



**ANNUAL REPORT
2014-2015**





The word 'CONTENTS' is rendered in a large, stylized font. The letters 'C', 'O', 'N', 'T', 'E', and 'S' are formed by multiple concentric, semi-transparent rings in shades of red and orange, creating a 3D effect. The letter 'I' is a solid green color. The word 'ontents' is written in a dark grey, sans-serif font to the right of the 'I'.

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Radico Khaitan Limited stands tall amongst the key players of the Indian alcohol industry today. The company entered the world of IMFL in 1998. Through constant innovation and tapping on imminent business opportunities posed by the IMFL segment, the company has been able to achieve outstanding progress. The company has established its niche as a leading corporate organization on a global scale and expanding into newer geographies has always been a part of its core vision.

Marked by a million case success within the first year of its launch - 8PM was the first brand launched by Radico Khaitan. The company took its next leap by harping on to the 'premiumisation' strategy, which took off with the launch of 'Magic Moments' vodka in 2005, and saw great success. Replicating the same strategy Radico Khaitan expanded its product portfolio in the premium category with flavoured versions of Magic Moments vodka called 'Magic Moments Remix', Morpheus Brandy, M2 Verve Vodka, M2 Verve flavoured vodka and After Dark.

Quality and innovation have always been a priority for Radico Khaitan. The company launched its first premium brand 'Magic Moments' in a frosted bottle with a unique guitar shaped glass window and direct printing on the bottle, features that do not exist in any Indian brand. Morpheus brandy is packaged in an inverted goblet shaped bottle with a 'Guala' cap, a first of its kind innovation to be done in India. Also, its first brand 8PM has undergone a makeover from being molasses to grain based whisky, which was an offering of first of its kind in that segment. Owing to the superior quality and focus on innovative offerings, many products of Radico Khaitan have received honours and accolades in both India and abroad.

While expanding its product portfolio and presence in the Indian market, Radico Khaitan also continued to fostering global ties. The company achieved a milestone in 2002, after scoring a successful collaboration for importing, distributing and marketing of Carlo Rossi - The no.1 bottled table wine brand in the world from the house of Ernest & Julio Gallo, California, the largest family owned winery in the world.

Having laid a strong foundation of global ties and exports in the last few years, Radico Khaitan is growing at a very healthy pace. The company gained strength from the grand success of its products in the Indian market which became a core support system that triggered the company's global expansion. Many brands from the straddle of Radico are now available in more than 50 countries world-wide and are being appreciated and consumed not only by the Indian Diaspora but also by the locals. The company is now focusing on increasing its presence in a number of developed markets in America and Asia Pacific. However, the company plans to focus on premiumisation of portfolio along with developing new products to meet the local aspirations and requirements. Investments will continue in brand building as well as opening up newer countries.



M2
MAGIC
MOMENTS

ELECTRA

COSMOPOLITAN

CRANBERRY FLAVOUR

Low Alcoholic Beverage

Alcoholic Strength

8% v/v

Triple distilled & triple filtered with
carbon/Silver/Platinum
Premium Vodka Mixed Drink

Net Quantity
275ml



KICK THE BORING

There's a wild breed out there! Waiting to pounce on the unusual. Willing to go that extra mile. Fighting endlessly to kick the boring out of their lives. That breed of non-conformists now have their fuel. Grab a gush of raw adrenaline. Grab an Electra. A world of lively effervescence in 3 fierce yet sublime premium flavours (Agent Orange, Appletini and Cosmopolitan) & many more to follow. Radico Khaitan's latest offering is triple distilled & triple filtered with carbon and platinum filters. Keeping the spirit of innovation alive, this 8% vodka infused drink comes with a premium ring pull off cap, allowing boredom a flavourful escape. Stun the world with your daring machismo, charisma and unadulterated escapades.

M2
**MAGIC
MOMENTS**
Vodka



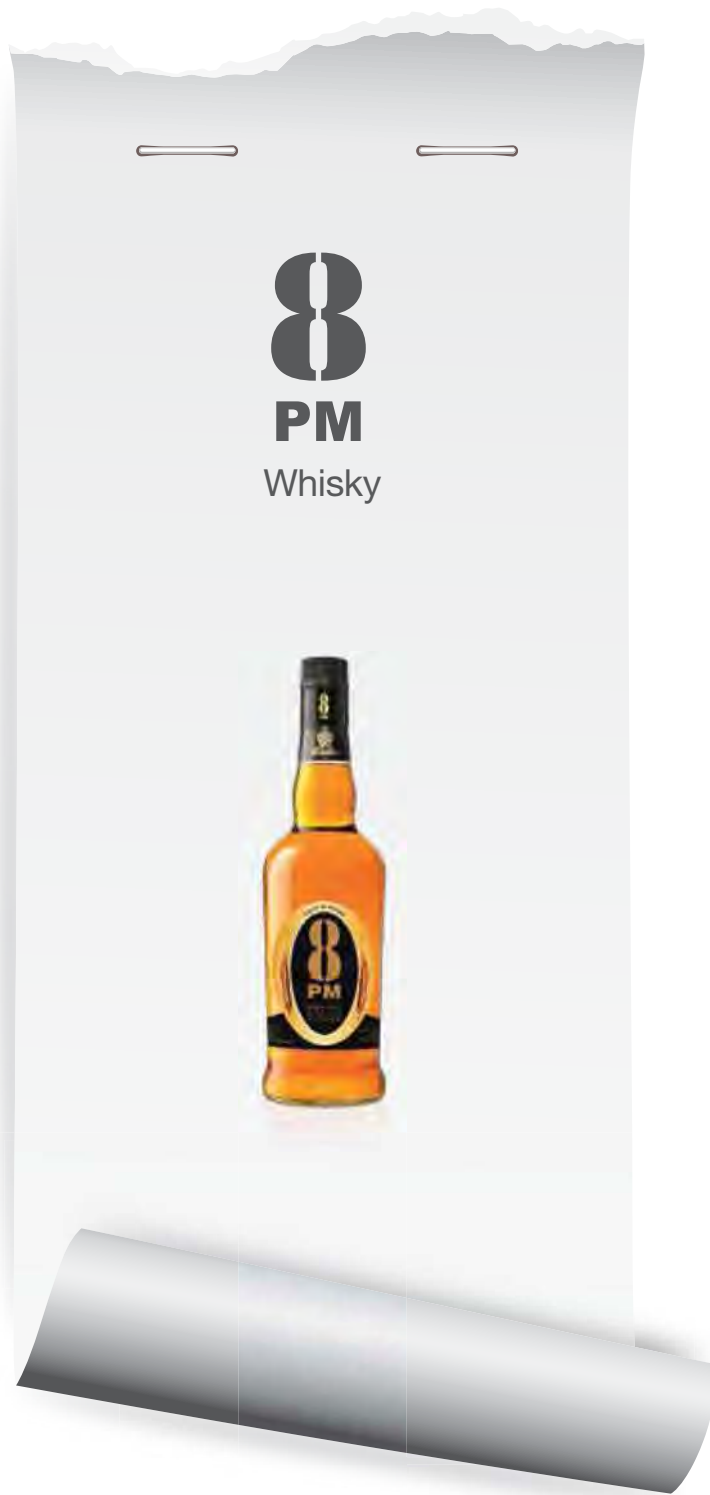
Magic Moments : Zing up Life

What better way to zing up life than Magic Moments. India's largest selling vodka across all price points was launched with an international packaging, enabling the premium vodka to become a rage overnight. Produced from the finest grains, its triple distilled process is a mark of absolute purity. Adding on to the razzmatazz is an exciting array of flavours that make it smooth as silk. the spirit of Magic Moments is all about believing in creativity, excellence and working with the leaders of contemporary culture. No wonder, this amazing brand of vodka is a millionaire brand of Radico Khaitan and has won many coveted laurels for the organization, including the Gold medal for 4 consecutive years in the Monde selection.



Spirit of France captured in a Goblet

For those who value taste, there's always the spirit of France. Containing the texture of warm soils, fragrant scents and all the richness of tropical weather, it's rich blend is truly irresistible. Having achieved a gold medal at the prestigious Monde Selection Award 2011, the world is taking note of its treasured legacy and trademark excellence. Without mention, the largest selling premium brandy, Morpheus has become a leader in its segment owing to a stringent process of creation and arduous maturity. After all, with our patience and an eye for detail, attaining perfection seems to be an easy task.



Aath Ke Thaath

When the clock strikes 8PM, India's "Thaath" reaches a crescendo. No wonder, 8PM is the first brand in the liquor industry to make it the LIMCA book of records for selling one million cases in the first year of its launch. Launched as a flagship brand of Radico, 8PM exalts an unparalleled brand experience for its loyal customers, giving them a taste of real "Thaath". Made with the finest quality grain, new 8PM is an epitome of lavishness and quality drinking.

Old Admiral

Brandy



For Real Men Only

Old Admiral is a splendid brandy for real men of honour. Savour a stimulating, rich blend of its fine taste and incredibly rich sensations. A millionaire case brand for Radico, this classic beauty is a testament of a royal taste and a passion to enjoy the good things in life. Old Admiral brandy is on an exceptional growth curve year after year and its consistent taste and liltling aroma is ensuring that real men admire the taste they always desired.

CONTESSA

XXX Rum



For the Man of Courage

Contessa Rum is another millionaire brand from the straddle of Radico Khaitan. Launched in the regular price point segment. Contessa is today the most popular and highest selling Rum brand in the Defence segment with a 25% market share. The brand has been winning accolades at International Award including a Silver medal at Monde Selection 2008 and Bronze medal at International Wine and Spirit Competition in 2007 for its quality. After its remarkable success and popularity in India, Radico Khaitan expanded brand's foothold in parts of Africa, South East Asia and Middle East and it is recently being launched in USA and Canada.

VERVE

Vodka



High on Verve

Radico Khaitan enhanced its straddle of premium offerings by launching Verve Magic Moments Vodka. Verve possesses a perfect blend of purity and smoothness with a unique 5 stage slow filtration process using silver and platinum filters. Since its introduction in October 2012, Verve Magic Moments has successfully attained a 8% market share in the premium segment within first 8 months of its launch. Felicitated with Monde Selection Gold award in 2013 its exemplary quality & distinctive flavours – Verve Green Apple & Verve Orange have carved a niche in the category. Verve Green Apple has a refreshing crispy aroma reminiscent of freshly plucked Green Apples whereas Verve Remix Orange has a citrusy, sweet and zesty aroma of fresh and ripe oranges with a sweet and long finish. It's time to get High on Verve!





Dear Shareholders,

Radico Khaitan started its journey in 1943 as a distillery and a supplier of spirits. In 1998, we started the branded IMFL business with the launch of 8 PM whisky which became a millionaire brand shortly after its launch. Always ahead of the curve, we have been able to build the highly reputable brand equity and product portfolio that we have today. Radico Khaitan believes in its strong values, rich heritage, commitment to consumer satisfaction and culture of innovation. These remain the key pillars of our strength and foundation for future growth.

The last couple of years have been challenging for the Indian economy which has also impacted the domestic spirits industry. The economic slowdown coupled with higher input costs and increasing duties & taxes in several states continued to impact the spirits industry. During FY2015, the Indian economy experienced early signs of a recovery due to lower inflation and government reforms but the consumption demand at ground level did not show signs of any significant improvement. We believe that the changing macro environment will benefit us in the coming years.

The long-term outlook of the sector is very attractive and even more so now with the changing consumer preferences toward higher quality products. We are one of the pioneers to identify this industry trend and made early investments in premium brands such as Magic Moments vodka and Morpheus brandy. The success of our strategy is evident from the ever increasing share of our premium category brands in our overall product mix.

It gives me immense pleasure that our premium brands, in particular Magic Moments and Morpheus, continue to win accolades for their superior quality. These awards are a testament to our focus on consumer satisfaction and our understanding of their preferences. In the Monde Selection (International Institute for Quality Selection) 2015 awards, Magic Moments Remix Lemongrass & Ginger, and Magic Moments Remix Peach Flavoured Vodka received the Grand Gold award; and 10 other brands received the Gold award.

Despite the challenging operating environment, we reported a stable financial performance for the fiscal year 2015. We believe that this difficult operating environment is a short term challenge and we are well positioned for the anticipated upturn in the industry. Input costs, which have been increasing over the last couple of years, are believed to have peaked, in particular ENA (Extra Neutral Alcohol) prices. We expect the ENA prices to stabilise at these levels in the near term. With the expected recovery in the operating environment, we are confident that our financial and operating performance will improve significantly in the near term. In line with our strategy, we have begun reducing our debt levels reflecting our focus on free cash flow generation. We expect this cash flow trend to continue which will enable us to strengthen our balance sheet further.

We are focused on future in high spirits as we prepare for the next exciting phase of growth in the years to come. Thank you for your ongoing support and we look forward to a bright future of your Company.

High Spirits Future Focus

Dr. Lalit Khaitan
Chairman & Managing Director





Dear Valued Shareholders,

It is my privilege to address you all through this platform. At the outset, I would like to express my sincere gratitude for your trust and confidence in Radico Khaitan.

Our focus on consumers and a strong pipeline of innovations helped us to further strengthen our portfolio and brands. This approach has enabled us to provide better quality products and variants to suit the consumer's changing preferences and aspirations. Radico Khaitan not only enjoys a preeminent position in the domestic liquor industry, but it has also expanded its footprint in the International market. The company has added new geographies and tied up with reputed distributors for exports.

At Radico Khaitan, we strive to stay ahead of the curve with the use of most advanced technology and operational processes. We use technology solutions and analytics in our supply chain management for accurate data capture and informed decision making. Over the years, we have also implemented a comprehensive ERP system which helps us connect with customers and better understand their requirements, enhance the supply chain and make the sourcing and supply forecasts more accurate.

During the past year, the industry dynamics were not very favorable due to significant increase in the input prices and very limited price increases across states. Taking into consideration the prevailing challenging environment, our operating performance was quite satisfactory. During the later part of the year input costs started to stabilize. The benefit of the stable inputs prices coupled with anticipated price increases will reflect in our performance over the medium term.

We have always believed that our biggest assets are our people. Our success would not have been possible without the continuous support, passion and commitment of our employees. I would like to take this opportunity to thank each and every employee of the Radico Khaitan family for being with us and be a part of our journey.

I, once again, thank all our shareholders, employees, customers, vendors, government and regulatory authorities and all other stakeholders, for their continued support. We look forward to a better year ahead with an improved economic environment and enhanced profitability levels.

Abhishek Khaitan
Managing Director

Directors' Report

Dear Members,

Your Directors take great pleasure in presenting their 31st Annual Report on the business and operations together with the audited financial statement of the Company for the year ended March 31, 2015.

Summary of Financial Performance:

	(₹ in Crore)	
	2014-15	2013-14
Net Sales (including sales from arrangements with other Distilleries / Bottling units)	1,846.46	1,857.22
Gross Profit (before depreciation and tax)	125.44	145.16
Profit before tax	87.13	106.41
Profit after tax	67.64	71.25
Prior period adjustments	0.00	0.00
Surplus brought forward from last year	98.61	89.81
Profit available for appropriation	166.25	161.07
Transfer to General Reserve	50.00	50.00
Proposed Dividend and tax thereon	12.81	12.45
Balance carried forward	88.49	98.61

Operations Review:

FY2015 was a very challenging year for the spirits industry in India. The immediate past current dynamics of the spirit industry and the operating environment have largely been unfavourable for the business growth. During the year, input costs, in particular ENA prices, which have already been on an upward trend over the last couple of years, are believed to have peaked. We believe that these were short term challenges and Radico Khaitan is very well positioned for the anticipated upturn in the industry. Despite these industry challenges, the Company was able to report sustained performance during the year. Sales remained relatively flat at Rs.1,846.5 Crore compared to the same period last year. Prestige & Above category brands registered a volume growth of 8.8% y-o-y in FY2015 to reach 40.43 million cases. Prestige & Above category brands as a percentage of total IMFL sales increased from 18.3% in FY2014 to 20.7% in FY2015. However, overall IMFL volume was 194.88 million cases in FY2015, representing a y-o-y decline of 4.3%. Net EBITDA margin was under pressure, standing at 9.8% in FY2015 as compared to 11.2% in FY2014, mainly on account of higher input costs during the year (6% ENA cost increase and 6% glass bottle cost increase). The Company's leverage profile has witnessed improvement with a 6% reduction in total debt on y-o-y basis, FY2015 total debt standing at Rs. `849.3 Crore.

Radico Khaitan's Magic Moments vodka continued to be the market leader in the fast growing premium vodka segment. The Company launched Verve super premium vodka in FY 2012 and its different flavours in FY 2014. Radico Khaitan's latest offering is triple distilled and triple filtered 8% Vodka infused ready to drink (RTD) product Electra in three fierce yet sublime premium flavour (Agent Orange, Appletini & Cosmopolitan).

Capital Structure and Liquidity:

Share Capital

During the year under review, the Company has not issued any new shares on the exercise of stock options granted under the Employees Stock Option Scheme 2006. The outstanding, issued and paid-up equity shares stood at 133,038,765 shares, same as of March 31, 2014.

General Reserve

An amount of ₹ 50 Crore has been transferred to the General Reserve out of Radico Khaitan's profit of ₹ 67.6 Crore for the financial year ended March 31, 2015.

Term Loan and Working Capital

As of March 31, 2015, the Company had total debt of Rs. 849.3 Crore, Cash and Cash Equivalents were Rs. 10.3 Crore resulting in Net Debt of Rs. 838.9 Crore. Total Debt consists of Rs. 412.4 Crore of Working Capital loans and Rs. 436.9 Crore of Long Term loans, including Long Term loans maturing within 12 months of the balance sheet date. As of March 31, 2015, Radico had a conservative leverage with Debt/Equity ratio of 1.0x.

Capital Market Ratings:

The Company continued to enjoy investment grade credit rating from Credit Analysis & Research Ltd (CARE) which has re-affirmed the rating of "CARE A+" assigned for the long term facilities. CARE A+ or A1+ rating is considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

CARE has also re-affirmed the rating of "CARE A1+" assigned for the short term facilities, which is considered to have very strong degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

Directors:

During the year the company appointed Mr. Sarvesh Srivastava as Independent Director and Mrs. Shailja Saraf as a Non Executive Non Independent Director (Women Director) of the Company with effect from 30th May 2014. During the year Mr. Mahendra Kumar Doogar resigned as Director of the Company with the effect from 30th May 2014,

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Abhishek Khaitan, Managing Director retires by rotation at the forthcoming Annual General meeting and being eligible offers himself for re-appointment.

Board Meetings:

During FY 2014-15, the Board of Directors met 4 (four) times on 30th May 2014, 12th August, 2014, 11th November 2014 and 10th February 2015. The period 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 FY 2014-15 are set out in the Corporate Governance Report.

Meeting of Independent Directors

A meeting of Independent Directors was held on 10.02.2015 to:

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

Training of Independent Directors

Every new Independent director of the Board attends an orientation program conducted by senior executives of the

Company. This program is intended to familiarise the new Board members about the Company's strategy, products and offerings, operations and facilities, economic environment, organisation structure, human resource, finance, technology, quality and risk management.

A majority of the independent directors of Radico Khaitan have been associated with the Company for over 3 years and have in depth understanding of the Company's business model, strategy and business environment. Radico Khaitan firmly believes that a Board, which is well informed /familiarised with the Company, can contribute significantly to effectively discharge its role of trusteeship in a manner that fulfils stakeholders' expectations.

