Mumbai – 400001. Symbol: 532497	National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai – 400051. Symbol: RADICO
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Sub: Intimation under Regulation 34(1)(a) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 of Annual Report together with the Notice for Annual General Meeting of the Company scheduled to be held on Thursday, 26th September, 2019.

Dear Sir/Madam,

Pursuant to Regulation 34 (1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit Annual Report of the Company for the Financial Year 2018-19 together with the Notice of the 35th Annual General Meeting scheduled to be held on **Thursday, the 26th September, 2019 at 01.00 P.M** at Registered office of the Company at Rampur Distillery, Bareilly Road, Rampur – 244 901 (U.P.). The Annual Report and Notice for the FY18- 19 is also available on the Company's website at www.radicokhaitan.com.


The same is being dispatched to the shareholders of the Company, soft copy by email and physical copy by courier to those shareholders whose e-mail address is not available or who have requested for physical copy.

Please take note of the same in your record.

On behalf of the Board

Thanking you,

Yours faithfully,
For Radico Khaitan Limited


Amit Manchanda
Vice President - Legal &
Company Secretary
Membership No. FCS 6615

Radico Khaitan Limited

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CIN No. L26941UP1983PLC027278

SPIRIT OF THE
S E N S E S



A TOAST TO EXCELLENCE

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Highlights FY2019

21.61 Million Cases

Total IMFL volume
10.8% y-o-y growth

6.12 Million Cases

Prestige and above volume
21.3% y-o-y growth

15.48 Million Cases

Regular and others volume
7.1% y-o-y growth

₹2,096.95 Crore

Revenue from operations (Net)
15.0% y-o-y growth

₹349.23 Crore

EBITDA
0.6% y-o-y growth
200 bps margin expansion

₹250.34 Crore

Net debt reduction during FY2019
(Net debt ₹319.35 Crore)

~₹6,000 Crore

Excise duty paid

Disclaimer

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This Report and other statements – written and oral – that we periodically make may contain forward-looking statements that set out anticipated results based on the Management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words, such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Spirit of the senses. A toast to excellence.

Our performance in FY2019 evidences the underlying strength of Radico Khaitan's premium brand portfolio and strong brand equity, each product enhancing the experience of its discerning consumers.

Our unwavering focus on premiumisation ensures that every single brand at Radico Khaitan is developed to perfection with care and served as a differentiated product, and a chosen spirit that stimulates the senses. With the world's 11th fastest growing whisky brand, 8PM and 7th fastest selling vodka brand, Magic Moments, we take pride in our spirits being at par with the best in the world.

The choice of global consumers, our products are a true toast to excellence!



Our rich legacy

Today, with a strong portfolio of market leading premium brands across categories and presence in over 85 countries, our rich legacy of over 75 years continues to inspire us while shaping our goals for tomorrow.

Radico Khaitan Limited (Radico Khaitan) is among the oldest and largest manufacturers of Indian Made Foreign Liquor (IMFL) in India. Earlier known as Rampur Distillery Company, we commenced our operations in 1943 and over the years, emerged as a major bulk spirits supplier and bottler to other spirit manufacturers. In 1997, we started our own label with the introduction of 8PM whisky, which became a millionaire brand within a year of its launch.

Our brand portfolio is distinguished by its completely organic growth, which is a testament to our research and development prowess and strong understanding of consumer preferences. Of the 12 brands launched in the last decade, 11 were in the premium category including Morpheus and Morpheus Blue brandy, After Dark whisky, Magic Moments Verve and Electra vodka, 1965 rum, Rampur Indian single malt whisky, Jaisalmer Indian craft gin, 8PM Premium Black whisky, Pluton Bay rum and Regal Talons whisky.



Our manufacturing capabilities

We have three distilleries in Rampur (Uttar Pradesh) and two operating as joint ventures with Radico NV Distilleries (RNV) in Aurangabad (Maharashtra) in which we own 36% equity. These have a total capacity of 157 Million litres.

Our Rampur distillery

Our green plant in Rampur, with a capacity of over 100 Million litres, manufactures IMFL and country liquor. It is strategically located in Uttar Pradesh, one of the largest sugarcane producing states in the country and is one of the largest distilleries in Asia.

The plant is self-sufficient in meeting the fuel and power requirements through backward integration, utilising its effluents for generating bio-gas which, in turn, is used to generate the steam and power for its captive requirement. The distillery complies with zero discharge requirements of the Central Pollution Control Board (CPCB).

23

Contract bottling units

5

Own bottling units

5

Distilleries



Keeping the spirit alive through 75 years

Having celebrated our platinum jubilee last year, we take a moment to look back at the exciting journey of growth over the years and the future that beckons.

First phase (1943-1996)

From volume to value

The Rampur Distillery Company was established when it was a part of Khaitan family with a focus on distilling and bottling. We manufactured high quality spirit for branded players and the armed forces' canteen stores

Gained significant experience as manufacturer of spirits and bottler for other companies

Mr. Abhishek Khaitan, our present Managing Director (MD) joined the family business and instilled the idea of creating our own brands

Second phase (1997-2006)

Established platform for the branded journey

Started the branded IMFL division and launched our first brand, 8PM whisky, becoming a millionaire brand within the first year of its launch

Launched Old Admiral brandy in the regular category, became one of the leading brands in Canteen Stores Department (CSD)

Achieved sales volume of 10 million cases

Made investment at the Rampur facility for creating a strong manufacturing platform for IMFL

Developed a pan-India distribution and sales setup



Third phase (2006-Present)

Growth to premiumisation

After creating brands in the high-volume regular categories, launched the first product in the premium category, Magic Moments vodka

Launched Morpheus super premium brandy; Magic Moments became a millionaire brand

Launched After Dark, a premium category whisky

Launched Magic Moments Verve, a super-premium vodka followed by flavours of Verve

Launched Electra, a premium ready-to-drink vodka-based cocktail

Launched 1965-The Spirit of Victory premium rum, exclusively in CSD, commemorating India's victory in the 1965 war; it built an emotional connect with the soldiers and the armed forces

Launched Rampur Indian single malt luxury whisky

Launched Regal Talons semi-deluxe whisky

Launched Pluton Bay Premium rum

Launched Jaisalmer, a luxury Indian craft gin, 8PM Premium Black whisky, and Morpheus Blue super premium brandy

Launched newer expressions of Rampur Indian Single Malt – Rampur Sherry PX Finish and Rampur Double Cask



Toasting our brands

Our brand strategy is synonymous with premiumisation. Our four millionaire brands – 8PM whisky, Contessa rum, Old Admiral brandy and Magic Moments vodka sell more than a million cases each year.

In addition to the brands mentioned above, our robust brand portfolio includes Rampur Indian Single Malt whisky, Jaisalmer Indian craft gin, Morpheus Blue XO premium brandy, Morpheus XO brandy, Magic Moments Verve vodka, Magic Moments vodka, After Dark whisky, 8PM Premium Black whisky, Pluton Bay rum, Regal Talons whisky, Whytehall brandy, 1965 – The Spirit of Victory Premium XXX rum.

Radico Khaitan is one of the largest suppliers of branded IMFL to the Canteen Stores Department (CSD).



Jaisalmer Indian Craft Gin

The Royalty Awaits

This gin is made using time-honoured recipe enhanced with the ancient wisdom of Indian herbs and handpicked botanicals. It is a triple-distilled neutral, grain spirit, redistilled in a traditional copper pot, and handcrafted to perfection. It is available in over 20 countries worldwide and has piqued consumers' interest globally.

Rated as the Best Gin produced out of Asia in 2019 at The Gin Guide Awards, the most respected honour for Gin in the world



Rampur Indian Single Malt Whisky

Decades of Perfection

With footprint in over 30 countries, Rampur Select-Indian Single Malt Whisky was made available in Delhi, India, for the very first time at select retails and the top 5-star properties. Rampur is a luxury brand that is manufactured at our plant in Rampur (UP). It is aged to perfection in the foothills of the Himalayas and is called the Kohinoor of single malts. Packaged in a stout bottle with a thick base, the bottle exhibits a regal look as it comes in a hand-crafted silk pouch. It has drawn global recognition for its smoothness, taste, and quality within a very short time, since its launch in FY2017, with expressions priced between US \$70 and US \$100. Its success is an affirmation of our R&D expertise. We are investing in malt capacity expansion to cater to the demand for this product.

In FY2019, we launched its newer expressions:

- Rampur Sherry PX Finish: Limited 48 cask batch, from where American Oak was handpicked and transferred to PX Sherry Butts from Jerez, Spain
- Rampur Double Cask: Matured in American Bourbon barrels and European Oak Sherry casks

Won double Gold Medal at the San Francisco World Spirits Competition in 2017

Whisky Advocate Magazine ranked it among the Top 20 Whiskies of the World at 5th position



Magic Moments Vodka

Make Every Moment a Magic Moment

This millionaire brand of premium vodka undergoes triple distilling process and is a mark of absolute purity. It gained significant traction when it entered the flavoured category under the name Magic Moments Remix. Remix is available in eight different flavours - Orange, Green Apple, Lemon, Lemongrass & Ginger, Raspberry, Chocolate, Grapefruit & Watermelon, and Cucumber & Wildgreen Lemon. Remix Green Apple and Orange are the most popular ones owing to the growing cocktail trend in the Indian markets.

The spirit of Magic Moments can be celebrated with various tempting flavours that take the experience up a notch.

56% market share in the vodka category

Ranked as the 11th largest vodka by volume globally, by Drinks International, Millionaires' Club, 2018 rankings

Ranked the 7th fastest growing vodka in the world by IWSR Top 100 rankings

Magic Moments Verve

The Smooth Blend of Sophistication

Verve is a super-premium vodka launched in 2012. Using a five-staged slow filtration process with silver and platinum filters, this vodka is unique, with distinct flavours that have made it a hit among consumers. A new premium canister packaging of Verve was launched in FY2018.

20% market share in the premium vodka category

Won Gold in six calendar years - 2013, 2014, 2015, 2016, 2017, and 2019 at the Global Monde Selection Awards

Two Verve flavours – Orange and Green Apple – won Gold at the Global Monde Selection Awards in the calendar year 2019



Magic Moments Electra

Party Charger

Electra is a ready-to-drink (RTD) premium vodka-based cocktail and a first of its kind in the industry. It is available in two different variants based on the strength of the liquor - Electra 8 and 4.8. The brand is targeted at our young and lively consumers, helping us carve a niche in the RTD segment.



Toasting our brands



Morpheus Brandy

Dare to Dream

Crafted by our master blenders to challenge traditional brandy tenets, Morpheus embodies the 'Dare to Dream' spirit. Its fruity and floral top notes combine with sweet and heavy-bodied traces of matured wood, vanilla, and raisin to leave consumers with a truly exquisite aftertaste.

India is a brown spirits drinking country and particularly in the South Indian states, Morpheus brandy is consumed in large quantities. It is India's first premium brandy with a leading market share in this category.

56% market share in the premium brandy category

Won Gold five times at the Global Monde Selection Awards in the calendar years – 2011, 2015, 2016, 2017 and 2018

Morpheus Blue

XO Premium Brandy – Dare to Dream

It takes one sip of Morpheus Blue to understand that not all brandies are created equal. Crafted by our master blenders, Morpheus Blue is perfection in a bottle, packed for the most deserving of dreamers.

Launched recently, this is an aged brandy and leads the super premium brandy segment. Named after the Greek God of Dreams, it provides an exotic experience to the premium brandy lovers. Its goblet packaging and brand positioning have helped create a niche as a spirit that is intense and sophisticated.

Won Gold at the Global Monde Selection Awards in the calendar year 2019





8PM Whisky

Har Shaam Ki Shuruat

8PM is our flagship brand and reflects the true essence of quality drinking, blended with the rich taste of finest quality grains.

8PM is the first brand in the liquor industry to make it to the Limca Book of Records in 2001 for selling one million cases in the very first year of its launch. The growth of 8PM whisky as a brand marks the brand creation journey of Radico Khaitan.

11th fastest growing whisky in the world – IWSR Top 100, June 2019

11th largest selling whisky by volume – Drinks International, Millionaires' Club 2018 rankings

8PM Premium Black Whisky

Rivals Become Friends

In FY2019, we launched a premium variant of 8PM whisky. Made with the finest quality grain, this whisky is the epitome of lavishness and quality drinking. This product has received a strong consumer response in its first year of launch.

Achieving a rare balance of strength and smoothness, 8PM Premium Black offers a rare signature blend of scotch and Indian grain spirits. So, savour its rich, full-bodied yet smooth taste and see for yourself why rivals become friends over 8PM Premium Black.

Won Gold at the Global Monde Selection Awards in the calendar year 2019



Toasting our brands



1965 Rum

The Spirit of Victory

1965, a premium rum, is a salute to the gallantry and bravery of India's soldiers during the 1965 war. It was launched for the CSD and exclusively marketed to the Indian Armed Forces. It enjoys a strong emotional connect with the armed forces personnel. The product, with rich flavours of dried fruits, chocolate, oak and honey was created to cater to demand from premium rum drinkers. Having tasted success in creating a strong emotional connect with the armed forces personnel, the brand has now been made available in select civil markets.

Won Gold twice at the Global Monde Selection Awards in the calendar years – 2018 and 2019

Pluton Bay Rum

Spirit of Adventure

Pluton Bay is about passion, adventure and the pursuit of excellence. The journey of Pluton Bay is one of passion and a sense of adventure. Pluton Bay is a spicy, dark brown rum, smoother than any other. It's a promise of a million cheers for true lovers of quality rum.

A rare blend of aged cane juice and finest neutral spirits, Pluton Bay was launched in the premium rum category. With an international tear-off sleeve and a pilfer-proof cap, Pluton Bay is a unique experience.

Its spiciness and extra smooth texture make this dark brown rum rare and exotic. It's truly a treat for discerning rum lovers who would accept nothing but the best.

Won Silver twice at the Global Monde Selection Awards in the calendar years – 2017 and 2018



Whytehall Premium Brandy

Legacy of Perfection

The perfect sequel to a fabulous feast, Whytehall premium brandy is the after-dinner drink that, if had alone, can fill one with peace and calm or, if had with company can spark up great conversations. It is an exquisite drink for our elegant consumers. With a round and fruity start, the brandy slowly reveals its complexity in the mouth with a long and elegant finish.

Won Gold at the Global Monde Selection Awards in the calendar year 2019





Old Admiral Brandy

For Real Men Only

Especially crafted for the men with pride, honour and courage, the splendid taste of this spectacular brandy celebrates the achievement of greatness and passion for all the good things in life. The classic taste perfectly blended with rich sensations and enthralling aroma ensures that it is savoured the way it is desired and truly deserved.

5th largest selling brandy worldwide – Drinks International, Millionaires' Club 2018 rankings

Contessa Rum

For the Man of Courage

A rum that touches the right chords. A blend that reflects the true essence of bravery. A spirit that tastes of courage. Contessa Rum is another millionaire brand from the house of Radico Khaitan. This brand has surpassed expectations and has garnered a strong foothold in the Indian market.

The highest selling rum brand in the defence segment with a formidable leadership in the market, Radico Khaitan has spread its splendid taste in parts of Africa, South East Asia and Middle East, and recently also launched it in the USA and Canada.

7th largest selling rum worldwide – Drinks International, Millionaires' Club 2018 rankings



Regal Talons Whisky

Unbeatable Spirit

A rare generation whisky that finely blends Indian grain spirits with imported aged scotch malts to deliver an exceptional smoothness. Regal Talons is especially made for those who emerge as champions. The fine taste of Regal Talons sets free the spirit of passion and perfection and takes one to a new level of supremacy. The smoothness of this whisky rolls on the tongue like silk and lets one savour it effortlessly, enjoying the finest things in life.

Won Gold twice at the Global Monde Selection Awards in the calendar years – 2017 and 2018



After Dark Premium Whisky

One life, many passions. Why wait?

After Dark fine grain whisky brings a unique world of desire, adventure and excitement. It's where fun and action begin and the party never stops!



Purpose-driven customer targeting

We have a robust distribution network comprising 75,000 retail and 8,000 on-premise outlets. Our vigorous marketing and branding strategies are designed to build a solid brand recall with the consumers.



Creating some magical moments with our new brand ambassadors – Jacqueline Fernandez and Kartik Aaryan

Renowned Bollywood stars, Jacqueline Fernandez and Kartik Aaryan are the chosen brand ambassadors for Magic Moments. We rolled out a 360-degree brand campaign with a TVC featuring Jacqueline and Kartik in Budapest. The TVC was played across platforms as a part of the campaign and received an overwhelming response from the audiences and consumers.



Sunburn Festival

We partnered with Sunburn Festival, 2018, the biggest Electronic Music Festival in India, for the second year in a row. Hosted in over 15 cities across the country with one main festival in Pune, Maharashtra, it gave our brand Magic Moments great visibility, serving as a platform to showcase the brands to the right target group. The artists' line-up included world renowned DJs like Axwell & Ingrosso, Armin Van Buuren, DJ Snake, Alan Walker, Don Diablo, Vini Vici, Salvator Ganacci, Krewella among many others.



8PM Premium Black now smoother with our new brand ambassador – Tiger Shroff

Taking a leap from the 'Rivals Become Friends' theme of 8PM Premium Black, we introduced our campaign – The Smooth Taste of Friendship, and roped in the very dashing, Tiger Shroff to represent it. As the brand ambassador, he perfectly complements the premiumness and smoothness of the blend, and his down-to-earth attitude reiterates our campaign message, taking it to a whole new level. The new commercial for 8PM Premium Black, featuring Tiger Shroff, created a sensation in the industry along with a surge in our sales, and the hit number 'Are U Coming?', directed by Remo D'souza, garnered more than 17 million views on YouTube.



Daring to dream with Morpheus

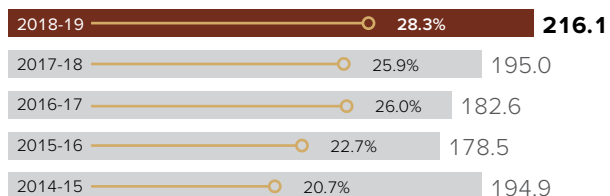
High on attitude, inspirational, and disruptive, the Dare to Dream campaign resonates with Morpheus the brand in more ways than one. Over the course of 10 years, Morpheus has emerged as our true power brand, cementing its place as a genuine powerhouse with a strong market share and brand presence. A tale of grit, passion, and the Dare to Dream spirit, our meteoric rise is a clear indication of our standing as a bona fide premium brandy.

Unsurprisingly, our core proposition fits in seamlessly with our target group. These are the achievers and dreamers who crave for success and are more than willing to Dare to Dream. They are courageous, unstoppable, and display an inspiring disregard for dreary conventions. They are also eager to seek inspiration from achievers who have paved their own path.

Spirited performance

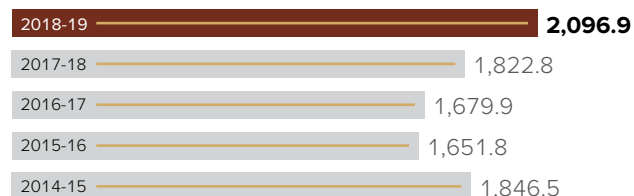
Profitability metrics

Total volume (Lakh Cases)



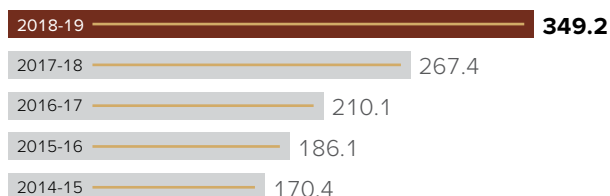
—○ Prestige and Above Brands as % of Total Volume

Net revenue from operations (₹ in Crore)



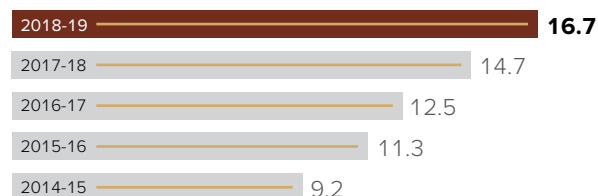
▲ 15.0% y-o-y growth 3.2% 5-year CAGR

EBITDA (₹ in Crore)



▲ 30.6% y-o-y growth 19.6% 5-year CAGR

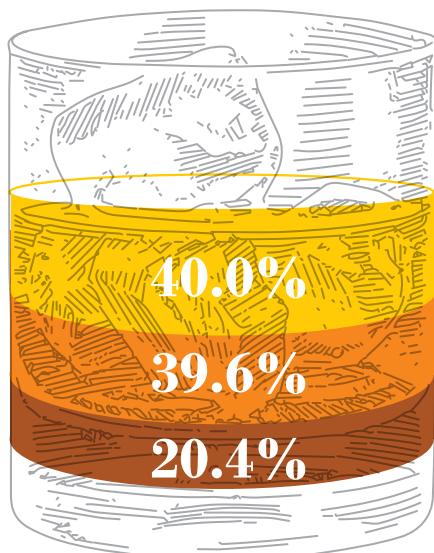
EBITDA margin (%)



▲ 200 bps y-o-y growth

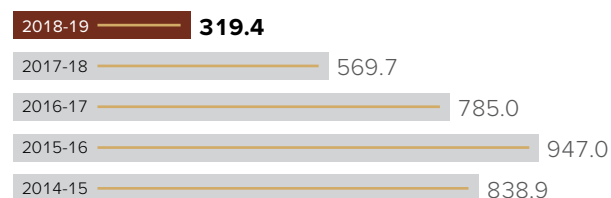
Revenue break-up (%)

- Prestige and above
- Regular an others
- Non IMFL



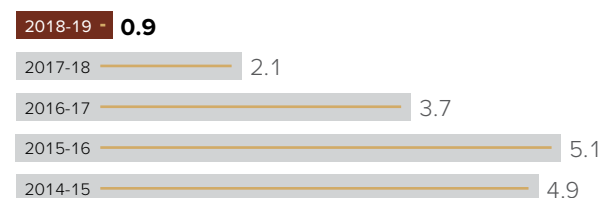
Balance sheet metrics

Net debt (₹ in Crore)



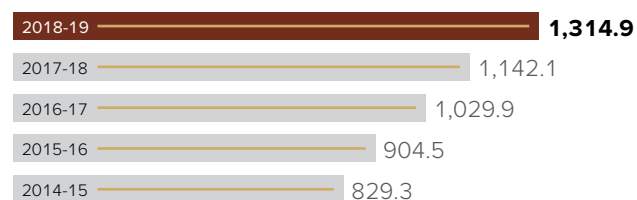
▲ ₹ 250.3 Crore y-o-y reduction

Net debt/EBIDTA (%)



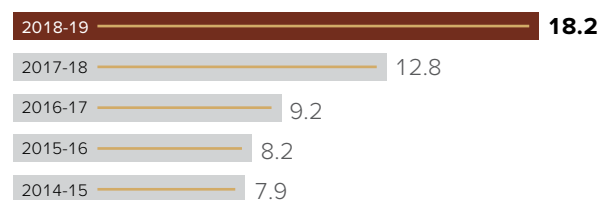
▲ 1.2x y-o-y improvement

Net worth (₹ in Crore)



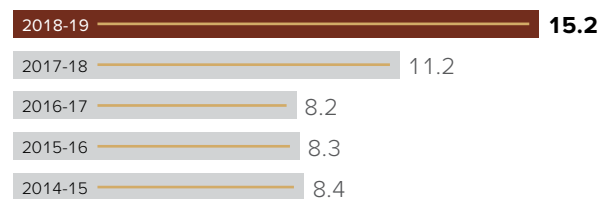
▲ 15.1% y-o-y growth 12.2% 5-year CAGR

Return on average capital employed (%)



▲ 540 bps y-o-y improvement

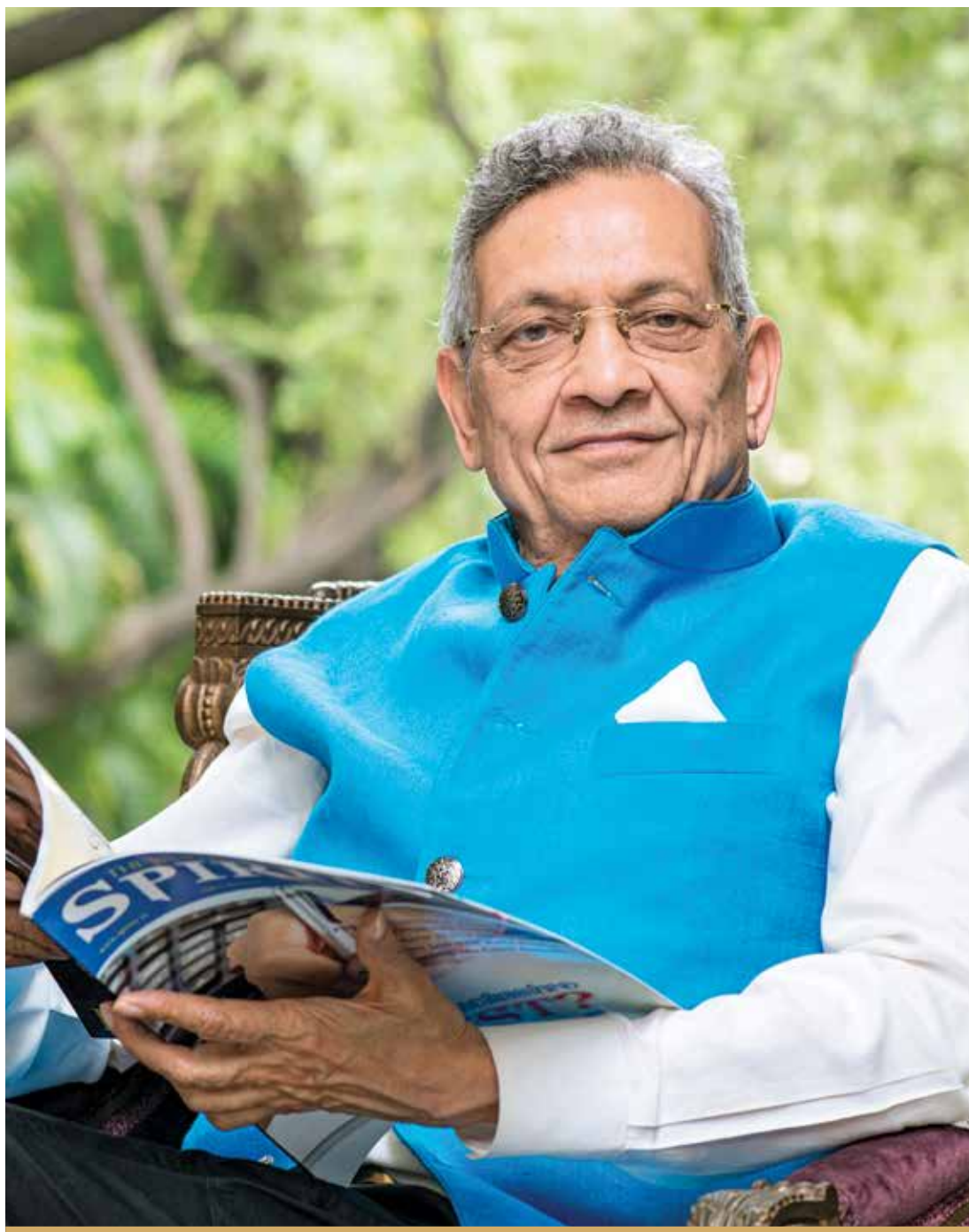
Return on average equity (%)



▲ 400 bps y-o-y improvement

Message from the Chairman & Managing Director

Committed to growth



We continue to enrich our brand proposition with robust research and development, supported by an equally powerful branding and marketing strategy to celebrate Indian consumers' taste and preferences in particular.

India is the world's largest democracy, the second most populous country and the third largest economy. Our economy has some structural strengths that have enabled it to grow at a robust pace and be resilient to the global macroeconomic factors. India is home to a large working population of young people whose disposable incomes are growing, who are internet and technology savvy, as well as aspirational and ready to try out new products. An expanding middle class and rapid urbanisation along with rural income growth, are fuelling the advancement in consumption. These factors contribute to the huge opportunity that we, at Radico Khaitan have before ourselves. We are capitalising on it with our diverse brand portfolio and thrust on premiumisation of our brands.

After a long period of stagnation, the liquor industry in India returned to growth during the last year which is reflected in the significant improvement across all of our key operating and financial metrics. Our performance for the FY2019 was a testament to the hard work that went into building brand Radico Khaitan. Driven by strong growth in the premium brands portfolio, net revenue increased by 15% leading to corresponding profitability enhancement. We generated strong free cash flows and reduced net debt by over ₹250 Crore during the year. We continue to strengthen our core brands through focused marketing initiatives and also launched select new brands in the premium category.

Driving sustainable and profitable growth to create long-term value for all our stakeholders is our priority. Creating memorable experiences for our consumers through enhancing our connect with innovative branding and fulfilling their expectations, is core to our growth strategy. We continue to enrich

our brand proposition through robust research and development, supported by an equally powerful branding and marketing strategy to celebrate Indian consumers' taste and preferences in particular.

Alongside business growth, we are deeply committed to the social and economic development of the society. We work closely within our ecosystem to encourage sustainable and inclusive growth. We partner with communities for enhancing livelihood, promoting education and health care, and ensuring environmental sustainability.

These are exciting times for Radico Khaitan as we embark upon our next phase of growth. Our senior management team is inspired by and focused on achieving our vision to become the most preferred IMFL brand in India with global standards, while at the same time being committed to environment, sustainability and governance. We continue to develop and successfully launch new brands, expand our outreach and distribution network and further strengthen our manufacturing platform. As we move ahead with our strategy, we will continue to deliver consumer-focused results.

Warm regards,

Lalit Khaitan
Chairman & Managing Director

Delivering excellence

A new product is launched after years of research focused on the blend quality, consumer preferences, market positioning and packaging innovation. It is no wonder that a large number of products that we have launched over the years have become leading brands.

Radico Khaitan's performance during FY2019 was remarkable, reflecting the underlying strength of our premium product portfolio, strong brand equity, robust manufacturing platform and diverse selling and distribution network. Whether it is our 8PM whisky or Magic Moments vodka, our performance was impressive across brands as well as geographies.

Our net revenue increased by 15% during the year led by Prestige and above category volume growth of over 21%. Towards the second half of the year, we experienced raw material cost pressures, which was more than offset by our favourable product mix. Our profitability improved with EBITDA margins expanding from 14.7% in FY2018 to 16.7% in FY2019. Furthermore, with the recent price increases among a number of key liquor consuming states, we expect to sustain our strong margin profile in FY2020.

For over two decades, Radico Khaitan has been developing products and creating brands which our consumers can cherish, along with the people with who they like to spend time. A new product is launched after years of research focused on the blend quality, consumer preferences, market positioning and packaging innovation. It is no wonder that a large number of products that we have launched over the years have become leading brands.

Our recent new launches continue to perform well. In the first year of its launch and with distribution only in select states in northern India, 8PM Premium Black whisky exceeded management expectations. During FY2020, it will be launched across other key states which will drive volume of this brand further.

Driven by focused marketing investments, Magic Moments continued its leadership position with market share gains and achieved sales volume of over four million cases. The repackaged premium variant of Magic Moments vodka, Verve delivered faster than industry growth. In a recent report on the top 100 fastest growing spirits brand globally by IWSR, Magic Moments vodka was ranked as the 7th fastest growing brand and 8PM whisky was ranked the 11th.

We also launched a semi-luxury variant of Morpheus brandy which provided a fillip to the growth of this brand. Our investment in creating malt capacities for Rampur single malt will start to bear fruits in the future given the strong demand for our single malt whisky. Jaisalmer Indian Craft which is now available across duty free shops in Europe and was rated the Best Gin produced out of Asia in 2019 at The Gin Guide Awards, the most respected Awards for Gin in the world.

Our brands have made a mark for themselves when it comes to achieving the desired consumer connect. India, which has been evolving as one of the world's most diverse and dynamic consumption markets, provides a large opportunity for Radico Khaitan's brands. Going forward, product innovation and technological enhancement will take consumption models to the next level. We are exploring new capabilities in digital marketing, consumer analytics and go-to-market and supply chain technologies with which to strengthen our value proposition in the coming years.

I would like to take this opportunity to thank each and every individual who works at Radico Khaitan for their outstanding efforts and contribution to making us stronger than ever. I would also like to express our sincere gratitude to all our shareholders, customers, vendors, government, regulatory authorities and all other stakeholders, for their continued confidence and support. We look forward to a wonderful year ahead with your trust and support.

Warm regards,

Abhishek Khaitan
Managing Director



Growing responsibly

We believe in giving back to the communities wherein we operate.

We engage in programmes that actively contribute and lead to socio-economic development of the society. Radico Khaitan is committed to eradicating hunger, poverty, malnutrition, promoting education and healthcare including preventive healthcare, and ensuring environmental sustainability through its various initiatives.



Distress relief

As a concerned corporate, we donated ₹51 Lakh for Kerala CM Relief Distress Fund to extend support to the government of Kerala in times of tragedy that caused mass devastation across the state due to floods.



Skill development

We conduct skill development activities to provide employment to villagers in the vicinity of our Rampur plant and boost the confidence of women. We provide free professional classes to the youth to prepare them for employment. We also provide free sewing machines and beautician kits to all the girl participants.



Infrastructure and academic support

We are helping ramp up infrastructure in our surroundings by way of contributing:

- ₹51 Lakh towards the Uttar Pradesh Government's CSR initiative, 'Swachh Bharat Mission' to build 425 toilets in Rampur
- One hall for science laboratory at the Shri Hari Inter College
- Physics, Chemistry and Biology laboratory apparatus to Shri Hari Inter College, R. S. M. Inter College, and Bal Vidya Mandir Inter College



Healthcare and medical facilities

Radico Khaitan donated latest world-class technique 'Fundus Camera' and 'Retinal Green Laser' machines to District Eye Relief Society, operating under the District Administration of Rampur.

Sustainability

Towards a sustainable ecosystem

Through these years, our philosophy has been inclusive growth and development of the ecosystem wherein we dwell. We are combatting environmental issues by taking steps to ensure conservation of energy and technology absorption. Being a green distillery, we are ensuring that resources are utilised optimally and waste material is processed in an organised manner.



Technology absorption

Efforts made towards technology absorption include installation of gin distillation plant for the manufacturing of naturally flavoured craft gin. We increased recycling of spent lees and reduced DM water consumption, which resulted in savings. Additionally, we expanded seven acres of bio-composting area of which two acres covers bio-composting area that facilitates bio-composting in rainy season. These initiatives led to benefits in the form of product improvement, cost reduction, product development or import substitution.

Conservation of energy

We undertake initiatives, such as replacing of old tube lights with new LED light, installing PHE/re-boiler in grain-based distillation plant for heat recovery in place of direct steam to conserve energy. We also take steps to utilise alternate sources of energy which result in power and cost savings.

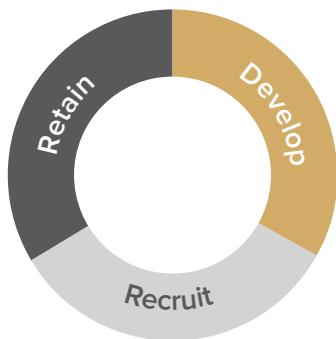
Water recharging

Some parts of Rampur are in the 'dark zone' category for the last few years. To eliminate this, Radico Khaitan adopted artificial water recharging technique through bore wells to improve the water levels in the area.

The core of our strengths

It is truly our people who raise the bar of excellence through their work. At Radico Khaitan, we recruit the best of talents from the industry, hone their skills to enable them to make the best use of their abilities and provide a flexible environment to retain them.

We co-create a fulfilling environment for our employees, encouraging accountability and providing autonomy to perform and grow to their highest potential. We embrace diversity by ensuring full and fair consideration to all applicants and the continued development of all, regardless of gender, nationality, race, creed, disability, style or sexuality.



Workforce planning

Our business priorities are closely aligned with our goals to help our people grow their competencies and progress in their chosen fields of work. We are working to ensure that we can meet the regulatory, service, and production requirements in order to fulfil our strategic objectives.

Leadership development

We are focused on building leadership capabilities and recognising line managers who provide a flexible and respectful work environment to their teams.

Career development

We encourage our employees to take on new challenges and provide them with opportunities that help them grow as professionals.

Performance management

All employees have well-defined Key Performance Indicators (KPIs), which are aligned with the organisational goals, and form the basis of performance evaluation.

Rewards and recognitions

We are building a culture of winning, in which our employees are encouraged to grow to their full potential. We have a performance-based reward structure that recognises people who have delivered results, and exhibit the right values for the organisation.

Training

We encourage job rotations, on-job internal/external trainings and need-based coaching for employees to polish and upgrade their skills.



Employee engagement

Our people-focused culture helps us all to connect on a personal level. We conduct various sports/cultural activities, birthdays, new year and festival celebrations, share enriching travel experiences, and participate in corporate social responsibility initiatives. These little things unite us, making us one big family.

The various employee engagement activities conducted during FY2019

Rampur Run

We organised the 5th half marathon in Rampur on December 23, 2018. Over 1,100 people from neighbouring states, such as Uttarakhand, Delhi, Madhya Pradesh, and Telangana came all the way to be a part of this iconic event.



Prevention of sexual harassment

The human resource team organised a workshop on prevention of sexual harassment at the head office on December 25, 2018. The workshop was conducted by the corporate coach Amit Pandey and his associates.

Cricket tournament

A cricket tournament was organised by the Reengus unit on September 7, 2018 where Team Radico Khaitan made it to the finals.

Caring for children

Our Reengus unit members distributed sweaters and educational materials to 200 underprivileged kids of Rajakiya Madhyamik Vidyalaya, Parasrampura on December 13, 2018.

Republic Day and Sports Week

We celebrated the country's 70th Republic day with a lot of energy and enthusiasm at Radico Khaitan HO. We organised a Sports Week, which was followed by flag hoisting and award ceremonies that rejuvenated all of us.



Disaster management training sessions

To train employees on the plan of action in case of a fire at workplace, our RNV Distillery, Aurangabad organised a training session at the factory site on January 17, 2019. The session received overwhelming participation from our workforce.



World Environment Day

A tree plantation drive was organised by our employees to honour the World Environment Day. Around 500 saplings were planted in the vicinity of Rampur.



Diwali celebrations

The families of Reengus unit got together on November 3, 2018 to celebrate the biggest festival of India. The evening was filled with quizzes, games, dance programmes and a lot of 'Magic Moments'.



Our eminent Board



Dr. Lalit Khaitan
Chairman & Managing Director



Abhishek Khaitan
Managing Director



Krishan Pal Singh
Whole-time Director,
Director – Operations



Ashutosh Patra
Independent Director
*Senior Partner,
OP Khaitan & Co.*



Dr. Raghupati Singhania
Independent Director
*Chairman and Managing
Director of JK Tyre &
Industries Limited*



Sarvesh Srivastava
Independent Director
*Eminent Chartered
Accountant with over 30 years
of experience in taxation laws
and corporate restructuring*



Karna Singh Mehta
Independent Director
*Head, SS Kothari & Mehta;
Former Director, the
National Stock Exchange
and Prudential ICICI Asset
Management*



Sushmita Singha
Independent Director
*Director, Kajaria Ceramics
Limited, Ginni International
Limited and Green Panel
Industries Limited*

Management Team

Our inspiring leadership team



Dr. Lalit Khaitan
Chairman & Managing Director



Abhishek Khaitan
Managing Director



Krishan Pal Singh
Whole-time Director, Director – Operations



Dilip K Banthiya
Chief Financial Officer



Amar Sinha
Chief Operating Officer



Sanjeev Banga
President – International Business

Directors' Report

Dear Members,

It is our pleasure to present the Thirty Fifth Annual Report on the business and operations together with the Audited Financial Statements of your Company for the year ended March 31, 2019.

SUMMARY OF FINANCIAL PERFORMANCE:

(₹ in Crore)

	FY2019	FY2018	Change (%)
Gross Sales	8,058.00	6,270.36	28.5%
Revenue from Operations	2,096.95	1,822.77	15.0%
Other Income	13.29	26.67	(50.2)%
Income from Operations	2,110.23	1,849.44	14.1%
Raw Materials Consumed	1,035.37	952.21	8.7%
Employee Benefit Expenses	171.38	154.97	10.6%
Selling & Distribution Expenses	284.89	215.87	32.0%
Depreciation	42.44	40.90	3.8%
Finance Cost	35.48	68.24	(48.0)%
Other Operating Expenses	254.97	229.97	10.9%
Total Expenses	1,824.52	1,662.16	9.8%
Profit Before Tax	285.71	187.28	52.6%
Provision for Tax	97.64	63.83	53.0%
Net Profit	188.06	123.45	52.3%
Net Income Margin (%)	9.0%	6.8%	
Other Comprehensive Expenses / (Income)	0.72	1.52	
Total Comprehensive Income	187.35	121.94	53.6%
Total Comprehensive Income Margin (%)	8.9%	6.7%	
Basic EPS (₹)	14.10	9.26	52.2%
Gross Profit	1,061.58	870.56	21.9%
Gross Margin (%)	50.6%	47.8%	
EBITDA	349.23	267.43	30.6%
EBITDA Margin (%)	16.7%	14.7%	
Paid-up Equity Share Capital (Face Value of ₹ 2 each)	26.68	26.66	0.1%
Reserves & Surplus	1,288.26	1,115.46	15.5%
Transfer to General Reserve	-	-	-
Proposed Dividend and tax thereon	19.30	16.07	20.6%

PERFORMANCE REVIEW: Revenue from Operations

Volume (Million Cases)	FY2019	FY2018	Change (%)
Prestige & Above	6.12	5.05	21.3%
Regular & Others	15.48	14.45	7.1%
Total Volume	21.61	19.50	10.8%
Prestige & Above as % of Total	28.3%	25.9%	

Total Revenue from Operations (Net) grew by 15.0%. IMFL volumes increased by 10.8%. This volume growth was led by a strong Prestige & Above category volume increase of 21.3%. Volume growth was broad based across key states and key IMFL brands primarily driven by the recent price increases and favourable policy changes. A significantly improved operating environment in Uttar Pradesh continued to drive a strong volume growth and market share increase in the state. Furthermore, the

recently launched brands such as 8PM Premium Black whisky and 1965 – Spirit of Victory rum also started to make meaningful contribution to the overall volumes. Within a short span after launch, 8PM Premium Black has gained encouraging traction with both consumers as well as the trade channels.

In value terms, Prestige & Above brands contributed to about 49.7% of total IMFL sales value compared to 43.7% in FY2018.

IMFL sales value accounted for 79.6% of the total Revenue from Operations (net) of the Company compared to 75.6% last year.

Gross Profit

Gross Margin increased by 286 bps y-o-y to 50.6%. Despite the recent upward trend in raw material prices (both ENA and packaging materials), gross margins improvement was driven by a combination of price increases and premiumization.

EBITDA

EBITDA increased by 30.6% y-o-y with margins of 16.7% (up 200 bps Y-o-Y). This increase in EBITDA was driven by significantly improved Gross Margins. Selling & Distribution expenses have been higher during the year compared to FY2018 as the Company has been progressively making marketing investments. Advertising & Sales Promotion (A&SP) expenses increased by 58.6% to ₹ 138.47 Crore compared to FY2018. During FY2019, Advertising & Sales Promotion expenses as a % of the Company's IMFL revenues stood at 8.3% compared with 6.3% for the last year. Higher A&SP spend has enabled the Company to sustain the growth momentum.

Finance Cost

Due to the ongoing debt reduction, finance costs have decreased significantly. Finance cost for the year declined by 48.0% y-o-y from ₹ 68.24 Crore to ₹ 35.48 Crore.

Total Comprehensive Income

Total Comprehensive Income increased by 53.6% due to improved EBITDA margins and reduced finance costs.

CAPITAL STRUCTURE, LIQUIDITY AND RETURN RATIOS:

Share Capital

As of March 31, 2019, Radico Khaitan had an authorized equity share capital of ₹ 34 Crore, divided into 17,00,00,000 equity shares of ₹ 2 each. The Company also had an authorized preference share capital of ₹ 60 Crore, divided into 60,00,000 preference shares of ₹ 100 each. As of March 31, 2019, the Company had issued, subscribed and paid-up equity share capital of ₹ 26.68 Crore divided into 13,34,09,265 equity shares of ₹ 2 each.

During the year under review, the Company has allotted 102,000 equity shares on exercise of stock options under the Employees Stock Option Scheme 2006 to the eligible employees. During the year under review, the Company granted no stock options under the Employees Stock Option Scheme 2006.

General Reserve

Your Directors do not propose to transfer any amount to General Reserve and the entire amount of the profit for the year ended March 31, 2019 forms part of retained earnings.

Borrowings

As on March 31, 2019, Total Debt was ₹ 337.02 Crore, Cash & Bank Balances were ₹ 17.67 Crore resulting in Net Debt of ₹ 319.35 Crore (vs. ₹ 569.70 Crore as on March 31, 2018). Gross Debt consists of ₹ 301.60 Crore of Working Capital loans and ₹ 35.42 Crore of Long-Term loans. Net Debt reduction was ₹ 250.34 Crore during FY2019. As a result of ongoing debt reduction, the Company debt to equity ratio improved from 0.52x at the end of FY2018 to 0.26x at the end of FY2019.

Working Capital

As on March 31, 2019, the Company had trade receivables balance of ₹ 641.75 Crore (up 1.9% y-o-y), inventories of ₹ 359.71 Crore (up 15.7% y-o-y) and trade payables of ₹ 244.84 Crore (up 14.3%), resulting in working capital balance of ₹ 756.63 Crore (up 4.1% y-o-y). On gross sales basis, working capital turnover was 34 days in FY2019 compared to 42 days in FY2018.

Return Ratios

Return on Average Equity (ROE) expanded from 11.2% in FY2018 to 15.2% in FY2019. This expansion in ROE was primarily due to significantly improved net profit. During FY2019, Return on Average Capital Employed (ROCE) increased from 12.7% to 18.1%. ROCE expansion was attributed to significantly improved earnings coupled with debt reduction.

Note:

ROE = Total Comprehensive Income / Average Shareholder Equity

ROCE = Earnings Before Interest & Tax (EBIT) / Average Capital Employed

Capital Employed = Shareholder Equity + Total Debt

CAPITAL MARKET RATINGS :

Radico Khaitan's long-term and short-term credit facilities are rated by CARE Ratings. The Company's long-term credit facilities are rated CARE AA- (Double A Minus) and short-term credit facilities are rated CARE A1+ (A One Plus).

CARE AA rated instruments are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. CARE A1 rated instruments are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk. Modifiers (+ / -) reflect the comparative standing within the category.

DIRECTORS:

During the year under review, there was no change in Board of Directors.

BOARD MEETINGS:

During FY2018, the Board of Directors met four times on May 3, 2018, July 24, 2018, October 24, 2018 and January 23, 2019. The gap between any two consecutive meetings of the Board of Directors of the Company was not more than 120 days. The details regarding composition, number of Board Meetings held and attendance of the directors during FY2019 are set out in the Corporate Governance Report which forms part of this Annual Report.

MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company met separately on January 23, 2019 without the presence of the Non-Independent Directors and the members of management. The meeting was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company. In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), following matters were, inter-alia, discussed in the meeting:

- 1) Review of the performance of Non-Independent Directors and the Board as a whole;

- 2) Review of the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- 3) Assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declarations under Section 149(6) of the Companies Act, 2013 from all Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the Listing Regulations. The Company keeps a policy of transparency and arm's length while dealing with its Independent Directors. No transaction was entered with Independent Directors during the year which could have any material pecuniary relationship with them. Apart from sitting fee no other remuneration was paid to any of the Independent Directors.

BOARD EVALUATION:

The Board of Directors of Radico Khaitan is committed to transparency in assessing the performance of Directors. In accordance with the Companies Act, 2013 and Rules made thereunder, Schedule – IV of the Act and Regulation 4(2)(f) of the Listing Regulations, Radico Khaitan has framed a policy for the formal annual evaluation of the performance of the Board, Committees and individual Directors. The Company has put in place a robust framework for evaluation of the Board, its Committees, the Chairman and Individual Directors and the governance processes that support the Board's functioning. This framework covers specific criteria and the grounds on which all Directors in their individual capacity are evaluated. The key criteria for performance evaluation of the Board and its Committees include aspects such as composition and structure, effectiveness of board processes, information and functioning.

