



Radico Khaitan Limited

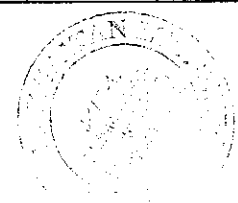
RADICO KHAITAN LIMITED

Registered Office: Bareilly Road, Rampur - 244 901 (U.P.)
Tel. No.0595-2350601/02, 2351703, Fax No.0595-2350009
Email Id:info@radico.co.in Website: www.radico.khaitan.com
CIN: L26941UP1983PLC027278

Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2017

Rs. in Lakhs (Except EPS)

Sl. No.	Particulars	(1)	(2)	(3)	(4)	(5)	(6)
		Quarter ended 31.12.2017 (Unaudited)	Quarter ended 30.09.2017 (Unaudited)	Quarter ended 31.12.2016 (Unaudited)	Nine months ended 31.12.2017 (Unaudited)	Nine months ended 31.12.2016 (Unaudited)	Year ended 31.03.2017 (Audited)
1	(a) Revenue from Operations	1,74,178.37	1,49,089.17	1,23,757.47	4,60,813.51	3,65,812.06	4,86,795.45
	(b) Other Income	620.36	511.79	595.77	1,659.05	1,423.74	1,964.65
	Total Income	1,74,798.73	1,49,600.96	1,24,353.24	4,62,472.56	3,67,235.80	4,88,760.10
2	Expenditure						
	(a) Cost of material consumed	22,854.72	23,368.47	22,842.64	68,755.07	68,979.53	90,245.65
	(b) Purchase of stock-in-trade	1,438.33	299.50	508.92	1,972.52	1,258.29	1,452.68
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	613.00	185.49	-1,121.22	416.59	408.66	442.07
	(d) Excise duty on sales	1,25,925.90	1,04,270.15	82,452.56	3,26,612.73	2,37,123.80	3,18,805.32
	(e) Employee benefits expense	4,046.98	3,915.24	3,488.43	11,357.89	10,544.98	14,034.27
	(f) Finance Costs	1,690.35	1,766.27	1,953.59	5,342.97	6,154.73	8,038.40
	(g) Depreciation and amortisation expense	1,031.27	1,019.80	1,048.43	3,066.54	3,149.69	4,170.32
	(h) Selling & Distribution	5,911.28	5,404.79	4,865.67	15,414.59	14,903.82	19,787.08
	(i) Other Expenses	5,834.45	5,072.01	5,581.96	15,958.38	16,066.83	20,816.24
	Total expense	1,69,346.28	1,45,301.72	1,21,620.98	4,48,897.28	3,58,590.33	4,77,792.03
3	Profit / (Loss) before Exceptional Items & tax (1-2)	5,452.45	4,299.24	2,732.26	13,575.28	8,645.47	10,968.07
4	Exceptional items	-	-	-	-	-	-
5	Profit (+) / Loss (-) before tax (3-4)	5,452.45	4,299.24	2,732.26	13,575.28	8,645.47	10,968.07
6	Tax Expense	1,951.00	1,439.00	762.25	4,645.00	2,247.30	2,906.82
7	Net Profit (+) / Loss (-) after tax (5-6) from continuing operations	3,501.45	2,860.24	1,970.01	8,930.28	6,398.17	8,061.25
8	Other Comprehensive (Income)/ Expenses						
	A (i) Items that will not be reclassified to profit or loss	76.00	76.01	66.20	228.01	210.81	203.69
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(25.08)	(25.08)	(22.91)	(75.24)	(72.96)	(70.49)
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
9	Total Comprehensive Income (7-8)	3,450.53	2,809.31	1,926.72	8,777.51	6,260.32	7,928.05
10	Paid up equity share capital (of Rs. 2/- each)	2,665.50	2,662.88	2,660.78	2,665.50	2,660.78	2,660.78
11	Earning per share (of Rs.2/- each) not annualized						
	Basic	2.63	2.15	1.48	6.70	4.81	6.06
	Diluted	2.63	2.15	1.48	6.70	4.81	6.05



Notes:

1. The above results were reviewed by the Audit Committee and were approved and taken on record by the Board of Directors in their meeting held on 24th January 2018.
2. This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
3. As the Company's business activity falls within a single primary business segment, namely Alcohol and Alcoholic Beverages, the disclosure requirements as per Ind-AS 108 "operating segments" are not applicable.
4. Tax expenses includes current tax and deferred tax.
5. Revenue from operations for periods up to June 30, 2017 includes excise duty, which is discontinued on few items effective July 01, 2017 upon implementation of Goods and Service Tax (GST) in India. In accordance with 'Ind-AS 18, Revenue' GST is not included in revenue from operations. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the quarter/ nine months ended on December 31, 2017 are not comparable with the previous periods."
6. During the quarter, the Company has allotted 1,31,000 equity shares on exercise of Employees Stock Option by the eligible employees, as per the ESOP Scheme 2006.
7. The previous period figures have been regrouped / reclassified, wherever considered necessary.

For Radico Khaitan Ltd.