In pursuit of this, the Directors are updated on a continuing basis on developments in the corporate and industry scenario including those pertaining to regulatory and economic environment, to enable them to take well informed and timely decisions. The Independent directors attended interactive session from time to time to understand the dynamics of industry.

Statement on declaration given by independent directors under sub-section (6) of section 149;

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Company keeps a policy of transparency and arm's length while dealing with its Independent Directors. No transaction was entered with Independent directors in the year which could have any material pecuniary relationship with them. Apart from sitting fee no other remuneration was given to any of the Independent Directors.

Board Evaluation:

Clause 49 of the Listing Agreement requires that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be performed by the Board of its own performance, various committees of the Board and that of the individual directors. Pursuant to these requirements, a comprehensive and structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

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 u/s 178 sub Section 1:

The Board of Directors (the "Board") on the recommendation of the Nomination and Remuneration Committee (the "Committee") has approved and adopted the Nomination, Remuneration and Board Diversity Policy (the "Policy") in compliance with the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder, and Clause 49 of the Listing Agreements with the stock exchanges. The policy and its objectives are available on the Company's website www.radicokhaitan.com

Risk Management Policy:

Risk management is embedded in the operating framework of Radico Khaitan Ltd. The Company believes that managing risks goes hand in hand with maximising returns. To this effect, there is a robust process in place to identify key risks across the Company and prioritise relevant action plans to mitigate these risks. Risk Management Framework is reviewed periodically by the Board and the Audit Committee which includes discussing the management submissions on risks, prioritising key risks and approving action plans to mitigate such risks.

During the year, a Risk Management Policy has been approved by Audit Committee. The objective of this policy is to have a well defined approach to risk. The Policy lays broad guidelines for the appropriate authority so as to be able to do timely identification, assessment, and prioritisation of risks affecting the Company in the short and

foreseeable future. The Company has appointed Independent Consultant to make a report on key risks and its addressal system so as to make sure that risks are adequately compensated or mitigated. The Internal Audit function is responsible to assist the Audit Committee on an independent basis with a full status of the risk assessments and management.

Awards and Recognition:

During the year Radico Khaitan received numerous awards for its leading brands at various international events. These awards are testament to the Company's understanding of the customer preference as well as the superior quality of its products. Some of the awards received during the year were:

Award Details

Name of Brands	Monde Selection Award in 2015	International High quality Trophy Award in 2015 from Monde Selection for having achieved Gold for 3 consecutive years
Magic Moments Vodka	Gold	Gold
Magic Moments Remix Green Apple Flavoured Vodka	Gold	-
Magic Moments Remix Lemongrass & Ginger Flavoured Vodka	Grand Gold	Gold
Morpheus Brandy	Gold	-
Magic Moments Remix Orange Flavoured Vodka	Gold	Gold
Magic Moments Remix Lemon Flavoured Vodka	Gold	Gold
Magic Moments Remix Chocolate Flavoured Vodka	Gold	Gold
Magic Moments Remix Raspberry Flavoured Vodka	Gold	Gold
M2 Verve Magic Moments Super Premium Vodka	Gold	Gold
M2 Verve Magic Moments Green Apple Premium Flavoured Vodka	Gold	Gold
M2 Verve Magic Moments Orange Premium Flavoured Vodka	Gold	-
Magic Moments Remix Peach Flavoured Vodka	Grand Gold	-

Employee Stock Option Scheme: [ESOP Scheme]

To provide the employees with an opportunity to share in the growth of the Company and to reinforce long term commitment, Radico Khaitan implemented the Employees ESOP Scheme in 2006. However, during the year under review, the Company has not issued any new shares on the exercise of stock options under the Employees Stock Option Scheme 2006. The particulars of the options as required by SEBI (Employees Stock Option Scheme and Employees Purchase Scheme) guidelines, 1999 are appended as annexure 'A' and forms part of this report.

Dividend:

The Company has a dividend policy that balances the dual objective of appropriately rewarding its shareholders and retaining capital to support future growth. Despite a challenging year, your Directors are pleased to recommend a dividend of Rs. 0.80 per equity share or 40% on face value of Rs. 2.00 each for the year ended March 31, 2015. The total dividend payout for the financial year will be Rs. 12.81 Crore including a dividend distribution tax of Rs. 2.17 Crore. This consistent dividend payout is to demonstrate our commitment towards our shareholders. The dividend is subject to approval of shareholders at the Annual General Meeting on 30.09.2015 and will be paid to the shareholders whose names appear in the Register of Members as on 25th September 2015.

Dematerialisation:

During the year 150,885 shares of the Company constituting 0.11% of the issued and subscribed Share Capital of the Company, were dematerialised. Around 98.01% of the shares of the Company have now been dematerialized as on March 31, 2015. 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 now 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 company. Further, during the year, Radico Global Limited, Dubai ceased to be the associate of the Company. The company is having only one joint venture in the name of Radico N.V. Distilleries Maharashtra Limited. In the joint venture company hold 36% of shareholding.

Transfer to Investor Education & Protection Fund:

Section 124 of the Companies Act, 2013 (Section 205A of the Companies Act, 1956) mandates that companies 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 as on 31-3-2015 (₹)	Due Date of Transfer to IEPF account (₹)
FY 2002	17.07.2002	38,579,176.0	730,556.0	22.08.2009
FY 2003	19.07.2003	34,721,258.4	914,312.0	24.08.2010
FY 2004	17.07.2004	38,579,176.0	973,284.0	22.08.2011
FY 2005	16.11.2005	42,437,093.6	983,341.0	21.12.2012
FY 2006	25.09.2006	48,223,970.0	11,35,840.0	30.10.2013
FY 2007	26.09.2007	48,223,970.0	922,432.0	05.11.2014

Key Managerial Personnel:

During the year under review, the Company has appointed & reconfirmed following persons as Key Managerial Personnel:

No.	Name of the person	Designation
1.	Mr. Abhishek Khaitan	Managing Director & Chief Executive Officer
2.	Mr. K.P. Singh	Whole Time Director
3.	Mr. Dilip K. Banthiya	Chief Financial Officer
4.	Mr. Amit Manchanda	Group Head – Legal & Company Secretary

Remuneration of the Directors and Employees:

The remuneration payable to each non-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.

The compensation policy of Radico Khaitan is aimed to attract, retain, reward and motivate talented individuals critical for achieving the long term strategic goals of the Company. Your Company's approach is to have performance based compensation culture. The compensation system should also take into account factors such as roles, skills, competencies, experience and grade to differentiate pay appropriately on the basis of contribution, skill and availability of talent on account of competitive market forces. Details pertaining to remuneration as required under Section 197 (12) of the Companies Act, 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure B with this report.

Particulars of Employees:

In accordance with the provisions of Section 134, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are to be set out in the Directors' Report, as an addendum thereto. During FY2015, 8 persons employed throughout the year, were in receipt of remuneration of Rs.60 lacs per annum or more amounting to Rs.14.24 crores. During FY2015, the Company had 1150 employees.

The above annexure is not being sent along with this Report to the Members of the Company in line with the provision of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the registered Office of the Company, 21 days before the 31st Annual general meeting and up to the date of the ensuing Annual General meeting during the business hours on working days.

None of the employees listed in the said annexure is a relative of any director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company.

The Business Responsibility Reporting as required by Clause 55 of the Listing Agreement within the Stock Exchanges is not applicable to your Company for the financial year ending March 31, 2015.

Audit Report for the Year Ended FY 2015:

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

Statutory Auditors:

M/s. V. Sankar Aiyar & Co., Chartered Accountants, (Firm Registration No. 109208W) who are Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company for the financial year 2015-16. As required under the provisions of Section 139 of the Companies act, 2013, Radico Khaitan has obtained written confirmation from M/s. V. Sankar Aiyar & Co. that their appointment, if made, would be in conformity with the limits specified in the said Section.

Cost Auditor:

As per the requirement of 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. S.N. Balasubramanian Cost Accountants, as cost auditor to audit the cost accounts of the Company for the financial year 2015-16 at a remuneration of Rs.1 lac plus service tax as applicable 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.

The cost audit report for FY2015 was filed with the Ministry of Corporate Affairs on May 1, 2015.

Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s. Tanuj Vohra & Associates, 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.

Internal Control Systems and their Adequacy:

Your Company has effective internal control and risk-mitigation systems, which are constantly assessed and strengthened with new and revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is performed by M/s. Grant Thornton. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the internal Audit function reports to the Chairman of the Audit Committee.

Particulars of Loans, Guarantees or Investment by the Company:

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 adopted a Vigil Mechanism, 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. 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/data_pdf/whistle_Mechanism_Whistle_Blower_Policy.pdf

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. and 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 were of repetitive nature. Transactions entered into pursuant to omnibus approval were regularly audited and a statement giving details of all Related Party Transactions were placed before the Audit Committee and Board for review and approval on a quarterly basis.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company at www.radicokhaitan.com. 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 to improve in the field of environment, safety and health. Measures like 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 millions of people across our product value chain.

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

As required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules 2014, the relevant information and data is given at "Annexure" - D.

- i) the steps taken or impact on conservation of energy;
- ii) the steps taken by the company for utilising alternate sources of energy;
- iii) the capital investment on energy conservation equipment;

The Company has continued its efforts to improve energy usage efficiencies and endeavours to identify and evaluate the risks associated with the future energy expansion. The Company has always been at the forefront of new technology absorption and continues to enhance its position in the rapidly evolving technology driven business. Furthermore, your Company views foreign exchange as a priority and engages with the overseas markets in a fair and careful manner to seek growth for the business.

Corporate Social Responsibilities (CSR):

At Radico, Corporate Social Responsibility has been an intrinsic part of the long-term sustainability plan. Your Company believes that the holistic development of the society and community is strongly linked to the conducive business environment required for the Company's growth. Radico Khaitan believes in the concept of 'Social Inclusive Growth' and continues its efforts for the same. Your Company understands its responsibility as a corporate citizen towards the community at large and has taken series of corporate social initiatives. As a part of its initiative under the Corporate Social Responsibility (CSR) drive, the Company has undertaken projects in the area of rural development and promoting health care. These 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.

As per the CSR Policy, the Company looks forward to spent CSR amount across the country, wherever the Company has its plant operations. The difference between amount required to be spent and amount spent stands at Rs.71.86 lacs for which the Company was not able to identify suitable avenues in few states and also due to extensive time spent on identifying social concerns / locations, which is expected to be covered in the current year.

There are no material changes and commitments, if any, affecting the financial position of the Company.

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.

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) that in the preparation of the Annual Accounts for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) 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, 2015 and of the profit of the Company for the year ended on that date;
- iii) that 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) that 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) that 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.

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 for FY2015:

Management Discussion and Analysis Report, as required under the Listing Agreement with the Stock Exchanges enclosed and forms part of this report.

Corporate Governance Report for FY2015:

Report on Corporate Governance along with the certificate of statutory Auditors, M/s. V. Sankar Aiyar & Co., confirming compliance of conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, forms part of the Annual Report.

Acknowledgements:

Your Directors would like to express their sincere appreciation to the investors and bankers for their continued support during the year. Your Directors extend their sincere gratitude to all the Regulatory Authorities such as SEBI, Stock Exchanges and other Central & State Government authorities and agencies, Registrars for their guidance and support. Your Directors place on record their deep appreciation to employees at all levels for their efforts, dedication and commitment. 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 our products.

Place: New Delhi
Date: 10.08.2015

For & on behalf of the Board
Sd/-
Dr. Lalit Khaitan
Chairman & Managing Director
DIN - 00238222

Annexure - A

Disclosure as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on March 31, 2015

A.	
Particulars	ESOP Scheme
1 Number of options granted	3,650,000
2 The Pricing Formula	First Grant – (for current eligible employees) who would have completed at least one year of service as on the date of the grant – Per Option – 30% discount to the lower of -
	(a) latest available closing price, prior to the date of the meeting of the Compensation Committee in which options are granted, on the Stock Exchange on which the shares of the Company are listed and on which there is highest trading volume on the said date.
	(b) average of the weekly high and low prices of the equity shares of the Company during 2 weeks preceding the date of grant of option on the Stock Exchanges of which the shares are listed and on which there is highest trading volume on the said date.
	Subsequent Grants – (for future / new eligible employees) Per option – 15% discount to the latest available closing price, prior to the date of the meeting of the Compensation Committee in which options are granted, on the Stock Exchange on which the shares of the Company are listed and on which there is highest trading volume on the said date.
3 Number of options vested	104,000
4 Number of options exercised	1,903,549
5 Total number of shares arising as a result of exercise of options	1,903,549
6 Number of options lapsed	1,540,511
7 Variation in the terms of options	Not Applicable
8 Money realised by exercise of options (Rs.)	153,382,956
9 Total Number of Options in force	205,940

B. Employee-wise details of options granted to:		
(i) Senior managerial personnel		
Name	No. of options granted	
No of options have been granted during the current year		
(ii) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year		
Name	No. of options granted	
No of options have been granted during the current year		
(iii) Identified employees who were granted option, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant		
Name	No. of options granted	
No of options have been granted during the current year		
C. Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20		
5.08		
D. The impact on the profits and EPS of the fair value method is given in the table below -		
		Rs.
	Profit as reported	676,348,380
	Add - Intrinsic Value Cost	691,454
	Less - Fair Value Cost	5,475,557
	Profit as adjusted	671,564,277
	Earning per share (Basic) as reported	5.08
	Earning per share (Basic) adjusted	5.05
	Earning per share (Diluted) as reported	5.08
	Earning per share (Diluted) adjusted	5.05
E. Weighted average exercise price of Options whose		
a)	Exercise price equals market price	No options have been granted during the current year
b)	Exercise price is greater than market price	
c)	Exercise price is less than market price	
Weighted average fair value of options whose		
a)	Exercise price equals market price	No options have been granted during the current year
b)	Exercise price is greater than market price	
c)	Exercise price is less than market price	
F. Method and Assumptions used to estimate the fair value of options granted during the year:		
No of options granted during the current year : NIL		

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 2014-15	Director's Name	Ratio to mean remuneration
		Dr. Lalit Khaitan	61.5:1
		Mr. Abhishek Khaitan	58.2:1
		Mr. Ashutosh Patra	N.A.
		Mr. K.S. Mehta	N.A.
		Dr. Raghupati Singhania	N.A.
		Mr. K.P. Singh	19.6:1
		Mr. Sarvesh Srivastava	N.A.
		Mrs. Shailja Saraf	N.A.
(ii)	The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary	Director's/CFO/CEO/CS/Manager name	% age increase in remuneration
		Dr. Lalit Khaitan, Chairman & Managing Director	8.6%
		Mr. Abhishek Khaitan, Managing Director	8.17%
		Mr. K.P. Singh, Whole Time Director	12%
		Mr. Dilip K. Banthiya, Chief Financial Officer	12%
		Mr. Amit Manchanda, Company Secretary	15%
(iii)	Percentage increase in the median remuneration of employees in the financial year 2014-15 compared to 2013-14		9.25%
(iv)	Number of permanent employees on the rolls of the Company	As on 31.03.2015	As on 31.03.2014
		1150	1161
(v)	Explanation on the relationship between average increase in remuneration and the company performance	Total Revenue, EBITDA & PAT decreased by .58%, 11.9% & 5% respectively while average remuneration increased by 11.4%, High cost of living inflation & Industry level increase in the salaries were taken into consideration	
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Total revenue, EBITDA & PAT decreases by .58%, 11.9% & 5% respectively while average remuneration of KMP increases by 11.79%.	

(vii) Variation in	Details	31.03.2015	31.03.2014		
	Market Capitalization 534 / 89 Crores	1191.36 Crores	1937.71 Crores		
	Price Earning Ratio as at the closing date	17.62	27.17		
	Percentage Increase / decrease of market quotations of shares	(-) 38.51%	-		
	Net worth of the Company	852.13 Crores	812.25 Crores		
(viii) Average percentile increase in fixed salaries of appraised Employees other than managerial personnel	During 2013-14	During 2014-15			
	9.54	11.14			
	Justification for increase with reasons for any exceptional circumstances				
(ix) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	Name of Key Managerial personnel	Remuneration for the years ended			Reason against performance of the Company
		31.03.2015	31.03.2014	% age change	
	Mr. Abhishek Khaitan, Managing Director & Chief Executive Officer	Per Month 3143200 (Perks on Actuals)	Per Month 2905600 (Perks on Actuals)	8.17%	As mention in (v) above
	Mr. K.P. Singh, Whole Time Director	Per Month 1061758	Per Month 947997	12%	
	Mr. Dilip K. Banthiya, Chief Financial Officer	Per Month 1326096	Per Month 1184011	12%	
	Mr. Amit Manchanda, Group Head – Legal & Company Secretary	Per Month 309886	Per Month 269470	15%	
(x) Key parameter for any variable component of remuneration availed by the Directors	N.A.				
(xi) Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during the year.	N.A.				

The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.

The statement showing the names of every employees of the company as per Rule 5(2) forms part of Director's Report is attached thereto.

Secretarial Audit Report

For the Financial Year ended on 31st March, 2015

[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]

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, 2015 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 Radico Khaitan Limited for the financial year ended on 31st March, 2015 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 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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (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 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, 1998;
- (vi) Some of the other laws specifically applicable to the Company:-
- (a) Food Safety and Standards Act, 2006 and Rules and Regulations made thereunder; and
 - (b) Uttar Pradesh Shops and Commercial Establishments Act, 1962 and Rules and Regulations made thereunder.

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE). However the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) were not applicable to the Company for the period under review.

We further report that during the period under review the Company has substantially 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

We further report that adequate notice is given to all directors to schedule the Board Meetings and agenda and detailed notes on agenda were sent adequately 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 including Labour Laws and Environmental Laws and Rules, Regulations and Guidelines framed thereunder.

We further report that during the year under review the Company has made disinvestment of 89,964 Equity Shares from Radico Global Limited, a Company incorporated in Jebel Ali Free Zone, Dubai and passed a Board Resolution in this regard in the meeting of Board of Directors of the Company held on 30th day of May, 2014 and in the meeting of Operations Committee on 30th March, 2015.

**For Tanuj Vohra & Associates
Company Secretaries
Tanuj Vohra
M. No.: F5621, C.P. No.: 5253**

Delhi, 22 May, 2015

Annexure - 1

To,
The Members,
Radico Khaitan Limited
CIN: L26941UP1983PLC027278
Bareilly Road, Rampur
Uttar Pradesh – 244 901.

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, 2014 to 31st March, 2015 for the issuance of Secretarial Audit Report for the financial year 2014-15, required to be issued under section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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 Tanuj Vohra & Associates

**Company Secretaries
Tanuj Vohra
M. No.: F5621, C.P. No.: 5253**

Delhi, 22 May, 2015

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 2015 is given here below and forms part of the Directors Report.

A. Conservation of Energy:**(a) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:**

1. Power saving through replacement of old copper chokes with new electronic chokes.
2. Power saving through installation of timer in plant and street lights.

(b) Impact of the measures at (a) above for reduction of energy consumption and consequent impact on the cost of production of goods:

1. Replacement of old copper chocks with new electronic chokes into collective saving of Rs.0.46 lacs.
2. Power saving through installation of timer in plant and street lights resulted into saving of Rs.2.32 lacs.