The criteria for performance evaluation of the individual Directors include aspects such as professional conduct, competency, contribution to the Board and Committee meetings and other measures. The criteria for performance evaluation of the committees of the Board includes aspects such as the composition of committees, effectiveness of committee meetings. The performance evaluation of the Independent directors was done by the entire Board excluding the director being evaluated. The performance evaluation of the Chairman and the Non-Independent directors was carried out by the Independent directors. The Board of Directors expressed their satisfaction with the evaluation process.

POLICY ON NOMINATION, REMUNERATION AND BOARD DIVERSITY:

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members as well as diversity of the Board. Radico Khaitan recognizes the benefits and importance of having a diverse Board of Directors in terms of skill set and experience. The Company has an optimum mix of executive and non-executive, independent directors and woman director. The detail of the policy is explained in the Corporate Governance Report and full policy is also available on the Company's

website at the following link: <http://www.radicokhaitan.com/investor-relations/>

ROLES AND RESPONSIBILITIES OF BOARD MEMBERS:

The Company has a clearly laid out policy defining the structure and role of the Board Members. The Company has an Executive Chairman and Managing Director, presently Dr Lalit Khaitan, a Managing Director, currently Mr. Abhishek Khaitan and an optimum combination of Executive and Non-Executive Promoter/ Independent Directors. The duties of the Board Members including Independent Directors have been elaborated in the Listing Regulations, Section 166 of the Companies Act, 2013 and Schedule IV of the said Act. There is a clear segregation of responsibility and authority amongst the Board Members.

RISK MANAGEMENT POLICY:

Radico Khaitan's business is exposed to a variety of risks which are inherent to a liquor manufacturing company in India. In this volatile, uncertain and complex operating environment, only companies that manage their risk effectively can sustain. Risk management is embedded in Radico Khaitan's corporate strategies and operating framework, and the risk framework helps the Company meet its objectives by aligning operating controls with the corporate mission and vision. The Company has in place comprehensive risk assessment and minimization procedures, integrated across all operations and entails the recording, monitoring and controlling enterprise risks and addressing them timely and comprehensively. The risks are reviewed by the Audit Committee and the Board from time to time and new risks are identified based on new business initiatives and the same are assessed, minimisation framework and controls are designed and appropriately implemented.

CYBER RISK:

The failure of information Technology (IT) systems due to malicious attacks and / or non-compliance with data privacy laws can potentially lead to financial loss, business disruption and / or damage to the Company's reputation. Radico Khaitan has in place a data protection policy. It also maintains a cyber security infrastructure. The Company uses standardised backup tools, service and procedures to ensure that information and data are stored at two or more diverse locations.

INSURANCE OF FIXED ASSETS:

Your Company has adequately insured all its properties including Plant and Machinery, Building and Stocks.

AWARDS AND RECOGNITION:

During the year, Radico Khaitan received a number of awards for its leading brands. These awards are a testament to the Company's innovation and quality of products. In the Monde Selection Quality Awards 2019, following brands of Radico Khaitan received GOLD awards:

- 1965 Spirit of Victory Premium XXX Rum
- 8PM Premium Black Whisky
- Magic Moments Verve Orange Flavoured Premium Vodka
- Magic Moments Verve Green Apple Flavoured Premium Vodka
- Magic Moments Verve Premium Vodka
- Morpheus Blue Premium Brandy
- Whytehall Rare Premium Brandy

EMPLOYEE STOCK OPTION SCHEME:

Radico Khaitan's employee stock option scheme was implemented to provide the employees with an opportunity to share in the growth of the Company and to reinforce long term commitment. As on 31st March, 2019, a total of 264,500 stock options are outstanding.

As required under SEBI (Share Based Employee Benefits) Regulations, 2014, the auditors have issued a certificate that the share based incentives have been implemented in compliance with the resolution passed at the AGM.

DIVIDEND:

The Company has a dividend policy that balances the dual objective of appropriately rewarding its shareholders and retaining capital to support future growth. Your Directors are pleased to recommend a dividend of ₹ 1.20 per equity share or 60% on face value of ₹ 2.00 each for the year ended March 31, 2019. The total dividend payout for the financial year will be ₹ 19.30 Crore including a dividend distribution tax of ₹ 3.29 Crore. This higher dividend payout is to demonstrate our commitment towards our shareholders. The dividend is subject to approval of shareholders at the Annual General Meeting on September 26, 2019 and will be paid to the shareholders whose names appear in the Register of Members as on the date of book closure.

DEMATERIALIZATION:

During the year 462,244 shares of the Company constituting 0.35% of the issued and subscribed Share Capital of the

Company, were dematerialised. As on March 31, 2019, 98.81% of the shares of the Company have been dematerialized. Your Directors would request all the members who have not yet converted their holdings into dematerialized form, to do so thereby facilitating trading of their shares. As per SEBI guidelines it is mandatory that the shares of a company are in dematerialized form for trading.

PUBLIC DEPOSITS:

During the year under review, your Company has neither invited nor accepted any fixed deposits from the public within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (acceptance of Deposits) Rules, 2014.

SUBSIDIARIES AND JOINT VENTURES:

During the year under review, the Company has no subsidiary. Radico Khaitan has one joint venture, namely, Radico NV Distilleries Maharashtra Limited ("RNV"). The Company has 36% stake in the said joint venture. In terms of the Section 129 (3), financial results of RNV are consolidated with the accounts of the Company. In terms of the section 129 (3) of the Companies Act, 2013, the salient features of the financial statement of the joint venture company is set out in the prescribed form AOC – 1 and is attached herewith as a separate Annexure – A.

CONSOLIDATION OF ACCOUNTS:

In compliance with Section 129 (3) of the Companies Act, 2013, the annual accounts of RNV are consolidated with the Company accounts and form part of this report.

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND:

Section 124 of the Companies Act, 2013 mandates that a company should transfer dividend, that has been unclaimed for a period of seven years, from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). To ensure maximum disbursement of unclaimed dividend, the Company sends reminders to the concerned investors, before transfer of dividend to IEPF. Unclaimed dividend has been transferred to IEPF as per below table:

Financial Year	Date of Declaration of Dividend	Total Dividend	Unclaimed Dividend	Date of Transfer to IEPF account
FY2002	16.07.2002	38,579,176.00	730,556.00	22.08.2009
FY2003	19.07.2003	34,721,258.40	914,312.00	24.08.2010
FY2004	17.07.2004	38,579,176.00	973,284.00	22.08.2011
FY2005	16.11.2005	42,437,093.60	983,341.00	21.12.2012
FY2006	25.09.2006	48,223,970.00	1,135,840.00	30.10.2013
FY2007	26.09.2007	51,231,109.50	922,432.00	05.11.2014
FY2008	30.09.2008	51,231,109.50	1,065,509.00	16.10.2015
FY2009	15.09.2009	30,738,665.70	699,978.00	07.10.2016
FY2010	09.09.2010	79,300,632.60	1,620,668.00	26.10.2017
FY2011	09.09.2011	92,853,567.80	1,630,738.00	24.09.2018

KEY MANAGERIAL PERSONNEL:

There has been no change in Key Managerial Personnel during the year under review.

REMUNERATION OF THE DIRECTORS AND EMPLOYEES:

Your Company's approach is to have performance-based compensation culture to attract and retain high quality talent. The remuneration policy, therefore, is market-led and takes into account the competitive nature of the business so as to attract and retain quality talent and leverage performance significantly. The remuneration payable to each Executive Director is based on the remuneration structure as determined by the Board

and is revised from time to time depending upon individual contribution, the Company's performance and the provisions of the Companies Act, 2013.

PARTICULAR OF EMPLOYEES AND REMUNERATION:

In terms of the first proviso to Section 136 of the Act, the Reports and Accounts are being sent to the shareholders excluding the information required under Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any shareholder interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company on any working day of the Company up to the date of the 35th Annual General Meeting.

The statement containing information as required under the provisions of Section 197(12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure – B and forms part of this Report.

AUDIT REPORT:

The observations made in the Auditors Report as enclosed with this Report are self-explanatory and therefore do not call for any further comments under Section 134 of the Companies Act, 2013.

STATUTORY AUDITOR:

M/s. BGJC & Associates LLP, Chartered Accountants are the Statutory Auditors of the Company for a period of five years with effect from July 11, 2016. M/s. BGJC & Associates LLP have confirmed to the Company that they are not disqualified under Section 141 of the Companies Act, 2013, or any other applicable provisions for the time being in force and are eligible for being appointed as statutory auditors of the Company. M/s. BGJC & Associates LLP have also confirmed to the Company that, their appointment is within the limits prescribed under the Companies Act, 2013.

The report of the Statutory Auditors along with notes to Schedules is enclosed to this annual report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

COST AUDITOR:

As per the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records relating to Industrial Alcohol every year.

The Board of Directors, on the recommendation of audit committee, has appointed Mr. R. Krishnan, Cost Accountants, as the cost auditor to audit the cost accounts of the Company for the financial year 2020 at a remuneration of ₹ 1.10 Lakhs plus applicable government taxes (e.g. GST) and reimbursement of out of pocket expenses. As required under the Companies Act, 2013, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed Mr. Tanuj Vohra, Partner at M/s. TVA & Co. LLP, Company Secretaries, a firm of Company Secretaries in Practice (C.P. No. 5253) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as Annexure - C and forms an integral part of this Report. There is no secretarial audit qualification for the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY THE COMPANY UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.

VIGIL MECHANISM:

Pursuant to the requirement of Section 177 (9) & (10) of the Companies Act, 2013, Radico Khaitan has in place a robust vigil mechanism and has adopted a whistle blower policy which allows employees of the Company to raise their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Company or society as a whole. All cases reported as part of whistle-blower mechanism are taken to their logical conclusion within a reasonable timeframe. Details of complaints received and the action taken are reviewed by the Audit Committee. The functioning of the Vigil Mechanism is reviewed by the Audit Committee from time to time. The Vigil Mechanism Policy has been uploaded on the website of the Company at <http://www.radicokhaitan.com/investor-relations/>.

REPORTING OF FRAUDS:

There was no instance of a fraud during the year under review which required the statutory auditor to report to the Audit Committee or the Board under section 18(12) of the Companies Act, 2013 and rules made thereunder.

ARCHIVAL POLICY:

Pursuant to the Listing Regulations and in line with Radico Khaitan's Policy on Determination of Materiality of Events, the Company shall disclose all such events to the Stock Exchanges and such disclosures shall be hosted on the website of the Company for a period of 5 years and thereafter the same shall be archived so as to be available for retrieval for a further period of three years by storing the same on suitable media. Thereafter the said information, documents, records may be destroyed as per the Company's policy on preservation of documents.

RELATED PARTY TRANSACTIONS:

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus, disclosure in form AOC-2 is not required. Further, there are no material related party transactions during the year under review with the promoters, directors or key managerial personnel. The Company has developed a Related Party Transactions framework through Standard Operating Procedures for the purpose of identification and monitoring of such transactions.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval. Omnibus approval was obtained on a quarterly basis for transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are audited by the Legal & Compliance Department and a statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

The Policy on Related Party Transactions as amended and approved by the Board of Directors has been uploaded on the website of the Company. The web-link of the same has been provided in the Corporate Governance Report. None of the directors has any pecuniary relationship of transactions vis-à-vis the Company.

ENVIRONMENTAL PROTECTION MEASURES TAKEN BY THE COMPANY:

In view of the corporate responsibility on environmental protection, the Company has adopted a number of measures for improvement in the field of environment, safety and health. Measures such as standard operating procedures, training programmes for all levels of employees regarding resource conservation, housekeeping, Green Belt development and onsite emergency plan have been taken. Sustainable living is a part of long-term business strategy and your Company continuously strives to reduce our environmental footprint, while enhancing the livelihood of people across our product value chain.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

As per Section 134 (3) (m) read with the Companies (Accounts Rules) 2014, the relevant information and data is given in Annexure – D and forms part of this Report.

CORPORATE SOCIAL RESPONSIBILITIES (CSR):

CSR at Radico Khaitan is creating sustainable programs that actively contribute to and support the social and economic development of the society. The Company is committed to community development, enhancing livelihood, promoting education and health care including preventive health care and ensuring environmental sustainability. As part of its CSR programmes, the Company partners with the community and addresses issues of water and sanitation, education, health and skill-development. Radico Khaitan also promotes and encourages responsible drinking through engaging with employees, taking preventative action, education and raising awareness and bringing communities on board to address local challenges at their root. The CSR policy of the company is available on the Company's website.

Composition of the CSR Committee as on August 8, 2019

1.	Dr. Lalit Khaitan	Chairman
2.	Mr. Abhishek Khaitan	Member
3.	Mr. K.P. Singh	Member
4.	Ms. Sushmita Singha*	Member

* Appointed with effect from April 1, 2019

The Company's projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR Policy. The Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as Annexure - E forming part of this Report.

Radico Khaitan is in the process of identifying larger projects in healthcare and education so the unspent amount of ₹ 104.57 Lakhs will be spent together with the current year's eligible spend.

Kiran Devi Khaitan Memorial Charitable Trust:

Kiran Devi Khaitan Memorial Charitable Trust was established for social welfare activities in the year 2011. Since its inception, the trust has fostered a sustainable culture of development in the areas of healthcare, promotion of education, eradication of hunger, rural development, art and culture across the state of

Uttar Pradesh. The CSR committee has proposed to incur CSR expenditure through the said trust from April 1, 2019 and also directly wherever needed.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There has been no significant and material order passed by the Regulators or Courts that would impact the going concern status of the Company and its future operations.

On December 24, 2018, the Central Pollution Control Board (CPCB) issued a letter directing the closure of the Rampur plant of the Company which was later kept on abeyance till January 2, 2019, and reconfirmed on February 18, 2019. After considering representations made by the Company, CPCB vide its letter dated May 17, 2019 revoked its closure directions but restricted the capacity of molasses part of the Company from 200 KLD to 77 KLD and levied Environment Compensation of ₹ 1.46 Crore. Later fresh inspections were made and CPCB vide its letter dated August 6, 2019, pursuant to the Company's representation/request dated June 14, 2019, allowed the Company to restore the capacity of its molasses plant from 77 KLD to 200 KLD and found the Company compliant with the additional requirements for its Zero Liquid Discharge (ZLD) system. However, in their letter dated August 6, 2019, the CPCB has levied an additional Environmental Compensation of ₹ 5.83 Crore apart from ₹ 1.46 Crore already paid by the Company. Radico Khaitan is taking suitable steps in this regard.

SAFETY & WELLBEING OF WOMEN:

Gender equality and women safety is a very important part of Radico Khaitan's human resource policies. The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The Company has endeavoured to encourage women professionals by creating proper policies to tackle issues relating to safe and proper working conditions and create and maintain a healthy and conducive work environment that is free from discrimination. All complaints received were attended on time with no pending complaint at the end of the year.

BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report for FY2019, as stipulated under Regulation 34(2)(f) of the Listing Regulations is annexed as a separate report and forms part of this Annual Report.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return is provided in Annexure - F.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report, as required under the Listing Regulations is provided as a separate report and forms part of this Annual Report.

CORPORATE GOVERNANCE REPORT:

Report on Corporate Governance along with the certificate from Mr. Tanuj Vohra, Partner at M/s. TVA & Co. LLP, Company Secretaries, confirming compliance with conditions of corporate governance, as stipulated under the Listing Regulations, forms part of the Annual Report.

INTERNAL FINANCIAL CONTROLS:

The Board of Directors of the Company has devised systems, policies, procedures and frameworks, which are currently operational within the Company for ensuring the orderly and efficient conduct of its business, which includes adherence to policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

The internal financial controls have been documented, digitised and embedded in the business process. Assurance on the effectiveness of internal financial controls is obtained through management reviews, controls self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

COMMITTEES OF THE BOARD:

As on March 31, 2019, the Board has the following eight committees. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report.

- 1) Audit Committee
- 2) Stakeholders Relationship Committee
- 3) Nomination and Remuneration Committee
- 4) Corporate Social Responsibility (CSR) Committee
- 5) ESOP Compensation Committee
- 6) Risk Management Committee
- 7) Committee of Directors
- 8) Committee of Independent Directors

AUDIT COMMITTEE:

As on date, the Audit Committee comprises of three (3) Independent, Non-executive Directors. The members of the Audit Committee are Mr. Sarvesh Srivastava (Chairman of the Committee), Dr. Raghupati Singhania and Mr. Ashutosh Patra. All Members of the Audit Committee are qualified in finance and bring in expertise in the fields of finance, taxation, economics, industry and risk.

The Audit Committee invites the Chairman & Managing Director, Managing Director, Chief Financial Officer, Company Secretary, Statutory Auditor(s) and Internal Auditor and Cost Auditors to attend the meetings of the Audit Committee. The Company Secretary acts as Secretary to the Committee. The minutes of each Audit Committee meeting are placed and discussed at the next meeting of the Board.

STATEMENT ON COMPLIANCE OF SECRETARIAL STANDARDS:

Radico Khaitan has complied with all the applicable Secretarial Standards during FY2019 and have a team of different auditors to assist and audit all the Secretarial Compliances applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 (3) (c) of the Companies Act, 2013.

- i) In the preparation of the Annual Accounts for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) The Board has selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The annual accounts have been prepared on a going concern basis;
- v) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to express their sincere appreciation to all the employees for their commitment and contribution to the success of the Company. Their enthusiasm and hard work has enabled the Company to be at the forefront of the industry. We also take this opportunity to thank all our valued customers who have appreciated and cherished our products.

The Board would like to convey their sincere gratitude to the investors and bankers for their continued support during the year. Your Directors further take this opportunity to acknowledge the support and assistance extended by the Regulatory Authorities such as SEBI, Stock Exchanges and other Central & State Government authorities and agencies, and Registrars. The Board also appreciates the support and co-operation your Company has been receiving from its supply chain partners and others associated with the Company as its trading partners. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth.

For & on behalf of the Board

Sd/-

Dr. Lalit Khaitan

Chairman & Managing Director
DIN - 00238222

Place: New Delhi
Date: August 8, 2019

ANNEXURE – A

FORM AOC-1

(Pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

PART A SUBSIDIARIES

Information in respect of each subsidiary to be presented

Amounts in ₹

There is no Subsidiary of the Company

PART B ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Amount in lakhs)

Name of Associates or Joint Ventures	Radico NV Distilleries Maharashtra Ltd.	
1. Latest audited Balance Sheet Date	31.03.2018	
2. Date on which the Associate or Joint Venture was associated or acquired	26.05.2007	
3. Shares of Associate or Joint Ventures held by the company on the year end	Equity shares	Preference Shares
No.	26,59,500	20,00,000
Amount of Investment in Associates or Joint Venture	₹ 17,618.43	
Extent of Holding (in percentage)	Equity – 36%	
4. Description of how there is significant influence	As per Joint Venture and Shareholders Agreement dated 26.5.2007. The day-to-day management for the operations of the JV Company shall be the responsibility of the Radico Khaitan Limited.	
5. Reason why the associate/joint venture is not consolidated	N.A.	
6. Net worth attributable to shareholding as per latest audited Balance Sheet	41698.48	
7. Profit or Loss for the year:		
i. Considered in Consolidation	50.81	
ii. Not Considered in Consolidation	86.11	

- There are no associates or joint ventures which are yet to commence operations
- There are no associates or joint ventures which have been liquidated or sold during the year

For and on behalf of Board of Directors

For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director

Darshan Chhajer
Partner

Amit Manchanda
Vice President Legal &
Company Secretary

Abhishek Khaitan
Managing Director

Membership No.: 088308

Place: New Delhi
Date: August 8, 2019

Ajay K. Agarwal
President (Finance & Accounts)

Director

ANNEXURE – B

Disclosure in the Board's Report under Section 197(2) of the Companies Act, 2013 read with Rule 5 (1) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

(i) The Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-19	Director's Name	Ratio to mean remuneration
	Dr. Lalit Khaitan	128.8:1
	Mr. Abhishek Khaitan	129.0:1
	Mr. Ashutosh Patra	N.A.
	Mr. K.S. Mehta	N.A.
	Dr. Raghupati Singhania	N.A.
	Mr. K.P. Singh	30.8:1
	Mr. Sarvesh Srivastava	N.A.
	Ms. Shailja Devi	N.A.
(ii) The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the financial year 2018-19 compared to 2017-18.	Director's/CFO/CEO/CS/Manager name	% age increase in remuneration
	Dr. Lalit Khaitan, Chairman & Managing Director	11.7%
	Mr. Abhishek Khaitan, Managing Director	11.7%
	Mr. K.P. Singh, Director	7%
	Mr. Dilip K. Banthiya, Chief Financial Officer	7%
	Mr. Amit Manchanda, Vice President – Legal & Company Secretary	8%
(iii) Percentage increase in the median remuneration of employees in the financial year 2018-19 compared to 2017-18		7.2%
(iv) Number of permanent employees on the rolls of the Company	As on 31.03.2019	As on 31.03.2018
	1,171	1,141
(v) Average percentile increase already made in the salaries of Employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	During 2018-19	During 2017-18
	8.9%	8.5%
	The increase is based on remuneration policy of the company that rewards people based on their contribution to the success of the company and external market competitiveness.	The increase is based on remuneration policy of the company that rewards people based on their contribution to the success of the company and external market competitiveness.
(vi) The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.		

ANNEXURE – C

To,
The Members
Radico Khaitan Limited
CIN: L26941UP1983PLC027278
Bareilly Road, Rampur
Uttar Pradesh -244901

We have examined the relevant registers, records and documents maintained and made available to us by Radico Khaitan Limited (“the Company”) for the period commencing from 1st April, 2018 to 31st March, 2019 for the issuance of Secretarial Audit Report for the financial year 2018-19, required to be issued under Section 204 of the Companies Act, 2013 read with Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the various compliances, but the maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion and the compliance of the provisions of Corporate and other applicable laws, rules and regulations is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For TVA & Co. LLP
Company Secretaries

Place: New Delhi
Date: August 8, 2019

Tanuj Vohra
Partner
M. No.: F5621, C.P. No.: 5253

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Radico Khaitan Limited
CIN: L26941UP1983PLC027278
Bareilly Road, Rampur
Uttar Pradesh -244901

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Radico Khaitan Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with the client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
- (vi) Other laws as specifically applicable to the Company:-
 - (a) Food Safety and Standards Act, 2006 and Rules and Regulations made thereunder;
 - (b) Fire Prevention and Fire Safety Act and Indian Standard Code of practice for selection, installation and maintenance of portable first aid fire extinguishers; and
 - (c) The Electricity Act, 2003 and Rules made thereunder.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (NSE).

We further report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No change in the composition of the Board of Directors took place during the period under review.

We further report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions carried through by the Board do not have any dissenting views and hence no relevant recordings were made in the minutes book maintained for the purpose.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

We further report that during the audit period under review, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc, having a major bearing on the Company's affairs.

**For TVA & Co. LLP
Company Secretaries**

Place: New Delhi
Date: August 8, 2019

Tanuj Vohra
Partner
M. No.: F5621, C.P. No.: 5253

ANNEXURE – D

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March 2019 is given here below and forms part of the Directors Report.

(A) CONSERVATION OF ENERGY:

Steps taken or impact on conservation of energy	<ol style="list-style-type: none">1. In grain based distillation plant, steam saving through modification in heat integration PRC column driven by recovery vapor through re-boiler to reduce steam consumption.2. In grain distillation plant, recovery column feed pre heated by recovery column bottom lees to reduce steam consumption.3. Flash steam of steam condensate tank recovered and used in simmering column to reduce steam consumption. <p>Total saving of steam in grain distillation from point no.1, 2 and 3 is 360 Kg/Hr or 2930 Ton (₹ 47 lakhs per annum)</p>
The steps taken by the company for utilizing alternate sources of energy	<ol style="list-style-type: none">1. In grain based distillation plant, installed re-boiler and flash steam used in simmering column instead of steam also steam reduced in PRC column. Resulting steam saving of 360 Kg/hr.2. New BGG-3 installed to generate more power and save power outsourcing.
The capital investment on energy conservation equipment's	<p>The investments is:</p> <ol style="list-style-type: none">1. ₹ 15.5 Lakhs for re-boiler and steam saving scheme.2. ₹ 400 Lakhs for new BGG

(B) TECHNOLOGY ABSORPTION:

Efforts made towards technology absorption and process improvement.	<ol style="list-style-type: none">1. Installed Gin distillation plant of 1000 BL / day for manufacturing of naturally flavored Craft Gin. Craft Gins are very popular and in very high demand internationally and hence potential to earn valuable foreign currency is also there.2. In place of direct steam in rectifier column, installed PHE / re-boiler in grain based distillation plant for DM water recovery. Increased recycling of spent Lees and decrease in DM water consumption is resulting in saving of ₹ 20 Lakhs / annum.3. Utilized 100% rectifier lees recycling in molasses wash to ENA plant thereby reducing DM water consumption and saving about ₹15 Lakhs / annum.4. Installation of three more Tetra Pack machines for Tetra packing of 8 PM whisky.5. Installed 3D Trasar System in Cooling Tower for monitoring of cooling tower parameters and optimizing of chemical dosing.6. Installation of two grain storage silo at the cost of ₹ 571 Lakhs for capacity 3500 Ton each to store grain for longer period without deterioration. It will help us in strategic buying of grains.7. Installed condensate processing unit at the cost of about ₹ 1100 Lakhs for reutilizing process condensate and RO permeate water for cooling tower make up and molasses dilution etc. It will reduce our ground water pumping and help us in maintaining zero liquid discharge.
--	---

Benefits derived like product improvement, cost reduction, product development or import substitution	Benefits derived like product improvement, cost reduction, product development or import substitution
Imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Gin distillation plant
(a) Detail of technology imported	Installed gin distillation plant of 1000 BL / day on Scottish technology for manufacturing of naturally flavored Craft Gin. Craft Gins are very popular and in very high demand internationally and hence potential to earn valuable foreign currency is also there.
(b) Year of Import	2018-19
(c) Whether the technology been fully absorbed	YES
(d) If not fully absorbed, areas, where this has not taken place, reasons thereof	N.A.
Expenses incurred on Research and Development	NIL

(C) FOREIGN EXCHANGE EARNING AND OUTGO:

Particulars of earnings and outgo of foreign exchange are given in Notes on Accounts in Schedule 51.

(D) ENVIRONMENT PROTECTION:

- 1. Increase in Bio- Composting Area:** We have increased 3.5 acres bio-composting area out of which 2.0 acres is covered Bio-Composting area in order to facilitate bio-composting in rainy season.
- 2. Installation of BMSW Evaporator:** We have installed evaporator on Bio-methanated Sp. Wash (RO reject) in order to further reduce the effluent volume by 250 M3 / day.

For and on behalf of the Board

Place: New Delhi
Date: August 8, 2019

Sd/-
Dr. Lalit Khaitan
Chairman & Managing Director
DIN-00238222

ANNEXURE – E

Segment C: Reporting of Corporate Social Responsibility (CSR) for the Financial Year 2018-19

1.	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	Refer Section: Corporate Social Responsibility (CSR) in the Board's Report. Web-link for CSR Policy: https://www.radicokhaitan.com/wp-content/uploads/2019/03/CSR-Policies.pdf Web-link for projects or programs: http://www.radicokhaitan.com/investor-relations/
2.	The Composition of the CSR Committee	1. Dr. Lalit Khaitan 2. Mr. Abhishek Khaitan 3. Mr. K. P. Singh 4. Ms. Sushmita Singha
3.	Average net profit of the Company for last three financial years	₹ 11,088.85 Lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 248.44 Lakhs
5.	Details of CSR spent during the financial year:	
(a)	Total amount to be spent for the financial year	₹ 353.01 Lakhs
(b)	Amount unspent, if any;	₹ 104.57 Lakhs
(c)	Manner in which the amount spent during the financial year is detailed below:	

Annual Report on CSR Activities

(Amount in ₹)

1	2	3	4	5	6	7	8
Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) local area or other (2) specify the state & district where projects & programs was undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs: Sub heads:- (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent:- Direct or through implementing agency
1.	Awareness for Sanitation and Safe Drinking Water	Promoting Sanitation, making availability of Safe Drinking Water and also to undertake health Care Project	Rampur (U.P.)	20,00,000	20,72,392	20,72,392	Direct
2.	Educational Development	Promoting Education including Enhancement of Vocational Skill	Rampur (U.P.)	25,00,000	14,22,288	14,22,288	Direct
3.	Women's Development	Empowering Women & Promoting Gender Equality	Rampur (U.P.)	15,00,000	18,20,257	18,20,257	Direct
4.	Environmental sustainability Ecological Balance	Ensuring Environmental Sustainability Ecological Balance	Rampur (U.P.)	5,00,000	3,62,823	3,62,823	Direct
5.	Sports Promotional activities	Promotion of Sports & Cultural Activities	Rampur (U.P.)	20,00,000	26,26,127	26,26,127	Direct
6.	Sanitation / Drinking water / Lab equipment & Furniture / Sitting arrangements, Village lighting, Health Camp & Vaccine	Sanitation / Drinking water / Lab equipment & Furniture / Sitting arrangements, Village lighting, Health Camp & Vaccine	Timmapur	16,00,000	20,72,392	20,72,392	Direct
7.	Sanitation / Computer Lab room	Sanitation / Computer Lab room	Reengus	15,50,000	130,996	130,996	Direct

Annual Report on CSR Activities

(Amount in ₹)

1	2	3	4	5	6	7	8
Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) local area or other (2) specify the state & district where projects & programs was undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs: Sub heads:- (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent:- Direct or through implementing agency
8.	Donation to war widows & other defence NGO's	Donation to war widows & other defence NGO's	All India	25,00,000	0	0	Direct
9.	Developments of Art and Culture	Developments of Art and Culture	All India	5,00,000	5,90,000	5,90,000	Direct
10.	Natural Calamity	Donation to Prime Minister Relief Fund, CM relief fund in case of natural calamity	All India	51,00,000	44,79,241	44,79,241	Direct
11.	Cleaning and Swachh Bharat Mission	Contribution to the Prime Minister Office / Chief Minister Office or other authorised / nominated funds of the Central and State Government	All India	51,00,000	51,00,000	51,00,000	Direct
12.	Project on Healthcare and Education through KDKCT	Bigger Project on Healthcare and Education through KDKCT	All India	1,04,51,000	0	0	Direct
13.	Donations to various Trusts / NGOs,	Donations to various Trusts / NGOs,	All India	60,00,000	41,67,649	41,67,649	
	Total	-	-	3,53,01,000	2,48,44,165	2,48,44,165	-

For and on behalf of the Board

Place: New Delhi
Date: August 8, 2019Sd/-
Dr. Lalit Khaitan
Chairman & Managing Director
DIN-00238222

ANNEXURE – F

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN:	L26941UP1983PLC027278
ii) Registration Date:	21/07/1983
iii) Name of the Company:	Radico Khaitan Limited
iv) Category / Sub-Category of the Company	
v) Address of the Registered office and contact details:	Radico Khaitan Limited Bareilly Road, Rampur – 244 901 (U.P.)
vi) Whether listed company:	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	
Registered Office:	Delhi Office:
Karvy Fintech Pvt. Ltd. Karvy Selenium Tower B Plot No. 31 & 32, Financial District Nanakramguda, SerilinampallyMandal Hyderabad – 500032 Toll Free No.18 00 3454 001 Telephone no. 040- 4067161518 Fax No.040-23430814 Email Id: einward.ris@karvy.com	M/s. Karvy Fintech Private Limited 305, New Delhi House 27, Barakhamba Road Connaught Place New Delhi – 110 001. Telephone No. 011- 43681700 Fax No.011-43681710.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main products/services	NIC Code of the product/ services	% to total turnover of the Company
1.	Manufacturing of Alcohol & Alcoholic products	1101	98.60%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Radico NV Distilleries Maharashtra Limited D-192 to D-195, MIDC Shendra Five Star Industrial Area, Aurangabad – 431 201.	CIN No. U15429MH2000PLC193208	Associate	36%	2 (6)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i. Category-wise Shareholding between 31/03/2018 and 31/03/2019

Category of shareholder	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year	
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares		
A. Promoters										
(1) Indian										
(a) Individual/ HUF	412210	0	412210	0.31	412210	0	412210	0.31	0	
(b) Central Govt.	0	0	0	0	0	0	0	0	0	
(c) State Govt. (s)	0	0	0	0	0	0	0	0	0	
(d) Bodies Corporate	53417608	0	53417608	40.07	53417608	0	53417608	40.04	-0.03	
(e) Banks / FI	0	0	0	0	0	0	0	0	0	
(f) Any Other	0	0	0	0	0	0	0	0	0	
Sub total (A) (1):	53829818	0	53829818	40.38	53829818	0	53829818	40.35	-0.03	
(2) Foreign										
(a) NRI individuals	0	0	0	0	0	0	0	0	0	
(b) Other individuals	0	0	0	0	0	0	0	0	0	
(c) Bodies Corporate	0	0	0	0	0	0	0	0	0	
(d) Banks / FI	0	0	0	0	0	0	0	0	0	
(e) Any other	0	0	0	0	0	0	0	0	0	
Sub total(A) (2):	0	0	0	0	0	0	0	0	0	
Total shareholding of Promoter (A)= (A) (1)+(A)(2)	53829818	0	53829818	40.38	53829818	0	53829818	40.35	-0.03	
B. Public Shareholding										
(1) Institutions										
(a) Mutual Funds/ UTI	6826577	310	6826887	5.12	8587935	0	8587935	6.44	1.32	
(b) Banks / FI	85144	620	85764	0.06	75782	0	75782	0.06	0	
(c) Central Govt.(s)	0	0	0	0	0	0	0	0	0	
(d) State Govt.(s)	0	31620	31620	0.02	0	31620	31620	0.02	0	
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0	
(f) Insurance Companies	0	0	0	0	0	0	0	0	0	
(g) FIs/FPI	30522193	0	30522193	22.90	31253857	0	31253857	23.43	0.53	
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	
(i) Others (specify)										
Sub-total (B) (1)	37433914	32550	37466464	28.11	39917574	31620	39949194	29.94	1.83	
2. Non-Institutions										
(a) Bodies Corporate										
(i) Indian	11652960	12925	11665885	8.75	6836823	9825	6846648	5.13	-3.62	
(ii) Overseas	0	0	0	0	0	0	0	0	0	
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	16449577	1610911	18060488	13.55	19657088	1309377	20966465	15.72	2.17	
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8335959	0	8335959	6.25	8192405	0	8192405	6.14	-0.11	
(c) Others (specify)										
Clearing Members	552568	0	552568	0.41	226899	0	226899	0.17	-0.27	
IEPF	441502	0	441502	0.33	1356717	0	1356717	1.02	0.69	
Non Resident Indians	2666956	287625	2954581	2.22	1808794	232325	2041119	1.53	-0.69	
Sub-total (B)(2):-	40099522	1911461	42010983	31.51	38078726	1551527	39630253	29.71	-1.80	
Total Public Shareholding (B)=(B) (1)+(B) (2)	77533436	1944011	79477447	59.62	77996300	1583147	79579447	59.65	0.03	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	
Grand Total (A+B+C)	131363254	1944011	133307265	100.00	131826118	1583147	133409265	100.00		

ii. Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Lalit Kumar Khaitan	234295	0.18	0	234295	0.18	0	0
2	Lalit Kumar Khaitan HUF	41850	0.03	0	41850	0.03	0	0
3	AbhishekKhaitan	86065	0.06	0	86065	0.06	0	0
4	DeepshikhaKhaitan	50000	0.04	0	50000	0.04	0	0
5	Sapphire Intrex Ltd	45379098	34.04	0	45379098	34.01	1.84	0.03
6	Classic Fintrex Pvt. Ltd.	2576100	1.93	0	2576100	1.93	0	0
7	Elkay Fiscal Services Pvt.Ltd.	66000	0.05	0	66000	0.05	0	0
8	Abhishek Fiscal Services Pvt. Ltd.	99050	0.07	0	99050	0.07	0	0
9	Rampur International Ltd.	5254085	3.94	0	5254085	3.94	0	0
10	Smita Fiscal Pvt. Ltd.	43275	0.03	0	43275	0.03	0	0
	Total	53829818	40.38	0	53829818	40.35	1.84	0.03

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

SI No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		NA	NA	NA	NA

iv. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

SI No.	Name of Share Holder	No. of Shares at the beginning of the year / end of the year	% of total shares of the Company	Date	Increase / Decrease in share holding*	Cumulative Shareholding during the Year		
						Reason	No. of Shares	% of total shares of the Company
1	TIMF HOLDINGS	8081575	6.06	31/03/2018		Op. Balance	8081575	6.06
				29/06/2018	-300000	Transfer	7781575	5.84
				25/01/2019	7781575	Transfer	15563150	11.67
				25/01/2019	-7781575	Transfer	7781575	5.84
				31/03/2019		Closing Balance	7781575	5.84
2	MORGAN STANLEY (FRANCE) S.A.	2754973	2.07	31/03/2018		Op. Balance	2754973	2.07
				06/04/2018	-227210	Transfer	2527763	1.90
				13/04/2018	-359838	Transfer	2167925	1.63
				27/04/2018	-382497	Transfer	1785428	1.34
				04/05/2018	-330959	Transfer	1454469	1.09
				11/05/2018	155501	Transfer	1609970	1.21
				18/05/2018	7816	Transfer	1617786	1.21
				25/05/2018	13642	Transfer	1631428	1.22
				01/06/2018	-31992	Transfer	1599436	1.20
				22/06/2018	-40520	Transfer	1558916	1.17
				29/06/2018	-16160	Transfer	1542756	1.16
				06/07/2018	-151962	Transfer	1390794	1.04
				13/07/2018	-171334	Transfer	1219460	0.91
				20/07/2018	-68551	Transfer	1150909	0.86
				27/07/2018	-240193	Transfer	910716	0.68
03/08/2018	67831	Transfer	978547	0.73				
10/08/2018	-182423	Transfer	796124	0.60				
17/08/2018	-206834	Transfer	589290	0.44				
24/08/2018	-179929	Transfer	409361	0.31				
31/08/2018	-2285	Transfer	407076	0.31				
07/09/2018	106924	Transfer	514000	0.39				

Sl. No.	Name of Share Holder	No. of Shares at the beginning of the year / end of the year	% of total shares of the Company	Date	Increase / Decrease in share holding*	Cumulative Shareholding during the Year		
						Reason	No. of Shares	% of total shares of the Company
				14/09/2018	-279	Transfer	513721	0.39
				28/09/2018	-85675	Transfer	428046	0.32
				05/10/2018	-96265	Transfer	331781	0.25
				12/10/2018	-91528	Transfer	240253	0.18
				19/10/2018	-50011	Transfer	190242	0.14
				26/10/2018	-75421	Transfer	114821	0.09
				09/11/2018	2493	Transfer	117314	0.09
				16/11/2018	-3401	Transfer	113913	0.09
				23/11/2018	-455	Transfer	113458	0.09
				30/11/2018	-2404	Transfer	111054	0.08
				07/12/2018	-43769	Transfer	67285	0.05
				14/12/2018	-338	Transfer	66947	0.05
				11/01/2019	-4035	Transfer	62912	0.05
				18/01/2019	-16232	Transfer	46680	0.04
				25/01/2019	4476	Transfer	51156	0.04
				01/02/2019	23700	Transfer	74856	0.06
				08/02/2019	11209	Transfer	86065	0.05
				15/02/2019	1353	Transfer	87418	0.07
				22/02/2019	5288	Transfer	92706	0.07
				01/03/2019	15325	Transfer	108031	0.08
				08/03/2019	30341	Transfer	138372	0.10
				15/03/2019	20697	Transfer	159069	0.12
				22/03/2019	2995	Transfer	162064	0.12
				29/03/2019	1426	Transfer	163490	0.12
				31/03/2019		Closing Balance	163490	0.12
3	RELIANCE CAPITAL TRUSTEE CO. LTD. A/C RELIANCE SMALL	2258000	1.69	31/03/2018		Op. Balance	2258000	1.69
				08/06/2018	-236122	Transfer	2021878	1.52
				15/06/2018	-100000	Transfer	1921878	1.44
				20/07/2018	-69531	Transfer	1852347	1.39
				01/03/2019	75000	Transfer	1927347	1.44
				08/03/2019	247000	Transfer	2174347	1.63
				31/03/2019		Closing Balance	2174347	1.63
4	TATA REGULAR SAVINGS EQUITY FUND	2256569	1.69	31/03/2018		Op. Balance	2256569	1.69
				20/04/2018	-2200	Transfer	2254369	1.69
				04/05/2018	30000	Transfer	2284369	1.71
				11/05/2018	96000	Transfer	2380369	1.79
				25/05/2018	15000	Transfer	2395369	1.80
				29/06/2018	100000	Transfer	2495369	1.87
				03/08/2018	134753	Transfer	2630122	1.97
				28/09/2018	-36000	Transfer	2594122	1.95
				19/10/2018	10700	Transfer	2604822	1.95
				26/10/2018	79326	Transfer	2684148	2.01
				14/12/2018	50000	Transfer	2734148	2.05
				21/12/2018	35247	Transfer	2769395	2.08
				28/12/2018	60000	Transfer	2829395	2.12
				04/01/2019	50000	Transfer	2879395	2.16
				31/03/2019		Closing Balance	2879395	2.16
5	DOLLY KHANNA	1405336	1.05	31/03/2018		Op. Balance	1405336	1.05
				13/04/2018	-2000	Transfer	1403336	1.05
				27/04/2018	1000	Transfer	1404336	1.05
				11/05/2018	-2000	Transfer	1392554	1.04
				25/05/2018	15000	Transfer	1407554	1.06
				01/06/2018	4000	Transfer	1411554	1.06
				15/06/2018	-15000	Transfer	1410054	1.06
				29/06/2018	-1000	Transfer	1409054	1.06
				06/07/2018	-13000	Transfer	1396054	1.05
				13/07/2018	-3000	Transfer	1393054	1.04
				20/07/2018	-6000	Transfer	1387054	1.04

Sl. No.	Name of Share Holder	No. of Shares at the beginning of the year / end of the year	% of total shares of the Company	Date	Increase / Decrease in share holding*	Cumulative Shareholding during the Year		
						Reason	No. of Shares	% of total shares of the Company
				03/08/2018	35958	Transfer	1423012	1.07
				10/08/2018	30017	Transfer	1453049	1.09
				17/08/2018	21005	Transfer	1474054	1.11
				24/08/2018	3000	Transfer	1477054	1.11
				31/08/2018	15321	Transfer	1492375	1.12
				07/09/2018	56829	Transfer	1549204	1.16
				14/09/2018	5000	Transfer	1554204	1.17
				21/09/2018	14000	Transfer	1568204	1.18
				28/09/2018	34000	Transfer	1602204	1.20
				05/10/2018	117000	Transfer	1719204	1.29
				12/10/2018	12000	Transfer	1731204	1.30
				19/10/2018	6000	Transfer	1737204	1.30
				26/10/2018	50000	Transfer	1787204	1.34
				02/11/2018	10000	Transfer	1797204	1.35
				09/11/2018	7000	Transfer	1804204	1.35
				16/11/2018	19000	Transfer	1823204	1.37
				23/11/2018	-1500	Transfer	1821704	1.37
				30/11/2018	11000	Transfer	1832704	1.37
				14/12/2018	2000	Transfer	1734704	1.38
				21/12/2018	9000	Transfer	1843704	1.38
				28/12/2018	21000	Transfer	1864704	1.40
				18/01/2019	13000	Transfer	1877704	1.41
				25/01/2019	-3000	Transfer	1874704	1.41
				01/02/2019	37000	Transfer	1911704	1.43
				08/02/2019	54900	Transfer	1966604	1.47
				15/02/2019	-5900	Transfer	1960704	1.47
				22/02/2019	-17500	Transfer	1943204	1.46
				01/03/2019	-9000	Transfer	1934204	1.45
				15/03/2019	-5000	Transfer	1929204	1.45
				22/03/2019	-14000	Transfer	1915204	1.44
				29/03/2019	-26000	Transfer	1889204	1.42
				31/03/2019	-7000	Transfer	1882204	1.41
				31/03/2019		Closing Balance	1882204	1.41
6	BENGAL FINANCE & INVESTMENT PVT LTD	1677000	1.26	31/03/2018		Op. Balance	1677000	1.26
				31/03/2019		Closing Balance	1677000	1.26
7	CLAREVILLE CAPITAL OPPORTUNITIES MASTER FUND LIMITED	1620839	1.22	31/03/2018			1511900	1.13
				04/05/2018	38000	Op. Balance	1658839	1.24
				17/08/2018	20000	Transfer	1678839	1.26
				31/03/2019		Closing Balance	1678839	1.26
8	MADHURI MADHUSUDAN KELA	1541892	1.16	31/03/2018		Op. Balance	1541892	1.16
				31/03/2019		Closing Balance	1541892	1.16
9	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED	1511900	1.13	31/03/2018		Op. Balance	1511900	1.13
				27/04/2018	-59100	Transfer	1452800	1.09
				31/03/2019		Closing Balance	1452800	1.09
10	QUEST PROFOLIO SERVICES PVT.LTD.	1500000	1.13	31/03/2018		Op. Balance	1500000	1.13
				04/05/2018	-550000	Transfer	950000	0.71
				11/05/2018	49957	Transfer	999957	0.75
				18/05/2018	43	Transfer	1000000	0.75
				25/05/2018	69107	Transfer	1069107	0.80
				01/06/2018	275893	Transfer	1345000	1.01
				08/06/2018	-76000	Transfer	1269000	0.95
				15/06/2018	-69000	Transfer	1200000	0.90
				28/09/2018	100000	Transfer	1300000	0.98
				31/03/2019		Closing Balance	1300000	0.98

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Dr. Lalit Kumar Khaitan				
	At the beginning of the year	234295	0.18		
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	At the end of the year			234295	0.18
2.	Mr. Abhishek Khaitan				
	At the beginning of the year	86065	0.06		
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	At the end of the year			86065	0.06
3.	Dr. Raghupati Singhanía				
	At the beginning of the year	0	0		
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	At the end of the year			0	0
4.	Mr. Karna Singh Mehta				
	At the beginning of the year	0	0		
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	At the end of the year			0	0
5.	Mr. Ashutosh Patra				
	At the beginning of the year	0	0		
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	At the end of the year			0	0
6.	Mr. Sarvesh Srivastava				
	At the beginning of the year	0	0		
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	At the end of the year			0	0
7.	Mr. Ashutosh Patra				
	At the beginning of the year	0	0		
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	At the end of the year			0	0
8.	Mr. K P Singh				
	At the beginning of the year	24891	0.02		
	Sell shares on 25.05.2018	-500		24391	
	Sell shares on 01.06.2018	-500		23891	
	Buy shares on 08.06.2018	2040		25931	
	Buy shares on 15.06.2018	960		26891	
	Buy shares on 05.10.2018	1012		27903	
	Buy shares on 12.10.2018	988		28891	
	Sell shares on 01.02.2019	-15000		13891	
	Buy shares on 08.02.2019	12000		25891	
	Sell shares on 22.02.2019	-2000		23891	
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):				
	At the end of the year			23891	0.02

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9.	Mr. Dilip Kumar Banthiya				
	At the beginning of the year	75721	0.06		
	Buy shares on 21.09.2018 (ESOP)	50000		125721	
	Buy shares on 08.02.2019 (ESOP)	15000		140,721	
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):				
	At the end of the year			140,721	0.11
10.	Mr. Amit Manchanda				
	At the beginning of the year	4000	0.0001		
	Sell shares on 01.06.2018	-2000		2000	
	Sell shares on 04.01.2019	-200		1800	
	Sell shares on 11.01.2019	-800		1000	
	Sell shares on 01.02.2019	-1000		0	
	Buy shares on 08.02.2019 (ESOP)	7500		7500	
	Sell shares on 01.03.2019	-2000		5500	
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):				
	At the end of the year			5500	0.001

V. INDEBTEDNESS

Indebtedness	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal amount	49,705.06	9,499.99	0	59,205.05
ii) Interest due but not paid	128.38	19.1	0	147.48
iii) interest accrued but not due	52.93	0	0	52.93
Total (i+ii+iii)	49,886.37	9,519.09	0	59,405.46
Change in Indebtedness during the Financial year:				
• Addition			0	0.00
• Reduction	(21,139.93)	(4,519.12)	0	(25,659.05)
Net change				
Indebtedness at the end of the Financial year:				
i) Principal amount #	28,702.33	4,999.97	0	33,702.30
ii) Interest due but not paid	42.03	-	0	42.03
iii) Interest accrued but not due	2.08	-		2.08
Total (i+ii+iii)	28,746.44	4,999.97	0	33,746.41

Secured Loans, outstanding as on 31.03.2018 ₹ 49705.06 Lakhs includes ECB Loan of \$ 7.76mn. valued at ₹ 5045.86 per USD and outstanding as on 31.03.2019 ₹ NIL.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Dr. Lallit Khaitan Chairman & Managing Director	Mr. Abhishek Khaitan, Managing Director	Mr. K.P. Singh, Whole Time Director	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	598.61	598.61	182.32	1379.54
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	24.98	20.41	43.47	88.86
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961				
2.	Stock Option	N.A.	N.A.	N.A.	N.A.
3.	Sweat Equity	N.A.	N.A.	N.A.	N.A.
4.	Commission				
	- as % of profit (.45%)	62.50	62.50	N.A.	125.00
	- others, specify...				
5.	Others, please specify: - Retiral benefits	43.77	44.77	7.96	96.5
	Total (A)	729.86	726.30	233.77	1689.93
	Ceiling as per the Act	1,377.13	1,377.13	1,377.13	2,754.26

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
		Mr. Ashutosh Patra	Mr. K.S. Mehta	Dr. Raghupati Singhania	Mr. Sarvesh Srivastava	
1.	Independent Directors					
	Fee for attending board / committee meetings	3,55,000/-	1,65,000/-	1,25,000/-	2,95,000/-	9,40,000/-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	3,55,000/-	1,65,000/-	1,25,000/-	2,95,000/-	9,40,000/-
2.	Other Non-Executive 11 Directors	Ms. Shailja Devi	-	-	-	-
	Fee for attending board / committee meetings	1,35,000/-	-	-	-	1,35,000/-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	1,35,000/-	-	-	-	1,35,000/-
	Total Managerial Remuneration	-	-	-	-	-
	Total (B)=(1+2)	4,90,000/-	1,65,000/-	1,25,000/-	2,95,000/-	10,75,000/-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

(Rupees in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Dilip K. Banthiya, Chief Financial Officer	Mr. Amit Manchanda, Vice President (Legal) & Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	209.37	45.08	254.45
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	4.59	0.72	5.31
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	N.A.	N.A.	N.A.
2.	Stock Option (ESOP)	39.57	19.79	59.36
3.	Sweat Equity	N.A.	N.A.	N.A.
4.	Commission			
	- as % of profit	N.A.	N.A.	N.A.
	- Others, specify			
5.	Others, please specify:	9.55	2.97	12.52
	- Retiral Benefits			
	Total	263.08	68.56	331.64
	Ceiling as per the Act	N.A.	N.A.	N.A.