Dr. Lalit Khaitan
Chairman & Managing Director
DIN No. 00238222

New Delhi
24th January 2018



Review Report

To the Board of Directors of Radico Khaitan Limited

Introduction

1. We have reviewed the accompanying statement of standalone unaudited financial results ("the Statement") of Radico Khaitan Limited ("the Company") for the quarter and nine months ended December 31, 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulation, 2015") read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

Scope of Review

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

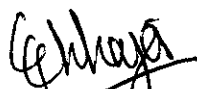
Conclusion

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results has not been prepared, in all material respect, in accordance with applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies, and has not disclosed the information required to be disclosed in term of Regulation 33 of the Listing Regulation, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For BGJC & Associates LLP

Chartered Accountants

Firm Registration Number: 003304N



Darshan Chhajjer

Partner

Membership Number: 088308

Place: New Delhi

Date: January 24, 2018



Q3 FY18 EBITDA up by a strong 47.3% y-o-y; Revenue from Operations increased by 16.8%

Significant EBITDA margin expansion y-o-y from 12.3% to 15.5%

Net Debt declined by Rs. 130 Crore compared to March 2017

- Performance Highlights: Q3 FY2018 vs. Q3 FY2017**
- Revenue from Operations (Net) of Rs. 482.52 Cr (+16.8%)
 - Prestige & Above brands volumes increased by 11.2%
 - Prestige & Above brands contribution to the total IMFL volumes of 25.0%
 - Gross Margin improved from 46.2% to 48.4%
 - EBITDA of Rs. 75.03 Cr (+47.3%)
 - EBITDA margin improved from 12.3% to 15.5%
 - Reduction in interest costs of 13.5% to Rs. 16.90 Cr
 - Net Debt reduction of Rs. 130 Cr during 9M FY2018

New Delhi, India, January 24, 2018 – Radico Khaitan Limited, one of the largest spirits companies in India (referred to as “Radico Khaitan” or the “Company”), announces its third quarter and nine-month results for FY2018.

Performance Overview

	Q3		y-o-y	Nine Month		y-o-y	Full Year FY2017
	FY2018	FY2017	Growth (%)	FY2018	FY2017	Growth (%)	
Operational Performance (Lakh Cases)							
Prestige & Above	13.23	11.90	11.2%	39.16	37.28	5.0%	47.49
Regular & Others	39.62	33.00	20.1%	107.37	102.26	5.0%	135.11
Total Volume	52.85	44.90	17.7%	146.53	139.54	5.0%	182.60
<i>Prestige & Above as % of Total</i>	25.0%	26.5%		26.7%	26.7%		26.0%

Financial Performance (Rs. Crore)							
Revenue from Operations (Gross)	1,741.78	1,237.57	40.7%	4,608.14	3,658.12	26.0%	4,867.95
Revenue from Operations (Net)	482.52	413.05	16.8%	1,342.01	1,286.88	4.3%	1,679.90
Gross Profit	233.5	190.7	22.4%	630.6	580.4	8.6%	758.40
<i>Gross Margin (%)</i>	48.4%	46.2%		47.0%	45.1%		45.2%
EBITDA	75.03	50.95	47.3%	201.73	163.88	23.1%	210.79
<i>EBITDA Margin (%)</i>	15.5%	12.3%		15.0%	12.7%		12.5%
Total Comprehensive Income	34.51	19.27	79.1%	87.78	62.60	40.2%	79.28
<i>Total Comprehensive Income Margin (%)</i>	7.2%	4.7%		6.5%	4.9%		4.7%
Basic EPS (Rs.)	2.63	1.48	77.4%	6.70	4.81	39.3%	6.06

Revenue from Operations includes Other Operating Income



Commenting on the performance, Dr. Lalit Khaitan, Chairman and Managing Director said:

“We are pleased to start the calendar year 2018 on a new high. Despite the challenges faced by the industry during the first half of FY2018, Radico Khaitan reported a stellar performance during the nine month period of FY2018. We registered a strong all round growth and solid cash flow generation resulting in a net debt reduction of Rs. 130 Crore during FY2018. I strongly believe that the industry challenges are now behind us as we see the operating environment continues to improve. Management remains focused on strengthening our premium brand portfolio and is committed to delivering long term sustainable value for all the stakeholders.”

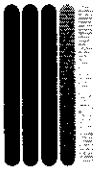
Commenting on the performance, Mr. Abhishek Khaitan, Managing Director said:

“During Q3 FY2018, we reported a strong IMFL sales volume growth of 17.7% compared to Q3 FY2017. Further, we continued to report profitability improvement. This performance was driven by a combination of recent price increases and premiumization. Our gross margins increased from 46.2% in Q3 2017 to 48.4% in Q3 FY2018 and EBITDA margin during the same period expanded by 321 bps to 15.5%. As the industry recovers from the impact of recent policy changes, we also received price increase in the state of Telangana. Earlier during the year, we had received price increases in the states of Andhra Pradesh, Jharkhand, Uttaranchal and Kerala. Attractive long term industry dynamics and a favourable operating environment coupled with a strong capital structure will enable us to take Radico Khaitan to new heights in the near future.”

Radico Khaitan at a Glance:

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, Radico Khaitan commenced its operations in 1943 and over the years emerged as a major bulk spirits supplier and bottler to other spirit manufacturers. Driven by the vision of the promoters, in 1998 the Company started its own brands with the introduction of 8PM Whisky. Radico Khaitan is one of the few companies in India to have developed its entire brand portfolio organically. This is a true testament to the Company’s R&D strength and understanding of customer preferences. The Company’s brand portfolio includes After Dark Whisky, Contessa Rum, Magic Moments Vodka, Morpheus Brandy, Old Admiral Brandy and 8PM Whisky. Currently, the Company has four millionaire brands which are 8PM Whisky, Contessa Rum, Old Admiral Brandy and Magic Moments Vodka. Each of these brands sell more than a million cases per year.

Over the years Radico Khaitan has been focusing on the premiumisation of its portfolio. The Company has launched six new brands in the past five years, all of which are in the premium category. Radico Khaitan is also one of the largest providers of branded IMFL to the Canteen Stores Department (CSD), which has significant business barriers to entry. The Company has three distilleries in Rampur, Uttar Pradesh and one in Aurangabad, Maharashtra which is a 36% joint venture. The Company has a total owned capacity of 157 million litres and operates 32 contract bottling units spread across the country.



Contact Details:

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Safe Harbour:

This release contains statements that contain “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.