(c) Steam Saving –

1. By changing the process of liquefaction of Grain from jet cooking process to no jet cooking process (By Changing the Enzyme) we have saved about 0.30 Kg / Litre of steam in grain spirit production.
2. Reduction in DM water consumption for steam generation up 40% through re use of steam condensate from distillation plant and decrease in DM water consumption in distillation through lees recycle resulted into saving of Rs.21.1 lacs.
3. Steam saving of 0.1 KG / BL in MPWE Distillation with integrated evaporator through over all improvement in sugar to alcohol conversion efficiency by using certain enzyme in fermentation also increase in alcohol % in wash and optimize the process parameter of fermentation and heat integration of distillation and integrated evaporation resulted into saving of Rs.34.6 lacs.

(B) Technology absorption:**Process Improvements:**

1. Printing plant modification on AFM-2 for size 180 ml. caps from 4 nos. to 6 nos. on each strip and modification on AFM-1 for size 750 ml. caps from 4 nos. to 5 nos. on each strip.

Benefits: Resulting into productivity improvement.

(C) Foreign Exchange earning and outgo:

Particulars of earnings and outgo of foreign exchange are given in Notes on Accounts in Schedule 42 (i) of the accounts.

(D) Environment Protection:

1. Increase in Bio- Composting Area - We have increased our Bio-composting area by another 6 acres in order to facilitate more utilization of press mud and therefore more consumption of effluent in press mud.

Place : New Delhi
Date : 10.08.2015

Dr. Lalit Khaitan
Chairman & Managing Director
DIN - 00238222

ANNUAL REPORT DETAILS OF THE CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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.

The CSR Policy was approved by the Board of Directors of its meeting held on 30th May 2014 and has been uploaded on the Company's website. A gist of the programs that the Company can undertake under the CSR policy is mentioned below.

The web link is http://www.radicokhaitan.com/data_pdf/csr_policy.pdf

2. The Composition of the CSR Committee:

1.	Dr. Lalit Khaitan	Chairman
2.	Mr. K.P. Singh	Whole Time Director
3.	Mr. Ashutosh Patra	Independent Director
4.	Mrs. Shailja Saraf	Non Executive Non Independent Director

3. Average net profit of the Company for last three Financial Years:
The average Net Profit for the last three years as per Section 198 of the Companies Act, 2013 is Rs.11238.65 lacs.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above).
The Company is required to spend Rs.210.60 lacs towards CSR for the Financial Year 2014-15.

5. Details of CSR spent during the Financial Year:

a. Total amount spent for the Financial Year: Rs.138.74 lacs.

b. Amount unspent, if any: Rs.71.86 lacs.

c. Manner in which the amount spent during the financial year detailed below:

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
Health care and Medical facilities							
1.	Medical health check up camps organised at Ajitpur, Shadi Ki	Health care & Medical	Ajitpur Village Rampur (UP)		104,844		Direct

	Mandaiya, Chamarva and Panwadia villages	facilities					
2	Annual donation to Distt. eye relief society Rampur	Health care & medical facilities	Rampur (UP)		100,000		Direct
3	Fundus Camera, Lazer green and OCT optical cohenece tolograph machine for District eye relief Dalmiya hospital	Health Care & Medical facilities	Rampur (UP)		3,750,000		Direct
Promotion of education through skill development programs linked to employment							
4	Contribution for civil work in city School	Promoting Education	Rampur, (UP)		135,000		Direct
5	Expenses on Computer & Sewing & Stitching Classes run at Ajitpur	Skill developments programs linked to employment	Ajitpur Village Rampur, (UP)		709,611		Direct
6	Fees of Ch.Ramesh Chand Charitable Trust ,GBD for employment linked training program on skilled development for local unemployed youth	Skill developments programs linked to employment	Ajitpur Village Rampur, (UP)		800,000		Direct
7	Construction of skill development centre building at Panwaria village including civil work and other infrastructure	Skill developments programs linked to employment	Panwadia Village Rampur, (UP)		940,566		Direct
Environment							
8	Plantation at Ajitpur Village and donation of paryawaran smati Ajitpur	Environment	Rampur (UP)		71575		Direct

Safe Drinking water facilities & sanitation							
9	Cold drinking water facilities at public places	Safe drinking Water	Judges Road, Rampur (UP)		21,000		Direct
10	Installed hand Pumps at rural areas at Ajitpur for fresh drinking water	Safe drinking Water	Ajitpur Village Rampur (UP)		471,666		Direct
11	Toilets 06 nos. constructed at Kushtha Ashram.	Rural/ Cultural Development	Rampur (UP)		59,370		Direct
Charitable Trust							
12	Veer Khalsa Seva Samiti Rampur	Rural/ Cultural Development	Rampur (UP)		21,000		Direct
13	Shri Murli Manav Sewa Sanstha (Regd.) for fooding to poors.	Rural/ Cultural Development	Rampur (UP)		31,000		Direct
Rural /Cultural development							
14	Krishi exhibition sponsorship for development of rural & handicraft industries.	Rural/ Cultural Development	Panwadia Village Rampur (UP)		826,000		Direct
15	Civil work at Guasala	Rural / Cultural Development	Rampur (UP)		163,263		Direct
16	Temporary Cottages for poor people in rural areas.	Rural/ Cultural Development	Local villages in Rampur Sub-Divisions		3,028,102		Direct
Promotion of sports activities in rural areas							
17	Paid to U.P. Badminton Academy, Syed Modi International, Grand Prix Gold Badminton Championship 2015 (around 300 players)	Sports promotion in rural areas	Championship will be held at Lucknow		200,000		Direct

	will participate from different countries						
18	Contribution & expenses for Half Marathon	Sports promotion in rural areas	Rampur (UP)		422,000		Direct
19	Track suits given to football players at District level	Sports promotion in rural areas	Rampur (UP)		19,500		Direct
		Total		11,874,497	11,874,497	11,874,497	
Benefits to armed forces widows and their dependents							
20	Expenses incurred at Defence Marketing Division for welfare of widows, rehabilitation of defence people and take care of special children	Armed forces widows and their dependents	New Delhi		2,000,000		Direct
		Total		2,000,000		2,000,000	
21	Health Care Medical & Educational expenditure		Reengus, Bahadurgarh, Timmapur, Bajpur	7,186,000	-	-	-
	Grand Total			21,060,497	13,874,497	13,874,797	

6. The Company has provided the reasons for not spending the amount of 2% of average net profit in its Board report.
7. The Chairman of the CSR Committee hereby confirms on behalf of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

Chairman & Managing Director

Chairman of CSR Committee

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2015
[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 : Public Limited 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:
M/s. Karvy Computershare Private Limited Karvy Selenium Tower-B, Plot No. 31 & 32, Gachi Bowli, Financial District, Nanakramguda, Serelingampally, Hyderabad-500 032, Telangana Toll Free No.18 00 3454 001 Telephone no. 040-67162222 Fax No.040-23001153 Email Id: einward.ris@karvy.com	M/s. Karvy Computershare 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/ service	% to total turnover of the company
1.	Manufacturing of Alcohol & Alcoholic products	1101	98.5%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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. SHARE HOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

I) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of total No. of shares	Demat	Physical	Total	% of total No. of 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	40.15	53417608	0	53417608	40.15	0
(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	40.46	53829818	0	53829818	40.46	0
(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	53829818	0	53829818	40.46	53829818	0	53829818	40.46	0
(A) = (A) (1) + (A)(2)									
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds/ UTI	10777016	3565	10780581	8.10	13760447	3565	13764012	10.35	-2.25
(b) Banks / FI	149737	2665	152402	0.11	193730	2665	196395	0.15	-0.04
(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	50000	0	50000	0.04	0	0	0	0	0.04
(g) FIs	30129490	0	30129490	22.65	24592645	0	24592645	18.49	4.16
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1)	41106243	37850	41144093	30.93	38546822	37850	38584672	29.00	1.93
2. Non-Institutions									
(a) Bodies Corporate									
(i) Indian	15430136	25605	15455741	11.62	12789127	25325	12814452	9.63	1.99
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh.	10058068	2357133	12415201	9.33	14323001	2224508	16547509	12.44	-3.11

(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	9190059	0	9190059	6.91	7031238	0	7031238	5.29	1.62
(c) Others (specify)									
i) Clearing Members	0	0	0	0	218896	0	218896	0.16	-0.16
ii) Foreign Bodies	0	0	0	0	2604000	0	2604000	1.96	-1.96
iii) Non Resident Indians	606816	380735	987551	0.74	1045425	362755	1408180	1.06	-0.31
iv) Directors & Relatives	16302	0	16302	0.01	0	0	0	0	0.01
Sub-total (B)(2):-	35301381	2763473	38064854	28.61	38011687	2612588	40624275	30.54	-1.93
Total Public Shareholding (B)=(B) (1)+(B) (2)	76407624	2801323	79208947	59.54	76558509	2650438	79208947	59.54	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	130237442	2801323	133038765	100.00	130388327	2650438	133038765	100.00	

(ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year 01.04.2014			Shareholding at the end of the year 31.03.2015			% change in shareholding 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	Abhishek Khaitan	86065	0.06	0	86065	0.06	0	0
4	Deepshikha Khaitan	50000	0.04	0	50000	0.04	0	0
5.	Shailaja Finance Ltd.	11491087	8.64	0.26	11491087	8.64	2.14	0
6.	Sapphire Intrex Ltd	33888011	25.47	6.13	33888011	25.47	3.33	0
7	Classic Fintrex Pvt. Ltd.	2576100	1.94	0	2576100	1.94	0	0
8	Elkay Fiscal Services Pvt.Ltd.	66000	0.05	0	66000	0.05	0	0
9	Abhishek Fiscal Services Pvt. Ltd.	99050	0.07	0	99050	0.07	0	0
10.	Rampur International Ltd	5254085	3.95	2.47	5254085	3.95	2.47	0
11.	Smita Fiscal Pvt. Ltd.	43275	0.03	0	43275	0.03	0	0
	Total	53829818	40.46	8.86	53829818	40.46	7.94	0

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

Sl. 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
1.	NO CHANGE IN PROMOTERS HOLDING	N.A.	N.A.	N.A.	N.A.

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

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
1	HSBC Global Investment Funds	9980624	7.50	01.04.2014		Opening Balance	9980624	7.50
		9980624	7.50	31.03.2015		Closing Balance	9980624	7.50
2	Reliance Capital Trustee Co. Ltd	8305811	6.24	01.04.2014		Opening Balance	8305811	6.24
				06.06.2014	(400000)	Sale		
				18.07.2014	(196000)	Sale		
				05.09.2014	(350000)	Sale		
				23.01.2015	175700	Purchase		
				30.01.2015	270000	Purchase		
				06.02.2015	579400	Purchase		
				13.02.2015	549900	Purchase		
				27.02.2015	243000	Purchase		
				06.03.2015	557000	Purchase		
				13.03.2015	(500000)	Sale		
				13.03.2015	133000	Purchase		
20.03.2015	150000	Purchase						
		11296871	8.49	31.03.2015		Closing Balance	11296871	8.49
3.	Smallcap World Fund INC	3600000	2.71	01.04.2014		Opening Balance	3600000	2.71
				09.05.2014	(369186)	Sale		
				16.05.2014	(155666)	Sale		
				23.05.2014	(1361813)	Sale		
				30.05.2014	(1095599)	Sale		
				06.06.2014	(318514)	Sale		
				13.06.2014	(299222)	Sale		
				31.03.2015		Closing Balance	0	0
4.	Ashish Dhawan	3234195	2.43	01.04.2014		Opening Balance	3234195	2.43
				10.10.2014	145081	Purchase		
				31.10.2014	115737	Purchase		
				14.11.2014	225429	Purchase		
				16.01.2015	860603	Purchase		
				23.01.2015	149397	Purchase		
						4934195	3.71	31.03.2015
5.	Reliance Life Insurance Co. Ltd.	2851164	2.14	01.04.2014		Opening Balance	2851164	2.14
				06.06.2014	120332	Purchase		
				30.06.2014	(274204)	Sale		
				14.11.2014	(112944)	Sale		
				06.03.2015	(214000)	Sale		
		1686998	1.27	31.03.2015		Closing Balance	1686998	1.27

6.	Morgan Stanley Asia Singapore Pte	2791003	2.10	01.04.2014		Opening Balance	2791003	2.10
				19.12.2014	(2718485)	Sale		
		205990	0.15	31.03.2015		Closing Balance	205990	0.15
7.	BNP Paribas Arbitrage	2660081	2.00	01.04.2014		Opening Balance	2660081	2.00
				13.06.2014	275000	Purchase		
				18.07.2014	(162658)	Sale		
				25.07.2014	(112342)	Sale		
		2829986	2.13	31.03.2015		Closing Balance	2829986	2.13
8.	Jhujhunwala Rakesh Radheshyam	1997000	1.90	01.04.2014		Opening Balance	1997000	1.90
				02.05.2014	(500000)	Sale		
				09.05.2014	(496000)	Sale		
				29.08.2014	(243246)	Sale		
				05.09.2014	(756754)	Sale		
				31.03.2015		Closing Balance	0	0
9.	Acacia Partners LP	1512000	1.14	01.04.2014		Opening Balance	1512000	1.14
		1512000	1.14	31.03.2015		Closing Balance	1512000	1.14
10.	Bajaj Allianz Life Insurance Co. Ltd	1463124	1.10	01.04.2014		Opening Balance	1463124	1.10
				25.04.2014	343070	Purchase		
				02.05.2014	256000	Purchase		
				30.05.2014	100000	Purchase		
				13.06.2014	362260	Purchase		
				20.06.2014	332900	Purchase		
		2974500	2.24	31.03.2015		Closing Balance	2974500	2.24

* Increase / Decrease in Shareholding one lac and above.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl.	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	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	234295	0.18

2.	Mr. Abhishek Khaitan				
	At the beginning of the year	86065	0.06	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	86065	0.06
3.	Dr. Raghupati Singhania				
	At the beginning of the year	0	0	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	0	0
4.	Mr. Karna Singh Mehta				
	At the beginning of the year	1500	0.001	1500	0.001
	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	1500	0.001	0.001	0.001
5.	Mr. Ashutosh Patra				
	At the beginning of the year	0	0	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	0	0
6	Mr. Sarvesh Srivastava				
	At the beginning of the year	0	0	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	0	0

7.	Mrs. Shailja Saraf				
	At the beginning of the year	0	0	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	0	0
8	Mr. K P Singh				
	At the beginning of the year	2891	0.002	2891	0.002
	Purchase of shares on 11.04.2014	1000	0.00	1000	0.00
	Sale of shares on 25.04.2014	3000	0.002	3000	0.002
	At the end of the year	891	0.00	891	0.00
9.	Mr. Dilip Kumar Banthiya				
	At the beginning of the year	54721	0.04	54721	0.04
	Sale of shares on 13.06.2014	7000	0.005	7000	0.005
	Sale of shares on 20.06.2014	15000	0.01	15000	0.01
	At the end of the year	32721	0.02	32721	0.02
10.	Mr. Amit Manchanda				
	At the beginning of the year	4	0.00	4	0.00
	Sale of shares on 10.10.2014	4	0.00	4	0.00
	At the end of the year	0	0.00	0	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount #	83,880.54	6,500.00	0.00	90,380.54
ii) Interest due but not paid	4.37	44.59	0.00	48.96
iii) Interest accrued but not due	323.79	0.00	0.00	323.79
Total (i+ii+iii)	84,208.70	6,544.59	0.00	90,753.29
Change in Indebtedness during the Financial year:				
Addition		6,000.00	0.00	6,000.00
Reduction	(-)9,954.95	(-) 1,500.00	0.00	(-)11,454.95
Net Change	(-)9,954.95	4,500.00	0.00	(-) 5,454.95
Indebtedness at the end of the Financial year:				
i) Principal Amount #	73,925.59	11,000.00	0.00	84,925.59
ii) Interest due but not paid	68.13	69.26	0.00	137.39
iii) Interest accrued but not due	260.99			260.99
Total (i+ii+iii)	74,254.71	11,069.26	0.00	85,323.97

Secured Loans, outstanding as on 31.03.2014 Rs.83,880.54 lacs includes ECB Loan of \$ 60.03 mn. valued at Rs.60.10 per USD, and outstanding as on 31.03.2015 Rs.73,925.59 Lac includes ECB Loan of \$ 53.23 mn. valued at Rs.62.59 per USD.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. 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	305.55	289.64	100.49	695.68
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	24.58	19.49	22.27	66.34
	(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 - others, specify...	N.A.	N.A.	N.A.	N.A.
5.	Others, please specify: - Retiral benefits	52.74	49.10	9.87	111.71
	Total (A) (1+2+3+4+5)	382.87	358.23	132.63	873.73
	Ceiling as per the Act	509.68	509.68	509.68	1121.30

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
		Mr. Ashutosh Patra	Mr. K.S. Mehta	Dr. Raghupati Singhania	Mr. Sarvesh Srivastava	
1.	Independent Directors					
	Fee for attending board/ committee meetings	2,85,000/-	1,20,000/-	1,25,000/-	2,60,000/-	7,90,000/-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	2,85,000/-	1,20,000/-	1,25,000/-	2,60,000/-	7,90,000/-
2.	Other Non-Executive Directors					
	Fee for attending board / committee meetings	55,000/-	-	-	-	55,000/-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	55,000/-	-	-	-	55,000/-
	Total Managerial Remuneration	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	8,45,000/-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**(Rs. in lakhs)**

Sl. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Dilip K. Banthiya, Chief Financial Officer	Mr. Amit Manchanda, Company Secretary	TOTAL
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	144.14	29.14	173.28
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	2.67	0.71	3.38
	(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.
3.	Sweat Equity	N.A.	N.A.	N.A.
4.	Commission - as % of profit - others, specify...	N.A.	N.A.	N.A.
5.	Others, please specify: - Retiral Benefits	13.76	2.85	16.61
	Total (C) (1+2+3+4+5)	160.57	32.70	193.27
	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				
	Penalty Punishment Compounding			None	
B.	DIRECTORS				
	Penalty Punishment Compounding			None	
C.	OTHER OFFICERS IN DEFAULT				
	Penalty Punishment Compounding			None	

Management Discussions and Analysis for the Year 2014-15

Industry Overview

Macroeconomic Overview and the India Consumption Story

CY2014 has been another year of modest global economic growth. According to the IMF's April 2015 World Economic Outlook, global output grew by 3.4% in CY2014. The emerging markets and developing economies both experienced a continued slowdown, whereas the developed economies picked up growth. The US economy registered higher than expected growth of 4.0% (annualised) driven by an increase in consumption expenditure as a result of steady job creation, income growth, lower oil prices and improved consumer confidence. The Euro Area showed early signs of recovery in Q4 CY2014 after a relatively weak start to the year supported by lower oil prices and higher net exports. Investment growth in China declined in the second half of CY2014 resulting in a decrease in the economic growth to 7.4%. The emerging market and developing economies slowed down further from 5.0% in 2013 to 4.6% in CY2014 except for India. Overall, global growth is projected to remain moderate and reach 3.5% and 3.8% in CY2015 and CY2016. In CY2015, growth is expected to be stronger in the advanced economies but remain weak in the emerging markets.

With this backdrop, the Indian economy experienced early signs of recovery during the last fiscal year. Domestic consumption improved due to lower inflation and an increase in purchasing power resulting in economic growth of 7.4% compared with 6.9% in FY2014. During the year, the Consumer Price Index (CPI) gradually declined primarily due to the fall in global crude oil prices coupled with various initiatives taken by the government to curb inflation. However, overall manufacturing activity remained subdued as reflected by the IIP index which grew by only 2.8% during the year.