VII. PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority(RD/NCLT/ Court)	Appeal made, if any (give details)
A. COMPANY					
			None		
B. DIRECTORS					
			None		
C. OTHER OFFICERS IN DEFAULT					
			None		

For and on behalf of the Board

Place: New Delhi
Date: August 8, 2019

Sd/-
Dr. Lalit Khaitan
Chairman & Managing Director
DIN-00238222

Management Discussions and Analysis

COMPANY OVERVIEW

Radico Khaitan Limited (“Radico Khaitan” or the “Company”) is among the oldest and one of the largest manufacturers of Indian Made Foreign Liquor (IMFL) in India. Earlier known as Rampur Distillery Company, Radico Khaitan commenced its operations in 1943 and over the years emerged as a major bulk spirits supplier and bottler to other spirit manufacturers.

In 1997, the Company launched 8PM Whisky and set out on a journey to build its own brand portfolio. The first decade (1997-2006) was spent on building a strong manufacturing platform, developing a robust pan India distribution network and achieving sales volume of over 10 Million cases. The next decade (2006 onwards) was the era of premiumisation that started with the launch of Magic Moments vodka, which became the largest selling vodka in India. During this period, Radico Khaitan crossed premium sales volume of 6 Million cases.

The Company continued to expand its premium brand portfolio and launched 12 new brands over the last decade, of which 11 were in the premium category. This testifies the Company’s focus on innovation, R&D strength, inhouse capabilities and customer preferences.

The Company’s brand portfolio across IMFL categories of whisky, brandy, rum and white spirits includes After Dark Whisky, Contessa Rum, Jaisalmer Indian Craft Gin, Magic Moments Vodka, Magic Moments Verve Vodka, Morpheus Brandy, Morpheus Blue Brandy, Old Admiral Brandy, Pluton Bay Rum, Rampur Indian Single Malt Whisky, Regal Talon Whisky, 1965 – The Spirit of Victory Rum, 8PM Whisky and 8PM Premium Black Whisky. Currently, Radico Khaitan has four Millionaire brands which are 8PM Whisky, Contessa Rum, Old Admiral Brandy and Magic Moments Vodka.

Radico Khaitan is also one of the largest providers of branded IMFL to the Canteen Stores Department (CSD) that has significant business barriers to entry. The Company’s unrelenting focus on building its brand equity in international markets has helped it export its products to over 85 countries. After the launch of luxury products such as Rampur Indian Single Malt and Jaisalmer Indian Craft Gin, Radico Khaitan has carved out a niche position for itself in the global spirits market.

The Company owns three distilleries in Rampur (Uttar Pradesh) and two in joint venture with Radico NV Distilleries in Aurangabad (Maharashtra) in which the Company owns 36% equity stake. The Company has a total distillery capacity of over 157 Million litres and operates 28 bottling units spread across the country.

MACROECONOMIC OVERVIEW

Global economy

After an uptick in the global economic activity in 2017, the growth slowed down in 2018. Increasing US-China trade tensions, tighter economic policies in China, challenges of Brexit negotiations, slowdown in Germany’s auto sector, geopolitical uncertainty in certain parts of the world and tightening of monetary policy in the larger advanced economies, cumulatively resulted in the tepid growth in global economy.

While the year 2019 started on a weak note, the second half is expected to improve due to accommodative policy stance by major developed economies and a potential trade agreement between the US and China. Monetary and economic stimulus in China to counter the impact of trade tariffs is expected to spur growth. Emerging markets have experienced a resumption in portfolio flows, a decline in domestic borrowing costs and a strengthening of their currencies relative to the dollar. This is a critical year for the global economy as trade and manufacturing activity currently remains weak. With improvement expected in second half of 2019, growth is expected to return in 2020.

Growth Projections (%)	CY2017	CY2018	CY2019	CY2020
World	3.8	3.6	3.3	3.6
Advanced Economies	2.4	2.2	1.8	1.7
Emerging Market and Developing Economies	4.8	4.5	4.4	4.8
China	6.8	6.6	6.3	6.1
India	7.2	7.1	7.3	7.5

Source: IMF – World Economic Outlook, April 2019

Indian economy

CY2018 was characterised by lower inflation and stable interest rate environment. However, during the second half of the year, domestic growth decelerated sharply due to the global headwinds stemming from subdued global growth and escalating trade tensions which impacted exports. Public sector investment remained robust driven by government’s expenditure on roads and affordable housing. Non-Banking Financial Company (NBFC) crisis had a significant impact on market liquidity and resulted in weak private consumption especially in rural areas.

Despite the slower than expected growth, India retained its position as one of the fastest growing large economies. India also made significant strides in improving its Ease of Doing Business ranking from 100th place in CY2017 to 77th place in CY2018. As a result of continued efforts by the government, India has improved its rank by 23 positions in one year.

With the policy reforms over the recent years coupled with long-term favourable demographic dynamics, Indian economy is expected to be driven by private consumption, public and private sector investments and growth in exports. The recapitalisation

of the public sector banks is expected to improve banking sector balance sheets, enhance credit availability and provide support to the investment activities. Furthermore, government's focus on increasing rural income and job creation through infrastructure spend will support the consumption growth.

INDUSTRY OVERVIEW

Consumer sector

Domestic consumption in India drives 60% of the GDP today and is expected to be a US\$6 trillion opportunity by 2030. Hence the economy is relatively resilient to the external disruptions and downcycles of public investments. One of the key reasons for this growth is also the expansion of the high-middle class income groups and decline in the number of households below the poverty line. Household savings in India has been in the range of 20% which provides sufficient cushion to support domestic consumption through the challenging global economic cycles.

With a median age of 28 years, India has a young workforce which will continue to drive both income and consumption. With the access to internet and mobility, this young population is well informed and aspirational. Internet access is expected to be democratized with over a billion users by 2030 giving a new dimension to the consumer industry. Younger, affluent, more confident and more connected consumers are expected to lead the way for innovation in products, services and business models. However, the preference is likely towards customized offerings suited to Indian context, particularly in the food and beverage space.

While metros and emerging towns continue to drive economic growth, rural per capita consumption is expected to grow faster, emulating urban consumption patterns. Furthermore, in the recent years, lower interest rates coupled with declining inflation have provided an impetus to the consumption growth. The economy is also supported by healthy investment rates and a strong services sector. Going forward, favourable demographics will drive strong consumption growth while a stable and reform-focused policy framework will support an environment conducive to business and investment. This supports the case for a strong consumption growth in India and presents significant opportunities to consumer product companies such as Radico Khaitan.

Spirits Industry in India

After a prolonged stagnation, the Indian spirits industry showed signs of growth in the second half of FY2018. This momentum continued during FY2019 as well. An improved operating environment led by state-wide price increases and favourable policy changes resulted in this growth.

From April 1, 2018, the state of Uttar Pradesh implemented the new excise policy aimed at achieving better operating environment. One of the most populous states of India, Uttar Pradesh is a key driver for this industry growth.

Furthermore, increased stability in distribution channels in other states also drove industry volumes.

Growing disposable incomes, increasing rural consumption, rapid urbanisation and greater acceptance of social drinking among the young population have made India one of the top markets for global spirit companies. These demographics also highlight white spaces of growth for aspirational brands and premium liquor.

Towards the later part of FY2019, spirits industry experienced raw materials cost pressures with increase in Extra Neutral Alcohol (ENA) price by ~15% and glass bottles prices by ~20%. Change in the government's policy to promote ethanol blending program resulted in driving the ENA prices higher.

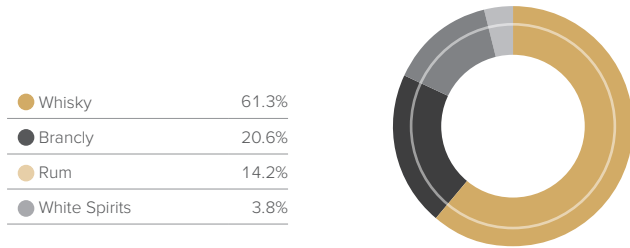
According to Euromonitor International, CY2018 saw overall IMFL volumes increase by 2.4% to 304 Million cases of 9 litres each. Traditionally, brown spirits such as whisky, brandy and dark rum, have been the major contributors (96.2%) towards IMFL sales. During CY2018, whisky was the largest constituent with 61.3% of the sales volumes and 73.5% of the sales value. Volumes grew by 2.5% vis-à-vis CY2017, while sales value grew by 5.5% y-o-y.

White Spirits such as vodka and gin accounted for 3.8% of the total IMFL volumes and 6.3% of the sales value. Within the White Spirits category, super-premium and premium vodka continued to demonstrate growth with sales for the year at 6.1 Million cases in 2018. Over the past five years, where the overall vodka category has registered a CAGR of 5.9%, super-premium and premium vodka volumes grew by 14.8% and 9.8%, respectively. Vodka's popularity among women and the younger generation, coupled with being the most preferred spirit for cocktail blends, led to its growth curve.

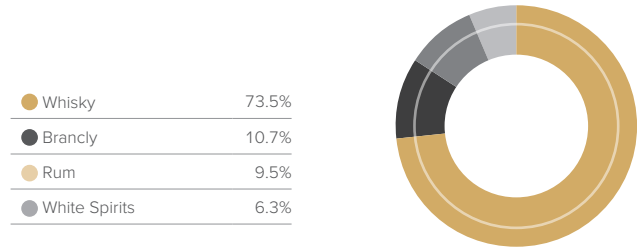
Flavoured vodka continues to gain popularity and market share. It now constitutes about a third of the overall vodka industry and has grown at a rate of 9.1% over CY2013-2018. During CY2018, premium and super premium category vodka accounted for about 68.8% of the total vodka volumes compared with around 55.0% five years ago. This trend is expected to continue, and the share of premium category vodka is anticipated to increase further. Overall vodka industry volume is expected to grow by 4.2% CAGR and value by 8.7% during the CY2019-2023 period. For the first time in FY2019, flavoured vodka volume was more than half of the overall vodka sales for Radico Khaitan. The Company is extremely well positioned with the market leading share in this segment with its Magic Moments brand.

While Rum as a category registered a 0.2% decline in volumes over CY2013-2018, premium and super premium category rum increased by 2.5% and 3.7%, respectively over the same period. To capitalise on this premium growth trend, Radico Khaitan has two brands positioned in the premium rum segment – Pluton Bay and 1965 The Spirit of Victory.

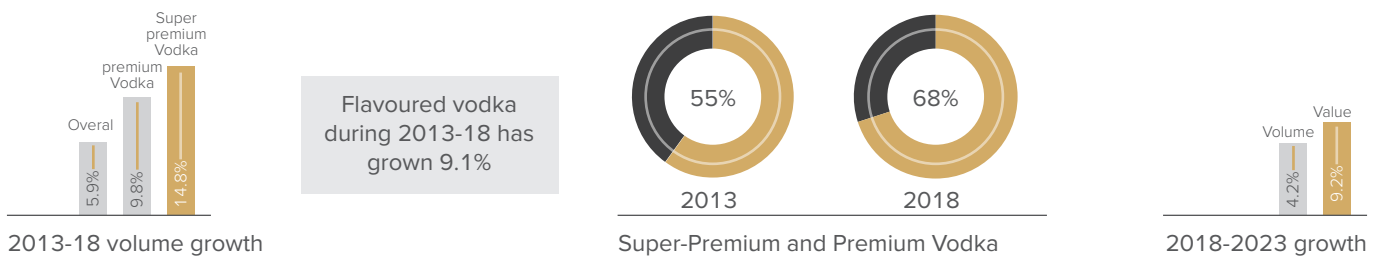
Sales of Spirits by Category (Volume): 2018



Sales of Spirits by Category (Value): 2018



Vodka industry growth indicates a strong premiumization trend



Source: Euromonitor International, May 2019

The Indian Spirits Industry outlook

According to Euromonitor International, IMFL volume is expected to reach 350 Million cases in CY2023. During the CY2019-2023 period, IMFL sales volume is expected to grow at a CAGR of 2.8%. During the same period, IMFL industry value is expected to grow by 5.1% making a case for the ongoing premiumisation trend. The vodka industry is expected to perform much better during the same period with volume growth of 4.2% and value growth of 8.7%.

India has a young demographic profile and over 15 Million people are expected to enter the drinking age every year which represents significant growth opportunities for the industry. This young consumer group is ready to experiment and is focused on the customer experience offered by a product, in particular its brand and design. The youth segment is expected to redefine consumption growth given their access and exposure to mobiles and the internet. They are not only increasing in number but will also become more affluent with time. As a group, they are a high priority target market for the leading spirits manufacturers, who are particularly focused on effective online marketing strategies and lifestyle-oriented communication.

Consumers today are also focused on upgrading to branded or higher priced offerings or adding new products or services to their consumption routine. During the year, Radico Khaitan launched 8PM Premium Black whisky and Morpheus Blue semi luxury brandy, providing its loyal consumers an opportunity to upgrade to superior blends and higher category brands.

ENVIRONMENT FRIENDLY INITIATIVES AT RAMPUR PLANT

Radico Khaitan has adopted the strategy of 'reduce, recycle and reuse' to recycle clean and green energy utilised in the boiler as fuel and used for power generation. The Company has invested in technology upgrade at its Rampur plant to achieve higher efficiency and become more environment friendly.

The Company has installed integrated evaporators in the grain spirits plant, which converts the entire thin slop into wet cakes that can be sold as cattle fodder. This has significantly reduced effluent discharge from grain plant to zero.

Radico Khaitan has also installed integrated evaporators in the molasses distillation plant to reduce spent wash generation. After the RSW evaporator, effluent is passed through the RO plant and BMSW evaporator plant for further treatment after which only about 25% of the total effluent is left for bio-composting. Radico Khaitan has also increased the area used for bio-composting by seven acres.

Radico Khaitan has installed a condensate polishing unit (CPU) in March 2019. Using this technology, the Company has reduced its freshwater consumption by ~70%. Radico Khaitan consumes 8 litres of water for production of one litre of alcohol compared with the industry average of 10-15 litres of water per litre of alcohol.

As per the Central Pollution Control Board guidelines, distilleries are required to reduce 60% effluent volume with solid concentration of molasses and spent wash upto 30%. Radico Khaitan has achieved 75% reduction in effluent volume.

CUSTOMER OUTREACH AND ENGAGEMENT

Radico Khaitan has made extensive use of various digital and social media platforms to derive valuable analytics and insights into the consumer behaviour and preferences. Since consumers rely mostly on digital content more than the traditional means of communication, the Company has engaged a leading digital media consultant to expand its digital outreach. Leading brands such as Magic Moments vodka, Rampur Indian Single Malt whisky and Jaisalmer Indian Craft gin have their own microsites to increase their digital footprint. Other core brands such as Morpheus and 8PM Premium Black have significant online presence through dedicated social media pages making Radico Khaitan's promotional efforts more targeted and efficient.

The advertisement campaign for the premium version of 8PM whisky, 8PM Premium Black featuring youth icon, Tiger Shroff was launched on the lines of the brand's essence 'Smooth Taste of Friendship'. The Company roped in Bollywood stars Jacqueline Fernandez and Kartik Aryan for the marketing campaign of Magic Moments vodka. The campaign centred around the tagline 'Make Every Moment a Magic Moment', focusing on the brand essence of excitement, zeal, youthfulness and free-spiritedness.

BUSINESS STRATEGY

Over the years, Radico Khaitan has evolved from being just a distiller of spirits for others to a leading IMFL company in India with a highly reputable brand portfolio. With a deep understanding of consumer preferences, the Company is committed to drive innovation across brand categories and operations. Radico Khaitan continues to selectively launch new products, enhance operating procedures and adopt various go-to-market strategies based on complex and rapidly evolving distribution channels. The Company's strategy has been to drive growth that is led by premium products and is profitable, sustainable and responsible. Each strategic initiative is aimed at growing sales profitably and delivering improved financial metrics, such as profit margins and cash flows leading to strengthening of balance sheet.

R&D and Innovation

Radico Khaitan is committed to enhancing R&D capabilities and product innovation to develop and nurture a portfolio of world class products. The Company continues to engage with its consumers through various online and offline platforms to gauge their behaviour insights. This enables Radico Khaitan to track consumption patterns and changing preferences, which drives product innovation. In depth understanding of the ever-evolving consumer preferences and a robust R&D pipeline has enabled the Company to launch new products as well as variants of existing products. The longstanding strategy of continuous innovation and value creation has also helped Radico Khaitan sustain its leadership position across key product categories.

Investment in innovation has enabled the Company to grow its market share for existing products while at the same time capturing new categories (Rampur Indian Single Malt whisky and Jaisalmer Indian Craft gin) and new product segments (Magic Moments Electra ready to drink). Furthermore, it has helped in bridging portfolio gaps (8PM Premium Black whisky) and providing long-lasting customer experiences. It has also enabled the Company to offer choices for its existing loyal

consumers who are looking to upgrade their preferences (Magic Moments Verve vodka and Morpheus Blue brandy). Radico Khaitan's wide portfolio across various categories offers its consumers a choice for all occasions and provides an edge over competing brands.

Deleveraging of Balance Sheet

Radico Khaitan has been focusing on free cash flow generation and consequent debt reduction. Over the last three years, the Company reduced its Net Debt significantly from ₹ 947.01 Crore at the end of FY2016 to ₹ 319.35 Crore at the end of FY2019. During the year alone, Radico Khaitan reduced net debt by ₹ 250.34 Crore. The Company expects to become completely debt free by the end of FY2021.

Cost optimization

ENA and packaging material form a major portion of the total cost of goods. Radico Khaitan's significant distillation capacity of 157 Million litres makes the Company self-dependent for its ENA requirements to a large extent and provides a cushion against volatility in the ENA prices. The Company has a capacity to store three months' equivalent of its molasses requirements. This insulates the Company against short-term fluctuations in molasses prices.

Radico Khaitan has taken further steps to optimise cost structure which includes rationalisation of the bottle supplies and diversification of its supplier base thereby limiting the net cost impact. The Company has undertaken a comprehensive exercise to review further areas of cost optimisation which will help in mitigating raw material price pressure. This includes weight optimisation of glass bottles and reuse of market bottles in the regular category products.

Exports and new international partnerships

Over the years, the Company has invested in building brand equity in other international markets and successfully created a large and loyal global consumer base outside India. Radico Khaitan's Rampur Indian Single Malt whisky and Jaisalmer Indian Craft gin were launched for the global audience and have received strong traction from consumers. Today, the Company has truly become a global player with its brands available in 85+ countries.

In FY2019, export accounted for 5% of the total net sales. Whether developed markets such as the US, Canada, Europe and Australia or developing economies in Asia Pacific, Africa and the Middle East, the sale of Company's brands are on a growth trajectory. Travel Retail is the next focus channel and both Rampur Indian Single Malt whisky and Jaisalmer Indian Craft gin have already made their mark at the Dubai Duty Free as well as in other travel retail destinations. Jaisalmer Indian Craft gin is now listed with Heinemann and available at the airport duty free shops across Europe.

Supply chain management

Radico Khaitan's supply chain management strategy is centred around customer service, cost efficiency and operational excellence. Radico Khaitan has 28 bottling units spanning across the country, of which five are owned and 23 are contract bottling units. These widespread manufacturing locations, state level different taxation laws coupled with consumers

spread across the country requires the Company to maintain a comprehensive supply and distribution platform.

The Company has put in place a robust distribution system that enables Radico Khaitan to ensure availability of products across channels and geographies. The Company has also evolved its go-to-market strategies to keep pace with the changing dynamics of the market. In addition to a strong sales and distribution network, the Company leverages information technology and advanced demand forecasting to ensure timely delivery of its products to the customers.

Radico Khaitan remains focused on high productivity levels and product excellence across its manufacturing platform. The Company continues to introduce best practices to become more agile such as Demand-Driven Supply Chain, Total Productivity Management and Six-Sigma.

The Company's products are sold through over 75,000 retail and 8,000 on-premise outlets. Apart from wholesalers, a total of around 300 employees divided into four zones, each headed by a regional profit centre head, ensure an adequate on-ground sales and distribution presence across the country. Radico Khaitan continues to strive to build flexibility across the supply chain to ensure reliable volume deliveries at the right place in a timely and cost-effective manner.

OPPORTUNITIES AND THREATS

Opportunities

Economic growth: The Indian economy has grown at a strong pace in recent years, outperforming most of the emerging markets to become one of the fastest growing major economies in the world. Indian GDP growth rate is estimated at 7.1% in CY2018. As per IMF's World Economic Outlook April 2019, India's GDP is expected to grow at 7.3% in CY2019 and then expand to 7.5% in CY2020.

Favourable demographics: India has a young demographic profile with a median age of 28 years and over 15 Million people are expected enter the drinking age every year which represents significant demand opportunities for the industry. Furthermore, by 2030, India is expected to add about 140 Million middle-income and 21 Million high-income households, overall nearly doubling the total share of these segments to 51%.

Growth of rural consumption and urbanisation: Rural consumption is expected to grow faster than that of urban India with growing incomes and greater internet penetration driving the consumption growth in India further.

Changing consumer preferences: Rising affluence is the biggest driver of increasing consumption. Additionally, consumer behaviour and spending patterns are shifting as disposable incomes rise and Indian society evolves with a preference for lifestyle and aspirational brands.

Increased alcohol accessibility and availability: There has been an increase in the variety of alcoholic beverages and brands with most of them easily available in government licensed outlets, government shops, private licensed retail chains, restaurants, pubs and bars. The social acceptability of alcohol consumption has improved in India. Furthermore, exposure to lifestyle in

advanced economies have changed the consumption patterns among the youth particularly women.

Improved operating environment: The importance of the liquor industry to the state's exchequer cannot be understated. A significantly improved operating environment led by state-wide price increases and favourable policy changes resulted in this robust industry performance. During the last few months, Radico Khaitan received price increases in several key liquor consuming states. The Company continues to focus on achieving price increases in various other regional markets in which it operates. Any further price increases achieved will help improve the revenues as well as profitability.

Threats

State level prohibitions: Any government regulation aimed at partial or full prohibition of liquor consumption can have an adverse impact on the volume demand of IMFL. This prohibition is generally aimed at restricting the abuse of liquor and therefore applies to low category products and country liquor. Historically liquor prohibition in India has not stayed. Furthermore, after GST implementation, the importance of liquor industry for states' revenue has increased.

Change in tax: Taxes on alcohol are levied only by the state governments and account for a large proportion of their tax revenues. Therefore, any significant tax increase can result in higher retail prices, thus impacting overall demand of IMFL. Currently a significant portion of the retail price comprises various taxes.

Change in legal drinking age: Any government regulation aimed to increase the legal drinking age in India can have an adverse impact on the volume demand of IMFL. However, the consumption at the lower end of the legal drinking age is relatively less and may not have any significant impact on industry volumes.

Competition from international players: As the per capita liquor consumption in India is significantly lower than that of other countries, many international manufacturers are trying to penetrate the Indian market. Furthermore, ongoing structural changes with the focus on premiumisation will allow them to introduce their premium brands in India. Such developments may have a potential impact on the market share of existing players. However, given the strong barriers to entry in this industry it is difficult for a foreign player to establish footprints in India. Radico Khaitan has strong brand loyalty among consumers and is committed to provide them with better quality products with value for money proposition. This provides the Company a competitive edge.

RISK AND CONCERNS

Regulatory environment: The spirits industry continues to be one of the most regulated sectors in India. The industry is subject to different laws and regulations which varies from state to state. The complexity of state regulation makes an intricate tax and licensing environment. It restricts economies of scale and diminishes the capability of new manufacturers and products to achieve national distribution and gain competitive advantage. Furthermore, a ban on direct advertising creates major barriers to promote new as well as existing brands. Regulatory changes

such as state level prohibitions and change in route-to-market may have an adverse impact on the liquor industry as well as the Company's operations. Any policy formulated by the central or state government in areas such as production, distribution, marketing or taxation may have an adverse impact on the performance of the Company.

Increase in raw material prices: ENA and glass bottles are the two key components of the raw materials required for the Company's product portfolio and hence commodity price volatility remains one of the key considerations. Lower than anticipated sugarcane production and/or any sharp rise in prices of molasses or ENA will have an impact on the Company's profitability. ENA prices may also increase due its alternative use in ethanol blending and a more attractive price offered by the petrochemical industry. However, the Company's capability to shift to a grain-based distillery insulates it against any significant increase in prices of molasses. Radico Khaitan has a robust procurement team that monitors and forecasts commodity prices and advises on strategy to ensure that the Company is safeguarded against market volatility. Raw material price volatility has marginal impact on the products in the Prestige & Above category brands. Furthermore, increasing proportion of Prestige & Above category brands coupled with price increases accorded by various state governments will mitigate the risks of raw materials price increases.

Regional diversification: The Company has a manufacturing and distribution presence across the country. Its strategically located manufacturing facilities and distribution centres at various locations provide easy access to key markets. Apart from a nationwide presence, strategic location also helps to avoid the high taxes levied on inter-state movement of finished and in-process liquor. This also mitigates any short-term challenges due to any regulatory changes in certain states. Radico Khaitan's focus on expanding exports will help to further mitigate any potential geographical risk.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Companies Act, 2013 emphasises the need for an effective internal financial control system in a company which should be adequate and shall operate effectively. Rule 8(5) (viii) of the Companies (Accounts) Rules, 2014 requires the information regarding adequacy of internal financial controls with reference to the financial statements to be disclosed in the Director's report.

Radico Khaitan has an elaborate internal control system commensurate with the size of the Company, nature of its business and complexity of its operations. Business risk assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with corporate policies. There is an ongoing process to track the evolution of risks and delivery of mitigating action plans. This system continuously monitors compliance to internal processes across the operations to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, that transactions are authorised, recorded and reported correctly and that operations are conducted in an efficient and cost-effective manner. Standard operating procedure manuals

have been established in all functional areas which are updated regularly. The system includes internal controls over financial reporting, which ensures the integrity of financial statements of the Company and eliminates the possibility of frauds.

The internal control system aims to make sure that the business operations function efficiently and applicable laws, rules, regulations and policies of the Company are followed. The internal audit function periodically performs audit of various processes and activities. The Audit Committee reviews the effectiveness of the internal control system, and invites Directors and senior management personnel to provide periodic updates on operational effectiveness and controls. A CEO and CFO Certificate, forming part of the Corporate Governance Report, confirms the existence and effectiveness of internal controls and reiterates their responsibilities to report deficiencies to the Audit Committee and rectify the same. The Company has appointed Grant Thornton as their internal auditors, which in turn submits quarterly reports to the Audit Committee.

INFORMATION TECHNOLOGY (IT)

Radico Khaitan focuses on leveraging technology and data it captures for the efficient management of its business operations, better customer experience, enhancement of the supply chain, and accurate sourcing and supply forecasts. Its efficient systems, stable infrastructure, secure landscape and support mechanism add to the Company's economic value and competitive positioning.

The Company regularly monitors the IT system and infrastructure which is useful and relevant to its business and which supports shareholder value through growth, innovation, simplification and efficiency. During the year, the Company upgraded its corporate office network and communication systems to make it virtually paper-free and wireless.

For a consumer products company such as Radico Khaitan, IT plays the role of a key enabler to create enriching consumer experience through the provision of insights to consumer preferences. At Radico Khaitan, IT is managed through a robust governance process that covers value delivery, cost optimisation, technology management, support and education. The IT systems in the Company forms the backbone for carrying out all the business operations, communication and collaboration. It also provides information for effective decision-making, monitoring and management control. IT risk management is addressed by covering all aspects of IT security and business continuity planning.

HUMAN RESOURCE (HR) MANAGEMENT

Radico Khaitan believes that the growth of a company is largely dependent on its ability to stay ahead of the curve through constant innovation, consumer preferences know-how and delivery of superior consumer experience. Across all this, human capital remains at the core. Therefore, Radico Khaitan has developed a culture of continuous learning, innovation and collaboration across the organisation.

Radico Khaitan considers people and products as its biggest assets. The Company's HR agenda is focused on progressive

human resource management policies, creating an inclusive work culture, building a robust and diverse talent pipeline and driving greater employee engagement. The human resource department is focused on developing, nurturing and professionally growing its employees to achieve their true potential. The Company strongly believes that great brands are built by motivated and inspired employees. Building a customer-focused, competitively superior, performance-driven and future-ready culture enables Radico Khaitan to meet its customer aspirations.

The Company follows an open-door policy with its approachable senior management. Radico Khaitan focuses on building leadership capability and recognising line managers who provide a flexible and respectful work environment to their teams. All employees have well defined Key Performance Indicators (KPIs) that are aligned to the organisational goals and form the basis of performance evaluation. With clearly defined goals, outcomes-based assessment and even sharper alignment of performance and rewards, Radico Khaitan has further strengthened its performance management system and its culture of accountability.

There are no financial or commercial transactions that have resulted in a potential conflict of interest between senior

management and the Company. During the fiscal year there has been no loss of production at any of the Company's manufacturing facilities due to industrial unrest.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis contains "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Radico Khaitan's future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Radico Khaitan undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is about ensuring transparency in disclosure and reporting that conforms fully to the existing laws of the country and to promote ethical conduct of business throughout organization. The philosophy of the Company in relation to corporate governance is to ensure transparency in all its operations, make disclosures and enhance shareholder value without compromising on compliance with the laws and regulations.

Your Company is committed to sound principles of corporate governance with respect to all its procedures, policies and practices. Under good corporate governance, we are committed to ensuring that all functions of the Company are discharged in a professionally sound, accountable and competent manner.

The Board of Directors fully supports corporate governance practices and actively participates in overseeing risks and strategic management. The organization views corporate governance in its widest sense almost like a trusteeship, a progressive philosophy and ideology ingrained in the corporate culture. The governance processes and systems of your Company have strengthened over a period of time resulting in constant improvisation of sustainable and profitable growth.

The Company has complied with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and listed below is the status with regard to the same.

BOARD OF DIRECTORS:

Composition:

Radico khaitan has a broad based Board of Directors, constituted in compliance with the Companies Act, 2013, SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and in accordance with good corporate governance practices. The Board functions either as a full Board or through its Committees constituted to oversee specific operational areas.

The Board of Directors of the Company as on 31st March 2019 comprises of eight (8) Directors of which four (4) are Non-Executive / Independent Directors, one (1) is

Non-Executive / Non Independent Director (woman director) while three (3) are Executive Directors. The composition of the Board is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and represents the optimum combination of professionalism, knowledge, experience and consists of eminent individuals from the industry, technical, legal and financial areas.

The details of the Directors being re-appointed on retirement by rotation at the ensuing Annual General Meeting, as required pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are mentioned in the Notice to the Annual General Meeting, forming part of the Report. The brief profile of the Board Members is given on the website of the Company (www.radico khaitan.com).

Number of Board Meetings:

During the financial year ended 31st March 2019, four (4) meetings of the Board of Directors were held and the maximum time gap between two (2) meetings did not exceed 120 days. The dates on which the Board Meetings were held were as follows:

Date (s) on which meeting(s) were held

3rd May 2018	24th July 2018	24th October 2018	23rd January 2019
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The Board meets at least once in a quarter to review the quarterly financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to deliberate on various issues relating to the business of the Company. The tentative annual calendar of Board Meetings for the ensuing year is decided well in advance by the Board and is published as part of the Annual Report.

All the Directors have informed the Company periodically about their Directorship and Membership on the Board / Committees of other companies. As per disclosure received from Director(s), none of the Directors holds Membership in more than ten (10) Committees, Board level Committees and Chairmanship in more than five (5) such Committees.

The details of the composition, nature of directorship, the number of meetings attended and the directorships in other companies of the Directors of the Company are detailed below. This table also signifies the relationship of the Directors with each other as required to be disclosed in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the Director	Nature of Directorship	Relationship with each other	Attendance		Directorship in other Companies (*)	Membership and Chairmanship of the Committees of the Board of other Companies (**)	
			At the Board Meetings	At the last AGM		Committee Member	Committee Chairman
Dr. Lalit Khaitan	Promoter, Chairman & Managing Director	Father of Mr. Abhishek Khaitan and Ms. Shailja Devi	4	Leave sought	-	-	-
Mr. Abhishek Khaitan	Promoter, Managing Director	Son of Dr. Lalit Khaitan and brother of Ms. Shailja Devi	4	Leave sought	-	-	-
Mr. K.P. Singh	Whole Time Director	Not related to any of the Directors	2	Yes	1	-	-
Mr. K.S. Mehta	Non-executive / Independent	Not related to any of the Directors	3	No	2	2	1
Dr. Raghupati Singhanian	Non-executive / Independent	Not related to any of the Directors	2	No	7	1	2
Mr. Ashutosh Patra	Non-executive / Independent	Not related to any of the Directors	4	Yes	-	-	-
Mr. Sarvesh Srivastava	Non-executive / Independent	Not related to any of the Directors	4	Yes	-	-	-
Ms. Shailja Devi	Non-executive Non-Independent	Daughter of Dr. Lalit Khaitan and sister of Mr. Abhishek Khaitan	3	No	-	-	-

S. No	Names of Directors	Names of Listed entities and their category of Directorship
1.	Dr. Lalit Khaitan	Radico Khaitan Ltd. – Chairman & Managing Director
2.	Mr. Abhishek Khaitan	Radico Khaitan Ltd. – Managing Director
3.	Mr. K.P. Singh	Radico Khaitan Ltd. – Whole Time Director
4.	Mr. K.S. Mehta	Transport Corporation of India Ltd. - Director Radico Khaitan Ltd. – Non Executive Director Salora International Ltd. – Director
5.	Dr. Raghupati Singhanian	JK Tyre & Industries Ltd. – Chairman & Managing Director / Member JK Lakshmi Cement Ltd. – Director / Member Bengal & Assam Company Ltd. – Director / Member JK Agri Genetics Ltd. – Director / Member DCM Ltd. - Director Radico Khaitan Ltd. – Non Executive Director
6.	Mr. Ashutosh Patra	Radico Khaitan Ltd. – Non Executive Director
7.	Mr. Sarvesh Srivastava	Radico Khaitan Ltd. – Non Executive Director
8.	Ms. Shailja Devi	Radico Khaitan Ltd. – Non Executive Non Independent Director

Notes:

(*) Excludes directorship and committee membership in Radico Khaitan Limited. Also excludes directorship in Private Limited Companies, foreign Companies and companies under Section 8 of the Companies Act, 2013.

(**) For the purpose of considering the limit of the Committee Memberships and Chairmanships of a Director, the Audit Committee and the Stakeholders Relationship Committee of Public Limited Companies have been considered.

Tenure:

In compliance of Section 152 of the Companies Act, 2013 at ensuing Annual General Meeting, except the Chairman & Managing Director and Independent Directors, all other Directors of the Company are liable to retire by rotation. One-third of the said rotational directors are liable to retire every year and if eligible, offer themselves for re-appointment.

Board Procedures:

The Board meets at regular intervals to discuss and decide on business strategies / policies and review the financial position of the Company.

The board meetings are governed by a structured agenda. The agenda along with comprehensive notes and background material are circulated 7 days in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The Board members may bring up any matter for consideration of the Board, in consultation with the Chairman. The information as specified in Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is regularly made available to the Board.

Presentations are made by the Chairman & Managing Director, Managing Director and the Senior Management on the Company's performance, operations, plans and other matters on a periodic basis. The proceedings of the meetings of the Board and its Committees are recorded in the form of minutes, which are circulated to the Board for perusal within stipulated period under the Companies Act, 2013. The important decisions taken at the Board / Committee meetings are communicated to the concerned departments / divisions.

The Board has complete access to any information within the Company which as specified in Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Independent Directors:

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149 (6) of the Companies Act, 2013 and Rules made thereunder and meet with requirement of Regulation 25 (Obligation with respect to

independent Directors) and Regulation 16(1)(b) (1) of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 and are independent of the management. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 and the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 has been issued and disclosed on the website of the Company viz. <http://www.radicokhaitan.com/investor-relations/>

Familiarization Programme for Directors:

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him/her as a Director of the Company. The Director is also explained in detail the compliance required from him under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant regulations and affirmation taken with respect to the same. The Chairman and Managing Director also have one to one discussion with the newly appointed director to familiarize him with the Company's operations. Further, the Company has put in place a system to familiarize the Independent directors about the Company, its products, business and the on-going events relating to the Company.

The familiarization programme as attended by the Independent Directors has been put on the website of the Company at <http://www.radicokhaitan.com/investor-relations/>.

Key Board qualification, expertise and attributes

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensuring that the Radico Khaitan's Board is in compliance with the highest standards of corporate governance.

The table below summarizes the key, skills/expertise/competencies identified by the Board as required in the context of the business and sector in which the Company functions effectively and which are actually available with the board, and attributes which are taken into consideration while nominating candidates to serve on the Board.

Financial	Management of the Finance function of an enterprises, resulting in proficiency in complex financial management, capital allocation and financial reporting processes or experience in actively supervising a principal financial officer, principal accounting officers, controller, auditor or persons performing similar functions.
Gender, ethnic, national, or other diversity	Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, employees, governments and other stakeholders.
Global Business	Experience in driving business success in markets around the world, with an understanding of diverse business environment, economics conditions, cultures and regulatory frameworks and a board perspective on global market opportunities.
Leadership	Extended leadership experiences for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning and risk management. Demonstrated strengths in developing talent, planning succession and driving change and long-term growth.
Technology	A Significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

In the table below, the specific areas of focus or expertise of individual board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

Key Board qualifications:

Director	Area of expertise							
	Financial	Diversity	Global business	Leadership	Technology	Mergers and acquisitions	Board service and governance	Strategy and planning
Dr. Lalit Khaitan	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Abishek Khaitan	✓	✓	✓	✓	✓	✓	✓	✓
Mr. K.P. Singh	✓	✓	✓	✓	✓	-	✓	✓
Mr. Ashutosh Patra	-	✓	✓	✓	✓	✓	✓	-
Mr. K.S. Mehta	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Raghupati Singhanian	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sarvesh Srivastava	✓	✓	✓	✓	✓	✓	✓	-
Ms. Shailja Devi	-	-	✓	-	✓	-	✓	✓
Ms. Sushmita Singha*	✓	✓	✓	-	-	-	✓	✓

* approved the appointment by the Board in its meeting held on January 23, 2019, w.e.f April 1, 2019.

SUCCESSION PLANNING:

The Nomination and Remuneration Committee works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in senior management. The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavour to introduce new perspectives while maintaining experience and continuity.

By interacting workforce planning with strategic business planning, the Company puts the necessary financial and human resources in place so that its objectives can be met.

Our Board includes 9 directors with broad and diverse skills and viewpoints to aid the Company in advancing its strategy. In addition, promoting senior management within the organization fuels the ambitions of the talent force to earn future leadership roles.

Conflict of interests:

Each Director informs the Company on an annual basis about the Board and the Committee positions he / she occupies in other companies including Chairmanships and notifies changes during the year. Members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The members of the Board restrict themselves from any discussions and voting in transactions that they have concern or interest.

Pecuniary relationships of transaction with the Company of Non-Executive Directors:

The Non-executive directors had no pecuniary relationship or transactions with the Company in their personal capacity during the financial year 2018-2019.

Committees of the Board:

Currently, there are eight (8) Committees of the Board, namely: Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee, ESOP Compensation Committee, Corporate Social Responsibility (CSR) Committee, Risk Management Committee, Committee of Independent Directors and Committee of Directors. The Board has decided the terms of reference for these Committees. The minutes of the meetings of the Committees are placed before the Board for information and noting. The details as to the composition, terms of reference, number of meetings and related attendance etc.

of Committees mandatory under the Companies Act and listing regulations are provided hereunder.

Audit Committee:

Composition and terms of reference

As on March 31, 2019, the Audit Committee comprises of three (3) Independent, Non-executive Directors. The members of the Audit Committee are Mr. Sarvesh Srivastava (Chairman of the Committee), Dr. Raghupati Singhanian and Mr. Ashutosh Patra. All Members of the Audit Committee are financially literate and bring in expertise in the fields of finance, taxation, economics, industry and risk.

The Audit Committee invites the Chairman & Managing Director, Managing Director, Chief Financial Officer and the Company Secretary, Statutory Auditor(s) and Internal Auditor and Cost Auditors to attend the meetings of the Audit Committee. The Company Secretary acts as Secretary to the Committee. The minutes of each Audit Committee meeting a replaced and discussed at the next meeting of the Board.

The scope of activities and terms of reference of the Audit Committee is in accordance with Regulation 18 and Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

The details as to the date(s) on which the meetings were held and attendance of the Committee members during the financial year ended 31st March, 2019 are as follows:

Date(s) on which the meeting(s) were held

3rd May 2018	24th July 2018	24th October 2018	23rd January 2019
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Name	Position	Category	Meeting details	
			Held	Attended
Mr. Sarvesh Srivastava	Chairman	Non-Executive Independent	4	4
Dr. Raghupati Singhanian	Member	Non-Executive Independent	4	2
Mr. Ashutosh Patra	Member	Non-Executive Independent	4	4

The role of the Audit Committee inter alia includes the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service.
3. Recommending to the Board of Directors, the appointment of Cost Auditor for the Company.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report as per Section 134 of the Companies Act, 2013;
 - b. Changes in the Accounting policies and practices and the reasons for the same, major accounting entries and significant adjustments made in the financial statements arising out of audit findings;
 - c. Compliance with listing and other legal requirements relating to financial statements;
 - d. Disclosure of any related party transactions; and
 - e. Qualifications in the draft audit report, if any.
5. Reviewing with management quarterly, half-yearly, nine-months and annual financial statements, standalone as well as consolidated before submission to the Board for approval.
6. Reviewing with the management performance of statutory and internal auditors.
7. Discussion with the internal auditors, cost auditor on any significant findings and follow-up thereon.
8. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
9. Reviewing reports furnished by the internal auditors and statutory auditors and ensuring suitable follow-up thereon.
10. Reviewing the Company's financial and risk management policies, forex policy, management discussion and analysis, significant related party transactions.
11. Reviewing with the management and the Statutory Auditors anticipated changes in the Accounting Standards.
12. Review of the Vigil Mechanism and Whistle Blower mechanism of the Company;
13. The Audit Committee has power to investigate any activity within its terms of reference, to seek information

from employees and to obtain outside financial and legal advise; and

14. Any other matter referred to by the Board of Directors. Apart from the above, the Company has an internal audit team, headed by Mr. Mukesh Agarwal, who reports to the Chief Financial Officer and the Audit Committee. From time to time, the Company's adequacy of internal controls covering financial, operational, compliance, IT applications, etc., are reviewed by the Internal Audit team and presentations are made to the Audit Committee on the findings of such reviews. The Audit Committee, inter alia, reviews the adequacy of internal audit function and the internal audit reports including those related to internal control weaknesses. The Company Secretary acts as Secretary to the Audit Committee as required by Regulation 18 (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

NOMINATION AND REMUNERATION COMMITTEE:

Composition and terms of reference:

As on March 31, 2019, the Nomination and Remuneration Committee comprises of three (3) Directors, viz., Dr. Raghupati Singhania (Chairman of the Committee), Mr. K.S. Mehta and Mr. Ashutosh Patra. The Committee's terms of reference includes reviewing and recommending to the Board the salary, commission, other benefits, service agreements and employment conditions of the Whole-time and the Managing Director and to approve the selection, appointment and remuneration of relatives of Directors for holding an office or place of profit pursuant to Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meeting and Attendance:

The Nomination and Remuneration Committee met two (2) times during the year on 03.05.2018 and 23.01.2019. The necessary quorum was present for the meeting. The Table below provides the attendance of the Nomination and Remuneration Committee members.

On January 23, 2019, the Nomination and Remuneration Committee recommended the appointment of Ms. Sushmita Singha as an independent woman director w.e.f. April 1, 2019.

Sl. No.	Name	Position	Category	No. of Meeting attended
1.	Dr. Raghupati Singhania	Chairman	Non-Executive Independent	1 of 2
2.	Mr. Ashutosh Patra	Member	Non-Executive Independent	2 of 2
3.	Mr. K.S. Mehta	Member	Non-Executive Independent	1 of 2

Terms of reference:

The Board has framed the Remuneration and Nomination Committee Charter which ensures effective compliance of Section 178 of the Companies Act, 2013 and Regulation 19 and part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board has clearly defined terms of reference for the Remuneration and Nomination committee, which are as follows:

1. Reviewing the overall compensation policy, service agreements and other employment conditions of Managing / Whole-time Director(s) and Senior Management (one level below the Board);
2. to help in determining the appropriate size, diversity and composition of the Board;
3. to recommend to the Board appointment / re-appointment and removal of Directors;
4. to frame criteria and determining qualifications, positive attributes and independence of Directors;
5. to recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Companies Act, 2013 is to be considered);
6. to create an evaluation framework for Independent Directors and the Board;
7. to provide necessary reports to the chairman after the evaluation process is completed by the Directors;
8. to assist in developing a succession plan for the Board;
9. to assist the Board in fulfilling responsibilities entrusted from time to time;
10. delegation of any of its powers to any Members of the Committee or the Compliance Officer.

Details of remuneration to all the Directors in the Financial Year 2018-19:

The Nomination and Remuneration Committee decides the remuneration payable to the Chairman & Managing Director, Managing Director, Whole Time Director and Key Managerial Personnel's, considering the performance of the Company and their achievements against objectives as set out by the Nomination and Remuneration Committee and approved by the Board and industry standards. The remuneration structure comprises of salary, perquisites, commission, etc. Annual increments are decided by the Nomination and Remuneration Committee and recommend to the Board, within the limits mentioned in the contract and as approved by the shareholders. No severance is payable to them on termination of employment.

Executive Directors:

(₹ in lacs)								
Sl. No.	Name of director	Salary	Commission	Perquisites and allowances	Retiral benefits*	No. of Stock options	Incentive	Tenure
1.	Dr. Lalit Khaitan	598.61	62.5	24.98	43.77	NIL	NIL	5 Years
2.	Mr. Abhishek Khaitan	598.61	62.5	20.41	44.77	NIL	NIL	5 Years
3.	Mr. K.P. Singh	182.33	NIL	43.47	7.97	15,000	NIL	5 Years

During the period the company has issued 15,000 Shares as per Employees Stock Option Scheme 2006 to Mr. Krishan Pal Singh at a premium of ₹ 102.72. The Option was exercised in the year 2018-19.