Domestic consumption remains one of the key growth drivers of Indian economy. As per a Nielsen report, the growth of the Indian FMCG industry was around 7% in CY2014 and is expected to grow by 10% and 12% in CY2015 and CY2016, respectively. The past three years have been challenging for India's FMCG industry. Performance was impacted by subdued economic conditions and high inflation resulting in weaker consumer sentiment. However, during the later part of the previous fiscal year, consumer sentiment started to recover as inflation declined, the economy expanded and overall business confidence returned. This improvement in the overall macro-economic scenario coupled with India's favourable demographic profile supports the attractiveness of the long term consumer growth story.

The Indian Spirits Industry

Over the past couple of years, Indian spirits industry volume growth has seen a downward trend. This is primarily due to the overall slowdown in the economy and increase in government duties resulting in higher retail prices. During CY2014, IMFL volume grew by 3.6% compared to the same period last year to reach 291 million cases. Despite this moderate volume growth, sales value increased by 7.4% compared to CY2013. This trend is a clear indicator of the structural change and the ongoing transformation in the Indian spirits industry.

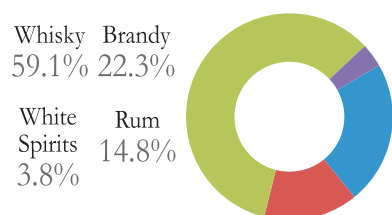
The spirits industry in India is experiencing a transformation towards premiumization over the past few years. The entry of global majors into the Indian market is anticipated to provide additional impetus towards this transition. Furthermore, rising affluence, favorable demographics and anticipated economic growth are the key drivers of this trend.

India is the third largest spirits market in the world, of the total spirits consumption, brown spirits which includes whisky, brandy and rum accounted for the largest segment comprising 96% of market share by volume in CY2014. The remaining 4% includes white spirits such as vodka and gin. Due to its ban on country liquor, South India forms 47% of the IMFL volume sales followed by 20% share from North India.

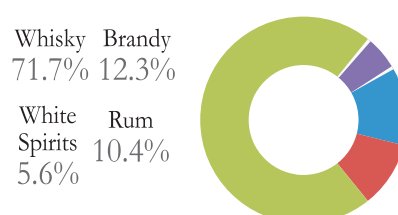
During CY2014, whisky volumes increased by 4.3%, whereas value growth was at 8.7% compared to the same period last year. Brandy registered a 6.8% volume growth and 11.5% value growth. White Spirits and Rum, both registered marginal volume declines whereas the value growth for both remained relatively flat compared to the last year.

However, within the White Spirits category, vodka continued to demonstrate growth with sales for the year at 74.5 million litres. Over the past five years, the overall vodka category has registered a compounded growth of 5.4% whereas in comparison premium vodka volume has grown at 22.0%. During the same period, flavoured vodka demonstrated a strong growth rate of 51%. Vodka is positioned as a drink for women and the younger generation, which has led to the strong volume growth. During CY2014, premium and super premium category vodka accounted for about 51% of the total vodka volumes compared with around 33% five years ago. This trend is expected to continue and the share of premium category vodka is anticipated to increase further.

Sales of Spirits by Category (Volume): 2014



Sales of Spirits by Category (Value): 2014



During FY2015, the Indian spirits industry experienced significant increases in the prices of raw materials and very limited price hikes to absorb the cost increases. The increase in excise duties and VAT in various states also had an adverse impact on the volume growth. ENA (Extra Neutral Alcohol) prices increased by around 6% in FY2015 compared to the same period last year.

However, the sugar production in the ongoing sugar season (ending September 2015) has been very strong and a sugar stock surplus is expected at the end of the period. As a result, sugar prices have softened over the last couple of quarters and is expected to ease the input cost pressure to a certain extent in the coming year.

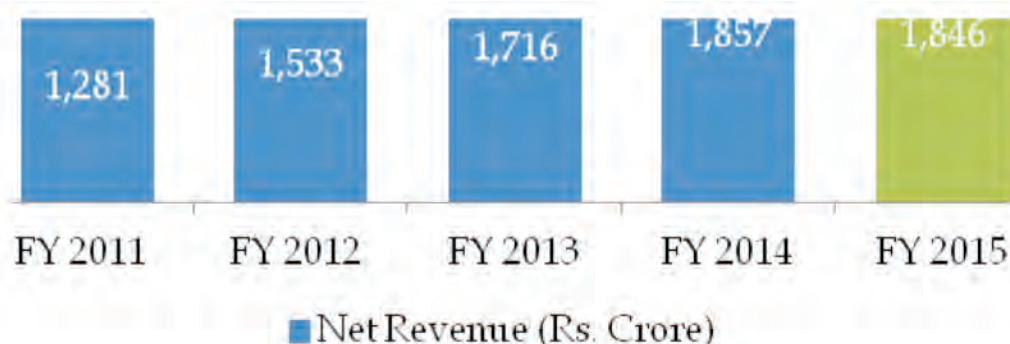
The Indian Spirits Industry Outlook

IMFL consumption in India is expected to reach 3,140 million litres or 349 million cases by CY2019 representing a CAGR of 3.7%. During the same period, IMFL consumption value is expected to grow at 5.9%. The main factors driving alcohol consumption are the emergence of a wealthy middle class and ongoing urbanisation trends. Growth in per capita income is expected to drive discretionary income in turn boosting demand for lifestyle products including alcoholic beverages. Around 825 million people were in the drinking age in CY2014 and another 82 million are likely to be added by CY2019. Following these favourable demographics, demand for alcoholic beverages is set to rise, in particular in the premium category. Furthermore, India's per capita consumption is low by international standards but has grown at a quicker pace in recent years (last five year CAGR for IMFL is 7.4%). At 2.5 litres per capita per annum (lpa), India's consumption is one of the lowest among the major economies (world average: 6.2 lpa). Any increase in this consumption pattern can provide significant opportunities given the size of the Indian population.

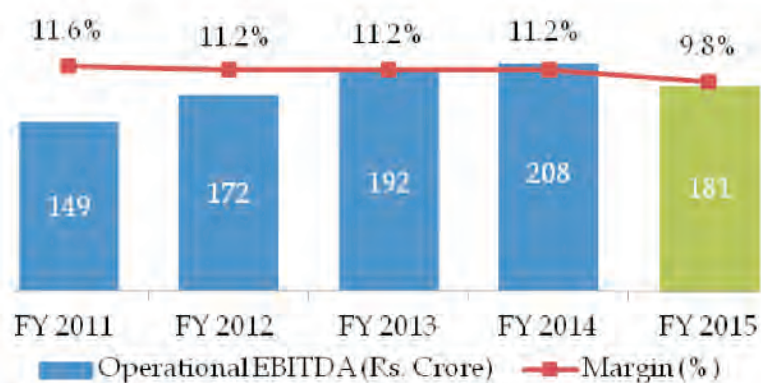
According to industry analysts, consumers prefer premium brands and are prepared to pay more for these higher quality products. Additionally, innovative packaging, branding and marketing campaigns with the use of social media are targeted more towards the younger population and focused on branded products. New product launches and variants of existing core products are highly targeted to maximize market share and will require investment in brand building and R&D. The focus on premium brands will allow manufacturers to improve their operating margins.

Performance Overview

Net Sales (including CBU sales) remained relatively flat at Rs. 1,846 Crore. The overall IMFL volumes declined by 4.3% to 19.49 million cases whereas the subset of Prestige & above brands volume increased by 8.8%. As a percentage of total IMFL volumes, these brands now contribute 20.7% compared to 18.3% last year. IMFL sales value contributed 71.9% of the total sales during the year.

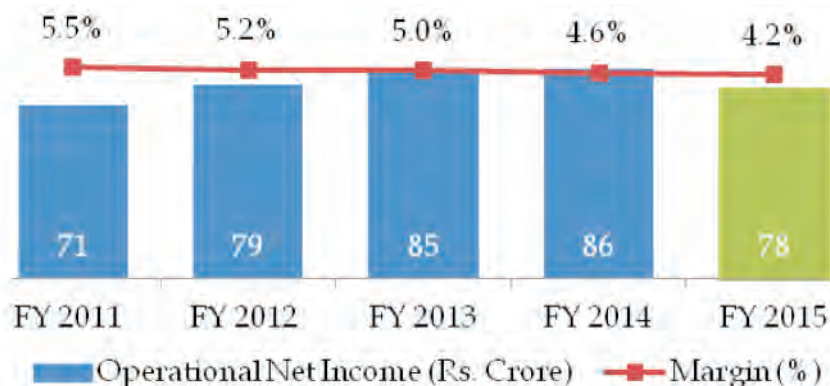


Operational EBITDA decreased by 13.2% and margins declined by 142 basis points to 9.8% compared to the previous year. ENA and glass bottle input costs were two of the factors that led to this margin compression. ENA cost during the year increased by 6% translating into a total impact of Rs. 21.0 Crore. Glass bottle prices increased by 6% from September 2014 resulting in a total impact of Rs. 7.0 Crore. Furthermore, EBITDA was also impacted by a Rs. 9.9 Crore charge on account of the depreciation of INR on the payment of US Dollar denominated ECB instalments. This amount has been classified under Other Expenses.



During Q4 FY2015, the Company's joint venture (JV) in Maharashtra, Radico NV Distilleries Maharashtra Ltd. paid its first dividend on its 10% cumulative preference shares. Radico Khaitan received a dividend of Rs. 4.6 Crore from its preference shares in the JV which has been included under Other Income. Radico Khaitan holds a 36% strategic stake in this JV which is expected to be a debt free entity in FY 2016.

Operational Net Profit decreased by 9.3% compared with same period last year. Margin for the year was 4.2%.



Liquidity

Radico Khaitan's ongoing focus on free cash flow generation resulted in the reduction of Total Debt. The Company made a repayment of Rs. 67.8 Crore during the year. As of March 31, 2015, Total Debt was Rs. 849.3 Crore, Cash and Cash Equivalents were Rs. 10.3 Crore resulting in Net Debt of Rs. 838.9 Crore (vs. Rs. 888.5 Crore as on March 31, 2014). Total Debt consisted of Rs. 412.4 Crore of Working Capital loans and Rs. 436.9 Crore of Long Term loans, including Long Term loans maturing within 12 months of the balance sheet date. Total Debt also included Rs. 13.3 Crore on account of the non-cash impact of the depreciation of the rupee on foreign currency loans (ECB).

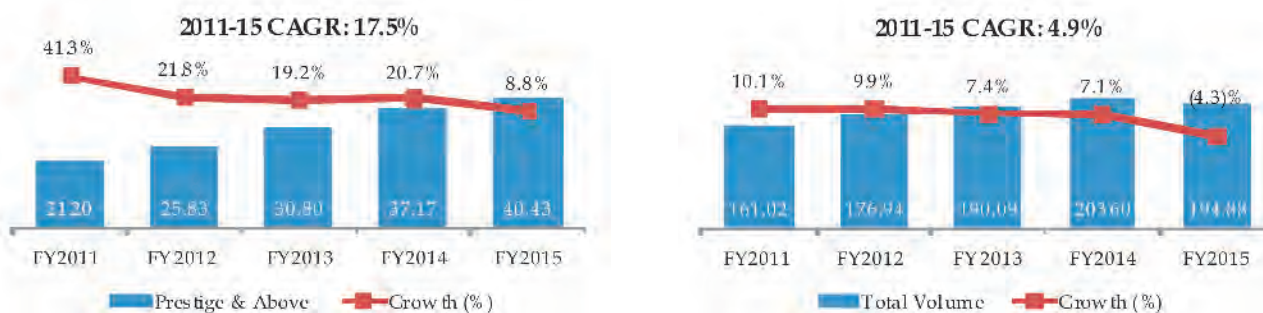
Credit Rating

Radico Khaitan's long term and short term credit facilities are rated by CARE Ratings. Radico Khaitan's long term credit facilities are rated CARE A+ (Single A Plus) and short term credit facilities are rated CARE A1+ (A One Plus).

CARE A+ rated instruments are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry 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 the lowest credit risk.

Review of Operations

Radico Khaitan is well placed and has taken necessary steps to capitalize on the opportunities arising from the structural changes ongoing in the sector. The Company's efforts are evident from its increased contribution of the Prestige & above brands. During the year, Prestige & above brands accounted for 20.7% of the total IMFL sales compared to 18.3% in the same period last year with a growth of 8.8% over FY 2014.



Require information on Magic Moments

Environment Friendly initiatives at Rampur Plant

During the year, Radico Khaitan installed and commissioned integrated evaporators in the grain spirits plant, which converts the entire thin slop into wet cake that can be sold as cattle fodder. This has helped in bringing down the effluent discharge from grain plant to zero. The Company also installed and commissioned integrated evaporators in the molasses distillation plant resulting in reduction of spent wash generation by approximately 45%. After the effluent is passed through the RO plant, additional 45% effluent volume is reduced and only about 25% of the total effluent is left for bio-composting. Radico Khaitan has also increased the bio-composting area by 7 acres to consume more effluent in bio-composting and has reduced fresh water consumption by recycling process condensate and lees from distillation plants to fermentation.

Business Strategy

With the changing business environment, Radico Khaitan's longstanding and successful premiumization strategy is expected to improve the Company's revenue and profitability in the near term. Key growth drivers include:

R&D, Innovation and New Product Launches

Innovation is the key to success for Radico Khaitan and it continues to strive for better quality products and variants to suit the consumer's changing preferences and aspirations. In addition to new product development, the Company continuously focuses on improving existing products and packaging innovation which provides it with a competitive edge. Radico Khaitan had undertaken extensive consumer research to conceptualize and develop a new product during the year namely Magic Moments Electra, a ready to drink (RTD) offering. In June 2015, the Company launched 'Electra' on a test marketing basis in the states of Uttar Pradesh, Haryana, Delhi and West Bengal. Radico Khaitan's Magic Moments vodka has a leading market share of the Indian vodka industry. Magic Moments Electra is expected to capitalise on the success of Magic Moments vodka in the coming years as the Company plans to launch it on a pan India basis.

Cost Optimization

Radico Khaitan has a significant distillation capacity of 150 million litres which makes the Company self dependent for its ENA requirements to a large extent and also provides a cushion against volatility in the ENA prices. The Company has a capacity to store 3 months' equivalent of its molasses requirements. This insulates the Company against short term fluctuations in molasses prices. Radico Khaitan has also taken other steps to optimize cost structure. This includes rationalisation of the bottle supplies and diversification of its supplier base thereby limiting the net cost impact.

Exports and New International Partnerships

Radico Khaitan has made outstanding progress in building the brand equity and consumer loyalty in the overseas markets. Today, the Company has become a truly global brand and exports its products to around 60 countries worldwide. In FY2015, export volumes in the premium category brands experienced strong growth compared with FY2014. Over the years, the Company has made investments in brand building which has created a large consumer base outside India. Radico Khaitan's products have gained strong foothold across both the developed markets such as the US and Europe and developing economies in Africa and Middle East. The Company has developed a detailed understanding of customer preferences in the international markets and expects to increase profitability in the exports business through a focus on premium brands and new geographies.

Supply Chain Management

Radico Khaitan's focus on providing its consumers with a wide range of products has led to the requirement of a comprehensive supply and distribution network. The Company currently has a pan-India manufacturing and distribution network covering approximately 90% of retail outlets. Its products are sold through over 45,000 retail and 5,000 on-premise outlets. Radico Khaitan continues to strive to build flexibility across the supply chain to ensure reliable volume deliveries in a timely and cost-effective manner. Ongoing monitoring and updates in the area of manufacturing network planning, technology and people systems have helped enhance responsiveness. Use of technology solutions and predictive analytics for more accurate data capture and informed decision making remains the key to an efficient supply chain management system.

Opportunities and Threats

Opportunities

Economic Growth: The Indian economy is entering into an exciting phase of growth. It is anticipated that implementation of structural reforms will result in an increase in investment activity. Furthermore, the recent macro-economic indicators confirm the strengthening consumer demand across the country.

Increase in Disposable Income: During FY2015, India's annual per capita income according to the IMF increased by 9.2% to reach Rs. 87,748. With improvement in the economy, the per capita income is expected to increase resulting in higher disposable income.

Rural vs. Urban Consumption: The proportion of the population living in urban areas is gradually increasing primarily due to the migration from rural areas. This together with increasing rural consumption is expected to drive consumption demand strongly. Government has taken several initiatives which are expected to drive rural growth. Such initiatives include schemes to improve rural farm yields, investment in infrastructure, and creation of National Agricultural mission to ensure better prices for both farmers and consumers. Rural alcohol consumption has increased at a 5 year CAGR of 9.1% compared to 4.9% in urban region. This trend of fast growing rural consumption is expected to continue in the near term. The Company continues to invest in improving its distribution network across rural markets with an ongoing focus on the urban market.

Favourable Demographics: The demographic profile of India is skewed towards a younger population with the age group of 15-55 years constituting around 60%. Currently over 825 million Indians are of drinking age and another 82 million are expected to be added in the group by CY2019. The younger generation is more focused on quality of lifestyle and willing to pay for premium products.

Changing Consumer Preferences: The increase in per capita income has resulted in higher disposable income. Furthermore, the aspiration for better living standards has resulted in the gradual change in consumer preferences towards better quality products.

Increased Alcohol Accessibility and Availability: There has been an increase in the variety of alcohol and brands with most of them easily available in government licensed outlets, government shops, private licensed retail chains, restaurants, pubs and bars. Furthermore, the social acceptability of alcohol has improved in India.

Price Increases: The Company is focusing on achieving price increases in various regional markets in which it operates. Any price increases achieved will help to improve the revenues as well as profitability.

Threats

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 the industry volumes.

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

Competition from International Players: As the per capita liquor consumption is significantly lower compared to other countries, many international manufacturers are trying to penetrate the Indian market. Furthermore, the ongoing structural changes with the focus on premiumization will allow them to introduce their premium brands in India. Such developments may have potential impact on the market share of existing players. However, Radico Khaitan has strong brand loyalty among consumers and its commitment to provide them with better quality products at relatively lower price points provides the Company with a competitive edge.

Risk and Concerns

Regulatory Environment

In India, the alcohol industry is highly regulated primarily due to high excise duties, restrictive retail sales licences and a ban on direct advertising. These factors create major barriers to promote new as well as existing brands. 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

Any increase in ENA prices will have a negative impact on the profitability of the Company. ENA prices may 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.

Regional Diversification

The Company has manufacturing and distribution presence across the country. Its strategically located manufacturing facilities and distribution centers at various locations provide easy access to key markets. Radico Khaitan's focus on expanding exports will help to further mitigate any potential geographical risk.

Foreign Exchange Rate Variations

A component of the Company's debt is foreign currency denominated, which makes it susceptible to currency risk. Any unfavourable variation in the foreign exchange rate can impact the profitability. Radico Khaitan takes appropriate measures to measures to minimize the risk.

Awards and Recognitions

During the year, Radico Khaitan received numerous awards for its leading brands. These awards are a testament to the Company's vision of changing consumer preferences as well as the superior quality of its products.

Internal Control Systems & Adequacy

Radico Khaitan lays significant emphasis on ensuring best-in-class standards for internal control systems and is committed to the principle of prudent growth. The Company has adequate systems for internal control commensurate with its size and complexities. These ensure that its assets and interests are carefully protected; checks and balances are in place to determine the accuracy and reliability of accounting data. Well documented processes have been implemented to ensure that policies are promoted and adhered to. There is clear demarcation of roles and responsibilities at various levels of operations.

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 also invites functional 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)

Information Technology is core to the Company's processes, improvement and transformational initiatives. Radico Khaitan continues to explore and implement new emerging technologies for furthering business objectives. IT is accordingly managed through a robust governance process that covers value delivery, cost optimisation, technology management, support and education. The Information Technology systems in the Company form the backbone for carrying out all the business processes, for communication and collaboration. It also provides information for effective decision making, monitoring and management control.