* Contributions to Provident Fund and Superannuation Fund.

Non Executive Directors*:

Sl. No.	Name	Sitting Fees (in ₹)
1.	Mr. K.S. Mehta	1,65,000/-
2.	Mr. Ashutosh Patra	3,55,000/-
3.	Dr. Raghupati Singhania	1,25,000/-
4.	Mr. Sarvesh Srivastava	2,95,000/-
5.	Ms. Shailja Devi	1,35,000/-

* Non executive directors were paid sitting fees of ₹ 40,000/- for attending each meetings of the Board and ₹ 15,000/- for Committees thereof and reimbursement of local conveyance

Non executive directors were not paid any amount by way of salary, perquisites and other benefits including stock options except the above mentioned sitting fees.

No shares were held by non-executive directors as on 31 March 2019.

The Company has adopted remuneration criteria for Non Executive Directors in compliance with Regulation 46(2)(f) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. Criteria for making payment to Non Executive Directors is available on our website i.e. www.radicokhaitan.com

Performance evaluation:

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Chairman and Managing Director and the Non-Independent Directors was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation process.

The Independent Directors performance was evaluated on the basis of the company's Performance Evaluation Policy as posted on the company's website www.radicokhaitan.com under head investor relations.

Stakeholder's Relationship Committee:

The Board of Directors of the Company has constituted the Stakeholder's Relationship Committee which is chaired by a Non-Executive Director/Independent Director to specifically look into the redressal of shareholders queries and complaints.

The details as to the composition of the Stakeholder's Relationship Committee previously named as Shareholders' Grievances Committee, date(s) on which the meetings were held and the attendance of the members of the Committee during the financial year ended 31st March, 2019 are as follows:

Date(s) on which the meeting(s) were held

3rd May, 2018	24th October 2018
24th July, 2018	23rd January 2019

Name	Position	Category	Meeting details	
			Held	Attended
Mr. Ashutosh Patra	Chairman	Non-Executive Independent	4	4
Mr. Sarvesh Srivastava	Member	Non-Executive Independent	4	4
Mr. K.P. Singh	Member	Executive	4	2

The terms of reference of the Committee include the following:

1. To specifically look into queries and complaints received from the shareholders, Lenders and other stakeholders of the Company.
2. To oversee the performance of the Registrar and Transfer Agent of the Company and
3. To recommend measures for overall improvement in the quality of services to the investors.
4. To fix record date / book closure of share / debenture transfer book of the Company from time to time.

Name and Designation of the Compliance Officer:

Mr. Amit Manchanda
Vice President - Legal &
Company Secretary
Radico Khaitan Limited
Plot No. J-1, Block B-1, Mohan Co-operative Industrial Area,
Mathura Road, New Delhi – 110 044.
Tel. Nos.40975400/444/500/555, Fax Nos.41678841-42
Email: info@radico.co.in

Details pertaining to the number of complaints received and responded and the status thereof during the financial year ended 31st March, 2019 are given as follows:

Nature of Complaints	Received during the year
Non-receipt of Dividend warrants	106
Non-receipt of Share Certificate(s) lodged for transfer / splitting of the share certificates etc.	114
Letters received from Stock Exchange(s) / SEBI	7
Others/Miscellaneous	1412
Total	1639

All the aforesaid complaints were responded to by the Company appropriately and there were no pending complaints at the end of the financial year 2018-2019.

All the requests, queries and complaints received during the financial year ended 31st March, 2019, were duly addressed and no queries are pending for resolution on that date.

The Company provided Shareholder services in the following time frame:

Sl. No.	Nature of Query	No. of days for disposal
1.	Share Transfers	15 days
2.	Demat of Shares	15 days
3.	Dividend revalidation / issue of Dividend Drafts	7 days
4.	Change of Address/ Bank Mandate	2 days
5.	General queries	2 days

Corporate Social Responsibility (CSR) Committee:

Pursuant to Clause 135 of the Companies Act, 2013, the Board of Directors in their meeting held on 30th May 2014 constituted CSR Committee comprises of four (4) Directors. The Members of the Committee are Dr. Lalit Khaitan, Mr. K.P. Singh, Mr. Ashutosh Patra (Independent Director) and Ms. Shailja Devi.

The purpose of the Committee is to formulate and monitor the CSR Policy of the Company and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. The Committee monitors and gives guidance on various CSR activities to be undertaken by the Company. The constitution of CSR Committee and the CSR Policy of the Company is available on our website i.e. www.radicokhaitan.com

Meeting and Attendance:

The CSR Committee met during the year on 03.05.2018. The necessary quorum was present for the meeting. The Composition of the CSR Committee as at August 8, 2019 and the details of meeting of the Committee are as under:

Sl. No.	Name	Position	Category	No. of Meeting attended
1.	Dr. Lalit Khaitan	Chairman	Executive	1 of 1
2.	Mr. Abhishek Khaitan	Member	Executive	-
3.	Mr. K.P. Singh	Member	Executive	0 of 1
4.	Ms. Sushmita Singha	Member	Non Executive Independent	-

Subsidiary Companies:

During the year under review, the Company did not have any subsidiary as defined under 2 (ZM) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 2 (87) of the Companies Act, 2013.

Independent Directors' Meeting:

During the year under review, the Independent Directors met on 23.01.2019, inter alia, to discuss:

- (1) The Board is not doing the things what is required to be done.
- (2) The Board is doing something which it is not required to be done.

- (3) Certain things which the Board is doing, but it can do better
- (4) Roles of responsibilities of each of Independent Directors and expectations from one to another.
- (5) Expectations from the Promoters.
- (6) Promoters need to provide an environment under which all Members are able to perform.
- (7) Any terms and difference between the Independent Committee Members.

All Independent Directors were present for this Meeting.

CEO / CFO Certification:

As stipulated under Regulation 17(8) and Part B of Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, the CEO / CFO Certificate for the financial year 2018-19 and Regulation 33 (2) (a) of Chapter IV of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, for all the quarters signed by Mr. Abhishek Khaitan, Managing Director as CEO and Mr. Dilip K Banthiya, CFO was placed before the Board of Directors at their meeting of the respective quarters.

General Body Meetings:

The venue and time of the last three Annual General Meetings of the Company are as follows:

Year	Location	Meeting Date	Time	No. of special resolutions set out at the AGM
2017-2018	Rampur Distillery Bareilly Road Rampur – 244 901 (U.P.)	31st August 2018	1.00 P.M.	Nil
2016-2017	Rampur Distillery Bareilly Road Rampur – 244 901 (U.P.)	29th September 2017	1.00 P.M.	1
2015-2016	Rampur Distillery Bareilly Road Rampur – 244 901 (U.P.)	11th July 2016	1.00 P.M.	Nil

All special resolutions set out in the notices for the Annual General Meetings were passed by the shareholders at the respective meetings with requisite majority. There is no Resolution passed through postal ballot.

Disclosures:

1. Disclosures on materially significant related party transactions:

Your Company has not entered into any materially significant related party transaction that may have potential conflict with interest of the listed entity at large.

Your Company has not entered into any transaction of material nature except transactions with related parties which are furnished under Notes to the Financial Statements as stipulated under Accounting Standard 18 (AS-18), with the Promoters, their subsidiaries or relatives, Directors or the Management, etc. All transactions were carried out on an arms-length basis and were not prejudicial to the interest of the Company.

The Company's Policy on Related Party Transactions has been duly approved by the Board in its meeting dated 5.2.2016 and uploaded on its website at www.radicokhaitan.com

2. Details of non-compliance(s) by the Company:

The Company has complied with all the requirements of the Stock Exchange(s) and the Securities Exchange Board of India on matters related to Capital Markets or any other matter, as may be applicable from time to time. There were no penalties imposed or strictures passed against the Company by the statutory authorities in this regard.

3. Disclosure of Accounting Treatment:

The Company follows Accounting Standards prescribed by the Companies Accounting Standard Rules, 2006 (as amended) and relevant provisions of the Companies Act, 2013. In preparation of financial statements, the Company has not adopted a treatment different from what is prescribed in the Accounting Standards. The financial statements for the year have been prepared in accordance with and in compliance of Schedule III of the Companies Act, 2013.

4. Details of compliance with mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Your Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Following is the status of the compliance:

a) Audit Qualifications:

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

b) Whistle Blower Policy / Vigil Mechanism Policy:

The Board of Directors in their meeting held on 30th May 2014 approved and adopted a Vigil Mechanism Policy with an objective to provide Employees and Business Associates a frame work and to establish a formal mechanism or process whereby concerns can be raised in line with the Company's commitment to highest standards of ethical, moral

and legal business conduct and its commitment to open communication. Radico endeavours to provide its employees a secure and fearless working environment, they are free to report any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. A copy of the policy is placed on the internal server and on the website of the company i.e. www.radicokhaitan.com

No personnel have been denied access to the Audit Committee.

c) Sexual Harassment Policy:

Your Company has adopted a Sexual Harassment Policy with an objective to ensure a protective and equal platform for working of women in the organization. The Company has zero tolerance towards sexual harassment and it's an important part of our corporate culture. Radico Khaitan has a special committee in this regards which meets at regular intervals.

d) Prevention of Insider Trading:

During the year, the Company has amended the Insider Trading Policy and Corporate Policy statement on Investor Relations in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. This policy includes policy and procedures for inquiry in case of a leak of UPSI or suspected leak of UPSI. The Company has automated the declarations and disclosures to identified designated persons and the Board reviews the policy on need basis. The amended policy is available on our website, at <https://www.radicokhaitan.com/investors/corporategovernance/Documents/insider-trading-policy.pdf>.

e) Code of Conduct:

Your Company has adopted a Code of Conduct for all the employees including the Board Members and Senior Management Personnel of the Company in accordance with the requirement under SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code of Conduct has been posted on the website of the Company www.radicokhaitan.com. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2019.

f) Anti-Corruption and Bribery Policy:

We at Radico Khaitan conduct our business in an ethical and honest manner. We believe in zero-tolerance approach to bribery and corruption. We believe in doing business in a professional and fair manner and with integrity in all our business dealings and relationships and to implement effective systems to counter bribery. Our Associates are prohibited from engaging in any bribery, including direct bribery and indirect bribery and payments through third parties.

The Company has adopted Anti-Corruption and Bribery Policy to set out responsibilities to comply with the laws of Bribery and Corruption.

The Company undertakes a periodic bribery and corruption risk assessment across its business to understand the bribery risks it faces and ensure that it has adequate procedures in place to address those risks.

g) Unclaimed Dividend/Shares :

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education And Protection Fund ("the IEPF"), a fund established under sub-section (1) of Section 125 of the Act. The details of unclaimed / unpaid dividend are available on the website of the Company viz. www.radicokhaitan.com

Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid dividend on shares for a consecutive period of seven years.

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) which a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (lie bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the aforesaid rules.

The Company has sent out individual communication to the concerned Members whose shares are liable to be transferred to IEPFA on 26.06.2019, to take immediate action in the matter. As required under the IEPF Rules, the Company has also published a Notice informing the Members' who have not claimed their dividend for a period of 7 years to claim the same from the Company before they are transferred to IEPFA.

As per Regulation 34 (3) read with Schedule V of the Listing Regulations, the details of the shares in the Suspense Account are as follows:

h) Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company had appointed Mr. Tanuj Vohra, Partner at M/s. TVA & Co. LLP, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for FY 2018-19 is annexed, which forms part of the Directors Report as Annexure – D. There were no qualifications, reservation or adverse remarks in the Secretarial Audit Report of the Company.

and corporate disclosure practices framed by the company helps in ensuring compliances with the said Regulations. The code prescribes the detailed procedures and guidelines to be adopted while dealing in the securities of the Company. The code is applicable to all directors, senior employees and their dependents. The said persons are prohibited from dealing in the securities of the Company during the restricted trading periods notified by the Company, from time to time and whilst in possession of any unpublished price sensitive information relating to the securities of the Company.

i) Share Dealing Code:

Comprehensive guidelines advising and cautioning the Management and staff on the procedure to be followed while dealing with the shares of the Company are in place, in light of The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code of Conduct

Means of Communication:

- a) Quarterly/ Half-yearly/ Nine-months and Annual Audited Financial Results of the Company are published in the Business Standard, Delhi and Mumbai editions and Hindustan, Moradabad edition.

Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares
(1)	(2)	(3)	(4)	(5)
441,502 Shares	-	-	13,56,717 Shares	1.02%
1,389 Shareholders	-	-	4,087 Shareholders	-

* During the year, 915215 shares having 2698 shareholders were transferred to IEPFA.

Quarterly results taken on record and published in the newspapers during 2018-2019:

Quarter ended	Date of Board Meetings	Date of Publication in Newspapers	
		Business Standard (English) New Delhi edition	Hindustan(Hindi) Moradabad edition
30th June, 2018	24.07.2018	25.07.2018	25.07.2018
30th September, 2018	24.10.2018	25.10.2018	25.10.2018
31st December, 2018	23.01.2019	24.01.2019	24.01.2019
31st March 2019	02.05.2019	03.05.2019	03.05.2019

The results of the Company are also posted up on the Company's corporate website: www.radicoKhaitan.com. The Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website. Management Discussions and Analysis forms part of this Annual Report, which is also being posted to all the Members of the Company.

- b) All important information pertaining to the Company is also mentioned in the Annual Report of the Company which is circulated to the members and others entitled thereto for each financial year.
- c) Your Company provides necessary information to the Stock Exchanges and other rules and regulations issued by the Securities Exchange Board of India.

Green initiative in Corporate Governance:

Pursuant to Circular No. 17/2011 dated 21st April, 2011, Ministry of Corporate Affairs has undertaken a Green Initiative in Corporate Governance whereby the shareholders desirous of receiving notices, documents and other communication from the Company through electronic mode, can register their e-mail addresses with the Company.

Your Company encourages the shareholders to register their e-mail addresses with the Company or its Registrar and Share Transfer Agent, M/s. Karvy Fintech Private Limited., by sending a letter signed by the shareholders on addresses given below and intimate changes in three-mail address from time to time.

Radico Khaitan Limited

Plot No.J-1, Block B-1
Mohan Co-operative Industrial Area, Mathura Road, New Delhi – 110 044.
Tel. No.+91 11 40975400/444/500/555
Fax No.+91 11 41678841-42
Email:info@radico.co.in

M/s. Karvy Fintech Private Limited

Registered Office:

Karvy Selenium Tower B, Plot number 31 & 32, Gachi Bowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Telangana
Ph. : +91 040 6716 1517
www.karvycomputershare.com
Toll Free No.18 00 3454 001
Fax No. 040-23430814
Email Id: einward.ris@karvy.com

Delhi Office:

305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi – 110 001.
Telephone No. 011- 43681700
Fax No.011-43681710.

The Company has complied with the corporate governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation(2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

General Shareholder Information

a) Company Registration details:

The Company is registered in the State of Uttar Pradesh, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L26941UP1983PLC027278.

b) Date, time and venue of the 35th Annual General Meeting:

26th day of September 2019 at 1.00 p.m. at Rampur Distillery, Bareilly Road, Rampur – 244 901, Uttar Pradesh.

c) Financial Year:

Company follows the Financial Year beginning from 1st April of every year and ends on 31st March of the next subsequent year.

d) Dividend payment date:

Dividend payout date has been provided in the Notice convening the AGM sent along with this Annual Report.

e) Listing on Stock Exchanges:

The Company's securities are listed on the following stock exchanges:

Name of Stock Exchange	Address	Code
Bombay Stock Exchange Ltd. (BSE)	Floor 25, P.J. Towers, Dalal Street, Mumbai – 400 001.	532497
National Stock Exchange of India Ltd. (NSE)	Exchange Plaza, 5th Floor, Plot no.C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.	RADICO

The Company has paid the listing fees for the financial year 2019-20 to the stock exchange(s) on which Company's shares are listed. The Company has also paid custodial fees for the year 2019-20 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Security Identification Number (ISIN) allocated to the Company by NSDL and CDSL is INE944F01028.

f) Stock price data:

The monthly high and low prices and volumes of your Company's shares at BSE and NSE for the year ended 31st March, 2019 are given as follows:

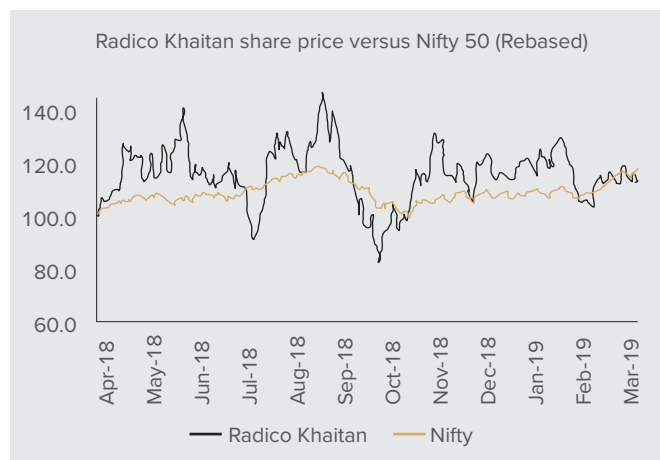
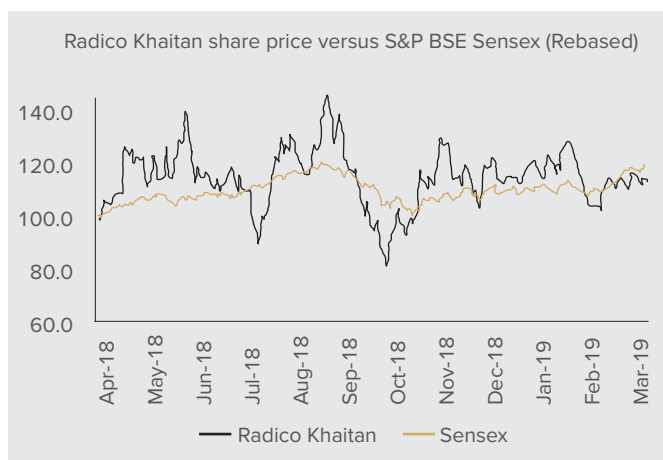
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
2018	452.00	334.85	5587336	452.00	334.35	36187661
April						
May	495.00	356.00	6085829	495.80	339.00	36769269
June	461.00	375.65	1702429	460.40	375.45	10873696
July	444.75	320.15	1813587	443.15	320.25	13219476
August	499.95	393.00	1944114	499.00	393.00	12442028
September	500.00	345.50	950114	497.70	344.60	7805370
October	400.00	297.90	1262406	399.90	297.00	9890770
November	454.00	380.80	1444228	454.00	380.25	11650364
December	434.00	358.15	1104639	434.00	356.00	9521926
2019	438.90	387.70	1413425	439.50	387.45	12625142
January						
February	448.65	349.65	1027783	449.00	349.00	10091377
March	414.40	366.05	1305463	415.00	365.00	11677897

Note: High and low are in Rupees per traded share. Volume is the total monthly volume of trade in Radico Khaitan's shares on BSE and NSE

The Chart below shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex for the year 2018 -19.

The shares of the Company are traded in the B category at BSE and are also actively traded on NSE.

Performance of the share price of the Company in comparison to BSE Sensex and NSE Nifty:

**g) Registrar and Transfer Agent:**

Karvy Fintech Private Limited is the Registrar and Transfer Agent of the Company.

Shareholders, beneficial owners and depository participants (DPs) are requested to send/ deliver the documents/ correspondence relating to the Company's share transfer activity etc. to Karvy Fintech Private Limited, Registrar and Transfer Agent of the Company at the following address:

Registered Office:

M/s. Karvy Fintech Private Limited
 Karvy Selenium Tower B,
 Plot number 31 & 32, Gachi Bowli,
 Financial District, Nanakramguda, Serilingampally Mandal
 Hyderabad – 500 032, Telangana.
 Toll Free No.18 00 3454 001
 Telephone No. 040 6716 2222
 Fax No. 040-23001153
 Email Id: einward.ris@karvy.com

Delhi Office:

M/s. Karvy Fintech Private Limited
 305, New Delhi House
 27, Barakhamba Road
 Connaught Place
 New Delhi – 110 001.
 Telephone No. 011- 43681700
 Fax No.011-43681710.

For the benefit of shareholders, documents will continue to be accepted at the following registered office of the Company:

Rampur Distillery
Bareilly Road
Rampur – 244 901 (U.P.)
Tel. No.0595-2350601-02
Fax No.0595-2350009
Email: info@radico.co.in

h) Registered Office:
Bareilly Road, Rampur – 244 901, Uttar Pradesh.

i) Website:
www.radicokhaitan.com

j) E-mail ID for Investor's Grievances:
info@radico.co.in

The above exclusive e-mail id is disclosed by the Company on its website and all the various material correspondence, publications and communication to the shareholders at large.

k) For the year ending 31st March, 2020, quarterly financial results will be announced as per the tentative schedule detailed below

Not later than 15th August 2019	First Quarter
Not later than 15th November 2019	Second Quarter and Half Yearly
Not later than 15th February 2020	Third Quarter and Nine Months
Not later than 30th May 2020	Fourth Quarter and Annual

Date of Book Closure:

Book Closure dates have been provided in the Notice convening the AGM forming part of this Annual Report.

l) Share transfer system:

The share transfer activities in respect of the shares in physical mode are carried out by the Company's Registrar and Share Transfer Agent (RTA). The Shares lodged for transfer are processed and returned within the stipulated time. The applications and requests received by your Company for transfer of shares held in physical form are processed and the share certificates for the same are sent to the transferee within the stipulated period under the Companies Act, 2013. The Board of Directors of the Company have delegated the authority to approve the transfer of shares, transmission of shares or requests for deletion of name of the shareholder, etc., as mentioned in Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 to the designated officials of the Company. The transactions in respect of issue of duplicate share certificates, split, rematerialisation, consolidation and renewal of share certificates are approved by the Stakeholders Relationship Committee.

A summary of all the transfers, transmissions, deletion requests, etc., are placed before the Board of Directors from time to time for their review.

m) Distribution of Shareholdings:

The distribution of shareholding of the Company as on 31st March, 2019 is as follows:

Sl. No.	Category of Shareholders	Total No. of Shares	% of Total no. of Shares
1.	Promoters	53829818	40.35
2.	Mutual Funds	6791595	5.09
3.	Banks, Indian Financial Institution	75782	0.06
4.	FII's/FPIs	31253857	23.43
5.	Private Corporate Bodies	6846648	5.13
6.	Indian Public	32538826	24.39
7.	NRIs/OCBs	2041119	1.53
8.	State Government	31620	0.02
	Total	133409265	100.00

Distribution of Shareholding as on 31/03/2019 (TOTAL)

Shares							
Sl no	Category (Amount)	No.of Holders	% To Holders	Physical	Electronic	Amount(₹)	% To Equity
1	1 - 5000	52537	97.25	1337142	4210200	5547342	8.21
2	5001 - 10000	680	1.26	163235	2333471	2496706	1.84
3	10001 - 20000	323	0.6	25420	2534046	2559466	1.76
4	20001 - 30000	124	0.23	10850	1330654	1341504	1.16
5	30001 - 40000	78	0.14	15500	845130	860630	1.03
6	40001 - 50000	45	0.08	0	933620	933620	0.77
7	50001 - 60000	25	0.05	0	2402971	2402971	0.52
8	60001 - 100000	51	0.09	31620	2893122	2924742	1.46
9	100001 and above	161	0.3	0	114342284	114342284	83.24
TOTAL		54024	100.00	1583767	131825498	133409265	100.00

n) Unclaimed Dividend / Shares:

In terms of Section 124 of the Companies Act, 2013, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Shareholders are cautioned that once the unclaimed dividend is transferred to IEPF, a shareholder cannot claim the amount of dividend from the Company. In accordance with para (c) Schedule VI (Manner of dealing with unclaimed shares), the Company has sent three reminders to the shareholders whose share certificates are lying unclaimed with the Company. In case your shares are lying unclaimed with the Company, you are requested to claim the same.

o) Transfer to Investor Education & Protection Fund:

As per the Companies Act, 2013, dividends that are unclaimed for a period of seven years, statutorily get transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government and thereafter cannot be claimed by investors. To ensure maximum disbursement of unclaimed dividend, the Company sends reminders to the concerned investors, before transfer of dividend to IEPF. Pursuant to Section 125 of the Companies Act 2013, unclaimed dividend has been transferred to IEPF as per below table:

Financial Year	Date of Declaration of Dividend	Total Dividend	Unclaimed Dividend as on 31-3-2018	Due Date of Transfer to IEPF account
FY 2002	16.07.2002	38579176.00	730556.00	22.08.2009
FY 2003	19.07.2003	34721258.40	914312.00	24.08.2010
FY 2004	17.07.2004	38579176.00	973284.00	22.08.2011
FY 2005	16.11.2005	42437093.60	983341.00	21.12.2012
FY 2006	25.09.2006	48223970.00	1135840.00	30.10.2013
FY 2007	26.09.2007	51231109.50	922432.00	05.11.2014
FY2008	30.09.2008	51231109.50	1065509.00	16.10.2015
FY2009	15.09.2009	30738665.70	699978.00	07.10.2016
FY2010	09.09.2010	79300632.60	1620668.00	26.10.2017
FY2011	09.09.2011	92853567.80	1630738.00	24.09.2018

p) Going concern:

The Board is satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently considers it appropriate to adopt the going concern basis in preparing the financial statements.

Plant locations: (Please refer last page of Annual Report)

Address for correspondence: (Please refer last page of Annual Report).

For and on behalf of the Board

sd/-

Dr. Lalit Khaitan

Chairman & Managing Director
DIN - 00238222

Place: New Delhi
Date: August 8, 2019

AFFIRMATIONS AND DISCLOSURES:

Compliances with Governance Framework

The Company is in compliance with all mandatory requirements under the Listing Regulations.

a. Related party transactions:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz. www.radicokhaitan.com. None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions are on arm's length basis and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three Financial Years. The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial years.

c. Vigil Mechanism / Whistle Blower Policy:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. www.radicokhaitan.com

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;

e. Web link where policy for determining 'material' subsidiaries is disclosed; N.A

f. Disclosure of commodity price risks or foreign exchange risk and commodity hedging activities:

The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated November 15, 2018.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). Not Applicable

g. Certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

h. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year. Not Applicable

i. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. Details relating to fees paid to the Statutory Auditors are given in Note 33 (c) to the Standalone Financial Statements and Note 27 (d) to the Consolidated Financial Statements.

j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The details of number of complaints filed and disposed of during the year and pending as on March 31, 2019 is given in the Directors' report.

k. Non-mandatory requirements Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time-to time.

DETAILS OF ADOPTION OF NON-MANDATORY (DISCRETIONARY) REQUIREMENTS

Non-mandatory (discretionary) requirements under Regulation 27 of the Listing Regulations The status of compliance with the non-mandatory requirements of the Listing Regulations is provided below:

- The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Chairman of the Company is an Executive Director.
- The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.
- Modified opinion(s) in audit report There are no modified opinions in audit report.
- Reporting of Internal Auditor In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)

Sl. No.	Particulars	Brief Description of the Regulations	Regulation Number	Compliance status (YES/No/NA)
1.	Board of Directors	Board composition	17(1)	YES
		Meeting of Board of directors)	17(2)	YES
		Review of Compliance Reports	17(3)	YES
		Plans for orderly succession for appointments	17(4)	YES
		Code of Conduct	17(5)	YES
		Fees/compensation	17(6)	YES
		Minimum information	17(7)	YES
		Compliance Certificate	17(8)	YES
		Risk Assessment & Management	17(9)	YES
		Performance Evaluation of Independent Directors	17(10)	YES
2.	Audit Committee	Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting.	18(1)	YES
		Meeting of Audit Committee	18(2)	YES
		Role of the Committee and review of information by the Committee	18(3)	YES
3.	Nomination and Remuneration Committee	Composition of Nomination and Remuneration Committee	19(1) & (2)	YES
		Presence of the Chairman of the Committee at the Annual General Meeting	19(3)	YES
		Role of the Committee	19(4)	YES
4.	Stakeholders Relationship Committee	Composition of Stakeholder Relationship Committee	20(1),(2)& (3)	YES
		Role of the Committee	20(4)	
5.	Risk Management Committee	Composition and role of risk management committee	21(1), (2), (3),(4)	YES
6.	Vigil Mechanism	Formulation of Vigil Mechanism for Directors and Employee	22	YES
7.	Related Party Transaction	Policy for related party Transaction	23(1), (5), (6), (7) & (8)	YES
		Prior or Omnibus approval of Audit Committee for all related party transactions.	23(2), (3)	YES
		Approval for material related party	23(4)	YES
8.	Subsidiaries of the Company	Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
		Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2), (3), (4), (5), & (6)	NA
9.	Obligations with respect to independent Directors	Maximum Directorship & Tenure	25(1) & (2)	YES
		Meeting of independent directors	25(3)	YES
		Review of Performance by the Independent Directors	25(4)	YES
		Familiarization of independent directors	25(7)	YES

Sl. No.	Particulars	Brief Description of the Regulations	Regulation Number	Compliance status (YES/No/NA)
10.	Obligations with respect to Directors and Senior Management	Memberships in Committees	26(1)	YES
		Affirmation with compliance to code of conduct from members of Board of Directors and Senior management Personnel	26 (3)	YES
		Disclosure of Shareholding by Non- Executive Directors	26(4)	YES
		Disclosures by Senior Management about potential conflicts of interest	26(5)	YES
11	Other Corporate Governance Requirements	Compliance of Discretionary Requirements	27(1)	YES
		Filing of Quarterly Compliance Report on Corporate Governance	27(2)	YES
12	Disclosures on Website of the Company	Terms and conditions of appointment of Independent Directors	46(2)(b)	YES
		Composition of various Committee of Board of Directors	46(2)(c)	YES
		Code of conduct of Board of directors and Senior Management personnel	46(2)(d)	YES
		Details of establishment of Vigil Mechanism/whistle Blower Policy	46(2)(e)	YES
		Criteria of making payments to Non-Executive Directors	46(2)(f)	YES
		Policy on dealing with Related Party Transactions	46(2)(g)	YES
		Policy for determining Material Subsidiaries	46(2)(h)	YES
		Details of Familiarization Programmes imparted to Independent Directors	46(2)(i)	YES

Annexure to Report on Corporate Governance for the year ended 31st March, 2019

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2019

New Delhi
Date: August 8, 2019

Abhishek Khaitan
Managing Director
DIN - 00772865

Business Responsibility Report

The Board of Directors present the Business Responsibility report for the Financial Year ended March 31, 2019. Pursuant to the regulation 34 (2) (f) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 which has mandated the inclusion of a Business Responsibility Report (BRR) as part of company's Annual Report for top 500 listed entities based on market capitalisation at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011, which contains 9 Principles and Core Elements for each of the 9 Principles. Following is the Business Responsibility Report of Radico Khaitan which is based on the format suggested by SEBI.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L26941UP1983PLC027278
2	Name of the Company	Radico Khaitan Limited
3	Registered Address	Bareilly Road, Rampur, Uttar Pradesh – 244901
4	Website	www.radicokhaitan.com
5	Email ID	info@radico.co.in
6	Financial Year Reported	1st April, 2018 to 31st March, 2019
7	Sector(s) that the Company is engaged in (industrial activity code-wise) - Name and description of main products	Manufacturing of Alcohol and Alcoholic Products NIC Code of the product:1101
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Manufacturing of Alcohol and Alcoholic Products
9	Total number of locations where business activity is undertaken by the Company	29
	a. Number of International Locations (Provide details of major 5)	Nil
	b. Number of National Locations	24
10	Markets served by the Company – Local/State/National/International	All

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid-up Capital	₹ 26.68 Crores
2	Total Turnover	₹ 8,058.00 Crores (Gross) ₹ 2,096.95 Crores (Net of Excise Duty)
3	Total Profit After Tax	₹ 188.06 Crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2% of the average net profits of the company made during the immediately preceding financial years. Refer to Annexure E to the Directors' Report
5	List of activities in which expenditure in 4 above has been incurred	Refer to the Annexure E to the Directors' Report

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	NA
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	NA

SECTION D: BUSINESS RESPONSIBILITY(BR) INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of the Director/Director responsible for implementation of the BR policy/policies

#	Particulars	Details
1	DIN Number	00772865
2	Name	Mr. Abhishek Khaitan
3	Designation	Managing Director

b. Details of the BR Head

#	Particulars	Details
1	DIN Number (if applicable)	00772865
2	Name	Mr. Abhishek Khaitan
3	Designation	Managing Director
4	Telephone Number	+91 11 4097 5500
5	Email ID	info@radico.co.in

2. Principle Wise (as per NVGs) BR Policy / Policies

The nine principles are as under

01 Principle

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

02 Principle

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

03 Principle

Businesses should promote the well-being of all employees.

04 Principle

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

05 Principle

Businesses should respect and promote human rights.

06 Principle

Businesses should respect, protect and make efforts to restore the environment.

07 Principle

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

08 Principle

Businesses should support inclusive growth and equitable development.

09 Principle

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a. Details of compliance (Reply in Y / N)

#	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have any policy/policies for?	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	All the Policies have been developed considering relevant national & International Standards.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	N.A	Y	Y
5	Does the Company have a specified committee of the Board / Director /Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N.A	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.radicokhaitan.com/investor-relations/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy has been posted on the Company's website for information of all the internal and external stakeholders of the Company.								
8	Does the Company have in-house structure to implement the policy / policies.	Yes, the Company have necessary structure in place to implement the policy.								
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy /policies?	Yes, the Company have necessary grievance redressal mechanism, to address stakeholders grievances related to the policy.								
10.	Has the Company carried out independent audit /evaluation of the working We are in the process of appointing independent of this policy by an internal or external agency?	Yes, the Company has not carried out independent audit / evaluation of its working by an internal or external agency as of now.								

b. If answer to any question under Section D 2(a) against any principle, is 'No', please explain why: (Tick up to 2 options)

#	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	The Company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	It is planned to be done within next 6 months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Governance Related to BR

A	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Annually
B	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is Published?	Published Annually

Yes, the BR Report is published on annual basis. The report for the financial year 2018-19 can be assessed through the link: <http://www.radicokhaitan.com/investor-relations/>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Description	Response
Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures /Suppliers / Contractors / NGOs / Others?	Radico Khaitan has adopted an Anti-Bribery policy under which strict action is envisaged against employees if found indulged into the practice of giving undue favours to government servants or any other stakeholders like vendors, bankers, etc Radico Khaitan Limited also has its own self explanatory code of conduct which defines the importance & commitment on ethics, bribery and any other kind of behaviour which are not acceptable by the company and all employees sign that code with full commitment. The Company encourages and expects the parties associated with its value chain partners like dealers, vendors, supplier, contractors, employees etc. to follow the Code of Business Conduct and principles envisaged in the policy while their interactions with Radico Khaitan Limited.
How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During the financial year 2018-19, 7 shareholder complaints were received by the Company, out of which 100% of the complaints has been satisfactorily resolved. The Company did not have any significant external stakeholder complaint in the last financial year.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Description	Response
List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.	<ol style="list-style-type: none"> 1 The effluent Treatment Facility in Rampur complies with Zero Discharge concept set up by CPCB. The treatment has varied by products, which not only improves operational stability of the plants but also adds on to company's profitability. Primary Treatment of the Effluent yields Bio Gas, which is used as fuel in Cogen Boiler to generate steam and then Power through a backpressure Turbine. The backpressure steam is used again in the Distillation Plant to produce Extra Neutral Alcohol and Rectified Spirit. 2 The cogeneration plant of Rampur Distillery consist of 26 MT capacity India's first stand alone Bio Gas fired steam boiler and 2 MW Turbine Generator and 30 MT capacity Bio- Gas and Rice Husk based boiler and 2.5 MW in tandem to make Radico Khaitan self reliant on its requirement for power for its normal operation. 3 Meeting out 100% Pollution Control norms, the Treated Effluent is not discharged outside and in turn is mixed and cured with organic mass like Press Mud of Sugar Mills and suitable organic manures to manufacture Bio Manure or Bio Compost, a bio fertilizer used successfully in growing the crop of sugar canes etc.
For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)	The Company has been continuously striving hard to reduce the power and fuel consumption thereby contributing for the improvement of environment. Radico has been focusing on tree plantation nearby its manufacturing plants. It has planted large number of trees and plans to add huge numbers soon in various other locations. Further, the company has also contributed a lot to its nearby areas through CSR activities.

Description	Response
1. Does the Company have procedures in place for sustainable sourcing (including transportation)?	The resources involved in the manufacturing processes are efficient and sustainable and 100% of the inputs are sustainably sourced by the Company.
a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	<p>The Company has very first backward integration project that has come in the form of setting up a fully automatic 750 ml Kidney shape PET bottle manufacturing plant in low cost and tax benefited area like Uttaranchal.</p> <p>The unit started with production rate of 0.85 crore bottles per year in October 2004 and is now geared up to produce 60 crore PET bottles to cater Radico's own captive consumption of approx. 30 crore bottles per year and rest is being sold to outside clients in liquor, pharmaceutical and FMCG. This project has also given employment to workers and helped them in living better life.</p> <p>Further the Company gives preference in selection of vendors for procurement of raw material, who comply with the various principles of sustainability. Majority of suppliers of raw material are located within a radius of 200 Kms of the manufacturing units of the Company which helps to minimize transportation.</p>
2. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	The Company has always given the preference to local vendors for supply of stores, spares and repair works. Our contractors who are engaged in the repairs and maintenance of plants are employing workmen from the nearby villages by providing opportunities to them to earn livelihood.
3. a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The local labours are provided with safety equipment and apparatus and are expected to adhere to the safety procedures of the Company.
4. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	<p>The production process of the Company is based on principles of optimising the material and energy resources. Therefore, the Company lays high degree of stress to reduce waste associated with its products.</p> <p>In the said direction, it has installed Effluent Treatment Plant ("ETP") and filter processes at all of its plants and whatever, liquid and solid waste is generated, the same is being recycled and reused in the process. The current waste generation is less than 1% of the total production, majority of which is recycled.</p>

Principle 3: Businesses should promote the well-being of all employees.

Description	Response
1. Please indicate the Total number of employees.	1,171 as on March 31, 2019
2. Please indicate the Total number of employees hired on temporary/ contractual / casual basis.	1612
3. Please indicate the Number of permanent women employees.	18
4. Please indicate the Number of permanent employees with disabilities	NIL
5. Do you have an employee association that is recognized by Management?	Yes. There are recognized trade unions constituted as per the terms of the Trade Unions Act at the Company's manufacturing units.
6. What percentage of your permanent employees is members of this recognized employee association?	16%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	

# Category	No. of complaints filed pending as during the financial year	No. of complaints pending as during the financial year on end of the financial year
1 Child labour / forced labour / involuntary labour	Nil	Nil
2 Sexual Harassment	Nil	Nil
3 Discriminatory employment	Nil	Nil
<p>The company is fully compliant with the prevailing laws on the prevention of sexual harassment of women at workplace. The policy for the prevention of sexual harassment of women at workplace is available on the website of the Company at http://www.radicokhaitan.com/investor-relationships/. All complaints received during the year were attended on time with no pending complaint at the end of the year.</p> <p>Radico Khaitan has in place a robust vigil mechanism and has adopted a whistle blower policy which allows employees of the Company to raise their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Company or society as a whole.</p>		
4. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?		
A Permanent Employees	8 hours of training per employee	
B Permanent Women Employees	8 hours of training per employee	
C Casual / Temporary / Contractual Employees:	Safety and work instructions are given before they start working.	
D Employees with Disabilities	NIL	

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Description	Response
1. Has the Company mapped its internal and external stakeholders? Yes/No	Yes. The Company has mapped its internal stakeholders as well as external stakeholders. The Company believes that an effective stakeholder engagement process is necessary for achieving its sustainability and growth.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	<p>The Company has appointed a consultant to identify its marginalised stakeholders by way of vendors, stockists, contract workers who are situated in and around its factory locations which are essentially under-developed locations requiring attention.</p> <p>The Company has put in place systems and procedures to identify, prioritise and address the needs and concerns of its stakeholders across businesses and units in a continuous, consistent and systematic manner. It has implemented mechanisms to facilitate effective dialogues with all stakeholders across businesses, identify material concerns and their resolution in an equitable and transparent manner. These measures have helped the Company develop strong relationships, which have withstood the test of time</p>
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	<p>The Company's collaborative stakeholders are manifest in its programmes which company has done under CSR which are mostly are towards the welfare of the people and stakeholders in and around our factory locations by providing health and sanitary care, educational facilities and vocational training, infrastructural facilities like road, water, etc. Most of the welfare schemes undertaken by the Company are targeted towards upliftment of the poor and down-trodden and marginalised stakeholders located in and around our factories.</p> <p>These initiatives augment the natural resource base of the nation and create sustainable rural livelihoods.</p>

Principle 5: Businesses should respect and promote human rights.

Description	Response
1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company has a Code of Conduct for Directors and Senior Management of the Company. The Company complies with the National and Local Laws as far as the individual rights are concerned. However, there is no specific human rights policy for the time being, which is being formulated for the approval of the Board.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaints for violation of human rights were received by the Company during the financial year.

Principle 6: Business should respect, protect and make efforts to restore the environment.

Description	Response
1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.	<p>The Company has a Policy on Safety Health and Environment (SHE), which covers all the operations of the Company.</p> <p>The Policy includes implementation of a low carbon growth strategy across its businesses, integrated soil and water conservation programmes and the creation of large-scale sustainable livelihoods amongst the marginalised sections of society.</p> <p>The policy is applicable to the Companies all the location.</p>
2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for webpage etc.	<p>Yes. The Company is committed to reduce Greenhouse Gas (GHG) emissions and have short-term and long-term targets in this regard. All these targets are aimed at:</p> <ul style="list-style-type: none"> • Continuous focus on reduction of thermal and electrical energy consumption. • Installation of Waste Recovery System. • Utilization of waste products from its thermal power plants like fly ash to improve the environment. • Development of ponds and afforestation of the mined area to ensure greener environment. • Installation of high efficiency bag filters in place of ESPs to ensure emissions are well within the permissible limits.

Description	Response
3. Does the Company identify and assess potential environmental risks? Y / N	Yes.
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No.
5. Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for webpage etc.	Yes, the Company produces powers in its own plants through use of turbine and waste. The details are provided in annexure - D. Further, it has also installed heat recovery systems and latest generation energy lighting and equipment, to save energy and fuel cost. The Company has also commissioned Rain Water harvesting projects within the plant and nearby villages. Details are given on the company website www.radicokhaitan.com .
6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Emission / waste generated by the Company are within the permissible limits given by CPCB/SPCB for the financial year 2018-19.
7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	On December 24, 2018, the Central Pollution Control Board (CPCB) issued a letter directing the closure of the Rampur plant of the Company which was later kept on abeyance till January 2, 2019, and reconfirmed on February 18, 2019. After considering representations made by the Company, CPCB vide its letter dated May 17, 2019 revoked its closure directions but restricted the capacity of molasses part of the Company from 200 KLD to 77 KLD and levied Environment Compensation of ₹ 1.46 Crore. Later fresh inspections were made and CPCB vide its letter dated August 6, 2019, pursuant to the Company's representation/request dated June 14, 2019, allowed the Company to restore the capacity of its molasses plant from 77 KLD to 200 KLD and found the Company compliant with the additional requirements for its Zero Liquid Discharge (ZLD) system. However, in their letter dated August 6, 2019, the CPCB has levied an additional Environmental Compensation of ₹ 5.83 Crore apart from ₹ 1.46 Crore already paid by the Company.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Description	Response
1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	1. PHD Chamber of Commerce and Industry. 2. All India Distillery Association. 3. Confederation of Indian Alcoholic Beverages Companies (CIABC)
2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)?	The Company was also a party to various initiatives taken through the aforesaid associations for development of art and culture, addressal of natural calamities, and involvement in Swachh Bharat Mission. The Company as part of its activities under corporate Social Responsibility (CSR), has also taken steps for improvement of health, education, health and safety of the people in the village around its factories, conservative of water in the usage of concrete, biodiversity conservation, increased usage of blended cement as sustainable building materials.

Principle 8: Businesses should support inclusive growth and equitable development.

Description	Response
1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof	As part of CSR, the Company has developed detailed programmes focused on developing the neighbourhood and ensuring a better livelihood for the underprivileged people. Towards these programmes, all stakeholder groups are addressed which, inter alia, include promotion of basic education, rural employment, sustainable operations of the public health centres, development of infrastructure like roads, lights, drinking water supply and social reforms, which will ultimately pave way for a higher livelihood for the neighbourhood.

Description	Response
2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?	The Company's CSR projects are implemented through an In-House CSR Department. Some of the healthcare and welfare activities are also being undertaken through governmental agencies. Radico's mission to work towards the up-liftment of local artisans and to promote the UP handicraft, Zardozi and Chikan work it had launched 'Radico- Chikankari Aur Zardozi Pratiyogita' in association with the Indian Academy of Art & Culture, U.P.
3. Have you done any impact assessment of your initiative?	The Company is generally reviewing the impact assessment of its CSR initiatives, which is reflected in the form of feedback from the beneficiaries. However, the Company is also in the process of formulating a scheme for a systematic review of the performance of the various programmes and the resultant benefits.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	Details of amount spent by the Company by way of CSR programmes towards the development of the Community have been provided in Annexure F of the Directors' Report for the financial year 2018-19.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	The Company undertakes CSR activities after assessing the needs of the community. Further, all CSR activities are rolled out directly to the society. The Company believes that they will benefit the society at large. This helps in increased reach as well as ensuring the adoption of initiative by communities. Project teams track the reach and take necessary steps to make it successful.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Description	Response
1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.	Nil
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. /Remarks (additional information)	Yes, the company display all the information regarding its products, its ingredients etc. as per the applicable laws on the company.
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anticompetitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.	The company does not indulge in any anti – competitive activities. And there are no such complaints pending.
4. Did your company carryout any consumer survey / consumer satisfaction trends?	The Company periodically visits its main customers, namely, stockists, sub-dealers, consumers, as part of the appraisal programme and get the feedback on the satisfaction levels on supply, quality and other terms, etc.

On behalf of the Board of Directors of Radico Khaitan Limited

Place: New Delhi
Date: August 8, 2019

Dr. Lalit Khaitan
Chairman & Managing Director

Independent Auditor's Report

To The Members of Radico Khaitan Limited

REPORT ON THE AUDIT OF ANNUAL STANDALONE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying annual Standalone Ind AS Financial Statements of **Radico Khaitan Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income) for the year ended on that date, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the annual Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual Standalone Ind AS financial statements give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ('the Act') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income for the year ended on that date, changes in equity and its cash flows for the year ended on that date.

KEY AUDIT MATTER

Trade Receivables

Receivables (net of provisioning) of ₹ 64,174.89 Lacs constitute 52.32% of the current assets of the company as at 31st March 2019 and are spread across geography, covering state corporations, defence canteens and open market customers (including exports). The realization is based on actual sales.

Inventory

- Inventories (net of provisions) of ₹ 35,971.29 Lacs constitute 29.35% of the current assets of the company as at 31st March 2019. The Inventory is lying at various locations, including at 3rd party premises. Packing material constitutes a major part of inventory and has risk of impairment.

BASIS FOR OPINION

We conducted our audit of the annual Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Forming an Opinion and Reporting on Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the annual Standalone Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the annual Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

RESPONSE TO KEY AUDIT MATTER

Principal Audit Procedures

- Evaluating and testing the controls for managing trade receivables, including subsequent collection and provisioning.
- Validating the basis of ECL policy as approved by the Board of Directors, in the present context based on historical data and recent developments.
- Validating the Aging of receivables, review of trend customer wise, reasons for long outstanding balances, evaluation of disputes and possibility of recovery and existence of the customers.
- Obtaining independent customer confirmations or applying alternate substantive audit procedures.
- Assessing the appropriateness and completeness of the related disclosure in the company's Standalone Ind AS Financial Statements.

Conclusion

Our procedures did not identify any material exceptions.

Principal Audit Procedures

- Testing the inventory provisioning and challenging the assumptions for inventory valuation basis non-moving/slow moving items.
- Review the policy of the management for physical verification and the documents related to management's physical count procedure actually followed at different locations.
- Sample testing of management physical verification report.
- We observe the physical verification process at locations of financial significance.