Over the years, Radico Khaitan has implemented a comprehensive ERP system which helps the Company to connect with its customers and better understand their requirements, enhance the supply chain and make the sourcing and supply forecasts more accurate. IT system and infrastructure is being continuously monitored and enhanced with any required upgrades. IT Risk Management is addressed by covering all aspects of IT Security and Business Continuity Planning.

Human Resource Management

Radico Khaitan understands that human resource is critical for the overall growth and success of the organization. The Company also believes its business success would not have been possible without the continuous support, passion and commitment of its employees. The human resource department is highly focused on enhancing stakeholder value by ensuring a streamlined dialogue between the management and the employees. Radico Khaitan undertakes continuous efforts to employ and retain professionally qualified, dedicated and committed personnel. This approach to human resource management has resulted in extremely low attrition and reflects the constructive relationship between the Company and its employees. Currently, the Company employs [1,150] personnel. 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.

Place: New Delhi
Date: 10.08.2015

For and on behalf of the Board
sd/-
Dr. Lalit Khaitan
Chairman & Managing Director

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is about commitment to values and ethical business conduct. It is all about how an organization runs its business keeping in mind its objectives, philosophy and social responsibility. Your Company is committed to sound principles of Corporate Governance with respect to all its procedures, policies and practices. Radico strives to be a reliable and trusted organization in building and maintaining relationships with shareholders, lenders, employees and public at large. Under good Corporate Governance we are committed to ensure that all functions of the Company are discharged in a professionally sound, accountable and competent manner.

The governance processes and systems of your Company have strengthened over a period of time resulting in constant improvisation of sustainable and profitable growth. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal controls and promotion of ethics at work place have been institutionalized.

The Board of Directors believes in upholding the highest standards of accountability and actively participate 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 Board fully supports and endorses corporate governance practices in accordance with the provisions of Clause 49 of the listing agreement. The Company has complied with the requirements of the said Clause and listed below is the status with regard to the same.

BOARD OF DIRECTORS:

Composition:

Radico has a broad based Board of Directors, constituted in compliance with the Companies Act, 2013, listing agreements entered with stock exchanges and in accordance with Good Corporate practices. The Board functions either as a full Board or through its Committees constituted to oversee specific operational areas.

As on date, the Board of Directors 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 Clause 49 of the Listing Agreement and represents the optimum combination of professionalism, knowledge, experience and consists of eminent individuals from 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 Clause 49(IV) (G) of the Listing Agreement, are mentioned in the Notice to the Annual General Meeting, forming part of the Report. The brief profile of the Board Members is given in the website of the Company (www.radicokhaitan.com).

Number of Board Meetings:

During the financial year ended 31st March, 2015, four (4) meetings of the Board of Directors were held and the maximum time gap between two (2) meetings did not exceed four (4) months. The dates on which the Board Meetings were held were as follows:

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

30th May 2014
 12th August 2014
 11th November 2014
 10th February 2015

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 Clause 49 of the Listing Agreement:

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	At the last AGM		Committee Member	Committee Chairman
Dr. Lalit Khaitan	Chairman & Managing Director	Father of Mr. Abhishek Khaitan and Mrs. Shailja Saraf	4	Leave sought	-	-	-
Mr. Abhishek Khaitan	Managing Director	Son of Dr. Lalit Khaitan and brother of Mrs. Shailja Saraf	4	Leave sought	-	-	-
Mr. K.P. Singh	Whole Time Director	Not related to any of the Directors	3	Yes	1	-	-
Mr. K.S. Mehta	Non-executive / Independent	Not related to any of the Directors	3	No	2	1	1
Dr. Raghupati Singhania	Non-executive / Independent	Not related to any of the Directors	2	No	8	1	1
Mr. Ashutosh Patra	Non-executive / Independent	Not related to any of the Directors	4	No	-	-	-
Mr. Sarvesh Srivastava	Non-executive / Independent	Not related to any of the Directors	4	Yes	-	-	-
Mrs. Shailja Saraf	Non-executive Non-Independent	Daughter of Dr. Lalit Khaitan and sister of Mr. Abhishek Khaitan	2	No	-	-	-

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 and Clause 49 of the Listing Agreement post 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 Annexure IA to the Clause 49 of the Listing Agreement 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 Annexure IA to the Clause 49 of the Listing Agreement.

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 Clause 49 of the Listing Agreement entered into with the Stock Exchanges. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 and the Listing Agreement has been issued and disclosed on the website of the Company viz. www.radicokhaitan.com

FAMILIARISATION PROGRAMME FOR DIRECTORS:

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him under the Companies Act, 2013, Clause 49 of the Listing Agreement 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.

CONFLICT OF INTERESTS:

Each Director informs the Company on an annual basis about the Board and the Committee positions he 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 2014-2015.

REAPPOINTMENT OF DIRECTOR RETIRING BY ROTATION:

Mr. Abhishek Khaitan, Managing Director, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer himself for reappointment. His remuneration was approved by the Shareholders in their meeting held on 30.09.2013 for a period of 5 years. There is no change in the remuneration paid to Mr. Abhishek Khaitan.

A brief resume of Mr. Abhishek Khaitan, Managing Director, seeking re-appointment in the forthcoming AGM in terms of Clause 49 IV (G) of Listing Agreement is given below:

Name	Mr. Abhishek Khaitan
Date of Birth	29.04.1973
Date of Appointment	20.02.2013
Expertise in special functional areas	Industrialist
Qualifications	B.E (I.P.) Bangalore University. Management Diploma from Harvard University
List of outside directorship as on 31 st March 2015	NIL
Chairman / Member of the Committee of other companies as on 31 st March 2015	NIL
No. of shares held	86,065

COMMITTEES OF THE BOARD:

Currently, there are nine (9) Committees of the Board, namely: Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee, ESOP Compensation Committee, Finance Committee, Corporate Social Responsibility (CSR) Committee, Operations Committee, Risk Management Committee and Committee of Independent 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. 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 agreement are provided hereunder.

AUDIT COMMITTEE:**Composition and terms of reference**

As on date, the Audit Committee comprises of three (3) Independent, Non-executive Directors. The members of the Audit Committee are Mr. Sarvesh Srivastava, Dr. Raghupati Singhania 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), 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.

The scope of activities and terms of reference of the Audit Committee is in accordance with Clause 49 of the Listing Agreement 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, 2015 are as follows:

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

30th May, 2014 11th November 2014
12th August 2014 10th February 2015

Name	Meeting details Held	Attended
Mr. Sarvesh Srivastava	4	4
Dr. Raghupati Singhania	4	2
Mr. Ashutosh Patra	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 management quarterly, half-yearly, nine-months and annual financial statements, standalone as well as consolidated before submission to the Board for approval.
7. Reviewing with the management performance of statutory and internal auditors.
8. Discussion with the internal auditors, cost auditor on any significant findings and follow-up thereon.
9. 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.

10. Reviewing reports furnished by the internal auditors and statutory auditors and ensuring suitable follow-up thereon.
11. Reviewing the Company's financial and risk management policies, forex policy, management discussion and analysis, significant related party transactions.
12. Reviewing with the management and the Statutory Auditors anticipated changes in the Accounting Standards.
13. Review of the Vigil Mechanism and Whistle Blower mechanism of the Company;
14. 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
15. 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 Clause 49 (III) (A) (6) of the listing agreement.

NOMINATION AND REMUNERATION COMMITTEE:

Composition and terms of reference:

As on date, the Nomination and Remuneration Committee comprises of four (4) Directors, viz., Dr. Raghupati Singhania (Chairman of the Committee), Mr. K.S. Mehta, Dr. Lalit Khaitan, 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 Clause 49 of the listing agreement.

Meeting and Attendance:

The Nomination and Remuneration Committee met two times during the year on 30.05.2014 at 10.45 A.M. and 4.00 P.M. The necessary quorum was present for the meeting. The Table below provides the attendance of the Nomination and Remuneration Committee members:

Sl. No.	Name	Position	Category	No. of Meeting attended
1.	Dr. Raghupati Singhania	Chairman	Non-Executive Independent	0 of 2
1.	Dr. Lalit Khaitan	Member	Executive	2 of 2
2.	Mr. Ashutosh Patra	Member	Non-Executive Independent	2 of 2
3.	Mr. K.S. Mehta	Member	Non-Executive Independent	2 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 Clause 49 of the Listing Agreement. 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 2014-2015:

The 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 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 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: -

							(Rs. in lacs)
Sl. No.	Name of director	Salary	Commission	Perquisites and allowances	Retiral benefits*	No. of Stock options	Tenure
1.	Dr. Lalit Khaitan	305.55	Nil	24.58	52.74	Nil	5 Years
2.	Mr. Abhishek Khaitan	289.63	Nil	19.48	49.09	Nil	5 Years
3.	Mr. K.P. Singh	100.49	Nil	22.26	9.86	Nil	5 Years

* Contributions to Provident Fund and Superannuation Fund.

Non Executive Directors*:

Sl. No.	Name	Sitting Fees (in Rs.)
1.	Mr. K.S. Mehta	1,20,000/-
2.	Mr. Ashutosh Patra	2,85,000/-
3.	Dr. Raghupati Singhanian	1,25,000/-
4.	Mr. Sarvesh Srivastava	2,60,000/-
5.	Mrs. Shailja Saraf	55,000/-

* Non executive directors were paid sitting fees of Rs.15,000/- (Upto 30.5.2014) and Rs.40,000/- w.e.f. 31.5.2014 for attending each meetings of the Board and Rs.10,000/- (upto 30.5.2014) and Rs.15,000/- w.e.f. 31.5.2014 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.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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.

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, 2015 are as follows:

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

30th May, 2014 11th November 2014
12th August 2014 10th February 2015

Name	Meeting details Held	Attended
Mr. Ashutosh Patra	4	4
Mr. Sarvesh Srivastava	4	4
Mr. K.P. Singh	4	3

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
 Group Head - 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, 2015 are given as follows:

Nature of Complaints	Received during the year
Non-receipt of Dividend warrants	583
Non-receipt of Share Certificate(s) lodged for transfer / splitting of the share certificates etc.	105
Letters received from Stock Exchange(s) / SEBI	6
Others/Miscellaneous	142
Total	836

All the aforesaid complaints were responded to by the Company appropriately and there were no pending complaints at the end of the financial year 2014-2015.

All the requests, queries and complaints received during the financial year ended 31st March, 2015, 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 Mrs. Shailja Saraf.

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 VI of the Companies Act, 2013.

The Committee monitor and give guidance on various CSR activities to be undertaken by the Company and to monitor the process.

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 10.02.2015. The necessary quorum was present for the meeting. The Composition of the CSR Committee as at March 31, 2015 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. K.P. Singh	Member	Executive	1 of 1
3.	Mr. Ashutosh Patra	Member	Non-Executive Independent	1 of 1
4.	Mrs. Shailja Saraf	Member	Non-Executive Non Independent	0 of 1

SUBSIDIARY COMPANIES:

During the year under review, the Company did not have any subsidiary as defined under Clause 49 of the listing agreement. However, the Company has formulated the material subsidiary policy and uploaded on the website of the Company www.radicokhaitan.com.

INDEPENDENT DIRECTORS' MEETING:

During the year under review, the Independent Directors met on 10th February 2015, inter alia, to discuss:

1. Evaluation of performance of Non-Independent directors and the Board of directors as a whole;
2. Evaluation of performance of the chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors were present for this Meeting.

CEO / CFO CERTIFICATION:

As required by Clause 49(V) of the Listing Agreement, the CEO / CFO Certificate for the financial year 2014-15 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 held on 22nd May 2015.

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
2013-2014	Rampur Distillery Bareilly Road Rampur-244 901 (U.P.)	30 th September 2014	1.00 P.M.	3
2012-2013	Rampur Distillery Bareilly Road Rampur – 244 901 (U.P.)	30 th September 2013	1.00 P.M.	2
2011-2012	Rampur Distillery Bareilly Road Rampur – 244 901 (U.P.)	24 th September 2012	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.

DISCLOSURES:

1. Disclosures on materially significant related party transactions:

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.

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 the revised Schedule VI notified by the Ministry of Corporate Affairs (MCA).

4. Details of compliance with mandatory and non-mandatory requirements of Clause 49 of the Listing Agreement:

Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. 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 framework 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.

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. From time to time information is provided to the women employees to feel empowered and work in free environment.

d) 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 Clause 49(l)(D) of the Listing Agreement. 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, 2015.

e) Unclaimed Suspense Account:

The Company has transferred 11765 numbers of unclaimed shares to the respective shareholders from the unclaimed suspense account. Details of transfer are as under:

- (i) Outstanding shares lying in the unclaimed suspense account at the beginning of the year: 874997.
- (ii) Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year: 10.
- (iii) Number of shareholders to whom shares were transferred from the unclaimed suspense account during the year: 10.
- (iv) Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year: 2575 and 863232.

At the beginning of the financial year, there was no investor complaint that was unresolved. During the year, the company received 6 investor complaints, all of which were resolved and as such there was no unresolved investor complaint as at 31st March 2015.

f) Secretarial Audit:

As the measure of good Corporate Governance, the Board of Directors in their meeting held on 30th May 2014 appointed M/s. Tanuj Vohra & Associates, Practicing Company Secretaries to conduct Secretarial Audit of the records of the Company. The Secretarial Audit Report shall confirm that the Company has complied with all the applicable provisions of the Companies Act, 2013, listing agreement with the Stock Exchanges and other statutory compliances applicable to the Company.

g) 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 SEBI (Insider Trading) Amendment Regulations, 2002. The Code of Conduct 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 dependants. 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.

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.

Quarterly results taken on record and published in the newspapers during 2014-2015:

Quarter ended	Date of Board Meetings	Date of Publication in Newspapers	
		Business Standard (English) New Delhi edition	Hindustan (Hindi) Moradabad edition
30 th June, 2014	12.08.2014	13.08.2014	13.08.2014
30 th September, 2014	11.11.2014	12.11.2014	12.11.2014
31 st December, 2014	10.02.2015	11.02.2015	11.02.2015
31 st March 2015	22.05.2015	23.05.2015	23.05.2015

- b) 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.
- c) 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.
- d) Your Company provides necessary information to the Stock Exchanges in terms of the Listing Agreement 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 Computershare Private Limited., by sending a letter signed by the shareholders on addresses given below and intimate changes in the e-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 Computershare Private Limited

Registered Office:

M/s. Karvy Computershare Private Limited

Karvy Selenium Tower-B, Plot No. 31 & 32, Gachi Bowli,

Financial District, Nanakramguda, Serelingampally,

Hyderabad–500 032, Telangana

Toll Free No. 18 00 3454 001

Telephone no. 040-67162222

Fax No. 040-23001153

Email Id: einward.ris@karvy.com

M/s. Karvy Computershare Private Limited

Delhi Office:

305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi – 110 001.

Telephone No. 011- 43681700

Fax No. 011-43681710. General Shareholder Information

General Shareholder Information

31st Annual General Meeting of the Company:

Date	30 th day September 2015
Venue	Rampur Distillery Bareilly Road Rampur – 244 901 Uttar Pradesh.
Time	1.00 P.M.

Financial Calendar:

Financial year: 1st April to 31st March

For the year ended 31st March, 2015, quarterly financial results were announced on:

12 th August 2014	First Quarter
11 th November 2014	Second Quarter and Half Yearly
10 th February 2015	Third Quarter and Nine Months
22 nd May 2015	Fourth Quarter and Annual

For the year ending 31st March, 2016, quarterly financial results will be announced as per the tentative schedule detailed below:

Not later than 15 th August 2015	First Quarter
Not later than 15 th November 2015	Second Quarter and Half Yearly
Not later than 15 th February 2016	Third Quarter and Nine Months
Not later than 30 th May 2016	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.

DIVIDEND PAYMENT DATE:

Dividend payout date has been provided in the Notice convening the AGM forming part of this Annual Report.

LISTING ON STOCK EXCHANGES:

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

Equity Shares:	
1. Bombay Stock Exchange Ltd.(BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001.	2. National Stock Exchange of India Ltd. (NSE) Exchange Plaza, 5 th Floor Plot no.C/1, G Block Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051.

The Company has paid the listing fees for the financial year 2015-16 to the stock exchange(s) on which Company's shares are listed. The Company has also paid custodial fees for the year 2015-16 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.

The stock exchange codes assigned to the Company's shares at these stock exchanges are as follows:

Stock Exchange	Code
BSE	532497
NSE	RADICO

STOCK PRICE DATA:

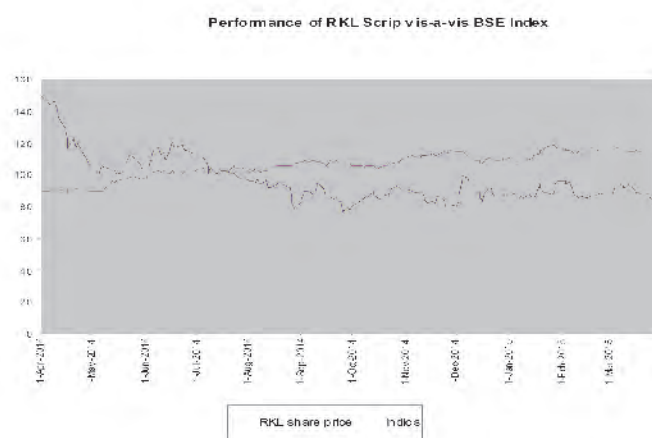
The monthly high and low prices and volumes of your Company's shares at BSE and NSE for the year ended 31st March, 2015 are given as follows:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
2014						
April	151.75	103.10	2799986	151.45	103.00	9507514
May	117.80	99.75	4180092	117.80	99.60	14172520
June	124.15	102.80	3996899	124.40	102.75	12362587
July	118.80	94.75	1583612	116.80	95.50	6087564
August	99.05	78.45	970067	99.00	78.25	4660321
September	97.50	75.30	4685879	97.50	77.05	9437529
October	95.00	77.85	1186463	94.95	77.25	4403860
November	92.50	76.20	1061926	92.50	75.95	4994625
December	102.70	77.00	5829628	102.90	78.10	13007598
2015						
January	99.15	83.50	2286726	99.00	83.80	9978619
February	98.30	84.25	2258167	98.30	84.10	6664980
March	98.00	82.00	1691152	97.90	82.50	7130238

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 2014 -15 (based on month end closing).

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



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 and the Listing Agreement. 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 Clause 49(IV)(G)(iv) of the Listing Agreement 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.