- Identifying obsolete inventory, if any.
- Obtain confirmation from C&F agents and Tie up units being inventory at 3rd party locations and applying substantive procedure
- Assess the appropriateness and completeness of the related disclosure in the company's Standalone Ind AS Financial Statements.

Conclusion

Our procedures did not identify any material exceptions.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE ANNUAL STANDALONE IND AS FINANCIAL STATEMENTS

Company's Board of Directors is responsible for the preparation and presentation of these annual Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Indian Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

preparation and presentation of the annual Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the annual Standalone Ind AS Financial Statements by the Board of Directors of the Company, as aforesaid.

In preparing the annual Standalone Ind AS Financial Statements, the management of the Company is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL STANDALONE IND AS FINANCIAL STATEMENT

Our objectives are to obtain reasonable assurance about whether the annual Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual Standalone Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, for the purpose of expressing an opinion on effectiveness of the Company's internal financial controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual Standalone Ind AS Financial Statements, including the disclosures, and whether the annual Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the annual Standalone Ind AS Financial Statements.

Materiality is the magnitude of misstatements in the annual Standalone Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Ind AS Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be

thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Standalone Ind AS Financial Statements read with Notes 1 to 58 thereto comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".

- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements (Refer Note 40 on Contingent Liabilities to the Standalone Ind AS Financial Statements);

- (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

- (iii) There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N

Darshan Chhajer
Partner
Membership No.: 088308

Place: New Delhi
Date: May 02, 2019

Annexure 1 to The Independent Auditor's Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Radico Khaitan Limited on the Standalone Ind AS Financial Statements for the year ended March 31, 2019]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Accordingly, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties recorded in the books of account of the Company are held in the name of the Company, except some land parcels valuing ₹ 3,706.55 Lacs where title is determined based on long term possession and revenue records .
- (ii) The inventory, except goods in transit, has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) The company has not given any loan or provided any guarantee or security to parties covered under section 185 of the Companies Act, 2013. Further, according to the information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and services tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (vii) (b) According to the information and explanation given to us, the dues in respect of income tax, sales tax, service tax, value added tax, goods and services tax, customs duty or excise duty that have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Disputed Amount (in ₹ Lacs)	Period to which the amount relates	Forum where dispute is pending	Amount paid under protest (in ₹ Lacs)
UP VAT ACT/ KARNATAKA VAT ACT/ DELHI VAT ACT	Sales Tax/ Entry Tax/VAT	6.86	1999-00	Trade Tax Tribunal, Moradabad	2.74
		1.81	1998-99	Allahabad High Court	1.00
		1.21	1999-00	Trade Tax Tribunal, Moradabad	0.75
		33.79	2012-13	Hyderabad High Court	16.89
		8.45	2012-13	Hyderabad High Court	2.11
		84.13	2014-15	Karnataka High Court	-
United Provinces (Uttar Pradesh) Excise Act, 1910	Excise Duty	102.32	1995 to 2005	Allahabad High Court, Lucknow Bench	-
		205.31	1995-2005	Allahabad High Court, Lucknow Bench	205.31
		22.00	1997-98	Allahabad High Court, Lucknow Bench	4.63
The Custom Act 1962	Custom Duty	10.73	2015	Commissioner of Customs (Appeals)-	-

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans borrowings to financial institutions, banks, governments or dues to debenture holders.
- (ix) The Company has not raised the money by way of initial public issue offer / further public offer. Money raised by way of term loans during the year were utilized for the purposes for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been provided and paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanation given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N

Darshan Chhajer
Partner
Membership No.: 088308

Place: New Delhi
Date: May 02, 2019

Annexure 2 to The Independent Auditor's Report

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Radico Khaitan Limited on the Standalone Ind AS Financial Statements for the year ended March 31, 2019]

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Radico Khaitan Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of the Chartered Accountants of India.

For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N

Darshan Chhajer
Partner

Place: New Delhi
Date: May 02, 2019

Membership No.: 088308

Standalone Balance Sheet

as at March 31, 2019

(₹ in Lakhs unless otherwise stated)

Particulars	Note No	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	69,792.38	66,769.09
Capital work-in-progress		1,599.86	2,019.06
Intangible assets	2	1,601.79	1,780.10
Financial assets			
Investment in a joint venture	3	15,538.53	15,538.53
Investment in others	4	0.60	0.60
Loans	5	803.08	2,901.30
Others	6	159.60	217.51
Other non-current assets	7	11,025.14	9,995.29
Total non-current assets		100,520.98	99,221.48
Current assets			
Inventories	8	35,971.29	31,085.68
Financial assets			
Investments	9	-	5,000.00
Trade receivables	10	64,174.89	63,001.07
Cash and cash equivalents	11	825.40	1,676.51
Bank balances other than above	12	941.61	558.92
Loans	13	4,669.95	5,449.20
Others	14	2,412.35	2,508.39
Current tax assets (Net)	15	-	2.27
Other current assets	16	13,544.00	14,612.24
Total current assets		122,539.49	123,894.28
Total Assets		223,060.47	223,115.76
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	2,668.19	2,666.15
Other Equity	18	128,826.10	111,545.80
		131,494.29	114,211.95
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19	2,165.56	3,439.79
Others	20	47.19	68.19
Provisions	21	1,036.69	980.60
Deferred tax liabilities (Net)	22	10,404.90	9,252.38
Other non current liabilities	23	19.13	35.15
Total non-current liabilities		13,673.47	13,776.11
Current liabilities			
Financial liabilities			
Borrowings	24	30,160.06	48,780.09
Trade payables			
Outstanding dues of micro and small enterprises		-	-
Others	25	24,483.57	21,413.50
Others	26	3,154.84	8,352.91
Provisions	27	6,835.20	8,156.93
Other current liabilities	28	12,413.17	8,424.27
Current tax liabilities (Net)	29	845.87	-
Total current liabilities		77,892.71	95,127.70
Total Equity & Liabilities		223,060.47	223,115.76
Significant Accounting Policies	1		
Other Notes to Accounts	2-58		

As per our report of even date attached

For and on behalf of Board of Directors

For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director

Darshan Chhajer
Partner

Amit Manchanda
Vice President Legal &
Company Secretary

Abhishek Khaitan
Managing Director

Membership No.: 088308

Place: New Delhi
Date: May 02, 2019

Ajay K. Agarwal
President (Finance & Accounts)

Director

Standalone Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

Particulars	Note No	Year ended March 31, 2019	Year ended March 31, 2018
INCOME			
Revenue from operations	30	805,800.25	627,036.43
Other income	31	1,328.77	2,667.02
Total income		807,129.02	629,703.45
EXPENSES			
Cost of materials consumed	32	106,589.90	93,920.10
Excise duty		596,105.71	444,759.84
Purchase of stock-in-trade	33	1,116.53	2,554.12
Change in inventories of finished goods, stock-in-trade and work-in-progress	34	(4,169.89)	(1,253.25)
Employee benefits expense	35	17,138.07	15,496.84
Finance costs	36	3,547.98	6,824.42
Depreciation and amortization expense	37	4,243.58	4,090.02
Other expenses	38	53,986.21	44,583.40
Total expenses		778,558.09	610,975.49
Profit for the year before tax		28,570.93	18,727.96
Less : Tax expense			
Current tax		8,573.32	3,978.12
Deferred tax		1,191.15	2,404.51
Profit for the year from continuing operations		18,806.46	12,345.33
Other comprehensive income			
Items that will not be reclassified to profit or loss	39	(110.53)	(232.01)
Income tax relating to items that will not be reclassified to profit or loss		38.62	80.29
Total other comprehensive income		(71.91)	(151.72)
Total comprehensive income for the year (Comprising profit and other comprehensive income for the year)		18,734.55	12,193.61
Earning per share for Continuing Operations			
Basic earnings per share in INR (face value of ₹ 2/- each)	43	14.10	9.26
Diluted earnings per share in INR (face value of ₹ 2/- each)	43	14.08	9.25
Significant Accounting Policies	1		
Other Notes to Accounts	2-58		

As per our report of even date attached

For and on behalf of Board of Directors

For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N

Darshan Chhajer
Partner

Membership No.: 088308

Place: New Delhi
Date: May 02, 2019

Dilip K. Banthiya
Chief Financial Officer

Amit Manchanda
Vice President Legal &
Company Secretary

Ajay K. Agarwal
President (Finance & Accounts)

Dr. Lalit Khaitan
Chairman & Managing Director

Abhishek Khaitan
Managing Director

Director

Standalone Statement of Cash Flows

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year before tax	28,570.93	18,727.96
Adjustments for		
Depreciation and amortization expense	4,243.58	4,090.02
Profit on sale of fixed assets	(12.79)	(4.73)
Loss on sale / write off assets	89.90	27.37
Finance costs	3,547.98	6,824.42
Interest income	(838.81)	(2,346.79)
Provision for Expected credit loss (net)	506.29	823.06
Provision for Non-moving/ obsolete Inventory	83.53	64.72
Employees stock option scheme	18.07	20.48
Dividend income on investments	(200.20)	(200.00)
Operating profit before working capital changes	36,008.48	28,026.51
Changes in working capital		
Decrease/(Increase) in Inventories	(4,969.15)	(1,847.08)
Decrease/(Increase) in Trade Receivables	(1,680.11)	(1,423.05)
Decrease/(Increase) in current financial assets (loans)	779.25	424.95
Decrease/(Increase) in current financial assets (Others)	(323.17)	(321.38)
Decrease/(Increase) in other current assets	1,068.24	(4,657.90)
Decrease/(Increase) in non-current financial assets (loans)	2,098.22	3,428.89
Decrease/(Increase) in non-current financial assets (Others)	12.69	-
Decrease/(Increase) in other non-current assets	(587.99)	3,337.69
Increase/(Decrease) in non-current financial liabilities (others)	(21.00)	8.20
Increase/(Decrease) in other non-current liabilities	(16.02)	16.10
Increase/(Decrease) in long term provisions	56.09	143.47
Increase/(Decrease) in short term provisions	(1,432.26)	3,902.89
Increase/(Decrease) in current Trade Payables	3,070.07	2,881.16
Increase/(Decrease) in current financial liabilities (others)	541.89	470.59
Increase/(Decrease) in other current liabilities	3,988.90	753.51
Cash generated from operating activities before taxes	38,594.13	35,144.55
Net income tax paid	(7,725.18)	(3,566.88)
Net Cash flow from operating activities (A)	30,868.95	31,577.67
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions in tangible assets	(7,141.99)	(2,299.17)
Additions in intangible assets	(62.27)	-
Sale of fixed assets	38.59	19.33
Sale of investments	5,000.00	-
Investment in CWIP	419.20	(1,798.93)
Interest received	1,047.62	2,196.67
Subsidy Received	30.00	-
Dividend received	400.20	200.00
Capital Advances	(441.86)	(266.66)
Fixed deposits matured during the year	55.62	(127.26)
Net Cash flow from Investing activities (B)	(654.89)	(2,076.02)

Standalone Statement of Cash Flows

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in share capital (including securities premium)	106.81	291.17
Net Loans (repaid) / taken	(17,388.77)	(21,272.91)
Dividend paid including Dividend Distribution Tax	(1,607.09)	(1,281.99)
Interest paid	(3,704.29)	(6,992.96)
Net Cash flow from financing activities (C)	(22,593.34)	(29,256.69)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	7,620.72	244.96
Cash and cash equivalents at the beginning of the year	(31,178.03)	(31,422.99)
Cash and cash equivalents at the end of the year	(23,557.31)	(31,178.03)

Particulars	March 31, 2019	March 31, 2018
Reconciliation of Cash and cash equivalents		
Cash in hand	29.83	17.96
Bank Balance		
In Current account	795.57	1,658.55
In term deposits	777.38	419.53
Cash Credit (repayable on demand)	(25,160.09)	(33,274.07)
Total Cash and Cash equivalents	(23,557.31)	(31,178.03)

Note

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

As per our report of even date attached

For and on behalf of Board of Directors

For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director

Darshan Chhajer
Partner

Amit Manchanda
Vice President Legal &
Company Secretary

Abhishek Khaitan
Managing Director

Membership No.: 088308

Place: New Delhi
Date: May 02, 2019

Ajay K. Agarwal
President (Finance & Accounts)

Director

Standalone Statement of Changes in Equity

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
At the beginning of the year	2,666.15	2,660.78
Changes in Equity Share capital during the year	2.04	5.37
At the end of the year	2,668.19	2,666.15

B. OTHER EQUITY

Particulars	Securities Premium Reserve	General Reserves	Employee Stock Options outstanding account	Retained Earnings	Total
Balance as at March 31, 2017	37,469.28	40,000.00	84.25	22,774.36	100,327.89
Profit/ (Loss) for the year (1)	-	-	-	12,345.33	-
Other Comprehensive Income/(loss) (2)	-	-	-	(151.72)	-
Total Comprehensive Income/ (loss) (1+2)	-	-	-	12,193.61	12,193.61
Dividends including tax thereon (Refer note 42)	-	-	-	(1,281.99)	(1,281.99)
Share based payments	337.17	-	(43.97)	13.09	306.29
Balance as at March 31, 2018	37,806.45	40,000.00	40.28	33,699.07	111,545.80
Profit/ (Loss) for the year (1)	-	-	-	18,806.46	-
Other Comprehensive Income / (loss) (2)	-	-	-	(71.91)	-
Total Comprehensive Income/ (loss) (1+2)	-	-	-	18,734.55	18,734.55
Dividends including Dividend Distribution Tax (Refer note 42)	-	-	-	(1,607.09)	(1,607.09)
Government Subsidy	-	-	-	30.00	30.00
Share based payments	123.63	-	(0.79)	-	122.84
Balance as at March 31, 2019	37,930.08	40,000.00	39.49	50,856.53	128,826.10

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For and on behalf of Board of Directors

For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director

Darshan Chhajer
Partner

Amit Manchanda
Vice President Legal &
Company Secretary

Abhishek Khaitan
Managing Director

Membership No.: 088308

Place: New Delhi
Date: May 02, 2019

Ajay K. Agarwal
President (Finance & Accounts)

Director

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

BACKGROUND

Radico Khaitan Limited (the Company) is a company limited by shares, incorporated and domiciled in India. The Company is engaged in the manufacturing and trading of Alcoholic products such as Indian Made Foreign Liquor (IMFL), Alcohol, Country Liquor etc. The Company has its presence in India as well as various other global markets.

SIGNIFICANT ACCOUNTING POLICIES

1.01 Basis of preparation

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The entity has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2019 have been prepared in accordance with Ind AS.

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Defined benefit plans
- Share Based Payments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

1.02 Current versus non-current classification

The company presents assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or

- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The entity has assumed twelve months as its operating cycle.

1.03 Fair value measurement

The entity measures financial instruments, such as, derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities,

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable,

- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable,

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.04 Foreign Currency Transactions

The standalone financial statements are presented in INR, which is also its functional currency.

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the day of transaction. The outstanding liabilities/ receivables are translated at the year end rates.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction. Any gain or losses arising on translation or settlement are recognized in the Statement of Profit and Loss as per the requirements of Ind AS 21.

1.05 Revenue recognition

The company revenue is derived from single performance obligation under arrangements in which the transfer of control of product and the fulfillment of companies performance obligation occur at the same time.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable (net of returns and allowances, trade discounts and volume rebates), taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government with an exception to excise duty. The company has concluded that it is the

principal in all of its revenue arrangements with tie up units since the company is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. In arrangements with tie up units, revenue is recognised at gross value with corresponding cost being recognised under cost of production.

However, in case of revenue arrangements with royalty units, the company has concluded that it is acting as an agent in all such revenue arrangements since the company is not the primary obligor in all such revenue arrangements, has no pricing latitude and is not exposed to inventory and credit risks. Company earns fixed royalty for sales made of its products which is recognised as revenue.

The company has assumed that recovery of excise duty flows to the entity on its own and liability for excise duty forms part of the cost of production, irrespective of whether the goods are sold or not. Revenue therefore includes excise duty.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss.

Royalty Income

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

Export Incentives

Income from export incentives such as duty drawback etc. are recognised on accrual basis.

Dividend Income

Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

1.06 Excise Duty

In respect of stocks covered by Central Excise, excise duty is provided on closing stocks and also considered for valuation. In respect of country liquor and IMFL stocks, applicable State excise duty/ export duty is provided on

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

the basis of state-wise dispatches identified. In the case of Rectified Spirit/ ENA, it is not ascertainable as to how much would be converted finally into country liquor or IMFL or sold as such and also to which particular state or exported outside India. Duty payable in such cases is not determinable (as it varies depending on the places and the form in which these are dispatched). Hence, the excise duty on such stocks lying in factory is accounted for on clearances of such goods. The method of accounting followed by the company has no impact on the financial statements of the year.

1.07 Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all attached conditions are complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments. When loans or similar assistance are provided by Governments or related institutions, with an interest rate lower than the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial instruments.

1.08 Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the entity operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss.

In respect of taxable temporary differences associated with interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.09 Property, plant and equipment

Property, plant and equipment have been measured at fair value at the date of transition to Ind AS. The entity recognised the fair value as deemed cost at the transition date, viz., April 01, 2015.

Assets are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress is stated at cost, less accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. When significant parts of plant and equipment are required to be replaced at intervals, the entity depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. (Refer to note 1.23 regarding significant accounting judgements, estimates and assumptions).

Depreciation

Cost of leasehold land and leasehold improvements are amortised over the period of lease.

Depreciation is provided as per Schedule II to the Companies Act, 2013, on straight line method with reference to the useful life of the assets specified therein.

On additions costing less than ₹ 5000, depreciation is provided at 100% in the year of addition.

The determination of the useful economic life and residual values of property, plant and equipment is subject to management estimation. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

1.10 Intangible assets

On transition to Ind AS, the entity has elected to continue with the carrying value of all of intangible assets (except goodwill which was impaired) and use that carrying value as the deemed cost of intangible assets.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Amortization

Based on the anticipated future economic benefits, the life of Brands & Trade Marks are amortised over twenty years on straight line method.

Software are amortised over a period of three years on straight line method.

1.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.12 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

1.13 Inventories

Finished goods and work-in-progress are valued at lower of cost or net realisable value. Cost includes cost of conversion and other expenses incurred in bringing the goods to their location and condition. Raw materials, packing materials, stores and spares are valued at lower of cost or net realisable value. Cost is ascertained on "moving weighted average" basis for all inventories.

1.14 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 01, 2015, the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Entity as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the entity's general policy on the borrowing costs (See note 1.11). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the lower of the estimated useful life of the asset and the lease term.

As on transition date, the entity has newly classified a land lease as a finance lease and has recognised such asset and liability at fair value with differential being recognised in retained earnings.

Operating lease rentals are charged off to the Statement of Profit and Loss.

1.15 Impairment of non-financial assets

At each reporting date, the company reviews the carrying amount of its assets to determine whether there are any indications that those assets have suffered an impairment loss. If any such indication exists, recoverable amount of the assets is estimated in order to determine the extent of impairment loss.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or entity's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

1.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability and Contingent Assets

Contingent liabilities are not recognized but are disclosed where possibility of any outflow in settlement is remote. Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

1.17 Employee benefits

Short-term obligations

Liabilities for salaries and wages, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized up to the end of the reporting period and are measured at the amounts expected to be paid on settlement of such liabilities. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

Other long-term employee benefit obligations

The liabilities for earned and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet since the company does not have an unconditional right to defer the settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

- Defined benefit plans in the form of gratuity, and
- Defined contribution plans such as provident fund and superannuation fund

Gratuity obligations

The Company operates a defined benefit gratuity plan for employees. The Company has obtained group gratuity scheme policies from Life Insurance Corporation of

India to cover the gratuity liability of these employees. The difference in the present value of the defined benefit obligation and the fair value of plan assets at the end of the reporting period is recognized as a liability or asset, as the case may be, in the Balance Sheet. The defined benefit obligation is calculated annually on the basis of actuarial valuation using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in OCI.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in statement of profit or loss as past service cost.

Defined contribution plans

The Company makes contribution to statutory provident fund and pension funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.18 Share-based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The fair value of the options granted is recognized as an employee benefits expense with a corresponding increase in equity. Total amount to be expensed is determined by reference to the fair value of the option granted:

- including any market performance conditions (e.g., the Company's share price),
- excluding the impact of any service and non-market performance vesting conditions (e.g., profitability, sales growth targets and remaining and employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

(e.g. the requirement for employees to save or holding shares for a specific period of time).

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in statement of profit or loss, with a corresponding adjustment to equity.

1.19 Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period adjusted for the effects of all dilutive potential equity shares.

1.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities recognised at FVTPL are recognized immediately in Statement of Profit and Loss.

A. Financial Assets

Subsequent measurement

Financial assets are subsequently classified as measured at:

- amortised cost
- fair value through other comprehensive income (FVTOCI)
- fair value through profit or loss (FVTPL)

Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses (ECL). The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Financial assets measured at amortised cost:

A financial asset is measured at amortised cost if both the following conditions are met:

- a). The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b). Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables, loans, etc.

Measured at fair value through other comprehensive income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Measured at fair value through Profit or Loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The entity makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or the same are transferred.

Impairment of financial assets

Expected credit losses (ECL) are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category. For financial assets, as per Ind AS 109, the Company recognises 12 months expected credit losses for all originated or acquired financial assets if at the reporting date. The credit risk of the financial asset has not increased significantly since its initial recognition. Expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

B. Financial liabilities

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method.

- Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

Reclassification of financial assets

No reclassification is made for financial assets which are equity instruments and financial liabilities. For financial

assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the entity's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The entity does not restate any previously recognised gains, losses (including impairment gains or losses).

C. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously, includes balances written off against provisions.

1.21 Derivative financial instruments

The entity uses derivative financial instruments, such as forward currency contracts, interest rate swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1.22 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise balance at banks and cash on hand and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible which are subject to an insignificant risk of changes in value.

1.23 Significant accounting judgements, estimates and assumptions

The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, contingent liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the accounting policies, management has made the following judgements, which

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

have most significant effect on the amounts recognised in the separate financial statements:

a) Arrangement containing lease

The entity applies Appendix C of Ind AS 17, "Determining Whether an Arrangement Contains a Lease", to contracts entered with contract bottling units. Appendix C deals with the method of identifying and recognizing service, purchase and sale contracts that do not take the legal form of a lease but convey a right to use an asset in return for a payment or series of payments. The entity has determined that where the capacity utilisation by the entity is less the 100% and others take more than an insignificant amount of output, the arrangement does not contain leases. Where the entity utilise 100% capacity and others take less than an insignificant output the agreement contains lease. However, based on an evaluation of the terms and conditions of the arrangements, the company has concluded that these contracts are in the nature of operating leases.

b) Revenue recognition

The entity assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The entity has generally concluded that it is acting as a principal in all its revenue arrangements.

When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the entity and its business partners are reviewed to determine each party's respective role in the transaction.

Where the entity's role in a transaction is that of a principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, net off sales tax/VAT/GST, trade discounts and rebates but inclusive of excise duty with any related expenditure charged as an operating cost.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation and uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The entity based its assumptions and estimates on parameters available when the separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market

changes or circumstances arising that are beyond the control of the entity. Such changes are reflected in the assumptions when they occur.

a) Impairment reviews

At each reporting date, the entity reviews the carrying amount of its non-financial assets to determine whether there are any indication that those assets have suffered an impairment loss. If any such indication exists, recoverable amount of the assets is estimated in order to determine the extent of impairment loss.

Impairment reviews in respect of the relevant CGUs are performed at least annually or more regularly if events indicate that this is necessary.

Impairment reviews are based on discounted future cash flows. The future cash flows which are based on business forecasts, the long-term growth rates and the pre-tax discount rates, that reflects the current market assessment of the time value of money and the risk specific to the asset or CGU, used are dependent on management estimates and judgements. Future events could cause the assumptions used in these impairment reviews to change.

b) Allowance for uncollectible account receivables and advances

Trade receivables and certain financial assets do not carry any interest unlike other interest bearing financials assets viz intercorporate deposits. Such financial assets are stated at their carrying value as reduced by impairment losses determined in accordance with expected credit loss. Allowance as per expected credit loss model is based on simplified approach which is based on historically observed default rates and changed as per forward-looking estimates. In case of trade receivables entity uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables which is also based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. The actual loss could differ from the estimate made by the management.

c) Taxes

The entity is subject to income tax laws as applicable in India. Significant judgement is required in determining the provision for taxes as the tax treatment is often by its nature complex, and cannot be finally determined until a formal resolution has been reached with the relevant tax authority which may take several years to conclude. Amounts provided are accrued based on management's interpretation of country specific tax laws and the likelihood of settlement. The entity

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Actual liabilities could differ from the amount provided which could have a consequent adverse impact on the results and net position of the entity.

d) Pension and post-retirement benefits

The cost of defined benefit plans viz. gratuity, provident fund, leave encashment, etc. are determined using actuarial assumptions. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about defined benefit plans are given in note no. 55.

e) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

1.24 Recent Accounting Developments

Standard issued but not yet effective:

Ind AS 116 Leases

Ind AS 116 was notified on March 30, 2019 and requires Lessee to recognise the right of use an asset for the lease term in Balance Sheet. This standard will come into force from accounting period commencing on or after April 01, 2019. The Company is evaluating the requirements of the amendments and its effects on the financial statements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

NOTE 2 PROPERTY, PLANT AND EQUIPMENT

(Refer notes 1.09 and 1.10)

(₹ in Lakhs unless otherwise stated)

Description of Assets	Gross Block			Depreciation			Net Block		
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	Up to March 31, 2018	For the year	Accumulated Depreciation on Disposals	Up to March 31, 2019	As at March 31, 2019
Tangible Assets									
Freehold land	12,927.50	-	-	12,927.50	-	-	-	-	12,927.50
Leasehold land	3,467.56	-	-	3,467.56	137.79	45.93	-	183.72	3,283.84
Buildings	8,861.25	126.18	204.92	8,782.51	1,137.61	386.66	204.92	1,319.35	7,463.16
Plant & equipments	50,766.21	6,290.67	393.04	56,663.84	8,987.79	3,344.68	324.29	12,008.18	44,655.66
Furniture & Fixtures	181.96	298.98	-	480.94	89.25	19.34	-	108.59	372.35
Vehicles	888.50	225.94	110.42	1,004.02	146.06	144.23	64.41	225.88	778.14
Office equipments	117.24	99.54	41.84	174.94	61.15	33.55	40.90	53.80	121.14
Leasehold improvements	187.72	100.68	-	288.40	69.20	28.61	-	97.81	190.59
	77,397.94	7,141.99	750.22	83,789.71	10,628.85	4,003.00	634.52	13,997.33	69,792.38
Intangible Assets									
Brands & trade marks	2,552.26	-	-	2,552.26	789.55	215.49	-	1,005.04	1,547.22
Software	394.96	62.27	-	457.23	377.57	25.09	-	402.66	54.57
	2,947.22	62.27	-	3,009.49	1,167.12	240.58	-	1,407.70	1,601.79
Total	80,345.16	7,204.26	750.22	86,799.20	11,795.97	4,243.58	634.52	15,405.03	71,394.17

Description of Assets	Gross Block			Depreciation			Net Block		
	As at April 01, 2017	Additions	Disposals	As at March 31, 2018	Up to March 31, 2017	For the year	Accumulated Depreciation on Disposals	Up to March 31, 2018	As at March 31, 2018
Tangible Assets									
Freehold land	12,916.29	11.21	-	12,927.50	-	-	-	-	12,927.50
Leasehold land	3,467.56	-	-	3,467.56	91.86	45.93	-	137.79	3,329.77
Buildings	8,681.49	179.76	-	8,861.25	778.14	359.47	-	1,137.61	7,723.64
Plant & equipments	49,392.02	1,907.83	533.64	50,766.21	6,339.89	3,170.92	523.02	8,987.79	41,778.42
Furniture & Fixtures	164.72	17.24	-	181.96	68.50	20.75	-	89.25	92.71
Vehicles	932.17	100.00	143.67	888.50	133.02	127.48	114.44	146.06	742.44
Office equipments	96.02	32.08	10.86	117.24	43.77	26.12	8.74	61.15	56.09
Leasehold improvements	136.67	51.05	-	187.72	44.56	24.64	-	69.20	118.52
	75,786.94	2,299.17	688.17	77,397.94	7,499.74	3,775.31	646.20	10,628.85	66,769.09
Intangible Assets									
Brands & trade marks	2,552.26	-	-	2,552.26	573.80	215.75	-	789.55	1,762.71
Software	394.96	-	-	394.96	278.61	98.96	-	377.57	17.39
	2,947.22	-	-	2,947.22	852.41	314.71	-	1,167.12	1,780.10
Total	78,734.16	2,299.17	688.17	80,345.16	8,352.15	4,090.02	646.20	11,795.97	68,549.19

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 3 INVESTMENT IN A JOINT VENTURE

Particulars	As at March 31, 2019	As at March 31, 2018
Unquoted Investments		
Equity Shares (at cost)		
Radico NV Distilleries Maharashtra Limited - 26,59,500 (previous year: 26,59,500) equity shares of ₹ 100 each, fully paid up	13,538.53	13,538.53
Preference Shares (at amortised cost)		
Radico NV Distilleries Maharashtra Limited - 20,00,000 (previous year: 20,00,000) 10% cumulative, non-convertible preference shares of ₹100 each, fully paid up	2,000.00	2,000.00
	15,538.53	15,538.53
Aggregate amount of unquoted investments	15,538.53	15,538.53
Aggregate amount of impairment in value of investments	-	-

NOTE 4 INVESTMENT IN OTHERS (UNQUOTED AT FVTPL)

Particulars	As at March 31, 2019	As at March 31, 2018
New Urban Cooperative Bank Ltd. - 2,388 (previous year: 2,388) equity shares of ₹ 25 each, fully paid up	0.60	0.60
	0.60	0.60
Aggregate amount of unquoted investments	0.60	0.60
Aggregate amount of impairment in value of investments	-	-

NOTE 5 LOANS

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured- Considered good)		
Security Deposits	803.08	2,901.30
	803.08	2,901.30

NOTE 6 OTHERS

Particulars	As at March 31, 2019	As at March 31, 2018
Interest accrued on term deposits	13.07	2.67
Deposits with more than 12 months maturity (Refer note-12)	133.84	214.84
Advances recoverable in cash	12.69	-
	159.60	217.51

NOTE 7 OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advances	3,770.20	3,328.34
Advances other than capital advances		
Advances recoverable	7,092.00	6,245.31
Prepaid assets	162.94	421.64
	11,025.14	9,995.29

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 8 INVENTORIES

(Refer note-1.13 on valuation of inventories)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Raw materials	6,977.32	6,733.72
Work-in-progress	3,616.92	2,266.89
Finished goods *	17,186.17	15,396.54
Stock-in-trade	309.59	376.34
Stores & spares	2,650.99	2,471.50
Packing materials	5,428.29	3,964.83
Goods in transit - Raw material	-	0.64
	36,169.28	31,210.46
Less: Provision for obsolete and non-moving inventories	197.99	124.78
	35,971.29	31,085.68

Amount recognised in statement of profit and loss

Write-downs of inventories to net realisable value resulted in net loss/(gain) of ₹ 83.53 lakhs (previous year ₹ 64.72 lakhs). These were recognised as an expense/income during the year in the Statement of Profit and Loss.

* Includes provision for excise duty ₹ 6,355.01 lakhs (previous year ₹ 7,471.84 lakhs)

NOTE 9 INVESTMENTS (UNQUOTED AT FVTPL)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Certificate of deposit with a financial institution	-	5,000.00
	-	5,000.00
Aggregate amount of unquoted investments	-	5,000.00
Aggregate amount of impairment in value of investments	-	-

NOTE 10 TRADE RECEIVABLES

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Trade Receivables considered good - Unsecured	59,856.26	58,459.65
Trade Receivables which have significant increase in Credit Risk	6,000.46	8,534.41
Trade Receivables - credit impaired	-	-
	65,856.72	66,994.06
Less: Allowance for expected credit losses	(1,681.83)	(3,992.99)
	64,174.89	63,001.07

Trade Receivables relate to the company's contract with its customers, are non interest bearing and are generally on credit terms not exceeding 12 months.

NOTE 11 CASH AND CASH EQUIVALENTS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Balances with banks	795.57	1,658.55
Cash on hand	29.83	17.96
	825.40	1,676.51

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
In unpaid dividend accounts	164.23	139.39
In term deposits #	911.22	634.37
Deposits with more than 12 months maturity (Refer note-6)	(133.84)	(214.84)
	941.61	558.92
# Deposit are:		
Under lien with Government departments and banks as security	911.22	634.37

NOTE 13 LOANS

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured- Considered good, unless otherwise stated)		
Security Deposits	932.96	909.51
Loans and advances to related parties		
Radico NV Distilleries Maharashtra Limited (Joint Venture)	-	0.12
Others		
Advances recoverable	341.99	749.57
Inter corporate deposits (Refer note-56)		
ICDs Considered good - Unsecured	3,395.00	3,790.00
ICDs - Credit impaired	1,500.00	6,100.00
	6,169.95	11,549.20
Less: Allowance for expected credit losses	(1,500.00)	(6,100.00)
	4,669.95	5,449.20

NOTE 14 OTHERS

Particulars	As at March 31, 2019	As at March 31, 2018
Dividend accrued on preference share	200.00	400.00
Accrued export incentives	528.05	510.22
Other balances recoverable from Statutory/ Government authorities	1,341.52	1,036.18
Interest accrued on		
term deposits	25.24	27.19
loans and advances		
Considered good - Unsecured	317.54	534.80
Credit impaired	928.10	928.10
Less: Allowance for expected credit losses	(928.10)	(928.10)
	2,412.35	2,508.39

NOTE 15 CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2019	As at March 31, 2018
Income Tax (Net of provisions)	-	2.27
	-	2.27

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 16 OTHER CURRENT ASSETS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(Unsecured - Considered good)		
Advances recoverable in kind	978.21	1,704.49
Others		
Amount paid under protest	427.87	195.57
Claims and duties adjustable from Excise Department	7,581.65	7,615.58
Advances recoverable	1,399.77	2,746.46
Prepaid assets	3,156.50	2,350.14
	13,544.00	14,612.24

NOTE 17 EQUITY SHARE CAPITAL

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Authorised		
17,00,00,000 (Previous year 17,00,00,000) equity shares of ₹ 2/- each	3,400.00	3,400.00
60,00,000 (Previous year 60,00,000) preference shares of ₹ 100/- each	6,000.00	6,000.00
	9,400.00	9,400.00
Issued, subscribed and fully paid		
13,34,09,265 (Previous year 13,33,07,265) equity shares of ₹ 2/- each	2,668.19	2,666.15
	2,668.19	2,666.15

RIGHTS, PREFERENCES & RESTRICTIONS ATTACHED TO EQUITY SHARES

- a. The Company has issued only one class of shares, referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. Reconciliation of the number of shares

	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
	No. of Shares	No. of Shares
Outstanding at the beginning of the year	133,307,265	133,038,765
Add: Issued during the year	102,000	268,500
Outstanding at the end of the year	133,409,265	133,307,265

c. Details of shareholders holding more than 5% of total equity shares of the company

	For the year ended		For the year ended	
	March 31, 2019		March 31, 2018	
	Percentage of Holding	No. of Shares	Percentage of Holding	No. of Shares
Sapphire Intrex Ltd.	34.01%	45,379,098	34.04%	45,379,098
TIMF Holdings	5.83%	7,781,575	6.06%	8,081,575

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

d. Shares reserved for issue under options: ESOPs

The Company established Employee Stock Options Plan, duly approved by the shareholders in the meeting held on May 25, 2006 which was effective from July 25, 2006. Accordingly, the Company has granted 42,80,000 equity options up to March 31, 2019 which will get vested over a period of 4 years from the date of the grant. The employees have the options to exercise the right within a period of 3 years from the date of vesting. The compensation cost of stock options granted to employees are accounted by the Company using the fair value method.

e. Summary of Stock Option

	For the year ended March 31, 2019	For the year ended March 31, 2018
	No. of stock option	No. of stock option
Option granted up to the year end	4,280,000	4,280,000
Options forfeited up to the year end	1,741,451	1,741,451
Options exercised up to the year end	2,274,049	2,172,049
Option outstanding at the year end	264,500	366,500
Exercise price (weighted average)	₹ 84.95	₹ 84.02

In respect of Options granted under the Employee Stock Options plan, in accordance with the guidelines issued by SEBI, the accounting value of the options is accounted as deferred employee compensation, which is amortized on a straight line basis over the period between the date of grant of options and eligible dates for conversion into equity shares. Consequently, Employee benefits expense (Refer note-35) includes ₹ 18.07 lakhs debit (previous year ₹ 20.48 lakhs debit) being the amortisation of deferred employee compensation.

NOTE 18 OTHER EQUITY#

Particulars	As at March 31, 2019	As at March 31, 2018
Reserves & Surplus		
Retained Earning	50,856.53	33,699.07
Securities Premium Reserve	37,930.08	37,806.45
General Reserve	40,000.00	40,000.00
Employee Stock Options Outstanding Account	39.49	40.28
	128,826.10	111,545.80

Refer statement of changes in equity for detailed movement in above reserves and surplus.

NOTE 19 BORROWINGS

Particulars	As at March 31, 2019	As at March 31, 2018
Term Loans - Secured#		
Rupee loans from banks	3,542.24	4,810.20
Rupee loans from others	-	587.47
Foreign currency loans from banks (ECB)	-	5,027.29
	3,542.24	10,424.96
Less : Shown in current maturities of long-term debt (Refer note- 26)		
Rupee loan from banks	1,376.68	1,351.07
Rupee loans from others	-	588.24
Foreign currency loans from banks (ECB)	-	5,045.86
	1,376.68	6,985.17
	2,165.56	3,439.79

Notes

- i). The above loans are secured by a pari-passu first charge on fixed assets (Property, Plant and Equipment excluding Intangible Assets) of the Company, both present and future. Vehicle loans are secured by respective vehicles.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

ii). Terms of repayment are as follows:-

Name	Year of Maturity	Outstanding	Outstanding
		as at March 31, 2019	as at March 31, 2018
Lakshmi Vilas Bank	Sep 2021	3,125.00	4,375.00
HDFC Bank	Jan 2022	333.93	435.20
Aditya Birla Finance Ltd.	Aug 2018	-	587.47
HDFC Bank	June 2023	36.78	-
YES Bank	May 2023	46.53	-
ICICI Bank Ltd (ECB)	April 2018	-	975.66
ICICI Bank Ltd (ECB)	July 2018	-	2,832.05
State Bank of India (ECB)	July 2018	-	1,219.58
		3,542.24	10,424.96

NOTE 20 OTHERS (AT AMORTISED COST)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Security Payable	47.19	68.19
	47.19	68.19

NOTE 21 PROVISIONS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Provision for employee benefits		
Leave encashment	1,036.69	980.60
	1,036.69	980.60

NOTE 22 DEFERRED TAX LIABILITIES (NET)

(Refer note-44)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Deferred Tax Liabilities	12,418.06	11,905.45
Deferred Tax Assets	(1,860.16)	(2,500.07)
MAT Credit Entitlement	(153.00)	(153.00)
	10,404.90	9,252.38

NOTE 23 OTHER NON-CURRENT LIABILITIES

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Present value of future lease payments	2.55	2.54
Other Payables	16.58	32.61
	19.13	35.15

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 24 BORROWINGS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Secured - from Banks#		
Cash credit (repayable on demand)	25,160.09	33,274.07
Rupee loans *	-	6,006.03
Unsecured- from Banks		
Rupee loans	4,999.97	9,499.99
	30,160.06	48,780.09

Secured by hypothecation of inventories and trade receivables. Further secured by a second charge on fixed assets of the Company.

Non-fund based facilities provided by banks are also secured by second charge on the fixed assets (Property, Plant and Equipment excluding Intangible Assets) of the Company.

* Under the "Receivable buyout" facility sanctioned by IDBI Bank Ltd. against trade receivables.

NOTE 25 TRADE PAYABLES

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Outstanding dues of micro and small enterprises#	-	-
Others	24,483.57	21,413.50
	24,483.57	21,413.50

The Company has not received information from suppliers or service providers, whether they are covered under Micro, Small and Medium Enterprises (Development) Act, 2006 and hence it has not been possible to ascertain the required information relating to amounts unpaid, if any, as at year end together with interest paid or payable to them.

NOTE 26 OTHERS (FINANCIAL LIABILITY CARRIED AT AMORTISED COST)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Current maturities of long-term debt		
Rupee loan from banks	1,376.68	1,351.07
Rupee loan from others	-	588.24
Foreign currency loans from banks (ECB)	-	5,045.86
Interest accrued but not due on borrowings	44.11	200.42
Security Payable	1,570.18	1,028.29
Unclaimed dividends ^f	163.87	139.03
	3,154.84	8,352.91

This does not include any amount due and outstanding, to be credited to the Investor Education and Protection Fund.

NOTE 27 PROVISIONS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
For employee benefits		
Gratuity (Refer note-55)	141.55	348.21
Leave encashment	338.64	336.88
For excise/custom duty on closing stock	6,355.01	7,471.84
	6,835.20	8,156.93

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 28 OTHER CURRENT LIABILITIES

Particulars	As at	As at
	March 31, 2019	March 31, 2018
On account of capital goods/ services	563.83	971.18
Advances from customers	7,559.63	3,764.35
Other payables		
Accrued salary and benefits	597.98	489.82
Statutory dues	3,691.73	3,198.92
	12,413.17	8,424.27

NOTE 29 CURRENT TAX LIABILITIES (NET)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
For taxation (net of payments)	845.87	-
	845.87	-

NOTE 30 REVENUE FROM OPERATIONS

(Refer note-1.05 on revenue recognition)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Sale of		
Alcohol and other alcoholic products	794,519.85	614,810.55
Pet bottles & caps	5,078.95	4,440.98
Jaivik khad	320.72	241.04
Others	667.47	759.18
Sale of traded goods		
Indian Made Foreign Liquor	1,228.58	2,024.68
Income from Traded Goods	79.48	516.86
Imported Liquor	733.05	697.29
Royalty Income	996.06	954.37
Other operating revenues		
Export incentives	193.71	429.86
SAD refund	0.15	2.57
Scrap sales	1,982.23	2,159.05
	805,800.25	627,036.43

NOTE 31 OTHER INCOME

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Interest income on		
Term deposit with banks and financial institutions	42.86	494.03
Loans (including inter corporate deposits)	436.92	395.80
Deferred income on deposit	359.03	1,456.96
Dividend income on non-current (trade) investments	200.20	200.00
Other non-operating income		
Profit on sale of fixed assets	12.79	4.73
Excess provisions written back	66.77	77.32
Miscellaneous income	210.20	38.18
	1,328.77	2,667.02

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 32 COST OF MATERIALS CONSUMED

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Materials		
Opening Stock	6,733.72	10,795.14
Add: Purchases	49,466.95	43,854.75
	56,200.67	54,649.89
Less: Closing Stock	(6,977.32)	(6,733.72)
Raw material consumed	49,223.35	47,916.17
Packing materials consumed	57,366.55	46,003.93
	106,589.90	93,920.10

NOTE 33 PURCHASE OF TRADED GOODS

Particulars	As at March 31, 2019	As at March 31, 2018
Indian Made Foreign Liquor	555.70	2,084.32
Imported Liquor	560.83	469.80
	1,116.53	2,554.12

NOTE 34 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Stock		
Stock-in-trade	376.34	356.42
Finished goods	15,396.54	10,234.16
Work-in-progress	2,266.89	2,306.31
	18,039.77	12,896.89
Less : Closing Stock		
Stock-in-trade	309.59	376.34
Finished goods	17,186.17	15,396.54
Work-in-progress	3,616.92	2,266.89
	21,112.68	18,039.77
Increase / (Decrease) of excise duty on Finished Goods	(1,096.98)	3,889.63
	(4,169.89)	(1,253.25)

NOTE 35 EMPLOYEE BENEFITS EXPENSE

Particulars	As at March 31, 2019	As at March 31, 2018
Salaries, wages and allowances	15,647.34	14,170.26
Contribution to provident and other funds	753.29	692.15
Gratuity	174.90	155.58
Employee stock options scheme (Refer note-17)	18.07	20.48
Staff welfare expenses	544.47	458.37
	17,138.07	15,496.84

NOTE 36 FINANCE COSTS

Particulars	As at March 31, 2019	As at March 31, 2018
Interest	3,427.29	6,632.97
Other borrowing costs	120.69	191.45
	3,547.98	6,824.42

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 37 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Depreciation on tangible assets	4,003.00	3,775.31
Amortisation of intangible assets	240.58	314.71
	4,243.58	4,090.02

NOTE 38 OTHER EXPENSES

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Power and fuel	4,527.94	3,547.39
Stores and spares consumed	2,151.69	2,112.81
Repairs and maintenance		
Building	214.26	132.80
Plant and equipment	1,830.95	1,695.43
Others	378.30	231.01
Machinery and other hire charges	5.24	4.62
Insurance	495.65	558.97
Rent	865.11	774.71
Rates and taxes	5,809.38	4,566.80
Travelling		
Directors	194.52	131.48
Others	1,262.00	1,148.61
Directors' fee	17.29	19.30
Foreign exchange fluctuations (net)	170.40	(324.86)
Provision for Non-moving/ obsolete Inventory	83.53	64.72
Charity and donation	21.43	14.28
Corporate Social Responsibility Expenses (Refer note-49)	248.44	216.43
Provision for Expected Credit Losses (Net)	572.55	892.23
Bio composting expenses	180.77	162.13
Professional Fee & retainership expenses	559.53	418.17
Communication	142.98	158.19
Sundry balances written off	0.51	8.14
Loss on sale / write off of assets	89.90	27.37
Bank charges	38.85	35.60
Other overheads	3,220.58	4,298.85
Bottling charges	2,415.56	2,101.64
Selling and distribution		
Freight outwards	8,200.46	8,619.28
Supervision charges after sales	686.29	591.38
Supervision charges to supervisors	2,409.18	1,033.87
Rebate discount and allowance	3,346.05	2,609.62
Advertisement & sales promotion	13,846.87	8,732.43
	53,986.21	44,583.40

NOTE 39 OTHER COMPREHENSIVE INCOME

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Items that will not be reclassified to profit or loss	(110.53)	(232.01)
Actuarial (Gain) / loss on employee benefits	(110.53)	(232.01)

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 40 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at March 31, 2019	As at March 31, 2018
40 a) Capital Commitments		
Estimated amount of Capital commitments (Net of advances)	2,297.81	1,241.48
	2,297.81	1,241.48
40 b) Contingent Liabilities not provided for:		
i) Claims against the Company, not acknowledged as debts		
(a) Disputed liability relating to ESI Contribution	0.89	0.89
(b) Disputed liability relating to PF contribution of contractor labour	33.04	33.04
(c) Disputed liability relating to payment of late re-calibration fees on verification and stamping of manufacturing vats/tanks installed at distillery.	88.00	88.00
(d) Disputed VAT/Sales/Entry Tax matters under appeal	136.24	136.24
(e) Disputed Excise matters	412.13	243.86
(f) Disputed Stamp duty claim arising out of amalgamation, being contested	80.00	80.00
(g) Disputed customs duty	10.73	10.73
(h) Disputed demands on account of service tax including interest and penalty thereon for the period July 2003 to March 2012, being contested and under appeal	-	140.39
(i) Consumer Complaints before consumer forum	30.95	30.95
	791.98	764.10

- ii) Madhya Pradesh State Industrial Development Corporation Ltd. in February 2007 demanded a sum of ₹ 168.09 lakhs besides unspecified expenses arising out of the alleged non compliance of conditions relating to its holding of shares in Abhishek Cement Ltd, prior to its merger with Radico Khaitan Ltd. in the financial year 2002-03. The writ petition filed by Company before Madhya Pradesh high court has been partly allowed by confirming the recovery of ₹ 167.32 lakhs against the Company. However, the division bench of Madhya Pradesh High court has stayed the recovery proceedings initiated by local collector office. The court has ordered to maintain ₹ 100 lakhs in State Bank of India till the final adjudication of the matter. The matter is since sub-judice.
- iii) In view of recent supreme court judgment 28th Feb 2019 regarding deduction of PF on allowances of fixed nature is being assessed by the company. The impact of the same is not determined.

In respect of the items above (i), (ii) and (iii), future cash outflows are determinable only on receipt of judgements/decisions pending at various forums / authorities except ₹ 427.87 lakhs has already been paid under protest.

40 c) Lease Commitments:	For the year ended March 31, 2019	For the year ended March 31, 2018
A Operating lease arrangements-Company as lessee		
The Company has entered into operating leases on building and plant and machinery with lease terms between one to ten years.		
i) The Company has paid towards minimum lease payment	893.69	804.58
ii) Future minimum rentals payable under non-cancellable operating leases as at the year end are as follows:		
Not later than one year	853.86	805.47
Later than one year but not later than five years	1,045.00	1,321.18
Later than five years	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

B Finance lease arrangements

The entity has finance leases arrangements for leasehold land for multiple decades. The entity's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases arrangements together with the present value of the net minimum lease payments are as follows:

	As at March 31, 2019		As at March 31, 2018	
	MLP	Present value of MLP	MLP	Present value of MLP
Within one year	0.27	0.24	0.27	0.24
After one year but not more than five years	1.08	0.73	1.08	0.73
More than five years	39.20	1.51	39.47	1.48
	40.55	2.48	40.82	2.45

NOTE 41 In the opinion of the Management and to the best of their knowledge and belief, the value on realisation of current/non current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the financial statements.

NOTE 42 DIVIDEND ON EQUITY SHARES

	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend on Equity Shares declared and paid during the year		
Dividend of ₹ 1.00 per share for financial year 2017-18	1,333.07	1,065.15
Dividend Distribution Tax	274.02	216.84
	1,607.09	1,281.99
Proposed dividends on Equity shares not recognised as liability		
Dividend of ₹ 1.20 per share for financial year 2018-19	1,600.91	1,333.07
Dividend Distribution Tax	329.07	274.02
	1,929.98	1,607.09

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including Dividend Distribution Tax thereon) as at March 31. All proposed dividends were approved as proposed and paid in subsequent year.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 43 EARNINGS PER EQUITY SHARE (EPS)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the entity by the weighted average number of Equity shares outstanding during the year (Amount in INR)	14.10	9.26
Diluted EPS is calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares (Amount in INR).	14.08	9.25
The following reflects the income and share data used in the basic and diluted EPS computations:		
Profit attributable to equity holder for basic earnings	18,806.46	12,345.33
Effect of dilution:		
Share options	18.07	20.48
Profit attributable to equity holders adjusted for the effect of dilution	18,824.53	12,365.81
Weighted average number of Equity shares for basic EPS	133,409,265	133,307,265
Effect of dilution:		
Share options	264,500	366,500
Weighted average number of Equity shares adjusted for the effect of dilution	133,673,765	133,673,765

NOTE 44 INCOME TAX

The major components of Income Tax expense	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Income Tax:		
Current income tax charge	8,573.32	3,978.12
Adjustments in respect of current income tax of previous year	-	-
Total (A)	8,573.32	3,978.12
Deferred Tax:		
Relating to origination and reversal of temporary differences	1,191.15	2,404.51
Total (B)	1,191.15	2,404.51
OCI section		
Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on re-measurements of defined benefit plans	(38.62)	(80.29)
Income tax charged to OCI	(38.62)	(80.29)
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for:-		
Differential tax impact for land indexation at a rate different from the statutory rate	52.68	112.50
Differential impact of deferred tax arising during tax holiday period	59.43	38.17
Amortisation of certain assets not claimed as deduction under tax	52.79	32.49
Differential impact of provisions	9.27	8.05
Loss on sale of fixed assets (net)	(26.95)	(7.83)
Deduction claimed in Tax but not in books	207.30	141.03
Others	(135.16)	(225.67)
Total (C)	219.36	98.74
Total (A)+(B)+(C)	9,983.83	6,481.37

	For the year ended March 31, 2019	For the year ended March 31, 2018
Accounting profit before tax	28,570.93	18,727.96
Income tax calculated at India's statutory Income Tax Rate	9,983.83	6,481.37
Total	9,983.83	6,481.37

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Deferred tax		
Deferred tax relates to the following:		
Fair valuation of property, plant and equipment	(12,029.17)	(11,631.48)
Other Ind-AS adjustments (security deposit, corporate guarantee etc.)	973.73	993.79
Provision created under Expected credit loss	587.69	1,381.89
Tax holiday units	(90.15)	(149.58)
Mat Credit Entitlement	153.00	153.00
Net deferred tax assets/(liabilities)	(10,404.90)	(9,252.38)
Reflected in the balance sheet as follows:		
Deferred tax assets (continuing operations)	1,860.16	2,500.07
Deferred tax liabilities (continuing operations)	(12,418.06)	(11,905.45)
Mat Credit Entitlement	153.00	153.00
Deferred tax liabilities (net)	(10,404.90)	(9,252.38)
Reconciliation of deferred tax liabilities (net):		
Opening balance	9,252.38	6,928.16
Tax income/(expense) during the year recognised in profit or loss	1,191.15	2,404.51
Tax income/(expense) during the year recognised in OCI	(38.62)	(80.29)
Closing balance	10,404.90	9,252.38

The entity offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended March 31, 2019 and March 31, 2018, the company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT). The company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

NOTE 45 LIST OF INVESTMENT

	As at March 31, 2019	As at March 31, 2018
	Joint Venture	Joint Venture
(i) The name of Investee	Radico NV Distilleries Maharashtra Limited	Radico NV Distilleries Maharashtra Limited
(ii) The principal place of business	Aurangabad (Maharashtra)	Aurangabad (Maharashtra)
(iii) The ownership interest held	36%	36%
(iv) The method used to account for the investment	Accounted at cost	Accounted at cost

NOTE 46 SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the company's performance based on only one segment i.e. manufacturing and trading in Liquor & Alcohol.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 47 RELATED PARTY TRANSACTIONS AND DISCLOSURES

(1) Related parties and their relationship:

I	Key Management personnel:
	(1) Dr. Lalit Khaitan, Chairman & Managing Director
	(2) Mr. Abhishek Khaitan, Managing Director
	(3) Mr. K. P. Singh, Whole Time Director
	(4) Mr. Dilip K Banthiya, Chief Financial Officer
	(5) Mr. Amit Manchanda, Company Secretary
II	Relatives of Key Management personnel:
	(1) Mrs. Deepshikha Khaitan (Wife of Mr. Abhishek Khaitan)
	(2) Ms. Shailja Devi (Woman Director and Daughter of Dr. Lalit Khaitan)
III	Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise:
	(1) Sapphire Intrex Ltd.
	(2) The Rampur Distillery & Chemical Company Ltd. (Employees P. F. Trust)
	(3) The Rampur Distillery & Chemical Company Ltd. (Employees Group Gratuity Trust)
	(4) The Rampur Distillery & Chemical Company Ltd. (Employees Superannuation Scheme)
IV	Joint Ventures:
	(1) Radico NV Distilleries Maharashtra Limited

(2) Transaction with above in the ordinary course of business:

	As at March 31, 2019	As at March 31, 2018
Key Management Personnel :		
Dr. Lalit Khaitan, Chairman & Managing Director		
Remuneration		
Salary and Allowances	661.11	475.72
Contribution to Provident and other Funds	43.77	34.23
Value of benefits, calculated as per Income Tax Rules	24.98	28.19
Mr. Abhishek Khaitan, Managing Director		
Remuneration		
Salary and Allowances	661.11	452.47
Contribution to Provident and other Funds	44.77	32.92
Value of benefits, calculated as per Income Tax Rules	20.41	21.74
Mr. K. P. Singh, Whole Time Director		
Remuneration		
Salary and Allowances	182.33	169.35
Contribution to Provident and other Funds	7.97	6.49
Value of benefits, calculated as per Income Tax Rules	43.47	38.26
Mr. Dilip K Banthiya, Chief Financial Officer		
Remuneration		
Salary and Allowances	209.37	195.86
Contribution to Provident and other Funds	9.55	8.93
Value of benefits, calculated as per Income Tax Rules	43.71	73.20
Mr. Amit Manchanda, Company secretary		
Remuneration		
Salary and Allowances	45.08	41.85
Contribution to Provident and other Funds	2.98	2.80
Value of benefits, calculated as per Income Tax Rules	20.11	16.69
Relatives of Key Management personnel:		
Mrs. Deepshikha Khaitan (wife of Mr. Abhishek Khaitan)		
Remuneration		
Salary and Allowances	11.28	11.60
Contribution to Provident and other Funds	1.95	1.95
Value of benefits, calculated as per Income Tax Rules	1.59	1.70

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Ms. Shailja Devi (Woman Director and Daughter of Dr. Lalit Khaitan)		
Sitting Fees	1.59	0.95
Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise:		
Sapphire Intrex Ltd.		
Security Receivable	60.00	60.00
Rent Paid (excluding Service Tax / GST borne by the Company)	68.01	65.69
Contribution paid		
The Rampur Distillery & Chemical Company Ltd. (Employees P. F. Trust)	481.81	433.59
The Rampur Distillery & Chemical Company Ltd. (Employees Group Gratuity Trust)	285.43	387.59
The Rampur Distillery & Chemical Company Ltd. (Employees Superannuation Scheme)	103.97	97.24

	For the year ended March 31, 2019	For the year ended March 31, 2018
Joint Venture		
Radico NV Distilleries Maharashtra Limited		
Sale of Fixed Assets	4.72	-
Commission Income	105.06	-
Lease rent paid	7.08	7.04
Bottling Charges Paid	478.45	407.15
Tie-up operation income	9.75	113.13
Dividend Income on Preference Shares	200.00	200.00
Purchase of material	2,779.48	2,734.75
Advances Recoverable	-	0.12
Payable	150.56	153.28
Dividend receivable	200.00	400.00
Investment in preference share & equity share	15,538.53	15,538.53

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no outstanding guarantees provided or received for any related party receivables or payables in the current financial year. For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: ₹ Nil). This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTE 48 PAYMENT TO AUDITORS

	For the year ended March 31, 2019	For the year ended March 31, 2018
i) Audit Fee	25.50	25.50
ii) Limited Review Fee	12.00	12.00
iii) GST on (i) and (ii) above	6.75	6.75
iv) Reimbursement of Out of Pocket Expenses (including taxes)	2.44	2.60
v) Other Services (Certification Fee including Taxes)	0.69	0.80
	47.38	47.65

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 49 DETAILS OF CSR EXPENDITURE

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	In cash/ Payable	Yet to be paid in cash	In cash / Payable	Yet to be paid in cash
i) Gross amount required to be spent by the company (including carry forwarded unspent amount)	409.10		347.66	
ii) Amount spent during the year :				
For construction / acquisition of assets	-	-	-	-
For other purposes	248.44	-	216.43	-
iii) Unspent amount	160.66	-	131.23	-

NOTE 50 QUANTITATIVE AND OTHER INFORMATION

a) Particulars of Capacity and Production*

	Unit Per Annum	As at	As at
		March 31, 2019	March 31, 2018
1. Molasses / Grain / Malt spirit			
KL/BL AT 94%	Licensed / Installed Capacity	102,460	102,460
	Production	92,389	92,926
KL/AL	Licensed / Installed Capacity	96,312	96,312
	Production	86,845	87,350
2. Bio gas	No license required		
000 'M3	Production	42,827	38,003
3. Pet bottles	No license required		
NOS./1000	Installed Capacity	600,000	600,000
	Production	691,916	609,647

* As certified by the Management and can not be verified by the Auditors.

b) Opening Stock, Closing Stock & Turnover

	Unit	As at March 31, 2019		As at March 31, 2018	
		Qty	Value	Qty	Value
1. Alcohol products					
(a) Rectified spirit					
Opening Stock	KL/AL	23	2.92	206	68.02
Closing Stock	KL/AL	116	11.05	23	2.92
Turnover	KL/AL	259	65.09	447	111.84
(b) Silent spirit					
Opening Stock	KL/AL	1,024	198.02	1,437	600.60
Closing Stock	KL/AL	989	167.42	1,024	198.02
Turnover	KL/AL	768	448.43	7,230	3,931.11
(c) Cane juice spirit					
Turnover	KL/AL	56	60.33	85	85.51
(d) Malt spirit					
Opening Stock	KL/AL	966	2,218.44	966	2,419.51
Closing Stock	KL/AL	1,020	3,485.43	966	2,218.44
Turnover	KL/AL	86	238.44	245	526.66
(e) Grain spirit					
Opening Stock	KL/AL	1,874	848.90	2,453	1,161.52
Closing Stock	KL/AL	2,886	1,460.55	1,874	848.90
Turnover	KL/AL	15,515	7,406.31	18,775	8,752.41
(f) Ethanol					
Opening Stock	KL/AL	258	41.18	163	60.32
Closing Stock	KL/AL	-	-	258	41.18
Turnover	KL/AL	2,489	1,019.62	4,354	1,747.85

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

	Unit	As at March 31, 2019		As at March 31, 2018	
		Qty	Value	Qty	Value
2. Other alcohol products					
(a) Denatured spirit					
Opening Stock	KL/AL	1.12	0.28	1.10	0.28
Closing Stock	KL/AL	1.21	0.30	1.12	0.28
Turnover	KL/AL	-	-	-	-
(b) Indian made foreign liquor					
Opening Stock	KL/AL	2,314	9,672.82	1,208	5,809.51
Closing Stock	KL/AL	2,225	8,983.96	2,314	9,672.82
Turnover	KL/AL	78,428	540,129.61	70,723	408,134.89
(c) Country liquor					
Opening Stock	KL/AL	317	2,248.88	20	11.00
Closing Stock	KL/AL	329	2,790.43	317	2,248.88
Turnover	KL/AL	33,346	245,731.87	27,466	193,829.17
(d) Imported Alcoholic products					
Opening Stock	BTL	72,212	259.76	79,636	296.95
Closing Stock	BTL	66,056	238.37	72,212	259.76
Turnover	BTL	188,940	733.05	173,554	697.29
3. Pet bottles and Caps					
Opening Stock	Nos.	104	190.10	74	162.71
Closing Stock	Nos.	182	298.23	104	190.10
Turnover	Nos.	1,913	5,078.95	1,914	4,440.98
4. Jaivik Khad					
Opening Stock	Qtls	141,018	91.58	163	0.16
Closing Stock	Qtls	58,339	60.02	141,018	91.58
Turnover	Qtls	426,519	320.72	324,085	241.04
5. Others					
Turnover			1,395.69		991.83
6. Other operating income					
Turnover			3,172.14		3,545.85
Total:					
Opening Stock			15,772.88		10,590.58
Closing Stock			17,495.76		15,772.88
Turnover			805,800.25		627,036.43

c) Purchases

	Unit	For the year ended March 31, 2019		For the year ended March 31, 2018	
		Qty	Value	Qty	Value
- Indian Made Foreign Liquor	Cases	44,390	555.70	97,994	2,084.32
- Imported Liquor	BTL	182,784	560.83	166,130	469.80
		-	-	-	-
			1,116.53		2,554.12

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

d) Consumption of raw materials

	Unit	For the year ended March 31, 2019		For the year ended March 31, 2018	
		Qty	Value	Qty	Value
(i) Molasses	Qtls	2,588,483	2,994.75	2,592,165	9,601.99
(ii) Cane juice	Qtls	14,107	55.70	9,635	41.20
(iii) Barley Malt	Qtls	20,748	553.63	20,234	619.11
(iv) Sorghum	Qtls	297	3.86	5,474	78.51
(v) Broken Rice	Qtls	562,126	9,311.04	344,353	5,245.07
(vi) Millet (Bajra)	Qtls	179,432	2,251.75	460,724	5,913.92
(vii) Maize	Qtls	122,016	1,568.73	58,918	723.69
(viii) Malt /Malt Scotch/Grain/Grape Spirits	-	-	3,795.81	-	2,553.72
(ix) Rectified spirit / Extra Neutral Alcohol	-	-	18,277.73	-	16,403.96
(x) Resin	KG	8,976,653	8,936.42	8,344,400	6,819.55
(xi) Press Mud	Qtls	1,001,267	369.48	740,479	298.22
(xii) Others			1,872.08		1,431.78
(xiii) Input Tax Credit			(767.62)		(1,814.55)
			49,223.35		47,916.17

NOTE 51

i) Remittance in foreign currency / or to the mandate banks on account of dividends to non residents

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(i) Number of non resident shareholders	16	16
(ii) Number of shares held by them	14,880	14,880
(iii) Dividend per share	1.00	0.80
(iv) Financial year to which the dividend relates	2017-18	2016-17

ii) Earnings in foreign exchange – Export of goods on FOB basis

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Export of goods on FOB basis	9,169.13	11,530.34

NOTE 52 FOREIGN CURRENCY EXPOSURE

Derivatives not designated as hedging instruments

The entity uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. However such foreign currency denominated borrowings have not been designated as hedge. Such derivatives are recorded at mark to market at each reporting date with a corresponding recognition in the Statement of Profit and Loss.

Details of foreign currency exposure of the company:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Foreign Currency	INR	Foreign Currency	INR
a Borrowings against which forward contracts have been taken:				
Borrowings (including interest) - ECB				
In USD	-	-	10.00	650.44
b Borrowings against which forward contracts have not been taken:				
Borrowings - ECB				
In USD	-	-	67.58	4,395.42
In Euro	-	-	-	-
Interest payable on ECB (USD)	-	-	0.81	52.93

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Foreign Currency	INR	Foreign Currency	INR
c Other foreign currency exposures:				
Export Receivables (USD)	65.73	4,546.72	75.80	4,929.80
Export Receivables (EURO)	0.74	57.21	0.29	22.99
Export Receivables (GBP)	0.04	3.20	-	-
Balance with banks (USD)	0.34	23.62	3.72	241.70

NOTE 53 FINANCIAL INSTRUMENTS

A- Fair values

The carrying amount of financial assets and liabilities except for certain financial assets i.e. "instrument carried at fair value" appearing in the financial statement are reasonable approximation of fair value. Such investments of those financial instruments carried at fair value are disclosed below:-

Particulars	Fair value		Carrying value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial assets measured at fair value through profit and loss				
Investments				
Equity shares	0.60	0.60	0.60	0.60
Certificate of deposit with a financial institution	-	5,000.00	-	5,000.00
Total	0.60	5,000.60	0.60	5,000.60

B- Fair value hierarchy

The following table provides fair value management hierarchy of the company's assets:

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
March 31, 2019			
Investment			
Certificate of deposit with a financial institution	-	-	-
Equity share	-	-	0.60
Total	-	-	0.60
March 31, 2018			
Investment			
Certificate of deposit with a financial institution	-	5,000.00	-
Equity share	-	-	0.60
Total	-	5,000.00	0.60

There have been no transfer between level 1, level 2 and level 3 during the year.

C- Valuation techniques and processes used to determine fair value

Fair value of unquoted investments is determined based on the present values, calculated using generally accepted valuation principles.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

D- Valuation inputs and relationships to fair value

Significant unobservable inputs used in Level 3 fair value measurement

	As at March 31, 2019	As at March 31, 2018
Non current investment - Unquoted		
Fair Value	0.60	0.60
Significant unobservable inputs*		
Earnings growth rate (%)	10.00	10.00
Risk adjusted discount rate (%)	10.00	10.00

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

E- Reconciliation of financial instruments categorised under level 3

	As at March 31, 2019	As at March 31, 2018
Opening at the beginning of the year	0.60	0.60
Additions during the year	-	-
Gain/(Loss) recognised in OCI during the year	-	-
Closing at the end of the year	0.60	0.60

NOTE 54 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings, security deposits and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, investment in preference shares & equity shares, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company's business activities are exposed to a variety of financial risks, namely market risks, credit risk and liquidity risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk and equity price risk. Financial instruments affected by market risk include loans and borrowings.

The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies to total debts.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analysis: The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

At the reporting date the interest rate profile of the entity's interest bearing financial instrument is as its fair value:

Particulars	Carrying amounts	
	As at March 31, 2019	As at March 31, 2018
Variable rate instruments		
Long term borrowings	2,165.56	3,439.79
Current maturities of long term debt	1,376.68	6,985.17
Short term Loan	30,160.06	48,780.09

Fair value sensitivity analysis for fixed rate instruments

The Company does not have any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss and neither would it affect the equity.

A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/ (decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	As at March 31, 2019		As at March 31, 2018	
	Increase/ (decrease) in basis points	100	(100)	100
Effect on profit before tax (increase)/ decrease	337.02	(337.02)	592.05	(592.05)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(ii) Foreign currency risk

The Indian National Rupee is the entity's most significant currency. As a consequence, the company's results are presented in Indian National Rupee and exposures are managed against Indian National Rupee accordingly.

The company has limited foreign currency exposure which are mainly on account ECB loan, import and exports. The company has hedged NIL as at March 31, 2019 (12.89 % as at March 31, 2018) of its ECB loan to minimize the risk. import and export have short recovery cycle and counter each other reducing the foreign currency risk.

Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of foreign currency exposure.

Sensitivity to risk	As at March 31, 2019		As at March 31, 2018	
	Increase/ (decrease) in Currency rate (USD)	2.75%	(2.75%)	2.75%
Effect on profit before tax increase/ (decrease)	127.35	(127.35)	20.52	(20.52)

(iii) Equity price risk

The company's equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Reports on the equity portfolio are submitted to the company's senior management on a regular basis. The company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to:- unlisted equity securities at fair value is ₹ 0.60 Lakhs. unlisted equity in Associate at cost of ₹ 135.39 Lakhs

(b) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The entity is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

Trade receivables and loans

Credit risk is managed by company in accordance with the company's established policy, procedures and control relating to credit risk management. Credit quality is assessed based on an extensive credit rating and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and loans are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for receivables and loans. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note below. The company does not hold collateral as security. The company evaluates the concentration of risk with

respect to trade receivables as low, as its customers are located in several jurisdictions and has been rated highly based on internal credit assessment parameters.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the entity's treasury department in accordance with the entity's policy. Counterparty credit limits are reviewed by the entity's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2019 and March 31, 2018 is the carrying amounts as illustrated in note below.

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Current Financial assets		
Investment in a joint venture	15,538.53	15,538.53
Investment in others	0.60	0.60
Loans	803.08	2,901.30
Others	159.60	217.51
	16,501.81	18,657.94
Non Current Financial assets		
Investments	-	5,000.00
Trade receivables	64,174.89	63,001.07
Cash and cash equivalents	825.40	1,676.51
Bank balances other than above	941.61	558.92
Loans	4,669.95	5,449.20
Others	2,412.35	2,508.39
	73,024.20	78,194.09

(c) Liquidity Risk

The Company monitors its risk of shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Payable	Payable within	Total
	within one year	one year to five years	
As at March 31, 2019:			
Term loans from banks	1,376.68	2,165.76	3,542.44
Short term loan	30,160.06	-	30,160.06
Trade payables	24,483.57	-	24,483.57
Other Financial Liabilities	1,778.16	47.19	1,825.35
As at March 31, 2018:			
Term loans from banks	6,985.17	3,459.12	10,444.29
Short term loan	48,780.09	-	48,780.09
Trade payables	21,413.50	-	21,413.50
Other Financial Liabilities	1,367.74	68.19	1,435.93

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the entity's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the entity's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Collateral

The Company has created a charge in favor of the lenders for loans and borrowings (Refer note-19 and 24 on Borrowings for details).

NOTE 55 POST-EMPLOYMENT BENEFIT PLANS

	As at March 31, 2019	As at March 31, 2018
Gratuity	141.55	348.21

The entity has a defined benefit plans for Gratuity, Provident Fund and Leave Encashment. For provident fund, entity makes contribution to provident fund trust. Gratuity plan is funded with LIC and requires contributions to be made to a separate fund administered by LIC. Leave encashment liability of the entity is unfunded. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

Each year, the Board of Trustees reviews the level of funding in the Gratuity plan and Provident fund. Such a review includes the asset-liability matching strategy and investment risk management policy. The Board of Trustees decides its contribution based on the results of this annual review. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The following tables summaries the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans.

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2019 and March 31, 2018

	Gratuity		
	Defined benefit obligation	Fair value of plan assets	Benefit liability
April 01, 2018	(2,407.92)	2,059.71	(348.21)
Cost charged to profit or loss			
Service cost	(157.00)		-
Net interest expense	(186.61)	159.63	-
Sub-total included in profit or loss	(343.61)	159.63	(183.98)
Benefits paid	85.75	(85.75)	-
Remeasurement gains/(losses) in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	(13.61)	-
	-	-	-
Actuarial changes arising from changes in demographic assumptions	72.38		-
Actuarial changes arising from changes in financial assumptions	(14.91)		-
Experience adjustments	(154.40)		-
Sub-total included in OCI	(96.93)	(13.61)	(110.54)
Contributions by employer	-	501.18	501.18
March 31, 2019	(2,762.71)	2,621.16	(141.55)

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

	Gratuity		
	Defined benefit obligation	Fair value of plan assets	Benefit liability
April 01, 2017	(2032.68)	1921.84	(110.83)
Cost charged to profit or loss			
Service cost	(140.11)	-	-
Net interest expense	(152.45)	144.14	-
Sub-total included in profit or loss	(292.56)	144.14	(148.42)
Benefits paid	154.13	(154.13)	-
Remeasurement gains/(losses) in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	4.80	-
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	41.41	-	-
Experience adjustments	(278.22)	-	-
Sub-total included in OCI	(236.81)	4.80	(232.01)
Contributions by employer	-	143.06	143.06
March 31, 2018	(2,407.92)	2,059.71	(348.21)

	As at March 31, 2019	As at March 31, 2018
Funds Managed by Insurer	2,621.16	2,059.72
Total	2,621.16	2,059.72

Significant assumptions used in calculation of post-employment defined benefit obligation of the company's are shown below:

	As at March 31, 2019	As at March 31, 2018
	%	%
Discount rate	7.66%	7.75%
Future salary increases	5.50%	5.50%
Mortality rate	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 and March 31, 2019 :

Particulars	Gratuity		Gratuity	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Assumption	Discount Rate		Discount Rate	
Sensitivity Level	0.50%	0.50%	0.50%	0.50%
	Increase	Increase	Decrease	Decrease
Impact on defined benefit obligation	(95.49)	(77.62)	101.57	84.91
Assumption	Future Salary		Future Salary	
Sensitivity Level	0.50%	0.50%	0.50%	0.50%
	Increase	Increase	Decrease	Decrease
Impact on defined benefit obligation	103.21	86.38	(97.84)	(79.56)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Expected contribution to post employment benefit plans for the next Annual reporting period is ₹177.22 lakhs.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

The following payments are expected contributions to the defined benefit plan in future years:

	Gratuity	
Within the next 12 months (next annual reporting period)	263.88	1,006.86
Between 2 and 5 years	1,160.24	332.47
Beyond 5 years	1,338.59	1,068.59
Total expected payments	2,762.71	2,407.92
The average duration of the Gratuity at the end of the reporting period	18.67 years	18.06 years

NOTE 56 INFORMATION UNDER 186(4) OF THE COMPANIES ACT, 2013

	March 31, 2019	March 31, 2018
(a) Loans given:		
i) To a Joint Venture Company (interest free working capital advance)		
Opening Balance	0.12	-
Given during the year	-	0.12
Received during the year	(0.12)	-
Closing Balances	-	0.12
ii) In the form of unsecured short-term Inter corporate Deposits *		
Opening Balance	9,890.00	10,085.00
Given during the year	750.00	2,300.00
Received / adjusted during the year	(5,745.00)	(2,495.00)
Closing Balances	4,895.00	9,890.00
(b) Investments made (As disclosed under Note. 3,4 & 9)		

* All loans are given to unrelated entities at interest rates ranging from 10% to 14% per annum. All the loans are provided for business purposes of respective entities, repayable on demand with prepayment option to the borrower.

NOTE 57 CAPITAL MANAGEMENT

For the purpose of the company's capital management, capital includes issued equity share capital and other equity attributable to the equity holders of the company. The primary objective of the company's capital management is to maximise the shareholder's wealth.

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital employed as well as the level of dividend to shareholders.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a debt equity ratio, which is net debt divided by total capital. The company's policy is to keep the debt equity ratio between 70% and 100%. The company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

The Company's debt equity ratio was as follows:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Borrowings	33,702.30	59,205.05
Less: Cash and cash equivalents	(825.40)	(1,676.51)
Net debt	32,876.90	57,528.54
Equity Capital	2,668.19	2,666.15
Other Equity	128,826.10	111,545.80
Total Equity	131,494.29	114,211.95
Debt Equity Ratio	25.00%	50.37%

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current financial year. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019.

NOTE 58

Previous year figures have been re-grouped, wherever necessary, to correspond to current year figures.

As per our report of even date attached

For and on behalf of Board of Directors

For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director

Darshan Chhajer
Partner

Amit Manchanda
Vice President Legal &
Company Secretary

Abhishek Khaitan
Managing Director

Membership No.: 088308

Ajay K. Agarwal
President (Finance & Accounts)

Director

Place: New Delhi
Date: May 02, 2019

Independent Auditor's Report

To The Members of Radico Khaitan Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Consolidated Ind AS Financial Statements of **Radico Khaitan Limited** ("the Company") and its joint venture (the Company and its Joint Venture together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for the year ended on that date, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Ind AS Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the separate unaudited Financial Statements and other financial information of the joint venture as furnished to us by the Management of the Company as noted below in the "Other Matters" paragraph, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2019, their consolidated profit (including Other Comprehensive Income) for the year ended on that date, Consolidated Statement of Changes in Equity and their

consolidated cash flows for the year ended on that date and notes to the Consolidated Ind AS Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

BASIS FOR OPINION

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in Auditor's Responsibility on the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Ind AS Financial Statements under the provisions of the Act and rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTER

Trade Receivables

Receivables (net of provisioning) of ₹ 64,174.89 Lacs constitute 52.32% of the current assets of the company as at 31st March 2019 and are spread across geography, covering state corporations, defence canteens and open market customers (including exports). The realization is based on actual sales.

RESPONSE TO KEY AUDIT MATTER

Principal Audit Procedures

- Evaluating and testing the controls for managing trade receivables, including subsequent collection and provisioning.
- Validating the basis of ECL policy as approved by the Board of Directors, in the present context based on historical data and recent developments.
- Validating the Aging of receivables, review of trend customer wise, reasons for long outstanding balances, evaluation of disputes and possibility of recovery and existence of the customers.
- Obtaining independent customer confirmations or applying alternate substantive audit procedures.
- Assessing the appropriateness and completeness of the related disclosure in the company's Consolidated Ind AS Financial Statements.

Conclusion

Our procedures did not identify any material exceptions.

KEY AUDIT MATTER**Inventory**

- Inventories (net of provisioning) of ₹ 35,971.29 Lacs constitute 23.35% of the current assets of the company as at 31st March 2019. The Inventory is lying at various locations, including at 3rd party premises. Packing material constitutes a major part of inventory and has risk of impairment.

RESPONSE TO KEY AUDIT MATTER**Principal Audit Procedures**

- Testing the inventory provisioning and challenging the assumptions for inventory valuation basis non-moving/slow moving items.
- Review the policy of the management for physical verification and the documents related to management's physical count procedure actually followed at different locations.
- Sample testing of management physical verification report.
- We observe the physical verification process at locations of financial significance.
- Identifying obsolete inventory, if any.
- Obtain confirmation from C&F agents and Tie up units being inventory at 3rd party locations and applying substantive procedure
- Assess the appropriateness and completeness of the related disclosure in the company's Consolidated Ind AS Financial Statements.

Conclusion

Our procedures did not identify any material exceptions.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including Other Comprehensive Income), Consolidated statement of Changes in Equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section

133 of the Act, read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Company, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company, its joint venture, which are incorporated in India, have adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the group or business activities within the Group to express an opinion on the Consolidated Ind AS Financial Statements

Materiality is the magnitude of misstatements in the Consolidated Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors to (i) planning the scope of our audit work and in evaluating the results of our work; and

(ii) to evaluate the effect of any identified misstatements in the Consolidated Ind AS Financial Statements.

We communicate with those charged with governance of the Company of which we are independent auditor regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

The Consolidated Ind AS financial Statement include share of net profit of ₹ 606.83 Lakhs and other comprehensive income of ₹ 0.14 Lakhs for the year ended March 31, 2019 as considered in the Consolidated Ind AS financial statement, in respect of the joint venture, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture and our report is in terms of section 143(3) of the act, in so far as it relates to the aforesaid joint venture is based solely on such unaudited Financial Statements as furnished by the Management. In our opinion and according to the information and explanation given to us by the management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements/ financial information as certified by the management of the Company.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it

appears from our examination of those books and the financial statements/ financial information of Joint venture as certified by the management of the Company;

- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity and notes to the Consolidated Ind AS Financial Statements including a summary of the significant accounting policies and other explanatory information dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;
- d. In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rules issued there under;
- e. On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;
- Further, in the absence of audited financial statements of the joint venture and audit report thereon, we are unable to comment whether any of the directors of the joint venture incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company as at March 31, 2019, in conjunction with our audit of the Ind AS Financial Statements of the Company and the operating effectiveness of such controls, we give our separate report in the "Annexure1".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the joint venture to its directors during the year is in accordance with the provisions of section 197 of the Act.

Further, in the absence of audited financial statements of the joint venture and audit report thereon, we are unable to comment whether; the remuneration paid by the joint venture to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, (Refer Note 40 on Contingent Liabilities to the Consolidated Ind AS Financial Statements);
- (ii) The Group did not have any long term contracts including derivative contracts. Hence the question material foreseeable losses does not arise;
- (ii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Further, in the absence of audited financial statements of the joint venture and audit report thereon, we are unable to comment whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N

Darshan Chhajer
Partner

Membership No.: 088308

Place: New Delhi
Date:

Annexure 1 to The Independent Auditor's Report

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Radico Khaitan Limited on the Consolidated Ind AS Financial Statements for the year ended March 31, 2019]

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Radico Khaitan Limited ("the Company") and its Joint Venture (the Company and its joint venture together referred to as "the Group"), which are incorporated in India as at March 31, 2019 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company for the year ended on that date.

In the absence of audited financial statements of the joint venture and audit report thereon, we are unable to comment on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") of the joint venture.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Company, its joint venture which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of Company, its joint venture as aforesaid based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the matter referred to in the other matter paragraph is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its joint venture as aforesaid.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Ind AS Financial Statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion and based on the matter referred to in the 'Other Matter' paragraph below, the Company, which is incorporated in India, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of the Chartered Accountants of India.

OTHER MATTERS

The Consolidated Ind AS financial Statement include share of net profit of ₹ 606.83 Lakhs and other comprehensive income of ₹ 0.14 Lakhs for the year ended March 31, 2019 as considered in the Consolidated Ind AS financial statement, in respect of the joint venture, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management.

Accordingly, we are unable to comments on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the joint venture.

Our opinion is not modified in respect of the above matter.

For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N

Darshan Chhajer
Partner

Place: New Delhi
Date: May 02, 2019

Membership No.: 088308

Consolidated Balance Sheet

as at March 31, 2019

(₹ in Lakhs unless otherwise stated)

Particulars	Note No.	As at	
		March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	69,792.38	66,769.09
Capital work-in-progress		1,599.86	2,019.06
Intangible assets	2	1,601.79	1,780.10
Financial assets			
Investment in a joint venture	3	17,618.43	17,011.46
Investment in others	4	0.60	0.60
Loans	5	803.08	2,901.30
Others	6	159.60	217.51
Other non-current assets	7	11,025.14	9,995.29
Total non-current assets		102,600.88	100,694.41
Current assets			
Inventories	8	35,971.29	31,085.68
Financial assets			
Investments	9	-	5,000.00
Trade receivables	10	64,174.89	63,001.07
Cash and cash equivalents	11	825.40	1,676.51
Bank balances other than above	12	941.61	558.92
Loans	13	4,669.95	5,449.20
Others	14	2,412.35	2,508.39
Current tax assets (Net)	15	-	2.27
Other current assets	16	13,544.00	14,612.24
Total current assets		122,539.49	123,894.28
Total Assets		225,140.37	224,588.69
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	2,668.19	2,666.15
Other Equity	18	130,906.00	113,018.73
		133,574.19	115,684.88
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19	2,165.56	3,439.79
Others	20	47.19	68.19
Provisions	21	1,036.69	980.60
Deferred tax liabilities (Net)	22	10,404.90	9,252.38
Other non current liabilities	23	19.13	35.15
Total non-current liabilities		13,673.47	13,776.11
Current liabilities			
Financial liabilities			
Borrowings	24	30,160.06	48,780.09
Trade payables			
Outstanding dues of micro and small enterprises		-	-
Others	25	24,483.57	21,413.50
Others	26	3,154.84	8,352.91
Provisions	27	6,835.20	8,156.93
Other current liabilities	28	12,413.17	8,424.27
Current tax liabilities (Net)	29	845.87	-
Total current liabilities		77,892.71	95,127.70
Total Equity & Liabilities		225,140.37	224,588.69
Significant Accounting Policies	1		
Other Notes to Accounts	2-60		

As per our report of even date attached

For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N

Darshan Chhajer
Partner

Membership No.: 088308

Place: New Delhi
Date: May 02, 2019

For and on behalf of Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Amit Manchanda
Vice President Legal &
Company Secretary

Ajay K. Agarwal
President (Finance & Accounts)

Dr. Lalit Khaitan
Chairman & Managing Director

Abhishek Khaitan
Managing Director

Director

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
INCOME			
Revenue from operations	30	805,800.25	627,036.43
Other income	31	1,328.77	2,667.02
Total Income		807,129.02	629,703.45
EXPENSES			
Cost of materials consumed	32	106,589.90	93,920.10
Excise duty		596,105.71	444,759.84
Purchase of stock-in-trade	33	1,116.53	2,554.12
Change in inventories of finished goods, stock-in-trade and work-in-progress	34	(4,169.89)	(1,253.25)
Employee benefits expense	35	17,138.07	15,496.84
Finance costs	36	3,547.98	6,824.42
Depreciation and amortization expense	37	4,243.58	4,090.02
Other expenses	38	53,986.21	44,583.40
Total Expenses		778,558.09	610,975.49
Profit for the year before tax		28,570.93	18,727.96
Add: Share in profit of joint venture		606.83	50.81
Profit for the year before tax and share in profit of joint venture		29,177.76	18,778.77
Less : Tax expense			
Current tax		8,573.32	3,978.12
Deferred tax		1,191.15	2,404.51
Profit for the year from continuing operations		19,413.29	12,396.14
Other comprehensive income			
Items that will not be reclassified to profit or loss	39	(110.53)	(232.01)
Income tax relating to items that will not be reclassified to profit or loss		38.62	80.29
Share in other comprehensive income of joint venture		0.14	(1.51)
Total other comprehensive income		(71.77)	(153.23)
Total comprehensive income for the year (Comprising profit and other comprehensive income for the year)		19,341.53	12,242.91
Earning per share for Continuing Operations			
Basic earnings per share in INR (face value of ₹ 2/- each)	43	14.55	9.30
Diluted earnings per share in INR (face value of ₹ 2/- each)	43	14.54	9.29
Significant Accounting Policies	1		
Other Notes to Accounts	2-60		

As per our report of even date attached

For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N

Darshan Chhajer
Partner

Membership No.: 088308

Place: New Delhi
Date: May 02, 2019

For and on behalf of Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Amit Manchanda
Vice President Legal &
Company Secretary

Ajay K. Agarwal
President (Finance & Accounts)

Dr. Lalit Khaitan
Chairman & Managing Director

Abhishek Khaitan
Managing Director

Director

Consolidated Statement of Cash Flows

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year before tax	28,570.93	18,727.96
Adjustments for		
Depreciation and amortization expense	4,243.58	4,090.02
Profit on sale of fixed assets	(12.79)	(4.73)
Loss on sale / write off assets	89.90	27.37
Finance costs	3,547.98	6,824.42
Interest income	(838.81)	(2,346.79)
Provision for Expected credit loss (net)	506.29	823.06
Provision for Non-moving/ obsolete Inventory	83.53	64.72
Employees stock option scheme	18.07	20.48
Dividend income on investments	(200.20)	(200.00)
Operating profit before working capital changes	36,008.48	28,026.51
Changes in working capital		
Decrease/(Increase) in Inventories	(4,969.15)	(1,847.08)
Decrease/(Increase) in Trade Receivables	(1,680.11)	(1,423.05)
Decrease/(Increase) in current financial assets (loans)	779.25	424.95
Decrease/(Increase) in current financial assets (Others)	(323.17)	(321.38)
Decrease/(Increase) in other current assets	1,068.24	(4,657.90)
Decrease/(Increase) in non-current financial assets (loans)	2,098.22	3,428.89
Decrease/(Increase) in non-current financial assets (Others)	12.69	-
Decrease/(Increase) in other non-current assets	(587.99)	3,337.69
Increase/(Decrease) in non-current financial liabilities (others)	(21.00)	8.20
Increase/(Decrease) in other non-current liabilities	(16.02)	16.10
Increase/(Decrease) in long term provisions	56.09	143.47
Increase/(Decrease) in short term provisions	(1,432.26)	3,902.89
Increase/(Decrease) in current Trade Payables	3,070.07	2,881.16
Increase/(Decrease) in current financial liabilities (others)	541.89	470.59
Increase/(Decrease) in other current liabilities	3,988.90	753.51
Cash generated from operating activities before taxes	38,594.13	35,144.55
Net income tax paid	(7,725.18)	(3,566.88)
Net Cash flow from operating activities (A)	30,868.95	31,577.67
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions in tangible assets	(7,141.99)	(2,299.17)
Additions in intangible assets	(62.27)	-
Sale of fixed assets	38.59	19.33
Sale of investments	5,000.00	-
Investment in CWIP	419.20	(1,798.93)
Interest received	1,047.62	2,196.67
Subsidy Received	30.00	-
Dividend received	400.20	200.00
Capital Advances	(441.86)	(266.66)
Fixed deposits matured during the year	55.62	(127.26)
Net Cash flow from Investing activities (B)	(654.89)	(2,076.02)

Consolidated Statement of Cash Flows

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in share capital (including securities premium)	106.81	291.17
Net Loans (repaid) / taken	(17,388.77)	(21,272.91)
Dividend paid including Dividend Distribution Tax	(1,607.09)	(1,281.99)
Interest paid	(3,704.29)	(6,992.96)
Net Cash flow from financing activities (C)	(22,593.34)	(29,256.69)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	7,620.72	244.96
Cash and cash equivalents at the beginning of the year	(31,178.03)	(31,422.99)
Cash and cash equivalents at the end of the year	(23,557.31)	(31,178.03)

Particulars	As at March 31, 2019	As at March 31, 2018
Reconciliation of Cash and cash equivalents		
Cash in hand	29.83	17.96
Bank Balance		
In Current account	795.57	1,658.55
In term deposits	777.38	419.53
Cash Credit (repayable on demand)	(25,160.09)	(33,274.07)
Total Cash and Cash equivalents	(23,557.31)	(31,178.03)

Note

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

As per our report of even date attached

For and on behalf of Board of Directors

For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director

Darshan Chhajer
Partner

Amit Manchanda
Vice President Legal &
Company Secretary

Abhishek Khaitan
Managing Director

Membership No.: 088308

Place: New Delhi
Date: May 02, 2019

Ajay K. Agarwal
President (Finance & Accounts)

Director

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
At the beginning of the year	2,666.15	2,660.78
Changes in Equity Share capital during the year	2.04	5.37
At the end of the year	2,668.19	2,666.15

B. OTHER EQUITY

Particulars	Securities Premium Reserve	General Reserves	Employee Stock Options outstanding account	Retained Earnings	Total
Balance as at March 31, 2017	37,469.28	40,000.00	84.25	24,198.00	101,751.53
Profit/ (Loss) for the year (1)	-	-	-	12,396.14	-
Other Comprehensive Income/(loss) (2)	-	-	-	(153.23)	-
Total Comprehensive Income/ (loss) (1+2)	-	-	-	12,242.91	12,242.91
Dividends including tax thereon (refer note no. 42)	-	-	-	(1,281.99)	(1,281.99)
Share based payments	337.17	-	(43.97)	13.09	306.29
Balance as at March 31, 2018	37,806.45	40,000.00	40.28	35,172.00	113,018.73
Profit/ (Loss) for the year (1)	-	-	-	19,413.29	-
Other Comprehensive Income / (loss) (2)	-	-	-	(71.77)	-
Total Comprehensive Income/ (loss) (1+2)	-	-	-	19,341.53	19,341.53
Dividends including Dividend Distribution Tax (Refer Note- 42)	-	-	-	(1,607.09)	(1,607.09)
Government Subsidy	-	-	-	30.00	30.00
Share based payments	123.63	-	(0.80)	-	122.83
Balance as at March 31, 2019	37,930.08	40,000.00	39.48	52,936.44	130,906.00

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For and on behalf of Board of Directors

For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director

Darshan Chhajer
Partner

Amit Manchanda
Vice President Legal &
Company Secretary

Abhishek Khaitan
Managing Director

Membership No.: 088308

Place: New Delhi
Date: May 02, 2019

Ajay K. Agarwal
President (Finance & Accounts)

Director

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

BACKGROUND

Radico Khaitan Limited (the Company) is a company limited by shares, incorporated and domiciled in India. The Company is engaged in the manufacturing and trading of Alcoholic products such as Indian Made Foreign Liquor (IMFL), Alcohol, Country Liquor etc. The Company has its presence in India as well as various other global markets. The joint venture (Radico NV Distilleries Maharashtra Limited) is in the business of manufacturing of potable and industrial alcohol and also bottling of IMFL for other brand owners, country liquor and allied activities.

SIGNIFICANT ACCOUNTING POLICIES

1.01 Basis of preparation

The consolidated financial statements of the Company, its joint venture (together referred to as the "Group"), comprising of Consolidated Balance Sheet and Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity, Statement of Consolidated Cash Flows together with the consolidated notes have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

Effective March 31, 2016, the group has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2019 have been prepared in accordance with Ind AS.

The Consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Defined benefit plans
- Share Based Payments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

1.02 Current versus non-current classification

The group presents assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,

- expected to be realised within twelve months after the reporting period, or

- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,

- it is held primarily for the purpose of trading,

- it is due to be settled within twelve months after the reporting period, or

- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has assumed twelve months as its operating cycle.

1.03 Fair value measurement

The group measures financial instruments, such as, derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or

- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities,
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable,
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable,

For assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.04 Foreign Currency Transactions

The Consolidated financial statements are presented in INR, which is also its functional currency.

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the day of transaction. The outstanding liabilities/ receivables are translated at the year end rates.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction. Any gain or losses arising on translation or settlement are recognized in the Statement of Profit and Loss as per the requirements of Ind AS 21.

1.05 Revenue recognition

The company revenue is derived from single performance obligation under arrangements in which the transfer of control of product and the fulfillment of companies performance obligation occur at the same time.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable (net of returns and allowances, trade discounts and volume rebates), taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government with an exception to excise duty. The group has concluded that it is the principal in all of its revenue arrangements with tie up units since the group is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. In arrangements with tie up units, revenue is recognised at gross value with corresponding cost being recognised under cost of production.

However, in case of revenue arrangements with royalty units, the group has concluded that it is acting as an agent in all such revenue arrangements since the group is not the primary obligor in all such revenue arrangements, has no pricing latitude and is not exposed to inventory and credit risks. The group earns fixed royalty for sales made of its products which is recognised as revenue.

The group has assumed that recovery of excise duty flows to the group on its own and liability for excise duty forms part of the cost of production, irrespective of whether the goods are sold or not. Revenue therefore includes excise duty.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss.

Royalty Income

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

Export Incentives

Income from export incentives such as duty drawback etc. are recognised on accrual basis.

Dividend Income

Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

1.06 Excise Duty

In respect of stocks covered by Central Excise, excise duty is provided on closing stocks and also considered for valuation. In respect of country liquor and IMFL stocks, applicable State excise duty/ export duty is provided on the basis of state-wise dispatches identified. In the case of Rectified Spirit/ ENA, it is not ascertainable as to how much would be converted finally into country liquor or IMFL or sold as such and also to which particular state or exported outside India. Duty payable in such cases is not determinable (as it varies depending on the places and the form in which these are dispatched). Hence, the excise duty on such stocks lying in factory is accounted for on clearances of such goods. The method of accounting followed by the group has no impact on the financial statements of the year.

1.07 Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all attached conditions are complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments. When loans or similar assistance are provided by Governments or related institutions, with an interest rate lower than the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds

received. The loan is subsequently measured as per the accounting policy applicable to financial instruments.

1.08 Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss.

In respect of taxable temporary differences associated with interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

- In respect of deductible temporary differences associated with interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable group and the same taxation authority.