DISTRIBUTION OF SHAREHOLDINGS:

The distribution of shareholding of the Company as on 31st March, 2015 is as follows:

Sl. No.	Category of Shareholders	Total No. of Shares	% of Total no. of Shares
1.	Promoters	53829818	40.46
2.	Mutual Funds & UTI	13764012	10.35
3.	Insurance Companies, Banks, State Financial Corporation	196395	0.15
4.	FIs	24592645	18.49
5.	Private Corporate Bodies	12814452	9.63
6.	Indian Public	26401643	19.84
7.	NRIs/OCBs	1408180	1.06
8.	State Government	31620	0.02
	Total	133038765	100.00

DISTRIBUTION OF SHAREHOLDING OF THE COMPANY BY NUMBER OF SHARES HELD AS ON 31ST MARCH, 2015 IS AS FOLLOWS:

Share Holding of Nominal Value of		Shareholders		Shares		% Total	
Rs.	Rs.	Number	% to Total Shares	Physical shares	Dematerialised shares	Total shares	% to Total
UPTO 1	5000	34810	96.37	2296083	9577779	11873862	8.93
5001	10000	726	2.01	234010	2419263	2653273	1.99
1001	20000	285	0.79	62375	2114069	2176444	1.64
20001	30000	80	0.22	10850	976374	987224	0.74
30001	40000	44	0.12	15500	779921	795421	0.60
40001	50000	36	0.10	0	841849	841849	0.63
50001	60000	12	0.03	0	338253	338253	0.25
60001	100000	35	0.10	31620	1354851	1386471	1.04
100001	ABOVE	92	0.26	0	111985968	111985968	84.18
TOTAL		36120	100.00	2650438	130388327	133038765	100.00

OTHER INFORMATION:

Corporate Identification Number (CIN No.): L26941UP1983PLC027278

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 Clause 5A II of the Listing Agreement, the Company has sent three reminders to the shareholders whose share certificates are lying unclaimed with the Company.

In case yours shares are lying unclaimed with the Company, you are requested to claim the same.

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 205A of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1999, unclaimed dividend has been transferred to IEPF as per below table:

Financial Year	Date of Declaration of Dividend	Total Dividend	Unclaimed Dividend as on 31-3-2014	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

REGISTRAR AND TRANSFER AGENT:

Karvy Computershare 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 Computershare Private Limited, Registrar and Transfer Agent of the Company at the following address:

Registered Office:	Delhi Office:
M/s. Karvy Computershare Private Limited Karvy Selenium Tower-B, Plot No. 31 & 32, Gachi Bowli, Financial District, Nanakramguda, Serelingampally, Hyderabad-500 032, Telangana Toll Free No.18 00 3454 001 Telephone no. 040-67162222 Fax No.040-23001153 Email Id: einward.ris@karvy.com	M/s. Karvy Computershare 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

Members are requested to quote their e-mail address, telephone number and full address for prompt reply to their communication.

Website: www.radicokhaitan.com

E-mail ID for Investor's Grievances:

The e-mail address for investor grievance is: info@radico.co.in

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

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.

For and on behalf of the Board
sd/-

Dr. Lalit Khaitan
Director
DIN - 00238222

Place: New Delhi
Date: 10.08.2015

Annexure to Report on Corporate Governance for the year ended 31st March, 2015

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, 2015.

Abhishek Khaitan
Managing Director

New Delhi
Date: 10.08.2015
DIN - 00772865

Auditors' Report on Corporate Governance

TO THE SHAREHOLDERS OF RADICO KHAITAN LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Radico Khaitan Limited for the year ended March 31st, 2015, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges of India.
2. The Compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For V. Sankar Aiyar & Co.
Chartered Accountants
(Firm Regn. No.: 109208W)**

Place: New Delhi
Dated: 10-August-2015

**(M.S. BALACHANDRAN)
Partner
(M. No:024282)**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RADICO KHAITAN LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of RADICO KHAITAN LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by 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 state of

affairs of the Company as at 31st March 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 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 and the Cash flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the 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 31st March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of section 164(2) of the Act.
 - f) 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 knowledge and information and according to the explanations given to us and such checks as we considered necessary:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31(i) to 31(iv) to the financial statements.
 - ii. There are no long-term contracts including derivative contracts, requiring provision for material foreseeable losses, under the applicable law or accounting standards.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For V. Sankar Aiyar & Co.
Chartered Accountants
(Firm Regn. No.: 109208W)

Place: New Delhi
Dated: 22-May-2015

(M.S. BALACHANDRAN)
Partner
(M. No:024282)

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of the Radico Khaitan Limited on the financial statements for the year ended 31 March 2015.

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) We are informed that the management has not physically verified fixed assets during the year. Therefore, reconciliation with the book records and discrepancies, if any, can be ascertained only after the verification is carried out.
- (ii) (a) On the basis of information and explanations obtained, stocks of finished goods and raw materials of the distillery / bottling units have been under physical check by the excise department in coordination with the Company's supervisory staff at frequent intervals. Other stocks, stores and spares, at various locations have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has granted Rs.1000 lacs as interest free unsecured working capital advance under a specific manufacturing and selling arrangement and Rs.1000 lacs as interest-free unsecured advance to a joint venture company covered under section 189 of the Companies Act, 2013.

In respect of the above:

- (a) The working capital advance and the unsecured advance are without any stipulations as to repayment and are interest free.
- (b) We are informed that as per the arrangement with the joint venture company, in the absence of any specific stipulation, there is no overdue in respect of the said working capital advance and interest free unsecured loan.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control system.
- (v) The Company has not accepted deposits from the public within the meaning of sections 73 or 76 of the Act and hence clause (v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company, pursuant to rules made under sub-section (1) of section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained and the required statements are in the process of compilation. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Duty of customs, Duty of Excise,

Value added tax, Cess and any other statutory dues with the appropriate authorities. There were no arrears of undisputed statutory dues as at 31st March, 2015, which were outstanding for a period of more than six months from the date they became payable.

- (b) The disputed statutory dues of different years relating to income tax, sales tax, service tax or duty of excise or value added tax or cess, which have remained unpaid as on 31st March, 2015 for which appeals are pending as under:

Nature of the Dues	Amount (Rs.lacs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax / Entry Tax	4.12	1998-99 & 1999-00	Revision before Allahabad High Court
	1.27	1999-00	Trade Tax Tribunal, Moradabad
Rajasthan Sales Tax	157.67	2010-11	Appellate Tribunal, Jaipur
Excise Duty	17.37	1981	Allahabad High Court – Lucknow Bench
Excise Duty	92.38	1995 to 2005	Allahabad High Court – Lucknow Bench (Bank Guarantee issued)
Excise Duty	59.01	2005-06 to 2008-09	Allahabad High Court – Lucknow Bench
Service Tax	15,371.50	July 2003 to March 2012 (including interest and penalty)	CESTAT, Delhi

- (c) Based on the information and explanations obtained, the Company has transferred the required amount within time to the Investor Education & Protection Fund in accordance with the relevant provisions of the Companies Act, 1956.

- (viii) The Company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- (ix) On the basis of the verification of records and information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks or debenture holders.
- (x) The Company has given a guarantee of Rs.237.60 lacs for loans taken by Radico NV Distilleries Maharashtra, (a joint venture company, in which the Company holds 36% of the paid-up capital) from a bank. On the basis of information and explanations given to us, the terms and conditions whereof are not, prima facie, prejudicial to the interest of the Company.
- (xi) The Company has not taken any term loan during the year and hence clause (xi) of the Order is not applicable.
- (xii) Based on the audit procedures performed and representation obtained from the management, we report that no case of material fraud on or by the Company has been noticed or reported during the year under audit.

For V. Sankar Aiyar & Co.
Chartered Accountants
(Firm Regn. No.: 109208W)

Place: New Delhi
Dated: 22-May-2015

(M.S. BALACHANDRAN)
Partner
(M. No:024282)

Balance Sheet as at 31st March 2015

Particulars	Note No	Rupees in lacs	
		As at 31.03.2015	As at 31.03.2014
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
Share capital	2	2,660.78	2,660.78
Reserves and surplus	3	80,267.62	75,445.95
		<u>82,928.40</u>	<u>78,106.73</u>
Non-current liabilities			
Long-term borrowings	4	32,601.53	42,358.35
Deferred tax liabilities (Net)	5	7,152.21	6,953.00
Other long term liabilities -Security Payable		70.61	122.24
Long-term provisions	6	588.70	521.84
		<u>40,413.05</u>	<u>49,955.43</u>
Current liabilities			
Short-term borrowings	7	41,241.30	40,555.02
Trade payables	8	12,553.90	12,755.55
Other current liabilities	9	27,439.78	16,334.42
Short-term provisions	10	4,192.50	3,864.07
		<u>85,427.48</u>	<u>73,509.06</u>
Total		<u>208,768.93</u>	<u>201,571.22</u>
<u>ASSETS</u>			
Non-current assets			
Fixed assets			
- Tangible assets	11	54,196.55	53,067.82
- Intangible assets	11	3,077.92	3,982.20
- Capital work-in-progress (at cost)		80.30	812.06
Non-current investments	12	4,806.34	5,836.79
Long-term loans and advances	13	14,386.00	13,652.31
Other non-current assets - deposits with banks	17	223.30	201.90
		<u>76,770.41</u>	<u>77,553.08</u>
Current assets			
Current investments	14	5,000.00	5,000.00
Inventories	15	21,302.70	21,031.25
Trade receivables	16	47,780.87	52,331.67
Cash and bank balances	17	1,032.76	1,528.51
Short-term loans and advances	18	51,408.79	40,347.54
Other current assets	19	5,473.40	3,779.17
		<u>131,998.52</u>	<u>124,018.14</u>
Total		<u>208,768.93</u>	<u>201,571.22</u>

Significant Accounting Policies
Other Notes on Accounts

1
30 to 47

For and on behalf of Board

As per our report of even date
For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208 W

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director

M. S. Balachandran
Partner
Membership No. 024282

Amit Manchanda
Group Head - Legal &
Company Secretary

Abhishek Khaitan
Managing Director

Place : New Delhi
Dated : 22-05-2015

Ajay K. Agarwal
President (Finance & Accounts)

Directors

Statement of Profit and Loss for the year ended 31st March 2015

	Note No	Rupees in lacs	
		Current Year	Previous Year
INCOME			
Revenue from operations	20	321,256.23	304,510.79
Less : Excise duty		172,416.95	159,340.56
		148,839.28	145,170.23
Other income	21	4,498.58	3,648.30
		153,337.86	148,818.53
EXPENSES			
Cost of materials consumed	22	67,078.19	66,652.34
Purchase of stock-in-trade	23	3,921.10	2,204.59
Change in inventories of finished goods, work-in-progress and stock-in-trade	24	734.28	(3,546.81)
Employee benefits expense	25	10,725.19	9,317.97
Finance costs	26	8,994.49	8,480.95
Depreciation and amortization expense	27	3,831.74	3,875.34
Other expenses	28	49,340.14	51,193.20
		144,625.13	138,177.58
Profit for the year before exceptional items & tax		8,712.73	10,640.95
Less : Exceptional Items		-	-
Profit for the year before taxation		8,712.73	10,640.95
Less : Tax expense			
- Current tax		1,750.00	3,200.00
- For earlier years (written back)		-	(755.00)
- Deferred tax liability / (assets)		199.21	1,070.00
Profit for the year after tax		6,763.52	7,125.95
Basic Earnings per share in Rs. (face value of Rs. 2/- each)	29	5.08	5.36
Diluted Earnings per share in Rs. (face value of Rs. 2/- each)		5.08	5.35
Significant Accounting Policies	1		
Other Notes on Accounts	30 to 47		

For and on behalf of Board

As per our report of even date

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208 W

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director

M. S. Balachandran
Partner
Membership No. 024282

Amit Manchanda
Group Head - Legal &
Company Secretary

Abhishek Khaitan
Managing Director

Place : New Delhi
Dated : 22-05-2015

Ajay K. Agarwal
President (Finance & Accounts)

Directors

Cash Flow for the year ended 31st March, 2015

	<u>Current Year</u>	<u>Previous Year</u>
A. Cash Flow From Operating Activities		
Profit before provision for tax	8,712.73	10,640.95
Adjustment:		
Depreciation and amortization expense	3,831.74	3,875.34
Finance cost	8,994.49	8,480.95
Foreign Exchange loss considered in other expenses	1,952.21	1,805.40
Employees Compensation (ESOP)	13.62	8.22
Loss on sale of assets	499.40	254.52
Loss on Sale of Investment	260.87	
Adjustment for provision for non-moving stock	117.61	(16.69)
Adjustment for provision for doubtful debtors and advances	0.23	116.21
Interest income	(3,926.90)	(3,480.58)
Dividend on investments	(460.82)	(0.21)
Profit on sale of assets	(0.25)	(0.36)
Profit on sale of investment	-	(3.15)
Operating Profit Before Working Capital Changes	19,994.93	21,680.59
Adjustment For Working Capital Changes:		
(Increase)/Decrease in inventories	(389.06)	(2,519.59)
(Increase)/Decrease in trade receivables	5,025.57	(8,876.53)
(Increase)/Decrease in other receivables	(761.41)	480.07
(Increase)/Decrease in loans and advances	(4,550.59)	3,668.54
(Decrease)/increase in trade and other payables	7,570.37	1,923.48
	26,889.81	16,356.56
Less: Taxes paid	(1,829.35)	(2,643.40)
Net Cash From Operating Activities	25,060.45	13,713.16
B. Cash Flow From Investing Activities		
Addition to fixed assets (including work-in-progress)	(4,924.70)	(7,448.25)
Sale of fixed assets	47.81	57.72
Sale of investments	769.58	25.20
(Increase)/ Decrease in loans given	(7,640.00)	(9,350.00)
Interest income	2,994.08	2,585.28
Dividend income	460.82	0.21
Net Cash Generated (Used) in Investing Activities	(8,292.41)	(14,129.84)

	<u>Current Year</u>	<u>Previous Year</u>
C. Cash Flow From Financing Activities		
Increase / (Decrease) in share capital (including share premium)	-	118.09
Proceeds from long term borrowings (INR)	-	5,000.00
Repayment of long term borrowings (INR)	(3,382.35)	(2,611.88)
Repayment of long term borrowings (ECB)	(4,332.27)	(2,501.15)
Short term borrowings (net)	686.28	10,012.05
Investment in non-current fixed deposits with banks	(21.40)	(52.83)
Finance cost	(8,968.87)	(8,373.99)
Dividend on equity shares(including tax)	(1,245.19)	(1,244.79)
Net Cash Generated/ (Used) in Financing Activities	<u>(17,263.79)</u>	<u>345.50</u>
Net increase/(Decrease) in Cash and Cash Equivalentents	<u>(495.75)</u>	<u>(71.18)</u>
Balance at the beginning of the year	1,528.51	1,599.68
Balance at the end of the year:	<u>1,032.76</u>	<u>1,528.51</u>
	<u>(495.75)</u>	<u>(71.17)</u>

Notes: The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3 on Cash Flow Statements.

As per our report of even date

For and on behalf of Board

For V. Sankar Aiyar & Co.

Chartered Accountants

ICAI Firm Regn. No. 109208 W

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director

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Partner

Membership No. 024282

Amit Manchanda
Group Head - Legal &
Company Secretary

Abhishek Khaitan
Managing Director

Place : New Delhi

Dated : 22.05.2015

Ajay K. Agarwal

President (Finance & Accounts)

Directors

1 **Significant Accounting Policies - 2014-15**

1.01 **Basis of preparation of financial statements**

The financial statements are prepared under historical cost convention, on accrual basis and in accordance with the generally accepted accounting principle (GAAP) in India and comply with the accounting standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (the 2013 Act) / the Companies Act, 1956 (the 1956 Act), as applicable.

1.02 **Use of estimates**

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialise.

1.03 **Fixed assets, Intangible assets and capital work-in-progress**

Fixed Assets are stated at cost except to the extent revalued. Borrowing costs attributable to the qualifying assets and all significant costs incidental to the acquisition of assets are capitalised. Freehold and Leasehold land at Rampur, inter alia, were revalued by an approved valuer as on 1st January, 1999. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed. Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any.

1.04 **Depreciation**

Tangible assets

- a) Cost of Leasehold land and leasehold improvements are amortised over the period of lease.
- b) With effect from 01.04.2014, depreciation is provided as per Schedule II to the Companies Act, 2013, on straight line method at with reference to the useful life of the assets specified therein.
- c) On additions costing less than Rs.5000, depreciation is provided at 100% in the year of addition.
- d) Depreciation on amount added on revaluation of assets is transferred from Revaluation Reserve.

Intangible assets

- e) Based on the anticipated future economic benefits, the life of Brands & Trade Mark and Goodwill are amortised over twenty year on straight line method.
- f) Softwares are amortised over a peiod of three years on straight line method.

1.05 **Impairment :**

At each Balance Sheet date, the Company reviews the carrying amount of its fixed 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.

1.06 **Investments**

Long term investments are carried at cost. Provision for diminution in value of long term investment is considered, if in the opinion of management, such a decline in value is considered as other than temporary in nature. Current investments are valued at lower of cost or fair value.

1.07 **Inventories**

Finished goods and stock-in-process 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 average" basis for all inventories.

1.08 **Revenue recognition**

Sales are recognised on delivery or on passage of title of the goods to the customers when the risk and reward stand transferred to customers. They are accounted net of sales tax/VAT, trade discounts and rebates but inclusive of excise duty. Export incentives are accounted for on the basis of export sales effected during the year. Interest income is accounted on time proportion basis. Dividend income is accounted for, when the right to receive is established.

1.09 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 despatches 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 despatched). 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 results of the year.

1.10 Transfer pricing of Bio-Gas / Power

Since it is not possible to compute the actual cost, inter unit transfer of bio-gas & power have been valued on the basis of savings in direct fuel cost / prevailing purchase price of power. The same has been considered for valuation of inventories.

1.11 Treatment of Employee benefits

The Company makes regular contributions to duly constituted funds set up for Provident Fund, Family Pension Fund, Employees State Insurance, Superannuation and Gratuity, which are charged to revenue. The employees are allowed the benefit of leave encashment as per the rules of the Company, for which provision for accruing liability is made on actuarial valuation carried out at the end of the year. Contribution to gratuity is also determined on actuarial basis.

1.12 Foreign Currency Transactions

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the day of the transaction. The outstanding liabilities/ receivables are translated at the year end rates. In the case long term foreign currency monetary items, relating to acquisition of depreciable capital assets, the resultant gain or loss is adjusted to cost of respective capital asset and in the case of other long term foreign currency monetary items, the resultant gain or loss is transferred to 'Foreign currency monetary item translation difference account' and transferred to revenue over the period of long term foreign currency monetary item. In the case of other monetary foreign currency items, the resultant gain or loss are adjusted to the statement of Profit & Loss. Non-monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction. Any gain or losses arising due to exchange differences arising on translation or settlement are accounted for in the Statement of Profit and Loss. In case of forward exchange contracts, the premium or discount arising at the inception of such contracts, is amortised as income or expense over the period of contract and exchange difference on such contracts, i.e. difference between the exchange rate at the reporting / settlement date and the exchange rate on the date of inception / the last reporting date, is recognized as income / expenses for the period.

1.13 Derivative Transactions

These transactions are undertaken to hedge the cost of borrowing and comprise of principal / interest rate swaps. The income / expenses are recognised as & when earned / incurred. In case of outstanding derivative contracts at the year end date, loss is determined on marked to market (MTM) basis and provision made.

1.14 Leases

Since significant portion of risks and rewards are retained by lessor in respect of assets acquired on lease, they are classified as operating lease and the lease rentals are charged off to revenue account.

1.15 Research and Development

Fixed assets used for Research and Development are depreciated in the same manner as in the case of similar assets; the revenue expenses are charged off in the year of incurrance.