1.09 Property, plant and equipment

Property, plant and equipment have been measured at fair value at the date of transition to Ind AS. The group recognised the fair value as deemed cost at the transition date, viz., April 01, 2015.

Assets are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress is stated at cost, less accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the

cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. When significant parts of plant and equipment are required to be replaced at intervals, the group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. (Refer to note 1.23 regarding significant accounting judgements, estimates and assumptions).

Depreciation

Cost of leasehold land and leasehold improvements are amortised over the period of lease.

Depreciation is provided as per Schedule II to the Companies Act, 2013, on straight line method with reference to the useful life of the assets specified therein.

On additions costing less than ₹ 5000, depreciation is provided at 100% in the year of addition.

The determination of the useful economic life and residual values of property, plant and equipment is subject to management estimation. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

1.10 Intangible assets

On transition to Ind AS, the group has elected to continue with the carrying value of all of intangible assets (except goodwill which was impaired) and use that carrying value as the deemed cost of intangible assets.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Amortization

Based on the anticipated future economic benefits, the life of Brands & Trade Marks are amortised over twenty years on straight line method.

Software are amortised over a period of three years on straight line method.

1.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an group incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.12 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

1.13 Inventories

Finished goods and work-in-progress are valued at lower of cost or net realisable value. Cost includes cost of conversion and other expenses incurred in bringing the goods to their location and condition. Raw materials, packing materials, stores and spares are valued at lower of cost or net realisable value. Cost is ascertained on "moving weighted average" basis for all inventories.

1.14 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 01, 2015, the group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the group's general policy on the borrowing costs (See note 1.11). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the group will obtain ownership by the end of the lease term, the asset is depreciated over the lower of the estimated useful life of the asset and the lease term.

As on transition date, the group has newly classified a land lease as a finance lease and has recognised such asset and liability at fair value with differential being recognised in retained earnings.

Operating lease rentals are charged off to the Statement of Profit and Loss.

1.15 Impairment of non-financial assets

At each reporting date, the group reviews the carrying amount of its assets to determine whether there are any indication that those assets have suffered an impairment loss. If any such indication exists, recoverable amount of the assets is estimated in order to determine the extent of impairment loss.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

1.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability and Contingent Assets

Contingent liabilities are not recognized but are disclosed where possibility of any outflow in settlement is remote. Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

1.17 Employee benefits

Short-term obligations

Liabilities for salaries and wages, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized up to the end of the reporting period and are measured at the amounts expected to be paid on settlement of such liabilities. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

Other long-term employee benefit obligations

The liabilities for earned and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present

value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet since the group does not have an unconditional right to defer the settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The group operates the following post-employment schemes:

- Defined benefit plans in the form of gratuity, and
- Defined contribution plans such as provident fund and superannuation fund

Gratuity obligations

The group operates a defined benefit gratuity plan for employees. The group has obtained group gratuity scheme policies from Life Insurance Corporation of India to cover the gratuity liability of these employees. The difference in the present value of the defined benefit obligation and the fair value of plan assets at the end of the reporting period is recognized as a liability or asset, as the case may be, in the Balance Sheet. The defined benefit obligation is calculated annually on the basis of actuarial valuation using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in OCI.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in statement of profit or loss as past service cost.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

Defined contribution plans

The group makes contribution to statutory provident fund and pension funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.18 Share-based payments

Employees of the group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The fair value of the options granted is recognized as an employee benefits expense with a corresponding increase in equity. Total amount to be expensed is determined by reference to the fair value of the option granted:

- including any market performance conditions (e.g., the Company's share price),
- excluding the impact of any service and non-market performance vesting conditions (e.g., profitability, sales growth targets and remaining and employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period of time).

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in statement of profit or loss, with a corresponding adjustment to equity.

1.19 Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period adjusted for the effects of all dilutive potential equity shares.

1.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities recognised at FVTPL are recognized immediately in Statement of Profit and Loss.

A. Financial Assets

Subsequent measurement

Financial assets are subsequently classified as measured at:

- amortised cost
- fair value through other comprehensive income (FVTOCI)
- fair value through profit or loss (FVTPL)

Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses (ECL). The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument

Financial assets measured at amortised cost:

A financial asset is measured at amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables, loans, etc.

Measured at fair value through other comprehensive income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Measured at fair value through Profit or Loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as FVTPL. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

The group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or the same are transferred.

Impairment of financial assets

Expected credit losses (ECL) are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category. For financial assets, as per Ind AS 109, the group recognises 12 months expected credit losses for all originated or acquired financial assets if at the reporting date. The credit risk of the financial asset has not increased significantly since its initial recognition. Expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

B. Financial liabilities

Subsequent measurement

- Financial liabilities are subsequently measured at amortised cost using the EIR method.
- Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

Reclassification of financial assets

No reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

C. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously, includes balances written off against provisions.

1.21 Derivative financial instruments

The group uses derivative financial instruments, such as forward currency contracts, interest rate swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1.22 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise balance at banks and cash on hand and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible which are subject to an insignificant risk of changes in value.

1.23 Significant accounting judgements, estimates and assumptions

The preparation of the Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, contingent liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the accounting policies, management has made the following judgements, which have most significant effect on the amounts recognised in the separate financial statements:

a) Arrangement containing lease

The group applies Appendix C of Ind AS 17, "Determining Whether an Arrangement Contains a Lease", to contracts entered with contract bottling units. Appendix C deals with the method of identifying and recognizing service, purchase and sale contracts that do not take the legal form of a lease but convey a right to use an asset in return for a payment or series of payments. The group has determined that where the capacity utilisation by the entity is less than 100% and others take more than an insignificant amount of output, the arrangement does not contain leases. Where the group utilise 100% capacity and others

take less than an insignificant output the agreement contains lease. However, based on an evaluation of the terms and conditions of the arrangements, the group has concluded that these contracts are in the nature of operating leases.

b) Revenue recognition

The group assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The group has generally concluded that it is acting as a principal in all its revenue arrangements.

When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the group and its business partners are reviewed to determine each party's respective role in the transaction.

Where the group's role in a transaction is that of a principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, net of sales tax/VAT/GST, trade discounts and rebates but inclusive of excise duty with any related expenditure charged as an operating cost.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation and uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the group financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

a) Impairment reviews

At each reporting date, the group reviews the carrying amount of its non-financial assets to determine whether there are any indication that those assets have suffered an impairment loss. If any such indication exists, recoverable amount of the assets is estimated in order to determine the extent of impairment loss.

Impairment reviews in respect of the relevant CGUs are performed at least annually or more regularly if events indicate that this is necessary.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

Impairment reviews are based on discounted future cash flows. The future cash flows which are based on business forecasts, the long-term growth rates and the pre-tax discount rates, that reflects the current market assessment of the time value of money and the risk specific to the asset or CGU, used are dependent on management estimates and judgements. Future events could cause the assumptions used in these impairment reviews to change.

b) Allowance for uncollectible account receivables and advances

Trade receivables and certain financial assets do not carry any interest unlike other interest bearing financials assets viz intercorporate deposits. Such financial assets are stated at their carrying value as reduced by impairment losses determined in accordance with expected credit loss. Allowance as per expected credit loss model is based on simplified approach which is based on historically observed default rates and changed as per forward-looking estimates. In case of trade receivables group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables which is also based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. The actual loss could differ from the estimate made by the management.

c) Taxes

The group is subject to income tax laws as applicable in India. Significant judgement is required in determining the provision for taxes as the tax treatment is often by its nature complex, and cannot be finally determined until a formal resolution has been reached with the relevant tax authority which may take several years to conclude. Amounts provided are accrued based on management's interpretation of country specific tax laws and the likelihood of settlement. The group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Actual liabilities could differ from the amount provided which could have a consequent adverse impact on the results and net position of the group.

d) Pension and post-retirement benefits

The cost of defined benefit plans viz. gratuity, provident fund, leave encashment, etc. are determined using actuarial assumptions. An actuarial valuation involves making various assumptions that may differ from

actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about defined benefit plans are given in note no. 55.

e) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

1.24 Recent Accounting Developments

Standard issued but not yet effective:

Ind AS 116 Leases

Ind AS 116 was notified on March 30, 2019 and requires Lessee to recognise the right of use an asset for the lease term in Balance Sheet. This standard will come into force from accounting period commencing on or after April 01, 2019. The Company is evaluating the requirements of the amendments and its effects on the financial statements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

NOTE 2 PROPERTY, PLANT AND EQUIPMENT

(Refer notes 1.09 and 1.10)

(₹ in Lakhs unless otherwise stated)

Description of Assets	Gross Block			Depreciation			Net Block		
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	Up to March 31, 2018	For the year	Accumulated Depreciation on Disposals	Up to March 31, 2019	As at March 31, 2019
Tangible Assets									
Freehold land	12,927.50	-	-	12,927.50	-	-	-	-	12,927.50
Leasehold land	3,467.56	-	-	3,467.56	137.79	45.93	-	183.72	3,283.84
Buildings	8,861.25	126.18	204.92	8,782.51	1,137.61	386.66	204.92	1,319.35	7,463.16
Plant & equipments	50,766.21	6,290.67	393.04	56,663.84	8,987.79	3,344.68	324.29	12,008.18	44,655.66
Furniture & Fixtures	181.96	298.98	-	480.94	89.25	19.34	-	108.59	372.35
Vehicles	888.50	225.94	110.42	1,004.02	146.06	144.23	64.41	225.88	778.14
Office equipments	117.24	99.54	41.84	174.94	61.15	33.55	40.90	53.80	121.14
Leasehold improvements	187.72	100.68	-	288.40	69.20	28.61	-	97.81	190.59
	77,397.94	7,141.99	750.22	83,789.71	10,628.85	4,003.00	634.52	13,997.33	69,792.38
Intangible Assets									
Brands & trade marks	2,552.26	-	-	2,552.26	789.55	215.49	-	1,005.04	1,547.22
Software	394.96	62.27	-	457.23	377.57	25.09	-	402.66	54.57
	2,947.22	62.27	-	3,009.49	1,167.12	240.58	-	1,407.70	1,601.79
Total	80,345.16	7,204.26	750.22	86,799.20	11,795.97	4,243.58	634.52	15,405.03	71,394.17
Description of Assets	Gross Block			Depreciation			Net Block		
	As at April 01, 2017	Additions	Disposals	As at March 31, 2018	Up to March 31, 2017	For the year	Accumulated Depreciation on Disposals	Up to March 31, 2018	As at March 31, 2018
Tangible Assets									
Freehold land	12,916.29	11.21	-	12,927.50	-	-	-	-	12,927.50
Leasehold land	3,467.56	-	-	3,467.56	91.86	45.93	-	137.79	3,329.77
Buildings	8,681.49	179.76	-	8,861.25	778.14	359.47	-	1,137.61	7,723.64
Plant & equipments	49,392.02	1,907.83	533.64	50,766.21	6,339.89	3,170.92	523.02	8,987.79	41,778.42
Furniture & fittings	164.72	17.24	-	181.96	68.50	20.75	-	89.25	92.71
Vehicles	932.17	100.00	143.67	888.50	133.02	127.48	114.44	146.06	742.44
Office equipments	96.02	32.08	10.86	117.24	43.77	26.12	8.74	61.15	56.09
Leasehold improvements	136.67	51.05	-	187.72	44.56	24.64	-	69.20	118.52
	75,786.94	2,299.17	688.17	77,397.94	7,499.74	3,775.31	646.20	10,628.85	66,769.09
Intangible Assets									
Brands & trade marks	2,552.26	-	-	2,552.26	573.80	215.75	-	789.55	1,762.71
Software	394.96	-	-	394.96	278.61	98.96	-	377.57	17.39
	2,947.22	-	-	2,947.22	852.41	314.71	-	1,167.12	1,780.10
Total	78,734.16	2,299.17	688.17	80,345.16	8,352.15	4,090.02	646.20	11,795.97	68,549.19

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 3 INVESTMENT IN A JOINT VENTURE

Particulars	As at March 31, 2019	As at March 31, 2018
Unquoted Investments		
Equity Shares (at cost)		
Radico NV Distilleries Maharashtra Limited - 26,59,500 (previous year: 26,59,500) equity shares of ₹ 100 each, fully paid up	13,538.53	13,538.53
Add: Share of profit/reserve of Joint Venture	2,079.90	1,472.93
	15,618.43	15,011.46
Preference Shares (at amortised cost)		
Radico NV Distilleries Maharashtra Limited - 20,00,000 (previous year: 20,00,000) 10% cumulative, non-convertible preference shares of ₹ 100 each, fully paid up	2,000.00	2,000.00
	17,618.43	17,011.46
Aggregate amount of unquoted investments	17,618.43	17,011.46
Aggregate amount of impairment in value of investments	-	-

NOTE 4 INVESTMENT IN OTHERS (UNQUOTED AT FVTPL)

Particulars	As at March 31, 2019	As at March 31, 2018
New Urban Cooperative Bank Ltd. - 2,388 (previous year: 2,388) equity shares of ₹ 25 each, fully paid up	0.60	0.60
	0.60	0.60
Aggregate amount of unquoted investments	0.60	0.60
Aggregate amount of impairment in value of investments	-	-

NOTE 5 LOANS

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured- Considered good)		
Security Deposits	803.08	2,901.30
	803.08	2,901.30

NOTE 6 OTHERS

Particulars	As at March 31, 2019	As at March 31, 2018
Interest accrued on term deposits	13.07	2.67
Deposits with more than 12 months maturity (Refer note-12)	133.84	214.84
Advances recoverable in cash	12.69	-
	159.60	217.51

NOTE 7 OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advances	3,770.20	3,328.34
Advances other than capital advances		
Advances recoverable	7,092.00	6,245.31
Prepaid assets	162.94	421.64
	11,025.14	9,995.29

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 8 INVENTORIES

(Refer note-1.13 on valuation of inventories)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Raw materials	6,977.32	6,733.72
Work-in-progress	3,616.92	2,266.89
Finished goods *	17,186.17	15,396.54
Stock-in-trade	309.59	376.34
Stores & spares	2,650.99	2,471.50
Packing materials	5,428.29	3,964.83
Goods in transit - Raw material	-	0.64
	36,169.28	31,210.46
Less: Provision for obsolete and non-moving inventories	197.99	124.78
	35,971.29	31,085.68

Amount recognised in statement of profit and loss

Write-downs of inventories to net realisable value resulted in net loss/(gain) of ₹ 83.53 lakhs (previous year ₹ 64.72 lakhs). These were recognised as an expense/income during the year in the Statement of Profit and Loss.

* Includes provision for excise duty ₹ 6,355.01 lakhs (previous year ₹ 7,471.84 lakhs)

NOTE 9 INVESTMENTS (UNQUOTED AT FVTPL)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Certificate of deposit with a financial institution	-	5,000.00
	-	5,000.00
Aggregate amount of unquoted investments	-	5,000.00
Aggregate amount of impairment in value of investments	-	-

NOTE 10 TRADE RECEIVABLES

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Trade Receivables considered good - Unsecured	59,856.26	58,459.65
Trade Receivables which have significant increase in Credit Risk	6,000.46	8,534.41
Trade Receivables - credit impaired	-	-
	65,856.72	66,994.06
Less: Allowance for expected credit losses	(1,681.83)	(3,992.99)
	64,174.89	63,001.07

Trade Receivables relate to the company's contract with its customers, are non interest bearing and are generally on credit terms not exceeding 12 months.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 11 CASH AND CASH EQUIVALENTS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Balances with banks	795.57	1,658.55
Cash on hand	29.83	17.96
	825.40	1,676.51

NOTE 12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
In unpaid dividend accounts		
In term deposits #	164.23	139.39
Deposits with more than 12 months maturity (Refer note-6)	911.22	634.37
	(133.84)	(214.84)
	941.61	558.92
# Deposit are:		
Under lien with Government departments and banks as security	911.22	634.37

NOTE 13 LOANS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(Unsecured- Considered good, unless otherwise stated)		
Security Deposits	932.96	909.51
Loans and advances to related parties		
Radico NV Distilleries Maharashtra Limited (Joint Venture)	-	0.12
Others		
Advances recoverable	341.99	749.57
Inter corporate deposits (Refer note-56)		
ICDs Considered good - Unsecured	3,395.00	3,790.00
ICDs - Credit impaired	1,500.00	6,100.00
	6,169.95	11,549.20
Less: Allowance for expected credit losses	(1,500.00)	(6,100.00)
	4,669.95	5,449.20

NOTE 14 OTHERS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Dividend accrued on preference share	200.00	400.00
Accrued export incentives	528.05	510.22
Other balances recoverable from Statutory/ Government authorities	1,341.52	1,036.18
Interest accrued on		
term deposits	25.24	27.19
loans and advances		
Considered good - Unsecured	317.54	534.80
Credit impaired	928.10	928.10
Less: Allowance for expected credit losses	(928.10)	(928.10)
	2,412.35	2,508.39

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 15 CURRENT TAX ASSETS (NET)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Income Tax (Net of provisions)	-	2.27
	-	2.27

NOTE 16 OTHER CURRENT ASSETS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(Unsecured - Considered good)		
Advances recoverable in kind	978.21	1,704.49
Others		
Amount paid under protest	427.87	195.57
Claims and duties adjustable from Excise Department	7,581.65	7,615.58
Advances recoverable	1,399.77	2,746.46
Prepaid assets	3,156.50	2,350.14
	13,544.00	14,612.24

NOTE 17 EQUITY SHARE CAPITAL

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Authorised		
17,00,00,000 (Previous year 17,00,00,000) equity shares of ₹ 2/- each	3,400.00	3,400.00
60,00,00,000 (Previous year 60,00,00,000) preference shares of ₹ 100/- each	6,000.00	6,000.00
	9,400.00	9,400.00
Issued, subscribed and fully paid		
13,34,09,265 (previous Year 13,33,07,265) equity shares of ₹ 2/- each	2,668.19	2,666.15
	2,668.19	2,666.15

Rights, Preferences & Restrictions attached to equity shares

- a. The Company has issued only one class of shares, referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. Reconciliation of the number of shares

	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
	No. of Shares	No. of Shares
Outstanding at the beginning of the year	133,307,265	133,038,765
Add: Issued during the year	102,000	268,500
Outstanding at the end of the year	133,409,265	133,307,265

c. Details of shareholders holding more than 5% of total equity shares of the company

	For the year ended		For the year ended	
	March 31, 2019		March 31, 2018	
	Percentage of Holding	No. of Shares	Percentage of Holding	No. of Shares
Sapphire Intrex Ltd.	34.01%	45,379,098	34.04%	45,379,098
TIMF Holdings	5.83%	7,781,575	6.06%	8,081,575

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

d. Shares reserved for issue under options: ESOPs

The Company established Employee Stock Options Plan, duly approved by the shareholders in the meeting held on May 25, 2006 which was effective from July 25, 2006. Accordingly, the Company has granted 42,80,000 equity options up to March 31, 2019 which will get vested over a period of 4 years from the date of the grant. The employees have the options to exercise the right within a period of 3 years from the date of vesting. The compensation cost of stock options granted to employees are accounted by the Company using the fair value method.

e. Summary of Stock Option

	For the year ended March 31, 2019	For the year ended March 31, 2018
	No. of stock option	No. of stock option
Option granted up to the year end	4,280,000	4,280,000
Options forfeited up to the year end	1,741,451	1,741,451
Options exercised up to the year end	2,274,049	2,172,049
Option outstanding at the year end	264,500	366,500
Exercise price (weighted average)	₹ 84.95	₹ 84.02

In respect of Options granted under the Employee Stock Options plan, in accordance with the guidelines issued by SEBI, the accounting value of the options is accounted as deferred employee compensation, which is amortized on a straight line basis over the period between the date of grant of options and eligible dates for conversion into equity shares. Consequently, Employee benefits expense (Refer note-35) includes ₹ 18.07 lakhs debit (previous year ₹ 20.48 lakhs debit) being the amortisation of deferred employee compensation.

NOTE 18 OTHER EQUITY#

Particulars	As at March 31, 2019	As at March 31, 2018
Reserves & Surplus		
Retained Earning	52,936.44	35,172.00
Securities Premium Reserve	37,930.08	37,806.45
General Reserve	40,000.00	40,000.00
Employee Stock Options Outstanding Account	39.48	40.28
	130,906.00	113,018.73

Refer statement of changes in equity for detailed movement in above reserves and surplus.

NOTE 19 BORROWINGS

Particulars	As at March 31, 2019	As at March 31, 2018
Term Loans - Secured#		
Rupee loans from banks	3,542.24	4,810.20
Rupee loans from others	-	587.47
Foreign currency loans from banks (ECB)	-	5,027.29
	3,542.24	10,424.96
Less : Shown in current maturities of long-term debt (Refer note- 26)		
Rupee loan from banks	1,376.68	1,351.07
Rupee loans from others	-	588.24
Foreign currency loans from banks (ECB)	-	5,045.86
	1,376.68	6,985.17
	2,165.56	3,439.79

Notes

- The above loans are secured by a pari-passu first charge on fixed assets (Property, Plant and Equipment excluding Intangible Assets) of the Company, both present and future. Vehicle loans are secured by respective vehicles.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

ii). Terms of repayment are as follows:-

Name	Year of Maturity	Outstanding	Outstanding
		as at March 31, 2019	as at March 31, 2018
Lakshmi Vilas Bank	Sep 2021	3,125.00	4,375.00
HDFC Bank	Jan 2022	333.93	435.20
Aditya Birla Finance Ltd.	Aug 2018	-	587.47
HDFC Bank	June 2023	36.78	-
YES Bank	May 2023	46.53	-
ICICI Bank Ltd (ECB)	April 2018	-	975.66
ICICI Bank Ltd (ECB)	July 2018	-	2,832.05
State Bank of India (ECB)	July 2018	-	1,219.58
		3,542.24	10,424.96

NOTE 20 OTHERS (AT AMORTISED COST)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Security Payable	47.19	68.19
	47.19	68.19

NOTE 21 PROVISIONS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Provision for employee benefits		
Leave encashment	1,036.69	980.60
	1,036.69	980.60

NOTE 22 DEFERRED TAX LIABILITIES (NET)

(Refer note-44)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Deferred Tax Liabilities	12,418.06	11,905.45
Deferred Tax Assets	(1,860.16)	(2,500.07)
MAT Credit Entitlement	(153.00)	(153.00)
	10,404.90	9,252.38

NOTE 23 OTHER NON-CURRENT LIABILITIES

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Present value of future lease payments	2.55	2.54
Other Payables	16.58	32.61
	19.13	35.15

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 24 BORROWINGS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Secured - from Banks [#]		
Cash credit (repayable on demand)	25,160.09	33,274.07
Rupee loans *	-	6,006.03
Unsecured- from Banks		
Rupee loans	4,999.97	9,499.99
	30,160.06	48,780.09

Secured by hypothecation of inventories and trade receivables. Further secured by a second charge on fixed assets of the Company.

Non-fund based facilities provided by banks are also secured by second charge on the fixed assets (Property, Plant and Equipment excluding Intangible Assets) of the Company.

* Under the "Receivable buyout" facility sanctioned by IDBI Bank Ltd. against trade receivables.

NOTE 25 TRADE PAYABLES

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Outstanding dues of micro and small enterprises [#]	-	-
Others	24,483.57	21,413.50
	24,483.57	21,413.50

The Company has not received information from suppliers or service providers, whether they are covered under Micro, Small and Medium Enterprises (Development) Act, 2006 and hence it has not been possible to ascertain the required information relating to amounts unpaid, if any, as at year end together with interest paid or payable to them.

NOTE 26 OTHERS (FINANCIAL LIABILITY CARRIED AT AMORTISED COST)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Current maturities of long-term debt		
Rupee loan from banks	1,376.68	1,351.07
Rupee loan from others	-	588.24
Foreign currency loans from banks (ECB)	-	5,045.86
Interest accrued but not due on borrowings	44.11	200.42
Security Payable	1,570.18	1,028.29
Unclaimed dividends [#]	163.87	139.03
	3,154.84	8,352.91

This does not include any amount due and outstanding, to be credited to the Investor Education and Protection Fund.

NOTE 27 PROVISIONS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
For employee benefits		
Gratuity (Refer note-55)	141.55	348.21
Leave encashment	338.64	336.88
For excise/custom duty on closing stock	6,355.01	7,471.84
	6,835.20	8,156.93

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 28 OTHER CURRENT LIABILITIES

Particulars	As at	As at
	March 31, 2019	March 31, 2018
On account of capital goods/ services	563.83	971.18
Advances from customers	7,559.63	3,764.35
Other payables		
Accrued salary and benefits	597.98	489.82
Statutory dues	3,691.73	3,198.92
	12,413.17	8,424.27

NOTE 29 CURRENT TAX LIABILITIES (NET)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
For taxation (net of payments)	845.87	-
	845.87	-

NOTE 30 REVENUE FROM OPERATIONS

(Refer note-1.05 on revenue recognition)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Sale of		
Alcohol and other alcoholic products	794,519.85	614,810.55
Pet bottles & caps	5,078.95	4,440.98
Jaivik khad	320.72	241.04
Others	667.47	759.18
Sale of traded goods		
Indian Made Foreign Liquor	1,228.58	2,024.68
Income from Traded Goods	79.48	516.86
Imported Liquor	733.05	697.29
Royalty Income	996.06	954.37
Other operating revenues		
Export incentives	193.71	429.86
SAD refund	0.15	2.57
Scrap sales	1,982.23	2,159.05
	805,800.25	627,036.43

NOTE 31 OTHER INCOME

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Interest income on		
Term deposit with banks and financial institutions	42.86	494.03
Loans (including inter corporate deposits)	436.92	395.80
Deferred income on deposit	359.03	1,456.96
Dividend income on non-current (trade) investments	200.20	200.00
Other non-operating income		
Profit on sale of fixed assets	12.79	4.73
Excess provisions written back	66.77	77.32
Miscellaneous income	210.20	38.18
	1,328.77	2,667.02

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 32 COST OF MATERIALS CONSUMED

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Raw Materials		
Opening Stock	6,733.72	10,795.14
Add: Purchases	49,466.95	43,854.75
	56,200.67	54,649.89
Less: Closing Stock	(6,977.32)	(6,733.72)
Raw material consumed	49,223.35	47,916.17
Packing materials consumed	57,366.55	46,003.93
	106,589.90	93,920.10

NOTE 33 PURCHASE OF TRADED GOODS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Indian Made Foreign Liquor	555.70	2,084.32
Imported Liquor	560.83	469.80
	1,116.53	2,554.12

NOTE 34 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Opening Stock		
Stock-in-trade	376.34	356.42
Finished goods	15,396.54	10,234.16
Work-in-progress	2,266.89	2,306.31
	18,039.77	12,896.89
Less : Closing Stock		
Stock-in-trade	309.59	376.34
Finished goods	17,186.17	15,396.54
Work-in-progress	3,616.92	2,266.89
	21,112.68	18,039.77
Increase / (Decrease) of excise duty on Finished Goods	(1,096.98)	3,889.63
	(4,169.89)	(1,253.25)

NOTE 35 EMPLOYEE BENEFITS EXPENSE

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Salaries, wages and allowances	15,647.34	14,170.26
Contribution to provident and other funds	753.29	692.15
Gratuity	174.90	155.58
Employee stock options scheme (Refer note-17)	18.07	20.48
Staff welfare expenses	544.47	458.37
	17,138.07	15,496.84

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 36 FINANCE COSTS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Interest	3,427.29	6,632.97
Other borrowing costs	120.69	191.45
	3,547.98	6,824.42

NOTE 37 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Depreciation on tangible assets	4,003.00	3,775.31
Amortisation of intangible assets	240.58	314.71
	4,243.58	4,090.02

NOTE 38 OTHER EXPENSES

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Power and fuel	4,527.94	3,547.39
Stores and spares consumed	2,151.69	2,112.81
Repairs and maintenance		
Building	214.26	132.80
Plant and equipment	1,830.95	1,695.43
Others	378.30	231.01
Machinery and other hire charges	5.24	4.62
Insurance	495.65	558.97
Rent	865.11	774.71
Rates and taxes	5,809.38	4,566.80
Travelling		
Directors	194.52	131.48
Others	1,262.00	1,148.61
Directors' fee	17.29	19.30
Foreign exchange fluctuations (net)	170.40	(324.86)
Provision for Non-moving/ obsolete Inventory	83.53	64.72
Charity and donation	21.43	14.28
Corporate Social Responsibility Expenses (Refer note-49)	248.44	216.43
Provision for Expected Credit Losses (Net)	572.55	892.23
Bio composting expenses	180.77	162.13
Professional Fee & retainership expenses	559.53	418.17
Communication	142.98	158.19
Sundry balances written off	0.51	8.14
Loss on sale / write off of assets	89.90	27.37
Bank charges	38.85	35.60
Other overheads	3,220.58	4,298.85
Bottling charges	2,415.56	2,101.64
Selling and distribution		
Freight outwards	8,200.46	8,619.28
Supervision charges after sales	686.29	591.38
Supervision charges to supervisors	2,409.18	1,033.87
Rebate discount and allowance	3,346.05	2,609.62
Advertisement & sales promotion	13,846.87	8,732.43
	53,986.21	44,583.40

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 39 OTHER COMPREHENSIVE INCOME

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Items that will not be reclassified to profit or loss	(110.53)	(232.01)
Actuarial (Gain) / loss on employee benefits	(110.53)	(232.01)

NOTE 40 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at	As at
	March 31, 2019	March 31, 2018
40 a) Capital Commitments		
Estimated amount of Capital commitments (Net of advances)	2,297.81	1,241.48
	2,297.81	1,241.48
40 b) Contingent Liabilities not provided for:		
i) Claims against the group, not acknowledged as debts		
(a) Disputed liability relating to ESI Contribution	0.89	0.89
(b) Disputed liability relating to PF contribution of contractor labour	33.04	33.04
(c) Disputed liability relating to payment of late re-calibration fees on verification and stamping of manufacturing vats/tanks installed at distillery.	88.00	88.00
(d) Disputed VAT/Sales/Entry Tax matters under appeal	136.24	136.24
(e) Disputed Excise matters	412.13	243.86
(f) Disputed Stamp duty claim arising out of amalgamation, being contested	80.00	80.00
(g) Disputed customs duty	10.73	10.73
(h) Disputed demands on account of service tax including interest and penalty thereon for the period July 2003 to March 2012, being contested and under appeal	-	140.39
(i) Consumer Complaints before consumer forum	30.95	30.95
	791.98	764.10

ii) Madhya Pradesh State Industrial Development Corporation Ltd. in February 2007 demanded a sum of ₹ 168.09 lakhs besides unspecified expenses arising out of the alleged non compliance of conditions relating to its holding of shares in Abhishek Cement Ltd, prior to its merger with Radico Khaitan Ltd. in the financial year 2002-03. The writ petition filed by group before Madhya Pradesh high court has been partly allowed by confirming the recovery of ₹ 167.32 lakhs against the group. However, the division bench of Madhya Pradesh High court has stayed the recovery proceedings initiated by local collector office. The court has ordered to maintain ₹ 100 lakhs in State Bank of India till the final adjudication of the matter. The matter is since sub-judice.

iii) In view of recent supreme court judgment 28th Feb 2019 regarding deduction of PF on allowances of fixed nature is being assessed by the group. The impact of the same is not determined.

In respect of the items above (i), (ii) and (iii), future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities except ₹ 427.87 lakhs has already been paid under protest.

40 c) Lease Commitments:	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
A Operating lease arrangements-group as lessee		
The group has entered into operating leases on building and plant and machinery with lease terms between one to ten years.		
i) The group has paid towards minimum lease payment	893.69	804.58
ii) Future minimum rentals payable under non-cancellable operating leases as at the year end are as follows:		
Not later than one year	853.86	805.47
Later than one year but not later than five years	1,045.00	1,321.18
Later than five years	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

B Finance lease arrangements

The group has finance leases arrangements for leasehold land for multiple decades. The group's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases arrangements together with the present value of the net minimum lease payments are as follows:

	As at March 31, 2019		As at March 31, 2018	
	MLP	Present value of MLP	MLP	Present value of MLP
Within one year	0.27	0.24	0.27	0.24
After one year but not more than five years	1.08	0.73	1.08	0.73
More than five years	39.20	1.51	39.47	1.48
	40.55	2.48	40.82	2.45

NOTE 41 In the opinion of the Management and to the best of their knowledge and belief, the value on realisation of current/non current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the financial statements.

NOTE 42 DIVIDEND ON EQUITY SHARES

	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend on Equity Shares declared and paid during the year		
Dividend of ₹ 1.00 per share for financial year 2017-18	1,333.07	1,065.15
Dividend Distribution Tax	274.02	216.84
	1,607.09	1,281.99
Proposed dividends on Equity shares not recognised as liability		
Dividend of ₹ 1.20 per share for financial year 2018-19	1,600.91	1,333.07
Dividend Distribution Tax	329.07	274.02
	1,929.98	1,607.09

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including Dividend Distribution Tax thereon) as at March 31. All proposed dividends were approved as proposed and paid in subsequent year.

NOTE 43 EARNINGS PER EQUITY SHARE (EPS)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the group by the weighted average number of Equity shares outstanding during the year (Amount in INR)	14.55	9.30
Diluted EPS is calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares (Amount in INR).	14.54	9.29
The following reflects the income and share data used in the basic and diluted EPS computations:		
Profit attributable to equity holder for basic earnings	19,413.29	12,396.14
Effect of dilution:		
Share options	18.07	20.48
Profit attributable to equity holders adjusted for the effect of dilution	19,431.36	12,416.62
Weighted average number of Equity shares for basic EPS	133,409,265	133,307,265
Effect of dilution:		
Share options	264,500	366,500
Weighted average number of Equity shares adjusted for the effect of dilution	133,673,765	133,673,765

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 44 INCOME TAX

The major components of Income Tax expense	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Income Tax:		
Current income tax charge	8,573.32	3,978.12
Adjustments in respect of current income tax of previous year	-	-
Total (A)	8,573.32	3,978.12
Deferred Tax:		
Relating to origination and reversal of temporary differences	1,191.15	2,404.51
Total (B)	1,191.15	2,404.51
OCI section		
Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on re-measurements of defined benefit plans	(38.62)	(80.29)
Income tax charged to OCI	(38.62)	(80.29)
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for:-		
Differential tax impact for land indexation at a rate different from the statutory rate	52.68	112.50
Differential impact of deferred tax arising during tax holiday period	59.43	38.17
Amortisation of certain assets not claimed as deduction under tax	52.79	32.49
Differential impact of provisions	9.27	8.05
Loss on sale of fixed assets (net)	(26.95)	(7.83)
Deduction claimed in Tax but not in books	207.30	141.03
Others	(135.16)	(225.67)
Total (C)	219.36	98.74
Total (A)+(B)+(C)	9,983.83	6,481.37

	For the year ended March 31, 2019	For the year ended March 31, 2018
Accounting profit before tax	28,570.93	18,727.96
Income tax calculated at India's statutory Income Tax Rate	9,983.83	6,481.37
Total	9,983.83	6,481.37

Deferred tax	As at March 31, 2019	As at March 31, 2018
Deferred tax relates to the following:		
Fair valuation of property, plant and equipment	(12,029.17)	(11,631.48)
Other Ind-AS adjustments (security deposit, corporate guarantee etc.)	973.73	993.79
Provision created under Expected credit loss	587.69	1,381.89
Tax holiday units	(90.15)	(149.58)
Mat Credit Entitlement	153.00	153.00
Net deferred tax assets/(liabilities)	(10,404.90)	(9,252.38)
Reflected in the balance sheet as follows:		
Deferred tax assets (continuing operations)	1,860.16	2,500.07
Deferred tax liabilities (continuing operations)	(12,418.06)	(11,905.45)
Mat Credit Entitlement	153.00	153.00
Deferred tax liabilities (net)	(10,404.90)	(9,252.38)
Reconciliation of deferred tax liabilities (net):		
Opening balance	9,252.38	6,928.16
Tax income/(expense) during the year recognised in profit or loss	1,191.15	2,404.51
Tax income/(expense) during the year recognised in OCI	(38.62)	(80.29)
Closing balance	10,404.90	9,252.38

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

The group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

During the year ended March 31, 2019 and March 31, 2018, the group has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT). The group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

NOTE 45 LIST OF INVESTMENT

	As at March 31, 2019	As at March 31, 2018
	Joint Venture	Joint Venture
(i) The name of Investee	Radico NV Distilleries Maharashtra Limited	Radico NV Distilleries Maharashtra Limited
(ii) The principal place of business	Aurangabad (Maharashtra)	Aurangabad (Maharashtra)
(iii) The ownership interest held	36%	36%
(iv) The method used to account for the investment	Accounted at cost	Accounted at cost

NOTE 46 SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the group's performance based on only one segment i.e. manufacturing and trading in Liquor & Alcohol.

NOTE 47 RELATED PARTY TRANSACTIONS AND DISCLOSURES

(1) Related parties and their relationship:

I Key Management personnel:

- (1) Dr. Lalit Khaitan, Chairman & Managing Director
- (2) Mr. Abhishek Khaitan, Managing Director
- (3) Mr. K.P.Singh, Whole Time Director
- (4) Mr. Dilip K Banthiya, Chief Financial Officer
- (5) Mr. Amit Manchanda, Company Secretary

II Relatives of Key Management personnel:

- (1) Mrs. Deepshikha Khaitan (Wife of Mr. Abhishek Khaitan)
- (2) Ms. Shailja Devi (Woman Director and Daughter of Dr. Lalit Khaitan)

III Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise:

- (1) Sapphire Intrex Ltd.
- (2) The Rampur Distillery & Chemical Company Ltd. (Employees P. F. Trust)
- (3) The Rampur Distillery & Chemical Company Ltd. (Employees Group Gratuity Trust)
- (4) The Rampur Distillery & Chemical Company Ltd. (Employees Superannuation Scheme)

IV Joint Ventures:

- (1) Radico NV Distilleries Maharashtra Limited

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

(2) Transaction with above in the ordinary course of business:

	As at March 31, 2019	As at March 31, 2018
Key Management Personnel:		
Dr. Lalit Khaitan, Chairman & Managing Director		
Remuneration		
Salary and Allowances	661.11	475.72
Contribution to Provident and other Funds	43.77	34.23
Value of benefits, calculated as per Income Tax Rules	24.98	28.19
Mr. Abhishek Khaitan, Managing Director		
Remuneration		
Salary and Allowances	661.11	452.47
Contribution to Provident and other Funds	44.77	32.92
Value of benefits, calculated as per Income Tax Rules	20.41	21.74
Mr. K. P. Singh, Whole Time Director		
Remuneration		
Salary and Allowances	182.33	169.35
Contribution to Provident and other Funds	7.97	6.49
Value of benefits, calculated as per Income Tax Rules	43.47	38.26
Mr. Dilip K Banthiya, Chief Financial Officer		
Remuneration		
Salary and Allowances	209.37	195.86
Contribution to Provident and other Funds	9.55	8.93
Value of benefits, calculated as per Income Tax Rules	43.71	73.20
Mr. Amit Manchanda, group secretary		
Remuneration		
Salary and Allowances	45.08	41.85
Contribution to Provident and other Funds	2.98	2.80
Value of benefits, calculated as per Income Tax Rules	20.11	16.69
Relatives of Key Management personnel:		
Mrs. Deepshikha Khaitan (wife of Mr. Abhishek Khaitan)		
Remuneration		
Salary and Allowances	11.28	11.60
Contribution to Provident and other Funds	1.95	1.95
Value of benefits, calculated as per Income Tax Rules	1.59	1.70
Ms. Shailja Devi (Woman Director and Daughter of Dr. Lalit Khaitan)		
Sitting Fees	1.59	0.95
Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise:		
(1) Sapphire Intrex Ltd.		
Security Receivable	60.00	60.00
Rent Paid (excluding Service Tax / GST borne by the group)	68.01	65.69
Contribution paid		
(2) The Rampur Distillery & Chemical group Ltd. (Employees P. F. Trust)		
	481.81	433.59
(3) The Rampur Distillery & Chemical group Ltd. (Employees Group Gratuity Trust)		
	285.43	387.59
(4) The Rampur Distillery & Chemical group Ltd. (Employees Superannuation Scheme)		
	103.97	97.24

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Joint Venture		
Radico NV Distilleries Maharashtra Limited		
Sale of Fixed Assets	4.72	-
Commission Income	105.06	-
Lease rent paid	7.08	7.04
Bottling Charges Paid	478.45	407.15
Tie-up operation income	9.75	113.13
Dividend Income on Preference Shares	200.00	200.00
Purchase of material	2,779.48	2,734.75
Advances Recoverable	-	0.12
Payable	150.56	153.28
Dividend receivable	200.00	400.00
Investment in preference share & equity share	17,618.43	17,011.46

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no outstanding guarantees provided or received for any related party receivables or payables in the current financial year. For the year ended March 31, 2019, the group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: ₹ Nil). This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTE 48 PAYMENT TO AUDITORS

	For the year ended March 31, 2019	For the year ended March 31, 2018
i) Audit Fee	25.50	25.50
ii) Limited Review Fee	12.00	12.00
iii) GST on (i) and (ii) above	6.75	6.75
iv) Reimbursement of Out of Pocket Expenses (including taxes)	2.44	2.60
v) Other Services (Certification Fee including Taxes)	0.69	0.80
	47.38	47.65

NOTE 49 DETAILS OF CSR EXPENDITURE

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	In cash/ Payable	Yet to be paid in cash	In cash / Payable	Yet to be paid in cash
i) Gross amount required to be spent by the group (including carry forwarded unspent amount)	409.10		347.66	
ii) Amount spent during the year :				
For construction / acquisition of assets	-	-	-	-
For other purposes	248.44	-	216.43	-
iii) Unspent amount	160.66	-	131.23	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 50 QUANTITATIVE AND OTHER INFORMATION

a) Particulars of Capacity and Production *

	Unit Per Annum	As at March 31, 2019	As at March 31, 2018
1. Molasses / Grain / Malt spirit			
KL/BL AT 94%	Licensed / Installed Capacity	102,460	102,460
	Production	92,389	92,926
KL/AL	Licensed / Installed Capacity	96,312	96,312
	Production	86,845	87,350
2. Bio gas	No license required		
000 'M3	Production	42,827	38,003
3. Pet bottles	No license required		
NOS./1000	Installed Capacity	600,000	600,000
	Production	691,916	609,647

* As certified by the Management and can not be verified by the Auditors.

b) Opening Stock, Closing Stock & Turnover

	Unit	For the year ended March 31, 2019		For the year ended March 31, 2018	
		Qty	Value	Qty	Value
1. Alcohol products					
(a) Rectified spirit					
Opening Stock	KL/AL	23	2.92	206	68.02
Closing Stock	KL/AL	116	11.05	23	2.92
Turnover	KL/AL	259	65.09	447	111.84
(b) Silent spirit					
Opening Stock	KL/AL	1,024	198.02	1,437	600.60
Closing Stock	KL/AL	989	167.42	1,024	198.02
Turnover	KL/AL	768	448.43	7,230	3,931.11
(c) Cane juice spirit					
Turnover	KL/AL	56	60.33	85	85.51
(d) Malt spirit					
Opening Stock	KL/AL	966	2,218.44	966	2,419.51
Closing Stock	KL/AL	1,020	3,485.43	966	2,218.44
Turnover	KL/AL	86	238.44	245	526.66
(e) Grain spirit					
Opening Stock	KL/AL	1,874	848.90	2,453	1,161.52
Closing Stock	KL/AL	2,886	1,460.55	1,874	848.90
Turnover	KL/AL	15,515	7,406.31	18,775	8,752.41
(f) Ethanol					
Opening Stock	KL/AL	258	41.18	163	60.32
Closing Stock	KL/AL	-	-	258	41.18
Turnover	KL/AL	2,489	1,019.62	4,354	1,747.85
2. Other alcohol products					
(a) Denatured spirit					
Opening Stock	KL/AL	1.12	0.28	1.10	0.28
Closing Stock	KL/AL	1.21	0.30	1.12	0.28
Turnover	KL/AL	-	-	-	-
(b) Indian made foreign liquor					
Opening Stock	KL/AL	2,314	9,672.82	1,208	5,809.51
Closing Stock	KL/AL	2,225	8,983.96	2,314	9,672.82
Turnover	KL/AL	78,428	540,129.61	70,723	408,134.89
(c) Country liquor					
Opening Stock	KL/AL	317	2,248.88	20	11.00

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

	Unit	For the year ended March 31, 2019		For the year ended March 31, 2018	
		Qty	Value	Qty	Value
Closing Stock	KL/AL	329	2,790.43	317	2,248.88
Turnover	KL/AL	33,346	245,731.87	27,466	193,829.17
(d) Imported Alcoholic products					
Opening Stock	BTL	72,212	259.76	79,636	296.95
Closing Stock	BTL	66,056	238.37	72,212	259.76
Turnover	BTL	188,940	733.05	173,554	697.29
3. Pet bottles and Caps					
Opening Stock	Nos.	104	190.10	74	162.71
Closing Stock	Nos.	182	298.23	104	190.10
Turnover	Nos.	1,913	5,078.95	1,914	4,440.98
4. Jaivik Khad					
Opening Stock	Qtls	141,018	91.58	163	0.16
Closing Stock	Qtls	58,339	60.02	141,018	91.58
Turnover	Qtls	426,519	320.72	324,085	241.04
5. Others					
Turnover			1,395.69		991.83
6. Other operating income					
Turnover			3,172.14		3,545.85
Total:					
Opening Stock			15,772.88		10,590.58
Closing Stock			17,495.76		15,772.88
Turnover			805,800.25		627,036.43

c) Purchases

	Unit	For the year ended March 31, 2019		For the year ended March 31, 2018	
		Qty	Value	Qty	Value
- Indian Made Foreign Liquor	Cases	44,390	555.70	97,994	2,084.32
- Imported Liquor	BTL	182,784	560.83	166,130	469.80
		-	-	-	-
			1,116.53		2,554.12

d) Consumption of raw materials

	Unit	For the year ended March 31, 2019		For the year ended March 31, 2018	
		Qty	Value	Qty	Value
(i) Molasses	Qtls	2,588,483	2,994.75	2,592,165	9,601.99
(ii) Cane juice	Qtls	14,107	55.70	9,635	41.20
(iii) Barley Malt	Qtls	20,748	553.63	20,234	619.11
(iv) Sorghum	Qtls	297	3.86	5,474	78.51
(v) Broken Rice	Qtls	562,126	9,311.04	344,353	5,245.07
(vi) Millet (Bajra)	Qtls	179,432	2,251.75	460,724	5,913.92
(vii) Maize	Qtls	122,016	1,568.73	58,918	723.69
(viii) Malt /Malt Scotch/Grain/Grape Spirits	-	-	3,795.81	-	2,553.72
(ix) Rectified spirit / Extra Neutral Alcohol	-	-	18,277.73	-	16,403.96
(x) Resin	KG	8,976,653	8,936.42	8,344,400	6,819.55
(xi) Press Mud	Qtls	1,001,267	369.48	740,479	298.22
(xii) Others			1,872.08		1,431.78
(xiii) Input Tax Credit			(767.62)		(1,814.55)
			49,223.35		47,916.17

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 51

i) Remittance in foreign currency / or to the mandate banks on account of dividends to non residents

Particulars	As at	As at
	March 31, 2019	March 31, 2018
(i) Number of non resident shareholders	16	16
(ii) Number of shares held by them	14,880	14,880
(iii) Dividend per share	1.00	0.80
(iv) Financial year to which the dividend relates	2017-18	2016-17

ii) Earnings in foreign exchange - Export of goods on FOB basis

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Earnings in foreign exchange - Export of goods on FOB basis	9,169.13	11,530.34

NOTE 52 FOREIGN CURRENCY EXPOSURE

Derivatives not designated as hedging instruments

The group uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. However such foreign currency denominated borrowings have not been designated as hedge. Such derivatives are recorded at mark to market at each reporting date with a corresponding recognition in the Statement of Profit and Loss.