1.16 Taxation

Provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted or substantially enacted tax rates. Deferred tax assets are recognized, only if there is reasonable / virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

1.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

Notes on Accounts for the year ended 31.03.2015

	Rupees in lacs	
	<u>As at</u> <u>31.03.2015</u>	<u>As at</u> <u>31.03.2014</u>
2 Share Capital		
<u>Authorised</u>		
17,00,00,000 (Previous year 17,00,00,000) equity shares of Rs. 2/- each	3,400.00	3,400.00
60,00,000 (Previous year 60,00,000) preference shares of Rs. 100/- each	6,000.00	6,000.00
	<u>9,400.00</u>	<u>9,400.00</u>
<u>Issued, subscribed and fully paid</u>		
13,30,38,765 (PY 13,30,38,765) equity shares of Rs. 2/- each	2,660.78	2,660.78
	<u>2,660.78</u>	<u>2,660.78</u>

a. The Company has issued only one class of shares, referred to as equity shares having a par value of Rs. 2/-. Each holder of equity shares is entitled to one vote per share.

b. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

c. During the year ended March 31, 2015, the amount of dividend per share recognized for distribution to equity shareholders is Rs. 0.80 (previous year Rs. 0.80) per share.

<u>Reconciliation of the number of shares</u>	<u>No. of Shares</u>	<u>No. of Shares</u>
Outstanding at the beginning of the year	133,038,765	132,900,380
Add: Issued during the year under ESOP Scheme	-	138,385
Outstanding at the end of the year	<u>133,038,765</u>	<u>133,038,765</u>

<u>Shares held by each shareholder holding more than 5% shares</u>	<u>No. of Shares</u>	<u>No. of Shares</u>
Sapphire Intrex Ltd.	25.47% 33,888,011	25.47% 33,888,011
Shailaja Finance Ltd.	8.64% 11,491,087	8.64% 11,491,087
Reliance Capital Trustee Company Ltd.	8.49% 11,296,871	6.24% 8,305,811
HSBC Global Investment Funds Mauritius Ltd.	7.50% 9,980,624	7.50% 9,980,624

f. Shares reserved for issue under options: ESOPs

The Company established Employee Stock Options Plan, duly approved by the shareholders in the meeting held on 25.05.2006 which is effective from 25.07.2006. Accordingly, the Company has granted 36,50,000 equity options upto 31.03.2015 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 intrinsic value method.

<u>Summary of Stock Option</u>	<u>No. of stock</u> <u>option</u>	<u>No. of stock</u> <u>option</u>
Option granted upto the year end	3,650,000	3,650,000
Options forfeited upto the year end	1,540,511	1,503,586
Options exercised upto the year end	1,903,549	1,903,549
Option outstanding at the year end	205,940	242,865
Exercise price (weighted average)	Rs. 80.58	Rs. 80.58

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 (Note no. 25) includes Rs. 13.62 lacs debit (Previous year Rs.8.22 lacs debit) being the amortisation of deferred employee compensation.

	Rupees in lacs	
	<u>As at</u> <u>31.03.2015</u>	<u>As at</u> <u>31.03.2014</u>
<u>3 Reserves and Surplus</u>		
<u>Capital Reserve</u>		
Balance as per last balance sheet	1,213.68	1,213.68
<u>Preference Shares Redemption Reserve</u>		
Balance as per last balance sheet	20.02	20.02
<u>Securities Premium Reserve</u>		
Balance as per last balance sheet	37,469.28	37,330.32
Add : Receipts on exercise of employee stock options	-	115.32
Add : Transfer from employee stock option outstanding account	-	23.64
	<u>37,469.28</u>	<u>37,469.28</u>
<u>Revaluation Reserve</u>		
Balance as per last balance sheet	909.22	915.58
Less : Transfer being depreciation on revalued assets (Refer Note 27)	38.47	6.36
	<u>870.75</u>	<u>909.22</u>
<u>Employee Stock Options outstanding account</u>		
Gross employee stock compensation for options granted in earlier years	41.09	69.78
Less : Deferred employee stock compensation	-	18.67
Less : Transfer to securities premium reserve on exercise of stock options	-	23.64
	<u>41.09</u>	<u>27.47</u>
<u>General Reserve</u>		
Balance as per last balance sheet	30,000.00	25,000.00
Add : Transfer from Surplus	5,000.00	5,000.00
	<u>35,000.00</u>	<u>30,000.00</u>
<u>Surplus</u>		
Balance as per last balance sheet	9,860.91	8,981.05
Less : Adjustment relating to Depreciation (See note 27)	(1,494.29)	-
Add : Profit for the year as per Statement of Profit and Loss	6,763.52	7,125.95
	15,130.14	16,107.00
Less : Appropriations		
Transfer to general reserve	5,000.00	5,000.00
Dividend paid relating to earlier year #	-	0.84
Tax on above #	-	0.06
Proposed dividend	1,064.31	1,064.31
Tax on proposed dividend	216.67	180.88
	<u>8,849.16</u>	<u>9,860.91</u>
# Represents dividend paid on shares allotted subsequent to year end, but before declaration of dividend		
<u>Foreign currency monetary item translation difference account</u>	(3,196.36)	(4,054.63)
(Refer Note 33)		
	<u><u>80,267.62</u></u>	<u><u>75,445.95</u></u>

	Rupees in lacs	
	<u>As at</u> <u>31.03.2015</u>	<u>As at</u> <u>31.03.2014</u>
4 Long-term Borrowings		
Term Loans - Secured # (see note below)		
- Rupee loans from banks	6,250.00	8,750.00
- Rupee loans from others	4,117.65	5,000.00
- Foreign currency loans from banks	33,316.64	36,075.52
	<u>43,684.29</u>	<u>49,825.52</u>
Less : Shown in current maturities of long-term debt (Refer Note 9)		
- Rupee loan from banks	2,500.00	2,500.00
- Rupee loans from others	1,176.47	882.35
- Foreign currency loans from banks	7,406.29	4,084.82
	<u>32,601.53</u>	<u>42,358.35</u>

Notes

- i). The above loans are secured by a pari-passu first charge on gross block of fixed assets of the Company, both present and future.
- ii). Non-fund based facilities provided by banks are also secured by a second charge on the fixed assets of the Company
- iii). Term of repayment and interest are as follows:-

Name	ROI	Balance instalments	Year of Maturity	Outstanding as on 31.03.2015	Outstanding as on 31.3.2014
IDBI Bank Ltd. - Rupee Term Loan	12.00%	10 Q	July 2017	3,125.00	4,375.00
State Bank of Hyderabad - Rupee Term Loan	12.70%	10 Q	Aug 2017	3,125.00	4,375.00
Aditya Birla Finance Ltd.	12.18%	14 Q	Aug 2018	4,117.65	5,000.00
ICICI Bank Ltd (ECB): Outstanding: \$160.00 lakhs	LIBOR+3.75%	13 Q	April 2018	10,014.53	10,817.97
ICICI Bank Ltd (ECB): Outstanding \$241.04 lakhs	LIBOR+3.92%	14 Q	July 2018	15,087.07	16,242.58
State Bank of India (ECB): Outstanding \$131.25 lakhs	LIBOR+3.80%	7 HY	July 2018	8,215.04	9,014.97
				<u>43,684.29</u>	<u>49,825.52</u>

5. Deferred Tax Liabilities (Net)Deferred Tax Liabilities:

Related to fixed assets	8,914.44	8,488.74
	<u>8,914.44</u>	<u>8,488.74</u>

Deferred Tax Assets:

ECB adjustment	987.90	939.13
Provision for gratuity and leave encashment	383.03	273.27
Provision for doubtful debts and others	391.30	323.34
	<u>1,762.23</u>	<u>1,535.74</u>
Deferred Tax Liability (Net)	<u>7,152.21</u>	<u>6,953.00</u>

6 Long-term Provisions

Provision for employee benefits.		
- Leave encashment (Refer Note 36)	588.70	521.84
	<u>588.70</u>	<u>521.84</u>

	Rupees in lacs	
	<u>As at</u> <u>31.03.2015</u>	<u>As at</u> <u>31.03.2014</u>
<u>7 Short-term Borrowings</u>		
<u>Secured - from Banks #</u>		
- Cash credit (repayable on demand)	30,241.30	34,055.02
- Others	-	1,500.00
<u>Unsecured</u>		
- from banks	11,000.00	5,000.00
	<u>41,241.30</u>	<u>40,555.02</u>

Loans from banks - secured by hypothecation of inventories and book debts. Further secured by a second charge on fixed assets of the Company.

8. Trade Payables

Due to Micro and Small enterprises (Refer Note below)	-	-
Others #	12,553.90	12,755.55
	<u>12,553.90</u>	<u>12,755.55</u>

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.

9. Other Current Liabilities

Current maturities of long-term debt		
- Rupee loan from banks	2,500.00	2,500.00
- Rupee loan from others	1,176.47	882.35
- Foreign currency loans from banks	7,406.29	4,084.82
Interest accrued but not due on borrowings	260.99	323.79
Interest accrued and due on borrowings	137.38	48.96
On account of capital goods/ services	331.35	423.27
Advances from customers and others	13,707.89	6,198.95
Unclaimed dividends #	105.01	93.11
<u>Other payables :</u>		
- Security deposits	583.83	387.20
- Accrued salary and benefits	299.48	355.71
- Statutory dues	931.09	1,036.26
	<u>27,439.78</u>	<u>16,334.42</u>

This does not include any amount due and outstanding, to be credited to the Investor Education and Protection Fund

10. Short-term Provisions

For employee benefits.		
- Gratuity (See Note 36)	262.30	84.36
- Leave encashment (See Note 36)	221.40	172.84
Proposed dividend	1,064.31	1,064.31
Tax on proposed dividend	216.67	180.88
For excise duty on closing stock	2,420.46	2,354.32
Other contingencies	7.36	7.36
	<u>4,192.50</u>	<u>3,864.07</u>

11. Fixed Assets
(Refer Note 1.03, 1.04 and 1.05)

Description of Assets	Gross Block			Depreciation			Net Block		
	As at 01.04.2014	Additions	Deductions	As at 31.03.2015	For the year	Written back	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets									
Freehold land	2,226.56	-	-	2,226.56	-	-	-	2,226.56	2,226.56
Leasehold land	1,946.54	-	-	1,946.54	9.10	-	1,321.58	624.96	634.06
Buildings	7,507.50	452.61	-	7,960.11	479.88	-	2,025.55	5,934.56	5,961.83
Plant & equipments	60,512.17	5,357.33	1,138.00	64,731.50	3,295.68	595.64	20,091.19	44,640.31	43,121.02
Office equipments	413.59	19.39	2.22	430.76	156.93	1.48	392.45	38.31	176.59
Furniture & fittings	501.12	19.96	-	521.08	96.35	-	390.29	130.79	207.18
Vehicles	866.78	36.61	12.39	891.00	140.42	8.53	424.48	466.52	574.19
Leasehold improvements	772.95	-	-	772.95	31.85	-	638.41	134.54	166.39
	74,747.21	5,885.90	1,152.61	79,480.50	4,210.21	605.65	25,283.95	54,196.55	53,067.82
Intangible Assets									
Brands & trade marks	5,241.66	-	-	5,241.66	365.34	-	2,689.39	2,552.27	2,917.61
Goodwill	955.00	-	-	955.00	295.15	-	772.65	182.35	477.50
Softwares	1,120.67	250.01	-	1,370.68	493.80	-	1,027.38	343.30	587.09
	7,317.33	250.01	-	7,567.34	1,154.29	-	4,489.42	3,077.92	3,982.20
Total	82,064.54	6,135.91	1,152.61	87,047.84	5,364.50	605.65	29,773.37	57,274.47	57,050.02
Previous year	74,372.52	8,300.52	608.50	82,064.54	3,881.70	296.62	25,014.52	57,050.02	52,943.08

Notes:

- Additions to Plant and Equipment includes Rs.479.45 lacs, towards adjustments foreign exchange loss/ (gain) (previous year: Rs.1131.59 lacs) on long term foreign currency borrowings.
- Additions to Plant and Equipment includes Rs Nil (Previous year Rs.126.26 lacs), towards capitalization of interest.
- With effect from 01.04.2014, depreciation is provided as per Schedule II to the Companies Act, 2013, includes Rs.1494.29 lakhs carrying value of assets whose life has been completed as on 31-03-2014 as per Schedule-II, which has been adjusted.

	Rupees in lacs	
	<u>As at</u> 31.03.2015	<u>As at</u> 31.03.2014
<u>12 Non Current Investments</u>		
(At cost) (Unquoted)		
i) Trade Investments		
<u>Equity Shares of Joint Venture Company</u>		
Radico NV Distilleries Maharashtra Limited - 26,59,500 (previous year: 26,59,500) equity shares of Rs. 100 each, fully paid up, (See foot note given below)	2,805.74	2,805.74
<u>Equity Shares of Associate Company</u>		
Radico Global Limited - NIL (Previous year: 89,964) equity shares of AED100 each, fully paid up - incorporated in Jebel Ali Free Zone, Dubai (ceased to be an associate w.e.f .30.03.2015)	-	1,030.45
<u>Preference Shares of Joint Venture Company</u>		
Radico NV Distilleries Maharashtra Limited - 20,00,000 (Previous year: 20,00,000) 10% cumulative, non-convertible preference shares of Rs.100 each, fully paid up	2,000.00	2,000.00
	<u>4,805.74</u>	<u>5,836.19</u>
ii) Non-trade Investments		
New Urban Cooperative Bank Ltd. - 2,388 (Previous year: 2,388) equity shares of Rs. 25 each, fully paid up	0.60	0.60
	<u>0.60</u>	<u>0.60</u>
	<u>4,806.34</u>	<u>5,836.79</u>
<u>Foot Note</u>		
13,56,385 Equity shares (Previous year: 13,56,385) of Radico NV Distilleries Maharashtra Ltd. have been pledged with a bank as security for loans granted to them		
<u>13 Long-term loans and advances</u>		
(Unsecured- Considered good unless otherwise stated)		
Capital Advances	10,605.17	10,164.20
Radico NV Distilleries Maharashtra Limited (Joint Venture)	1,000.00	1,000.00
Security Deposits	1,426.94	1,137.08
Prepaid expenses	166.62	239.80
Income Tax (Net of provisions)	231.64	152.29
MAT credit available for set off (refer note - 35)	952.50	952.50
Advances recoverable in cash or kind	3.13	6.44
	<u>14,386.00</u>	<u>13,652.31</u>

	Rupees in lacs	
	<u>As at</u> <u>31.03.2015</u>	<u>As at</u> <u>31.03.2014</u>
14 Current Investments		
(At lower of cost or fair value)		
Non Trade - Unquoted		
Certificate of deposit with a financial institution (SICOM Ltd)	5,000.00	5,000.00
	<u>5,000.00</u>	<u>5,000.00</u>
15 Inventories		
(Refer Note 1.07 on valuation)		
Raw materials	6,894.53	5,769.29
Stock in process	1,411.35	1,440.86
Finished goods	9,362.29	10,174.05
Stock-in-trade	172.98	65.99
Stores & spares	1,834.03	1,873.28
Packing materials	1,852.00	1,763.57
Goods in transit - Raw material	-	51.08
	<u>21,527.18</u>	<u>21,138.12</u>
Less: Provision for obsolete and non moving inventory	224.48	106.87
	<u>21,302.70</u>	<u>21,031.25</u>
16 Trade Receivables		
(Unsecured- Considered good, unless otherwise stated)		
Outstanding for a period exceeding six months from the due date		
- Unsecured, considered good	9,068.08	10,780.58
- Unsecured, considered doubtful	238.77	713.54
	<u>9,306.85</u>	<u>11,494.12</u>
Less: Provision for doubtful debts	(238.77)	(713.54)
Others	38,712.79	41,551.09
	<u>47,780.87</u>	<u>52,331.67</u>

	Rupees in lacs	
	<u>As at</u> <u>31.03.2015</u>	<u>As at</u> <u>31.03.2014</u>
<u>17 Cash and Bank Balances</u>		
Balances with banks		
- in current accounts	717.70	1,255.96
- in term deposits #	414.81	349.78
- in unpaid dividend accounts	105.37	93.47
Cash on hand	18.18	31.20
Less: Deposits with more than 12 months maturity shown under other non-current assets	(223.30)	(201.90)
	<u>1,032.76</u>	<u>1,528.51</u>
 <u># Deposit includes</u>		
Under lien with Government department and banks as security.	<u>414.81</u>	<u>349.78</u>
 <u>18. Short-term Loans and Advances</u>		
(Unsecured- Considered good, unless otherwise stated)		
Loans and advances to related parties		
- Radico NV Distilleries Maharashtra Limited (Joint Venture)	29.07	37.96
- Radico Global Limited (Associate till 30-03-2015)	-	480.80
Advances recoverable in cash or kind:		
- Considered good #	2,539.23	2,830.52
- Considered doubtful	117.67	117.67
Less: Provision for doubtful advance	(117.67)	(117.67)
Inter corporate deposits (See note 44)	16,990.00	9,350.00
Advances to Contract Bottling Units #		
- Considered good #	16,874.63	20,956.53
- Considered doubtful	550.00	75.00
Less: Provision for doubtful advance	(550.00)	(75.00)
<u>Other Loans and Advances</u>		
- Sales tax paid under protest	17.88	17.88
- Claims and Duties Recoverable from Excise Department	13,155.45	4,905.18
- Other balances recoverable from Statutory/ Government authorities	111.11	165.27
- Security Deposits	29.79	283.74
- Prepaid expenses	1,661.63	1,319.66
	<u>51,408.79</u>	<u>40,347.54</u>
 # includes due from Radico NV Distilleries Maharashtra Ltd., a Joint Venture	<u>1,281.44</u>	<u>1,776.83</u>
 <u>19 Other current assets</u>		
(Unsecured - Considered good)		
Interest accrued on		
- term deposits	43.42	48.72
- loans and advances	2,396.70	1,458.58
Accrued export incentives	2,263.70	2,209.65
Other Receivables considered Good		
- Sales consideration of Investments receivable from a corporate	769.58	-
- Unamortised premium on forward Contracts	-	62.22
	<u>5,473.40</u>	<u>3,779.17</u>

	Rupees in lacs	
	<u>Current Year</u>	<u>Previous Year</u>
<u>20 Revenue from Operations</u>		
(Refer Note 1.08 on revenue recognition)		
<u>Sale of</u>		
- Alcohol and other alcoholic products	290,527.60	274,219.82
- Pet bottles & caps	6,820.88	6,532.18
- Jaivik khad	184.39	132.27
- Printed bottles	2,192.45	2,194.45
- Others (Blends & Others)	513.43	1,418.15
<u>Sale of traded goods</u>		
- Indian Made Foreign Liquor	966.65	1,160.30
- Alcohol	3,384.74	1,197.52
- Imported Liquor	454.85	642.41
Income from Operations through Other Distilleries / Bottling Units (See note no.46)	11,822.15	13,062.43
<u>Other operating revenues</u>		
- Export incentives	2,277.15	2,155.29
- Cenvat credit utilised	718.22	694.18
- Scrap sales	1,393.72	1,101.79
	<u>321,256.23</u>	<u>304,510.79</u>
<u>21 Other Income</u>		
<u>Interest income on</u>		
- Term deposit with banks and financial institutions	506.82	505.53
- Loans and advances (including inter corporate deposits)	3,420.08	2,975.05
Dividend income on non-current (trade) investments	460.82	0.21
Profit on sale of current investments	-	3.15
Profit on sale of fixed assets	0.25	0.36
Excess provisions written back	22.08	107.11
Miscellaneous income	88.53	56.89
	<u>4,498.58</u>	<u>3,648.30</u>
<u>22. Cost of Materials Consumed</u>		
<u>Raw Materials</u>		
Opening Stock	5,769.29	6,958.74
Add: Purchases	44,064.77	40,786.30
	49,834.06	47,745.04
Less: Closing Stock	6,894.53	5,769.29
Raw material consumed	42,939.53	41,975.75
Packing materials consumed	24,138.66	24,676.59
	<u>67,078.19</u>	<u>66,652.34</u>