Details of foreign currency exposure of the group:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Foreign Currency	INR	Foreign Currency	INR
	a Borrowings against which forward contracts have been taken:			
Borrowings (including interest) - ECB				
In USD	-	-	10.00	650.44
b Borrowings against which forward contracts have not been taken:				
Borrowings - ECB				
In USD	-	-	67.58	4,395.42
In Euro	-	-	-	-
Interest payable on ECB (USD)	-	-	0.81	52.93
c Other foreign currency exposures:				
Export Receivables (USD)	65.73	4,546.72	75.80	4,929.80
Export Receivables (EURO)	0.74	57.21	0.29	22.99
Export Receivables (GBP)	0.04	3.20	-	-
Balance with banks (USD)	0.34	23.62	3.72	241.70

NOTE 53 FINANCIAL INSTRUMENTS

A- Fair values

The carrying amount of financial assets and liabilities except for certain financial assets i.e. "instrument carried at fair value" appearing in the financial statement are reasonable approximation of fair value. Such investments of those financial instruments carried at fair value are disclosed below

Particulars	Fair value		Carrying value	
	As at	As at	As at	As at
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial assets measured at fair value through profit and loss				
Investments				
Equity shares	0.60	0.60	0.60	0.60
Certificate of deposit with a financial institution	-	5,000.00	-	5,000.00
Total	0.60	5,000.60	0.60	5,000.60

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

B- Fair value hierarchy

The following table provides fair value management hierarchy of the group's assets:

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
March 31, 2019			
Investment			
Certificate of deposit with a financial institution	-	-	-
Equity share	-	-	0.60
Total	-	-	0.60
March 31, 2018			
Investment			
Certificate of deposit with a financial institution	-	5,000.00	-
Equity share	-	-	0.60
Total	-	5,000.00	0.60

There have been no transfer between level 1, level 2 and level 3 during the year.

C- Valuation techniques and processes used to determine fair value

Fair value of unquoted investments is determined based on the present values, calculated using generally accepted valuation principles.

D- Valuation inputs and relationships to fair value

Significant unobservable inputs used in Level 3 fair value measurement

Non current investment – Unquoted	As at March 31, 2019	As at March 31, 2018
Fair Value	0.60	0.60
Significant unobservable inputs*		
Earnings growth rate (%)	10.00	10.00
Risk adjusted discount rate (%)	10.00	10.00

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

E- Reconciliation of financial instruments categorised under level 3

	As at March 31, 2019	As at March 31, 2018
Opening at the beginning of the year	0.60	0.60
Additions during the year	-	-
Gain/(Loss) recognised in OCI during the year	-	-
Closing at the end of the year	0.60	0.60

NOTE 54 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's principal financial liabilities comprise loans and borrowings, security deposits and trade and other payables. The main purpose of these financial liabilities is to finance the group's operations and to provide guarantees to support its operations. The group's principal financial assets include loans, investment in preference shares & equity shares, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The group's business activities are exposed to a variety of financial risks, namely market risks, credit risk and liquidity risk.

The group's senior management has the overall responsibility for establishing and governing the group's risk management framework. The group has constituted a Risk Management Committee, which is responsible for developing and monitoring the group's risk management policies. The group's risk management policies are established to identify and analyse the risks faced by the group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also policy before the Audit Committee of the group.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk and equity price risk. Financial instruments affected by market risk include loans and borrowings.

The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies to total debts.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analysis:

At the reporting date the interest rate profile of the group's interest bearing financial instrument is as its fair value:

Particulars	Carrying amounts	
	As at March 31, 2019	As at March 31, 2018
Variable rate instruments		
Long term borrowings	2,165.56	3,439.79
Current maturities of long term debt	1,376.68	6,985.17
Short term Loan	30,160.06	48,780.09

Fair value sensitivity analysis for fixed rate instruments

The group does not have any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss and neither would it affect the equity.

A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/ (decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	As at March 31, 2019		As at March 31, 2018	
	Increase/ (decrease) in basis points	100	(100)	100
Effect on profit before tax (increase)/ decrease	337.02	(337.02)	592.05	(592.05)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(ii) Foreign currency risk

The Indian National Rupee is the group's most significant currency. As a consequence, the group's results are presented in Indian National Rupee and exposures are

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows

managed against Indian National Rupee accordingly. The group has limited foreign currency exposure which are mainly on account ECB loan, import and exports. The group has hedged NIL as at March 31, 2019 (12.89 % as at March 31, 2018) of its ECB loan to minimize the risk. import and export have short recovery cycle and counter each other reducing the foreign currency risk.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the group's profit before tax due to changes in the fair value of foreign currency exposure.

Sensitivity to risk	As at March 31, 2019		As at March 31, 2018	
	Increase/ (decrease) in Currency rate (USD)	2.75%	(2.75%)	2.75%
Effect on profit before tax increase/ (decrease)	127.35	(127.35)	20.52	(20.52)

(iii) Equity price risk

The group's equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Reports on the equity portfolio are submitted to the group's senior management on a regular basis. The group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to:

- unlisted equity securities at fair value is ₹ 0.60 Lakhs.
- unlisted equity in Associate at cost of ₹ 135.39 Lakhs

(b) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

Trade receivables and loans

Credit risk is managed by group subject to in accordance with the group's established policy, procedures and control relating to credit risk management. Credit quality is assessed based on an extensive credit rating scorecard

and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and loans are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for receivables and loans. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note below. The group does not hold collateral as security. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and has been rated highly based on internal credit assessment parameters.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the group's treasury department in accordance with the group's policy. Counterparty credit limits are reviewed by the group's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The group's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2019 and March 31, 2018 is the carrying amounts as illustrated in note below.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Financial assets		
Investment in a joint venture	17,618.43	17,011.46
Investment in others	0.60	0.60
Loans	803.08	2,901.30
Others	159.60	217.51
	18,581.71	20,130.87
Non Current Financial assets		
Investments	-	5,000.00
Trade receivables	64,174.89	63,001.07
Cash and cash equivalents	825.40	1,676.51
Bank balances other than above	941.61	558.92
Loans	4,669.95	5,449.20
Others	2,412.35	2,508.39
	73,024.20	78,194.09

(c) Liquidity Risk

The group monitors its risk of shortage of funds on a regular basis. The group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments:

Particulars	Payable within one year	Payable within one year to five years	Total
As at March 31, 2019:			
Term loans from banks	1,376.68	2,165.76	3,542.44
Short term loan	30,160.06	-	30,160.06
Trade payables	24,483.57	-	24,483.57
Other Financial Liabilities	1,778.16	47.19	1,825.35
As at March 31, 2018:			
Term loans from banks	6,985.17	3,459.12	10,444.29
Short term loan	48,780.09	-	48,780.09
Trade payables	21,413.50	-	21,413.50
Other Financial Liabilities	1,367.74	68.19	1,435.93

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the group's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Collateral

The group has created a charge in favor of the lenders for loans and borrowings (Refer note- 19 and 24 on Borrowings for details).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 55 POST-EMPLOYMENT BENEFIT PLANS

	As at March 31, 2019	As at March 31, 2018
Gratuity	141.55	348.21

The group has a defined benefit plans for Gratuity, Provident Fund and Leave Encashment. For provident fund, group makes contribution to provident fund trust. Gratuity plan is funded with LIC and requires contributions to be made to a separate fund administered by LIC. Leave encashment liability of the group is unfunded. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Each year, the Board of Trustees reviews the level of funding in the Gratuity plan and Provident fund. Such a review includes the asset-liability matching strategy and investment risk management policy. The Board of Trustees decides its contribution based on the results of this annual review. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The following tables summaries the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans.

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2019 and March 31, 2018

	Gratuity		
	Defined benefit obligation	Fair value of plan assets	Benefit liability
April 01, 2018	(2,407.92)	2,059.71	(348.21)
Cost charged to profit or loss			
Service cost	(157.00)		-
Net interest expense	(186.61)	159.63	-
Sub-total included in profit or loss	(343.61)	159.63	(183.98)
Benefits paid	85.75	(85.75)	-
Remeasurement gains/(losses) in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	(13.61)	-
Actuarial changes arising from changes in demographic assumptions	72.38		-
Actuarial changes arising from changes in financial assumptions	(14.91)		-
Experience adjustments	(154.40)		-
Sub-total included in OCI	(96.93)	(13.61)	(110.54)
Contributions by employer	-	501.18	501.18
March 31, 2019	(2,762.71)	2,621.16	(141.55)

	Gratuity		
	Defined benefit obligation	Fair value of plan assets	Benefit liability
April 01, 2017	(2032.68)	1921.84	(110.83)
Cost charged to profit or loss			
Service cost	(140.11)		-
Net interest expense	(152.45)	144.14	-
Sub-total included in profit or loss	(292.56)	144.14	(148.42)
Benefits paid	154.13	(154.13)	-
Remeasurement gains/(losses) in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	4.80	-
Actuarial changes arising from changes in demographic assumptions	-		-
Actuarial changes arising from changes in financial assumptions	41.41		-
Experience adjustments	(278.22)		-
Sub-total included in OCI	(236.81)	4.80	(232.01)
Contributions by employer	-	143.06	143.06
March 31, 2018	(2,407.92)	2,059.71	(348.21)

Notes to the Consolidated Financial Statements

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(₹ in Lakhs unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Funds Managed by Insurer	2,621.16	2,059.72
Total	2,621.16	2,059.72

Significant assumptions used in calculation of post-employment defined benefit obligation of the group's are shown below:

	As at March 31, 2019	As at March 31, 2018
	%	%
Discount rate	7.66%	7.75%
Future salary increases	5.50%	5.50%
Mortality rate	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 and March 31, 2019:

Particulars	Gratuity		Gratuity	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Assumption	Discount Rate		Discount Rate	
Sensitivity Level	0.50%	0.50%	0.50%	0.50%
	Increase	Increase	Decrease	Decrease
Impact on defined benefit obligation	(95.49)	(77.62)	101.57	84.91
Assumption	Future Salary		Future Salary	
Sensitivity Level	0.50%	0.50%	0.50%	0.50%
	Increase	Increase	Decrease	Decrease
Impact on defined benefit obligation	103.21	86.38	(97.84)	(79.56)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Expected contribution to post employment benefit plans for the next Annual reporting period is ₹ 177.22 lakhs

The following payments are expected contributions to the defined benefit plan in future years:

	Gratuity	
Within the next 12 months (next annual reporting period)	263.88	1,006.86
Between 2 and 5 years	1,160.24	332.47
Beyond 5 years	1,338.59	1,068.59
Total expected payments	2,762.71	2,407.92
The average duration of the Gratuity at the end of the reporting period	18.67 years	18.06 years

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 56 INFORMATION UNDER 186(4) OF THE COMPANIES ACT, 2013

	As at March 31, 2019	As at March 31, 2018
(a) Loans given:		
i) To a Joint Venture group (interest free working capital advance)		
Opening Balance	0.12	-
Given during the year	-	0.12
Received during the year	(0.12)	-
Closing Balances	-	0.12
ii) In the form of unsecured short-term Inter corporate Deposits *		
Opening Balance	9,890.00	10,085.00
Given during the year	750.00	2,300.00
Received / adjusted during the year	(5,745.00)	(2,495.00)
Closing Balances	4,895.00	9,890.00
(b) Investments made (As disclosed under Note.3,4 & 9)		

* All loans are given to unrelated entities at interest rates ranging from 10% to 14% per annum. All the loans are provided for business purposes of respective entities, repayable on demand with prepayment option to the borrower.

NOTE 57 CAPITAL MANAGEMENT

For the purpose of the group's capital management, capital includes issued equity share capital and other equity attributable to the equity holders of the group. The primary objective of the group's capital management is to maximise the shareholder's wealth.

The group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital employed as well as the level of dividend to shareholders.

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The group monitors capital using a debt equity ratio, which is net debt divided by total capital. The group's policy is to keep the debt equity ratio between 70% and 100%. The group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

The group's debt equity ratio was as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings	33,702.30	59,205.05
Less: Cash and cash equivalents	(825.40)	(1,676.51)
Net debt	32,876.90	57,528.54
Equity Capital	2,668.19	2,666.15
Other Equity	130,906.00	113,018.73
Total Equity	133,574.19	115,684.88
Debt Equity Ratio	24.61%	49.73%

In order to achieve this overall objective, the group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current financial year. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 58 ADDITIONAL DISCLOSURE OF SCHEDULE-III

Name of the Entity in the Group	Net Assets (total assets minus total liabilities)		Share in Profit or Loss		Share in other Comprehensive Income/(Loss)		Share in Total Comprehensive Income/(Loss)	
	As % of Consolidated Net assets	Amount	As % of Consolidated profit or (loss)	Amount	As % of Other Comprehensive Income/(Loss)	Amount	As % of total Comprehensive Income/(Loss)	Amount
Radico Khaitan Limited								
Mach 31, 2019	88.31	117,955.76	96.87	18,806.46	100.20	(71.91)	96.86	18,734.55
Mach 31, 2018	87.02	100,673.42	99.59	12,345.33	99.01	(151.72)	99.60	12,193.61
Joint Venture								
Radico NV Distilleries Maharashtra Limited								
Mach 31, 2019	11.69	15,618.43	3.13	606.83	(0.20)	0.14	3.14	606.98
Mach 31, 2018	12.98	15,011.46	0.41	50.81	0.99	(1.51)	0.40	49.30
Total								
Mach 31, 2019	100.00	133,574.19	100.00	19,413.29	100.00	(71.77)	100.00	19,341.53
Mach 31, 2018	100.00	115,684.88	100.00	12,396.14	100.00	(153.23)	100.00	12,242.91

NOTE 59 INTEREST IN OTHER ENTITIES

(a) Interest in Joint Venture

Name of the group	Place of Business	% of Ownership Interest	Relationship	Accounting Method	Carrying amount	
					As at March 31, 2019	As at March 31, 2018
Radico NV Distilleries Maharashtra Limited	Maharashtra	36%	Joint Venture	Equity Method	15618.43	15011.46

(b) Summarised financial information the joint venture:

The table below provide summarised financial information for the joint venture of the group. The information disclosed reflects the amounts presented in the financial statements of the joint venture and not Radico Khaitan Limited's share of those amounts.

Summarised Balance Sheet:

	As at March 31, 2019	As at March 31, 2018
ASSETS		
Non-current assets		
Property, Plant and Equipment	33,128.86	34,540.41
Capital work-in-progress	5.08	2.00
Investment property	41.23	44.34
Intangible assets	112.65	112.65
Financial assets	1,412.89	462.25
Other non-current assets	2.77	14.82
Current assets		
Inventories	6,253.32	4,733.76
Financial assets	8,998.21	10,321.99
Other current assets	1,507.69	1,864.33
	51,462.70	52,096.55
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	7,387.72	7,387.72
Other Equity	35,996.81	34,310.76
Non-current liabilities		
Financial Liabilities	2,163.89	2,326.56

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

ASSETS	As at	As at
	March 31, 2019	March 31, 2018
Provisions	124.94	116.24
Deferred tax liabilities (Net)	3,936.05	3,285.00
Other non-current liabilities	37.44	37.14
Current liabilities		
Financial Liabilities	1,417.85	4,402.42
Other current liabilities	552.73	374.54
Provisions	45.47	49.91
Current tax liabilities (net)	98.79	105.51
	51,761.69	52,395.79

The capital commitment and contingent liabilities of the above joint venture are given below:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Capital Commitments	30.55	151.91
Contingent Liabilities	958.92	653.09

The group has filed legal suits against recovery of its dues from trade receivable and other parties aggregating to ₹ 6.66 Lakhs (P.Y. ₹ 6.66 Lakhs), which are in the opinion of Management recoverable and no material losses are foreseen.

(c) Reconciliation of Carrying Amount

The table below provides the reconciliation to carrying amounts for the joint venture to the group.

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Opening net Assets	41,698.51	41,561.57
Profit for the year	1,685.65	141.13
Other Comprehensive Income	0.40	(4.20)
Total Comprehensive Income/ (Loss) for the year, net of tax	1,686.05	136.93
Closing Net Assets	43,384.56	41,698.51
Group's Share in %	36%	36%
Group's Share in ₹	15,618.44	15,011.46
Carrying Amount	15,618.43	15,011.46

60 PREVIOUS YEAR FIGURES HAVE BEEN RE-GROUPED, WHEREVER NECESSARY, TO CORRESPOND TO CURRENT YEAR FIGURES.

As per our report of even date attached

For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N

Darshan Chhajer
Partner

Membership No.: 088308

Place: New Delhi
Date: May 02, 2019

For and on behalf of Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Amit Manchanda
Vice President Legal &
Company Secretary

Ajay K. Agarwal
President (Finance & Accounts)

Dr. Lalit Khaitan
Chairman & Managing Director

Abhishek Khaitan
Managing Director

Director

Company Information

BOARD OF DIRECTORS

Dr. Lalit Khaitan, *Chairman & Managing Director*
Mr. Abhishek Khaitan, *Managing Director*
Mr. Krishan Pal Singh, *Whole Time Director, President – Production*
Mr. Karna Singh Mehta, *Independent Director*
Mr. Ashutosh Patra, *Independent Director*
Dr. Raghupati Singhania, *Independent Director*
Mr. Sarvesh Srivastava, *Independent Director*
Ms. Sushmita Singha, *Independent Director (effective April 1, 2019)*

CHIEF FINANCIAL OFFICER

Mr. Dilip K Banthiya

VICE PRESIDENT – LEGAL & COMPANY SECRETARY

Mr. Amit Manchanda

AUDIT COMMITTEE

Mr. Sarvesh Srivastava *Chairman*
Dr. Raghupati Singhania *Member*
Mr. Ashutosh Patra *Member*

NOMINATION AND REMUNERATION COMMITTEE

Dr. Raghupati Singhania *Chairman*
Mr. Karna Singh Mehta *Member*
Mr. Ashutosh Patra *Member*

STAKEHOLDER'S RELATIONSHIP COMMITTEE

Mr. Ashutosh Patra *Chairman*
Mr. Sarvesh Srivastava *Member*
Mr. K.P. Singh *Member*

ESOP COMPENSATION COMMITTEE

Mr. Ashutosh Patra *Chairman*
Mr. Karna Singh Mehta *Member*
Mr. K.P. Singh *Member*

RISK MANAGEMENT COMMITTEE

Dr. Lalit Khaitan *Chairman*
Mr. Abhishek Khaitan *Member*
Mr. Dilip K. Banthiya *Member*

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Dr. Lalit Khaitan *Chairman*
Mr. K.P. Singh *Member*
Mr. Ashutosh Patra *Member*
Ms. Sushmita Singha *Member (effective April 1, 2019)*

STATUTORY AUDITORS

BGJC & Associates LLP
202, 2nd Floor, Raj Tower-1
Alaknanda Community Center
New Delhi – 110 019

INTERNAL AUDITORS

Grant Thornton
21st Floor, DLF Square, Jacaranda
Marg, DLF Phase II
Gurgaon – 122 002

COST AUDITORS

Mr. R. Krishnan,
Cost Accountants
H -301, Green Valley Apartment
Plot No.18, Sector-22
Dwarka, New Delhi -110 077

TRANSFER AGENTS

Karvy Fintech Pvt. Ltd.
Karvy Selenium Tower-B
Plot no. 31 & 32, Gachibowli, Financial District
Nanakramguda, Serilingampally
Hyderabad – 500032 Telangana

BANKERS

Punjab National Bank
State Bank of India
AXIS Bank
Kotak Mahindra Bank
Standard Chartered Bank
IDBI Bank
ICICI Bank
Yes Bank
Lakshmi Vilas Bank
HDFC Bank
Federal Bank
IDFC Bank

REGISTERED OFFICE

Bareilly Road
Rampur – 244 901
Uttar Pradesh.

CORPORATE OFFICE

J-1, Block B-1, Mohan Co-operative Industrial Area
Mathura Road, New Delhi – 110 044

WORKS

Rampur Distillery
Bareilly Road, Rampur – 244 901, Uttar Pradesh

B-24, A-25, Shri Khatushyamji Industrial Complex
Reengus, Dist. Sikar – 332 404, Rajasthan

A-1/A-2/B-3, Bazpur Industrial Area
Phase – I, P.O. Sultanpur Patti, Bazpur
Dist. Udham Singh Nagar – 262 123, Uttarakhand

S. No.59, Timmapur Village, Palmakul Post - 509 325
Shadnagar Tq. Dist. Mahaboobnagar, Hyderabad
Andhra Pradesh

44 KM Stone, Delhi Rohtak Road
Village & Post Rohad, Bahadurgarh
Dist. Jhajjar – 124501, Haryana



Radico

RADICO KHAITAN LTD.

Plot No. J-I, Block B-I,
Mohan Co-operative Industrial Area,
Mathura Road, New Delhi-110044
T: +91-11-40975400/5500
Fax: +91-11-41678841/42
CIN: L26941UP1983PLC027278
info@radico.co.in
www.radicokhaitan.com



Radico Khaitan Limited

Registered Office: Bareilly Road, Rampur – 244 901 (U.P.)

CIN No.L26941UP1983PLC027278

E-mail: Info@radico.co.in Website: www.radicokhaitan.com

Ph.: 0595-2350601-2, Fax.: 0595-2350009

NOTICE

Notice is hereby given that the 35th Annual General Meeting of the Members of Radico Khaitan Limited (RKL), will be held on Thursday, 26th day of September 2019 at 1.00 p.m. at the registered office of the Company at Rampur Distillery, Bareilly Road, Rampur - 244 901 (U.P.) to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Standalone and Consolidated Audited Accounts of the Company consisting of the Balance Sheet as at 31st March, 2019 and the Profit and Loss Account for the year ended on that date including Notes thereto together with Reports of the Board and Auditors thereon.
2. To declare dividend @ Rs.1.20 per equity share of face value of 2/- each for the year ended 31st March 2019.
3. To appoint a Director in the place of Mr. Abhishek Khaitan (DIN: 00772865), Director who shall retire by rotation for compliance with the requirements of Section 152 of the Companies Act, 2013, and being eligible offers himself for re-appointment.

Special Business:

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), **Mr. Sarvesh Srivastava (holding DIN No. 06869261)**, who was appointed as an Independent Director and who holds office of Independent Director till the date of this Annual General Meeting and being eligible has offered himself for reappointment and in respect of whom the Company has received a notice

in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of five consecutive years commencing from the date of 35th Annual General Meeting of the Company.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), **Dr. Raghupati Singhania (holding DIN No. 00036129)**, who was appointed as an Independent Director and who holds office of Independent Director till the date of this Annual General Meeting and being eligible, has offered himself for reappointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of five consecutive years commencing from the date of 35th Annual General Meeting of the Company.”

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), **Ms. Sushmita Singha (holding DIN 02284266)**, who was appointed as an additional Non Executive Independent Director and who holds office of Independent Director till the date of this Annual General Meeting and being eligible, has offered herself for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Non executive women Independent Director of the Company, not liable to retire by rotation and to hold office for a five consecutive years commencing from the date of 35th Annual General Meeting of the Company.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), **Mr. Tushar Jain (holding DIN 00053023)**, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 08.08.2019 in terms of Section 161 (1) of the Companies Act, 2013 and whose term of office expires at the Annual General Meeting and being eligible offered himself for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under section 160 of the Companies Act 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five consecutive years commencing from the date of 35th Annual General Meeting of the Company.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), **Mr. Sharad Jaipuria (holding DIN 00017049)**, who

was appointed as an Additional Director of the Company by the Board of Directors with effect from 08.08.2019 in terms of Section 161 (1) of the Companies Act, 2013 and whose term of office expires at the Annual General Meeting and being eligible offer himself for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under section 160 of the Companies Act 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five consecutive years commencing from the date of 35th Annual General Meeting of the Company.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be amended from time to time, Mr. R. Krishnan (Membership No. 7799), Cost Accountant, R/o. Flat No. H-301, Green Valley Apartment, Plot No.18, Sector-22, Dwarka, New Delhi -110 077, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2019-20 be paid remuneration of Rs.1.10 Lakhs (Rupees One Lakh Ten thousand only) apart from reimbursement of actual expenses to be incurred by him in connection with conducting the audit of cost records of the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

**By order of the Board
for Radico Khaitan Limited**

**Place : New Delhi
Date : 08.08.2019**

**Amit Manchanda
Vice President – Legal &
Company Secretary
FCS No.6615**

NOTES

- (1) **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. Pursuant to Section 105 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 a person shall not act as proxy for more than fifty (50) members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of a Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.**

Proxies, to be effective, must be received by the Company not less than 48 hours before the meeting.

Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.

Members are requested to notify immediately the changes of address, if any, to the Company or the Share Transfer Agent and Registrar.

- (2) Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
- (3) Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
- (4) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (5) Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays and Sundays, between 11.00 a.m. to 1.00 p.m. upto the date of the Meeting.
- (6) (a) The Company has already notified closure of Register of Members and Transfer Books from 21.09.2019 to 26.09.2019 (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting.
- (b) The dividend on Equity Shares @Rs.1.20 per

equity share, if declared at the Meeting, will be paid on or after 01.10.2019 to those Members whose names shall appear on the Company's Register of Members on 21.09.2019. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. as at the closing hours on 20.09.2019.

Members holding shares in electronic form are requested to furnish the new Bank Account Number allotted to them by their bank, (after implementation of CBS), along with photocopy of a cheque pertaining to the concerned account, to their Depository Participant (DP). Please send these details to the Company/Registrars, if the shares are held in physical form, immediately.

Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to M/s. Karvy Fintech Private Limited or the Secretarial Department of the Company immediately.

Members holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number latest by 20.09.2019 to our Registrar and Share Transfer Agent, M/s. Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot number 31&32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032.

(7)

Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the Demat Account of the IEPF Authority ('IEPF Account') within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, the Company had transferred 915215 equity shares of Rs.2 each to the IEPF Account on which the dividends remained unpaid or unclaimed for seven consecutive years with reference to the due date of 08.10.2018 in compliance with the procedure specified under the IEPF Rules. The details of shareholders and shares transferred to the IEPF Account are uploaded on the "Investors Section" of the website of the Company www.radicokhaitan.com Further, all the shareholders who have not claimed/ encashed their dividends in the last seven consecutive years from 2011-2012 are requested to claim the same. In case of non-receipt of any such claim, the Company will proceed to transfer the Unclaimed Dividend to the IEPF Account in terms of the IEPF Rules."

In terms of the circular, the Company has uploaded

the details of unpaid and unclaimed dividend and the same can be viewed on www.radicokhaitan.com

(8) Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, M/s. Karvy Fintech Private Limited, immediately of:

(a) Change in their Residential status on return to India for permanent settlement.

(b) Particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier.

(9) In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and Clause 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the members have been provided with the facility to cast their votes electronically, through the e-voting services provided by M/s. Karvy Fintech Private Limited, on all resolutions set forth in this Notice. The Members whose names appear in the Register of Members/List of Beneficiary Owners as on September 20th, 2019 (cut-off date) i.e., a date not earlier than seven days before the date of general meeting shall only be allowed to vote.

Shareholders who have acquired shares after the dispatch of notice and before the cut-off date may approach the Company for issuance of User ID and Password for exercising their votes by electronic means.

A separate leaflet is Annexed to this notice, inter alia, indicating the process and manner of e-voting and is being sent to all members whose email IDs are registered with the Company / Depository Participant (s) for communication purposes through electronic mode unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the 35th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent through the permitted mode.

The Company has appointed M/s. TVA & Co. LLP, Company Secretary firm, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

Pursuant to Section 108 of the Companies Act, 2013,

read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to members to exercise the right to vote by electronic means.

The E-voting period commence on 22.09.2019 from 09.00 a.m. and ends on 25.09.2019 upto 05.00 p.m.

The Members who have cast their vote by e-voting prior to the meeting may also attend the AGM but shall not be entitled to cast their vote again.

The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.radicokhaitan.com and on the website of M/s. Karvy Fintech Private Limited immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE and NSE.

(10) In accordance with the provisions of Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company had opened a demat account namely "Radico Khaitan Limited – Unclaimed Suspense Account" with Stock Holding Corporation of India Limited and as on 31.3.2019, **NIL. Shares.**

(11) Pursuant to Section 101 and 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Companies (Accounts) Rules, 2014, the Company can send the Notice of Annual General Meeting, financial statements and other communication in electronic form. The Company is sending the Annual Report including the Notice of Annual General Meeting, audited financial statements Standalone & Consolidated, Director's Report, Auditor's Report along with their annexures etc. for the financial year 2018-19 in the electronic mode to the shareholders who have registered their e-mail ids with the Company and / or other respective Depository Participants (DPs). The documents being served in electronic form will also be available on Company's website www.radicokhaitan.com. In case you desire to receive the documents mentioned above in physical form, you are requested to intimate the

Company at Bareilly Road, Rampur – 244 901 (U.P.),
Tel. No.0595-2350601/2, 0595-2351703, Fax No.
0595-2350009, email – info@radico.co.in.

**notices and Annual Reports may be sent through
electronic mode. The shareholders may seek
physical copy also.**

**A STATEMENT PURSUANT TO SECTION 102(1)
OF THE COMPANIES ACT, 2013 RELATING TO
THE SPECIAL BUSINESS TO BE TRANSACTED
AT THE MEETING IS ANNEXED HERETO.**

**By order of the Board
for Radico Khaitan Limited**

(12) Green Initiative:

Place : New Delhi

Date : 08.08.2019

**In view of green initiative measures taken by MCA
to save papers, you are requested to provide your
email id to the Company or update id with your
DP's, so that all the communications along with**

**Amit Manchanda
Vice President – Legal &
Company Secretary
FCS No.6615**

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

Item No.4 & 5

Mr. Sarvesh Srivastava (holding DIN No. 06869261) and Dr. Raghupati Singhania(holding DIN No. 00036129) , are Independent Directors and were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. Mr. Sarvesh Srivastava and Dr. Raghupati Singhania holds office as Independent Directors of the Company up to the date of the ensuing Annual General Meeting of the Company (“first term” in line with the explanation to Sections 149(10) and 149(11) of the Act).

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report.

Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Section 149 of the Companies Act 2013 and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act.

None of the Directors are disqualified from being appointed as Director in terms of Section 164 of the Act and has given their consent to act as Director.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended the reappointment of Mr. Sarvesh Srivastava and Dr. Raghupati Singhania as Non Executive Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company. The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given the background and experience and contributions made by them during their tenure, the continued association of Mr. Sarvesh Srivastava and Dr. Raghupati Singhania would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Mr. Sarvesh Srivastava and Dr. Raghupati Singhania as Non executive Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

The Company has received a notice, in writing, from a member pursuant to the provisions of the Companies Act, 2013 indicating the intention to propose their candidature for the office of the Director of the Company not liable to be retire by rotation.

Dr. Raghupati Singhania shall be attaining the age of 75 (seventy five) years on 08th December 2021, during the Second term of re-appointment, his continuation to reappointment as an Independent Non–Executive Director of the company for

3 years on the same terms and conditions of such re-appointment even after attaining the age of 75 Years is proposed by the way of Special Resolution in compliance to the regulation 17(1A) of the SEBI (Listing Obligation and Disclosure Requirements) (Amendment) Regulations 2018.

Brief resume of these Directors are also given below for the reference of the members.

Brief profile

1	Name	Sarvesh Srivastava	Raghupati Singhania																
2	Date of Birth	26/10/1954	08.12.1946																
3	Date of Appointment	30/05/2014	28.1.2003																
4	Qualifications	He has Bachelors Degree in Science with Botany, Zoology and Chemistry. He has been a Member of the Institute of Chartered Accountants of India since 1985.	B. Sc																
5	Expertise in specific functional Area	He worked as a Manager – Taxation in a leading private commercial enterprise and subsequently developed private practice with primary emphasis on various aspects of Indian Taxation and Company Law matters including conduct of statutory audits, tax audits and special investigation for various organizations including corporate entities, banks, insurance companies, societies, trusts and other non profit entities.	Dr. Raghupati Singhania is an eminent industrialist and is the Chairman & Managing Director of J.K. Tyre & Industries Ltd. He is also on the Board of other J.K. Group of Companies.																
6	Directorship held in other public companies (Excluding foreign companies and Section 8 Companies)	NIL	<table border="1"> <tr> <td>1</td> <td>Jk Agri Genetics Limited.</td> </tr> <tr> <td>2</td> <td>Jk Tyre & Industries Limited.</td> </tr> <tr> <td>3</td> <td>Bengal & Assam Company Limited.</td> </tr> <tr> <td>4</td> <td>Jk Lakshmi Cement Limited.</td> </tr> <tr> <td>5</td> <td>Fenner (India) Limited.</td> </tr> <tr> <td>6</td> <td>Cavendish Industries Limited</td> </tr> <tr> <td>7</td> <td>Dcm Engineering Limited</td> </tr> <tr> <td>8</td> <td>JKT&I Employees Welfare Association Limited</td> </tr> </table>	1	Jk Agri Genetics Limited.	2	Jk Tyre & Industries Limited.	3	Bengal & Assam Company Limited.	4	Jk Lakshmi Cement Limited.	5	Fenner (India) Limited.	6	Cavendish Industries Limited	7	Dcm Engineering Limited	8	JKT&I Employees Welfare Association Limited
1	Jk Agri Genetics Limited.																		
2	Jk Tyre & Industries Limited.																		
3	Bengal & Assam Company Limited.																		
4	Jk Lakshmi Cement Limited.																		
5	Fenner (India) Limited.																		
6	Cavendish Industries Limited																		
7	Dcm Engineering Limited																		
8	JKT&I Employees Welfare Association Limited																		
7	Memberships/ Chairmanships of Committees of other Public Companies (Includes only Audit Committee and Stakeholder's Relationship Committee)	NIL	<p>1. JK Lakshmi Cements Ltd. (Member of Audit Committee and Chairman of Stakeholders Relationship Committee)</p> <p>2. Bengal & Assam Co. Ltd. (Chairman of Stakeholders Relationship Committee)</p>																
8	Number of shares held in the company	NIL	NIL																
9	Relationship between Directors inter-se	NIL	NIL																

None of the Directors and Key Managerial Personnel of the Company and their relatives except **Mr. Sarvesh Srivastava and Dr. Raghupati Singhania** are concerned or interested, financial or otherwise, in the resolution.

The Board recommends the resolution set out at Item No.4 & 5 to the shareholders for their approval.

Item No.6

Ms. Sushmita Singha was appointed as an Additional Director on the Board of the Company with effect from 1st April 2019 in terms of Section 161 (1) of the Companies Act, 2013 and in compliance of amended Regulation 17 (1) (a) of Securities

and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018. Ms. Sushmita Singha holds office until the ensuing 35th Annual General Meeting of the Company. Her appointment was made in the category of Non-executive and Independent.

Section 149 of the Companies Act 2013 and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act.

Ms. Sushmita Singha is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

The Nomination and Remuneration Committee of the Board of Directors, has recommended the appointment of Ms. Sushmita Singha as Non Executive Independent Director for a term of 5 (five) years on the Board of the Company. The Board based on the recommendation of the Nomination and Remuneration Committee, considers that, given the background and experience appointment of Ms. Sushmita Singha would be beneficial to the Company Accordingly, it is proposed to appoint Ms. Sushmita Singha as Non executive Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company.

The Company has received a notice, in writing, from a member pursuant to the provisions of the Companies Act, 2013 indicating the intention to propose her candidature for the office of the Director of the Company not liable to be retire by rotation.

Brief profile of Ms. Sushmita Singha is given below :

1	Name	Sushmita Singha	
2	Date of Birth	13/05/1964	
3	Date of Appointment	01 st April 2019	
4	Qualifications	Post Graduate in English	
5	Expertise in specific functional Area	She has over 30 years of experience in the industry, international organizations and development sector. She has a Diploma in Urban Town Planning from the Human Settlement Management Institute (HSMI), New Delhi and Certification Course in Enhancement of Managerial Capability from the Indian Institute of Management (IIM), Lucknow, Uttar Pradesh.	
6	Directorship held in other public companies (Excluding foreign companies and Section 8 Companies)	1.	Ginni International Ltd.
		2.	Kajaria Ceramics Limited
		3.	Greenpanel Industries Limited
7	Memberships/Chairmanships of Committees of other Public Companies (Includes only Audit Committee and Stakeholder's Relationship Committee)	NIL	
8	Number of shares held in the company	NIL	
9	Relationship between Directors inter-se	NIL	

None of the Directors and Key Managerial Personnel of the Company and their relatives except Ms. Sushmita Singha is concerned or interested, financial or otherwise, in the resolution.

The Board recommends the resolution set out at Item No.6 to the shareholders for their approval.

Item No. 7 & 8

Mr. Tushar Jain and Mr. Sharad Jaipuria were appointed as an Additional Independent Directors on the Board of the Company with effect from 08.08.2019 in terms of Section 161 (1) of the Companies Act, 2013. By virtue of the aforesaid section, Mr. Tushar Jain and Mr. Sharad Jaipuria holds office until the date of ensuing 35th Annual General Meeting of the Company. Their appointments were made in the category of Non-executive and Independent.

Section 149 of the Companies Act 2013 and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act.

None of the Directors are disqualified from being appointed as Director in terms of Section 164 of the Act and has given their consent to act as Director.

The Nomination and Remuneration Committee of the Board of Directors, has recommended the appointment of **Mr. Tushar Jain** and **Mr. Sharad Jaipuria** as Non Executive Independent Directors for the term of 5 (five) consecutive years on the Board of the Company. The Board based on the recommendation of the Nomination and Remuneration Committee, considers that, given the background and experience appointment of Mr. Tushar Jain and Mr. Sharad Jaipuria would be beneficial to the Company Accordingly, it is proposed to appoint Mr. Tushar Jain and Mr. Sharad Jaipuria as Non Executive Independent Directors of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company.

The Company has received a notice, in writing, from a member pursuant to the provisions of the Companies Act, 2013 indicating the intention to propose their candidatures for the office of the Directors of the Company not liable to be retire by rotation.

Brief Profile of Mr. Tushar Jain and Mr. Sharad Jaipuria is given below :

1	Name	Tushar Jain:	Sharad Jaipuria
2	Date of Birth	26.08.1970	07/04/1957
3	Date of Appointment	08/08/2019	08/08/2019
4	Qualifications	He is M.Sc (Eco.) From BITS, Pilani, MBA (Finance), BITS, Pilani, and CLIA (Certified Irrigation Auditor), American Irrigation Association.	He is M. Com, LLB
5	Expertise in specific functional Area	<p>He has worked as Senior Associate, Investment Banking, Partner and later Managing Director of Automat Industries & Smith Industrial Corporation and Founded Automat Irrigation in 2007.</p> <p>During his illustrious career Mr. Jain has won several awards in recognition of his services, namely</p> <ul style="list-style-type: none"> • 4th National Awards for Technology Innovation from Ministry of Chemicals & Fertilizers in the year 2013-14. • Best entrepreneur in Medium Sector across industries by ET Now in 2013. • National Award by Ministry of Micro, Small & Medium Enterprises for Product/Process Innovation in the year 2015. • 7th Plasticon Awards for Best Entrepreneur by Plast India Foundation in the year 2014-15. • The Economic Times Polymers Awards for Technological innovation in Fertilizer Tank in the year 2017. • The Economic Times Polymer Awards for Technological innovation in Hydro Cyclone in the year 2018. • Nominated as senior member of European Irrigation Association. 	<p>Mr. Sharad Jaipuria is Chairman and Managing Director of Ginni International Ltd., a composite textile mill manufacturing Cotton yarn, Woven fabrics and Denim fabrics</p> <p>He is also Chairman of Ginni Global Limited, which is in renewable energy and is running two small hydroelectric power projects of 5 MW each in the State of Himachal Pradesh</p> <p>Mr. Jaipuria is President of Integral Education Society which runs and manages Jaipuria Institute of Management (Lucknow, Noida, Jaipur and Indore) and Seth M.R. Jaipuria School, Lucknow, which are premier educational Institutes of the country and imparts high quality education to the students.</p> <p>He also holds the following position in various associations and bodies.</p> <ul style="list-style-type: none"> • President, Denim Manufacturers Association • Senior Vice President, Northern India Textile Mills Association • Member, Managing Committee, ASSOCHAM • Member, World President Organization • Committee Member, Confederation of Indian Textile Industry • Committee Member, Northern India Textile Research Association • Committee Member, Education Promotion Society of India

			<ul style="list-style-type: none"> • Past Chairman, Export Promotion Council for EOUs & SEZ Units • Past President, PHD Chamber of Commerce & Industry.
6	Directorship held in other public companies (Excluding foreign companies and Section 8 Companies)	NIL	1. Ginni International Ltd
7	Memberships/Chairmanships of Committees of other Public Companies (Includes only Audit Committee and Stakeholder's Relationship Committee)	NIL	Ginni International Ltd. (Member of Audit Committee).
8	Number of shares held in the company	NIL	NIL
9	Relationship between Directors inter-se	NIL	NIL

None of the Directors and Key Managerial Personnel of the Company and their relatives except **Mr. Tushar Jain and Mr. Sharad Jaipuria** are concerned or interested, financial or otherwise, in the resolution.

The Board recommends the resolution set out at Item No.7& 8 to the shareholders for their approval.

Item No.9

Pursuant to Section 148 (3) of the Companies Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors should be ratified by the shareholders of the Company. Board of Directors had in its meeting held on 2.5.2019 and on the basis of recommendations of the Audit Committee appointed Mr. R. Krishnan, Cost Accountant (Membership No. 7799), Cost Accountant of Flat no. H-301, Green Valley Apartment, Plot No.18, Sector-22, Dwarka, New Delhi – 110 077, as the Cost Auditor to conduct audit of cost records of the Company for the Financial Year 2019-20 in respect of the business activities of manufacturing and bottling of alcohol and subject to ratification by shareholders, fixed their remuneration at Rs.1.10 Lakh (Rupees One Lakh Ten thousand only) apart from reimbursement of actual expenses to be incurred by him in connection with conducting the said audit.

None of the Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

The Board recommends the resolution set out at Item No.9 as an ordinary resolution to the shareholders for their approval.

**By order of the Board
for Radico Khaitan Limited**

**Place : New Delhi
Date : 08.08.2019**

**Amit Manchanda
Vice President – Legal &
Company Secretary
FCS No.6615**



Radico Khaitan Limited
Registered Office: Bareilly Road, Rampur – 244 901 (U.P.)
CIN No.L26941UP1983PLC027278

Email: info@radico.co.in Website: www.radicokhaitan.com
Ph: 0595-2350601-2, Fax: 0595-2350009

ATTENDANCE SLIP

Regd. Folio No. / DP Id – Client ID : _____

Name & Address of First / Sole Shareholder : _____

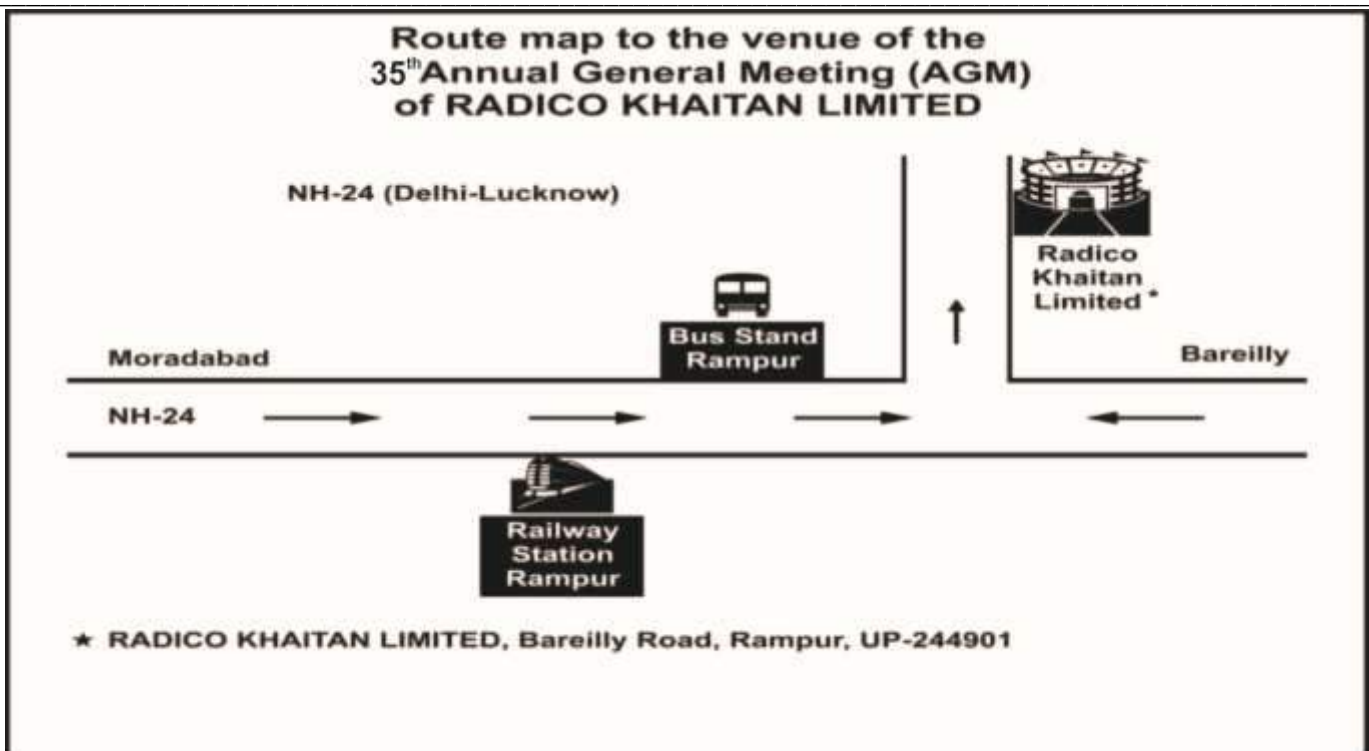
No. of Shares held : _____

I hereby record my presence at the 35thAnnual General Meeting of the Company to be held on Thursday, 26thday of September 2019 at 1.00 p.m. at Bareilly Road, Rampur – 244 901 (U.P.).

Signature of Member / Proxy

Notes:

- a) Only Member / Proxy can attend the meeting. No minors would be allowed at the meeting.
- b) Member / Proxy wish to attend the meeting must bring this attendance slip to the meeting and handover at the entrance duly filled in and signed.



**FORM NO.MGT-11
PROXY FORM**

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

Name of the Company: Radico Khaitan Limited
Registered Office: Bareilly Road, Rampur – 244 901 (U.P.)
CIN: L26941UP1983PLC027278
Email: info@radico.co.in Website: www.radicokhaitan.com
Ph: 0595-2350601-2, Fax: 0595-2350009

Name of the Member (s)	
Registered Address	
Email id	
Folio No. / Client Id:	
* DP ID	

I / We, being the member (s) of Radico Khaitan Ltd. (hereinafter called “the Company”) hereby appoint:

- Name: _____ Address: _____
Email Id: _____ Signature: _____ or failing him
- Name: _____ Address: _____
Email Id: _____ Signature: _____ or failing him
- Name: _____ Address: _____
Email Id: _____ Signature: _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 35th Annual General Meeting of the Company to be held on the Thursday, the 26th day of September, 2019 at 1.00 P.M. at the Registered office of the Company at Bareilly Road, Rampur – 244 901 (U.P.) and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Ordinary Business	Resolution Type	For	Against
1.	To adopt the Standalone and Consolidated Annual Accounts of the Company including Report of Board of Directors and Auditors Report for the Financial Year 2018-19	Ordinary Resolution		
2.	To Declare Dividend on Equity Shares	Ordinary Resolution		
3.	To appoint a director in place of Mr. Abhishek Khaitan, who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary Resolution		
	Special Business			
4.	To appoint Mr. Sarvesh Srivastava, as Non Executive Independent Director of the Company for a second term of 5 consecutive years.	Special Resolution		
5.	To reappoint Dr. Raghupati Singhania as Non Executive Independent Director of the Company for a second term of 5 consecutive years.	Special Resolution		
6.	To appoint Ms. Sushmita Singha, as Women Independent Director of the Company.	Ordinary Resolution		
7.	To appoint Mr. Tushar Jain, as Non Executive Independent Director of the Company	Ordinary Resolution		
8.	To appoint Mr. Sharad Jaipuria, as Non Executive Independent Director of the Company	Ordinary Resolution		
9.	To approve remuneration of Mr. R. Krishnan, as Cost Auditor of the Company.	Ordinary Resolution		

Signed this _____ day of _____ 2019

Signature of shareholder

Signature of Proxy holder(s)

Affix Re.1.00
Revenue Stamp
Signature

Notes

1. This form should be signed across the stamp as per specimen signature registered with the Company.
2. **THIS FORM OF PROXY IN ENDED, TO BE EFFECTIVE SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. **A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
4. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Please put a (√) in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate. This is only optional.
6. Instrument of Proxy which is unnamed, unstamped, not dated, multiple proxies bearing same date, shall be treated as invalid.

* Applicable for investors holding shares in demat form.