	Rupees in lacs	
	<u>Current Year</u>	<u>Previous Year</u>
<u>23. Purchase of Traded Goods</u>		
Indian made foreign liquor	941.64	982.84
Alcohol	2,829.29	1,082.57
Imported Liquor	150.17	139.18
	<u>3,921.10</u>	<u>2,204.59</u>
<u>24. Changes in Inventories of Traded goods, Finished Goods and Stock-in-process</u>		
<u>Opening Stock</u>		
Stock-in-trade (Traded goods)	65.99	304.63
Finished goods	10,174.05	6,456.70
Stock in process	1,440.86	1,372.76
	<u>11,680.90</u>	<u>8,134.09</u>
<u>Less : Closing Stock</u>		
Stock-in-trade (Traded goods)	172.98	65.99
Finished goods	9,362.29	10,174.05
Stock in process	1,411.35	1,440.86
	<u>10,946.62</u>	<u>11,680.90</u>
	<u>734.28</u>	<u>(3,546.81)</u>
<u>25. Employee Benefits Expense</u>		
(Refer Note 1.11 on employee benefits)		
Salaries, wages and allowances	9,412.31	8,314.13
Contribution to provident and other funds	583.28	522.78
Gratuity	376.34	138.45
Employee stock options scheme - (Refer Note 2)	13.62	8.22
Staff welfare expenses	339.64	334.39
	<u>10,725.19</u>	<u>9,317.97</u>
<u>26. Finance Costs</u>		
Interest expense	8,777.43	8,288.58
Other borrowing costs	217.06	192.37
	<u>8,994.49</u>	<u>8,480.95</u>
<u>27. Depreciation and amortization expense</u>		
Depreciation of tangible assets	4,210.21	3,410.68
Amortisation of intangible assets	1,154.29	471.02
	<u>5,364.50</u>	<u>3,881.70</u>
Less:- Adjusted against Surplus (Refer Note 11)	1,494.29	-
Less: Transfer from revaluation reserve	38.47	6.36
	<u>3,831.74</u>	<u>3,875.34</u>

	Rupees in lacs	
	<u>Current Year</u>	<u>Previous Year</u>
<u>28. Other expenses</u>		
Power and fuel	2,918.67	2,758.75
Stores and spares consumed	3,289.01	3,299.30
Repairs and maintenance		
- Building	116.44	105.93
- Plant and equipment	1,247.03	1,360.03
- Others	188.00	174.77
Machinery and other hire charges	199.32	184.53
Insurance	435.62	373.49
Rent	465.81	456.95
Rates and taxes	2,999.87	2,958.15
Travelling - Directors	90.43	82.02
- Others	928.97	872.92
Directors' fee	12.80	4.75
Foreign exchange fluctuations (net)	2,059.79	2,093.08
Provision for Non-moving/ obsolete Inventory	117.61	-
Obsolete and non moving inventory written off		17.57
Less : Adjusted against provisions	-	(16.95)
Charity and donation	13.80	28.98
Corporate Social Responsibility Expenses (Refer note.45)	138.74	-
Provision for doubtful debts / advances	475.00	595.29
Bad debts / advances written off	606.12	690.91
Less: Adjusted against provision	(474.77)	(479.08)
Bio composting expenses	321.05	412.86
Professional Fee & retainership expenses	452.58	674.20
Communication	185.04	179.50
Sundry balances written off	83.30	116.85
Loss on Sale of Non-current (Trade) Investment	260.87	-
Loss on sale / write off of assets	607.23	254.52
Bank charges	49.62	40.21
Increase / (Decrease) of excise duty on Finished Goods	66.14	2,354.32
Bottling charges relating to leased units	1,038.86	1,064.18
Other overheads	2,086.25	1,916.24
Selling and distribution:		
- Freight outwards	6,829.68	6,253.11
- Supervision charges - after sales	1,032.80	1,107.16
- Supervision charges to supervisors	916.71	1,052.72
- Rebate discount and allowance	8,848.49	7,362.40
- Advertisement & sales promotion	10,733.26	12,843.54
	<u>49,340.14</u>	<u>51,193.20</u>

	Rupees in lacs	
	<u>Current Year</u>	<u>Previous Year</u>
<u>29 Earning per Share</u>		
Profit after tax attributable to equity share holders (after deducting prior period and extra ordinary items) - for Basic EPS	6,763.52	7,125.95
Profit after tax attributable to equity share holders (after deducting prior period and extra ordinary items) - for Diluted EPS	6,777.14	7,134.17
Basic weighted average no. of equity shares of Rs. 2/- each	133,038,765	132,958,289
Diluted weighted average no. of equity shares of Rs. 2/- each	133,244,705	133,240,227
Basic earning per share (Rs)	5.08	5.36
Diluted earning per share (Rs)	5.08	5.35

Since the potential equity on account of ESOP was anti dilutive in the current year, the diluted earning remains the same as Basic (Rs).

Other Notes on Accounts

	Rupees in lacs	
	2014-15	2013-14
30 Estimated amount of Capital commitments (Net of advances)	1,525.08	68.22
31 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 claim relating to refund of export duty on rectified spirit	10.62	10.62
(e) Disputed VAT/Sales/Entry Tax matters under appeal	2,078.08	9.88
(f) Disputed Excise matters	349.52	392.64
(g) Disputed Stamp duty claim arising out of amalgamation, being contested	80.00	80.00
(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		
	15,371.50	10,865.61
	18,011.65	11,480.69

In respect of the items above, future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities.

ii) Madhya Pradesh State Industrial Development Corporation Ltd. in February 2007 demanded a sum of Rs.168.09 lacs besides unspecified expenses arising out of the alleged non compliance of conditions relating to its holding of shares in Abhishek Cement Ltd. prior to the merger of Radico Khaitan Ltd. in the year 2002-03. The writ petition filed by Company before Madhya Pradesh high court has been partly allowed by confirming the recovery of Rs 167.32 lacs 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 Rs 100 lacs in State Bank of India till the final adjudication of the matter. The matter is since sub-judice.

iii) The Company has filed legal suits against recovery of its dues from trade receivable, contract bottlers and other parties aggregating to Rs.1376.39 Lakhs, which are in the opinion of Management recoverable and no material losses are foreseen.

iv) The Commissioner Service Tax New Delhi had issued further show cause notice on 12.05.2014 on the Company demanding Service Tax of Rs.2647.22 Lacs plus interest and penalty under business auxiliary service for the period April 2012 to March 2013. The Company is in the process of replying to the show cause notice.

In respect of the items above, future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities.

v) Guarantee/ security given to Banks on behalf of Radico NV Distilleries Maharashtra Ltd:

a) Corporate Guarantee (for loans availed by the JV Company)	237.60	1,044.00
b) As co-obligant for vehicle loan (for loans availed by the JV Company)	-	35.34

vi) The Company entered into an agreement dated 23rd February, 2007 with Fortune Brand Promotion And Management Trust (the Trust), (of which the Company is the Settler) for carrying out brand management services. In consideration of the same, the Company was required to pay brand management fee to the Trust. Sales promotion expenses for the year include Rs.611.97 lacs (Previous year Rs.1709.24 lacs) paid to the Trust on the basis of their invoices. During the year the Brand Promotion and Management agreement with trust has been terminated.

As security, charge by way of hypothecation has been created on the trade marks and copy rights of two self generated brands of the Company in favour of a Bank and registered in the office of Registrar of Companies as per section 125 of the Companies Act 1956. Post termination, the charge created on the brands has been cleared.

- 1,406.25

	2014-15	2013-14
vii) Under the "Receivable buyout" facility of Rs 6000.00 lacs sanctioned by IDBI Bank Ltd. against trade receivables from Canteen Stores Department & State Corporation (direct sales/sales through Contract Bottling Units), the amount availed and outstanding as on 31st March, 2015 have been set off against the receivables and advances to CBUs. The amount outstanding as on the Balance Sheet date is :	5,999.85	2,749.42
32 In the opinion of the Management and to the best of their knowledge and belief, the value on realisation of 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 Balance Sheet.		
33 Pursuant to the amendment by way of addition of paras 46 and 46A to AS-11 on effect of changes in foreign exchange rates, the Company had exercised the option of deferring the foreign exchange fluctuation gain / loss in respect of the accounting periods commencing from 01.04.2007. Further, such foreign exchange differences relating to acquisition of depreciable capital assets have been adjusted to the cost of such assets and depreciated over the balance life of the assets. As a result, foreign exchange loss (including arising on account of loan repayment) of Rs 479.45 lacs (previous year Rs 1131.59 lacs) long term foreign currency items pertaining to capital assets has been adjusted to fixed assets. Out of the foreign currency monetary items translation difference account of Rs.4229.45 lacs (debit) (previous year Rs.5524.02 lacs), as on 31.03.2015, a sum of Rs 1033.09 lacs (previous year Rs.1469.39 lacs) has been debited to loss on foreign exchange fluctuation account during the year.		
34 The Company has taken premises on operating lease. The lease payments charged during the year to the Statement of profit and loss account amounts to Rs 489.57 lacs. (Previous Year: Rs.473.03 lacs). Amount due within one year Rs 366.61 lacs.		
35 Income Tax - Provision for Income Tax for the year has been made as per section 115JB of the Income Tax Act, 1962 (MAT). The Company can avail the benefit of unutilized MAT credit of Rs 952.50 lacs within the period provided in law.		

36 Employee Benefits : AS-15

(i) The Company has taken a policy with Life Insurance Corporation of India (LIC) for meeting the accruing liability on account of gratuity. The premium, actuarially ascertained by LIC, is charged to the Statement of profit and loss. The amount debited to profit & loss account is Rs. 376.34 lacs.

(ii) In respect of leave encashment, provision is made based on the actuarial valuation by an independent Actuary. The following information as required under AS-15 are based on the report of the Actuary / L.I.C.

	Rupees in lacs	
	<u>31.03.2015</u>	<u>31.03.2014</u>
Leave Encashment		
A Economic assumptions		
i) Discounting rate	7.75%	8.50%
ii) Future salary increase	5.25%	6.00%
iii) Expected rate of return on plan assets	0.00%	0.00%
B Break up of expenses		
a) Current service cost	79.81	75.77
b) Interest cost	59.05	45.00
c) Net actuarial (gain)/ loss recognized in the period	61.53	95.72
c) Expenses recognized in the statement of profit & loss	<u>200.39</u>	<u>216.49</u>
C Change in present value of obligation		
a) Present value of obligation as at the beginning of the period 01/04/2014	694.68	562.51
b) Interest cost	59.05	45.00
c) Current service cost	79.81	75.77
d) Benefits paid	(84.97)	(84.32)
e) Actuarial (gain)/loss on obligation	61.53	95.72
f) Present value of obligation as at the end of period 31/03/2015	<u>810.10</u>	<u>694.68</u>
Gratuity		
A Economic assumptions		
i) Discounting rate	8.00%	8.00%
ii) Future salary increase	5.00%	5.00%
iii) Expected rate of return on plan assets	9.40%	9.40%
B Break up of expenses		
a) Current service cost	80.05	72.06
b) Interest cost	80.97	69.76
c) Expected return on plan assets	(87.00)	(73.40)
d) Net actuarial (gain)/ loss recognized in the period	302.32	70.03
e) Expenses recognized in the statement of profit & loss	<u>376.34</u>	<u>138.45</u>
C Change in present value of obligation		
a) Present value of obligation as at the beginning of the period 01/04/2014	1,012.07	872.03
b) Interest cost	80.97	69.76
c) Current service cost	80.05	72.06
d) Benefits paid	(38.03)	(71.81)
e) Actuarial (gain)/loss on obligation	302.32	70.03
f) Present value of obligation as at the end of period 31/03/2015	<u>1,437.38</u>	<u>1,012.07</u>
D Change in fair value of plan assets		
a) Fair value of plan assets at the beginning of the year	927.71	824.34
b) Expected return on plan assets	87.00	73.40
c) Contributions	198.40	101.77
d) Benefits paid	(38.03)	(71.80)
e) Fair value of plan assets at the end of the year	<u>1,175.08</u>	<u>927.71</u>
f) Liability recognised in the balance sheet	<u>262.30</u>	<u>84.36</u>

	Rupees in lacs	
	31.03.2015	31.03.2014
(iii) The Company in addition has recognised as expense the following:-		
a) Contribution to recognised Provident Fund (including Family Pension)	367.62	326.06
b) Contribution to LIC towards Superannuation.	181.70	168.73
c) Medical insurance premium.	91.96	107.59
d) Contribution to Employees State Insurance	33.96	27.99

37 Segment reporting :

Based on the guideline in Accounting Standard on segment reporting (AS- 17), the Company's primary business segment is manufacture and trading in liquor. The liquor business incorporates the product groups, namely, rectified spirit, country liquor and IMFL which mainly have similar risks and returns. Therefore, segment reporting is not applicable.

38 Related party disclosure as per Accounting Standard -18 :

A Related parties and their relationship :

I 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.

II Associates and Joint Ventures

(1) Radico NV Distilleries Maharashtra Limited
(2) Radico Global Limited (Associate)

III Key Manangement personnel :

(1) Dr. Lalit Khaitan , Chairman & Managing Director
(2) Mr. Abhishek Khaitan , Managing Director
(3) Mr. K.P.Singh , Whole Time Director
(4) Mrs. Shailaja Saraf , Director

Relatives :

(1) Mrs. Deepshikha Khaitan (Wife of Mr Abhishek Khaitan)

B Transaction with above in the ordinary course of business :

Key Manangement Personnel :

Dr. Lalit Khaitan , Chairman & Managing Director

Remuneration

Rupees in lacs

31.03.2015

31.03.2014

382.88

363.43

Mr. Abhishek Khaitan , Managing Director

Remuneration

358.22

342.17

Mr. K.P.Singh , Whole Time Director

Remuneration

132.63

108.54

Mrs. Deepshikha Khaitan (wife of Mr Abhishek Khaitan)

Remuneration

14.27

14.18

Mrs. Shailaja Saraf (Daughter of Dr Lalit Khaitan)

Remuneration

2.83

8.64

Mr. Padmanabh Mandelija (Grand son of

Dr Lalit Khaitan)

Remuneration

22.95

19.27

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 of Rs 4.08 lacs borne by the Company.)	64.08	60.00

Associates and Joint Ventures

Radico NV Distilleries Maharashtra Limited

Sale of Goods	503.95	414.43
Reimbursement of IT support charges (Cr)	31.12	40.13
Tie-up operation income (net of bottling charges)	1,558.43	1,257.61
Dividend Income on Preference Shares	460.82	-
Purchase of materials	3,770.84	2,175.71
Receivable	2,310.52	2,814.79
Payable	22.79	42.76
Guarantee/ Security given by Radico Khaitan Limited	237.60	1,079.34

Radico Global Ltd.

Loan outstanding at the end of the year	-	480.80
Interest accrued and outstanding at the end of the year	-	93.01
Interest income for the year	27.41	29.34

39 The details of the Company's interest in its Joint Ventures, having Joint Control, as per the requirements of AS-27 on Financial Reporting of Interest in Joint Ventures are as under : (Un-audited)

Particulars	Radico NV Distilleries Maharashtra Ltd.	
	Unaudited	Unaudited
	<u>31.03.2015</u>	<u>31.03.2014</u>
% Ownership Interest	36.00%	36.00%
a Assets	12,801.64	12,223.05
b Liabilities	4,331.74	5,381.82
c Income	10,475.40	9,005.58
d Expenses	9,926.14	8,467.99
e Contingent Liabilities	229.94	712.15
f Capital Commitments	49.56	192.44
	<u>31.03.2015</u>	<u>31.03.2014</u>
40 Remuneration to Auditors		
a Audit Fee	22.50	22.50
Certification of Statements	6.00	6.00
Service tax	3.52	3.52
Expenses for audit and other work	5.11	3.83
b Cost Audit Fee	1.24	1.29
Expenses for Cost Audit	0.34	0.07

41 In the opinion of the management, there is no impairment of assets requiring provision in accordance with AS-28.

42 Quantitative and other information

a) Particulars of Capacity and Production	Unit	Licensed	Installed*	Production
		Capacity per annum		
1. Molasses / Grain / Malt spirit *	KL/BL AT 94%	102,460	102,460	80,137
		(102,460)	(102,460)	(90,773)
	KL/AL	96,312	96,312	75,328
		(96,312)	(96,312)	(85,327)
3. Bio gas	000 'M3	No licence required		29,180
				(38,361)
4. Pet bottles	NOS./1000	No licence required	600,000	532,188
			(600,000)	(495,547)

* As certified by the Management and not verified by the Auditors.

b) Opening Stock, Closing Stock & Turnover	Unit	Opening Stock		Closing Stock		Turnover	
		Qty	Value	Qty	Value	Qty	Value
1. Alcohol products							
(a) Rectified spirit	KL/AL	296	96.96	374	117.18	259	79.66
		(1,198)	(344.48)	(296)	(96.96)	(2,134)	(693.96)
(b) Silent spirit	KL/AL	5,369	2,073.83	5,439	2,073.88	29,336	16,429.58
		(2,027)	(677.00)	(5,369)	(2,073.83)	(30,567)	(15,770.36)
(c) Cane juice spirit	KL/AL					137	82.02
						(91)	(63.35)
(d) Malt spirit	KL/AL	1,274	2,513.04	963	2,174.20	323	749.33
		(1,455)	(2,805.29)	(1,274)	(2,513.04)	(321)	(669.38)
(e) Grain spirit	KL/AL	3,058	1,485.38	2,413	1,119.30	16,037	7,461.75
		(2,140)	(1,056.61)	(3,058)	(1,485.38)	(15,650)	(7,184.87)
(f) Ethanol	KL/AL	0	0.09	-	-	-	-
		(0)	(0.11)	(0)	(0.09)	-	-
2. Other alcohol products							
(a) Denatured spirit	KL/AL	1	0.27	1	0.27	-	-
		(1)	(0.30)	(1)	(0.27)	-	-
(b) Indian made foreign liquor	AL	1,155,704	3,866.20	948,085	3,773.13	38,785,929	171,179.39
		(981,039)	(1,436.91)	(1,155,704)	(3,866.20)	(38,618,907)	(166,470.98)
(c) Country liquor	AL	24,427	17.24	7,473	4.43	14,978,203	98,771.07
		(16,882)	(10.60)	(24,427)	(17.24)	(14,121,350)	(85,606.30)
(d) Imported Alcoholic products	Bottles	8,977	17.42	30,894	96.56	109,027	454.85
		(39,663)	(120.33)	(8,977)	(17.42)	(158,840)	(642.41)
3. Pet bottles and Caps	NOS.	8,308,610	164.99	11,027,451	176.15	288,208,565	6,820.88
		(11,174,120)	(200.20)	(8,308,610)	(164.99)	(272,801,485)	(6,533.64)
4. Jaivik Khad	Qtls	9,096	4.64	163	0.16	247,861	184.39
		(175,753)	(109.50)	(9,096)	(4.64)	(218,179)	(132.27)
5. Others							2,832.07
							(4,831.38)
6. Other operating income							16,211.23
							(15,911.89)
Total:							
			10,240.04		9,535.27		321,256.23
			(6,761.33)		(10,240.04)		(304,510.79)

Note: Figures in brackets are those of previous year.

	Unit	Current Year		Previous Year	
		Quantity	Value	Quantity	Value
c) Purchases: -					
- Indian Made Foreign Liquor	Cases	54,534	941.64	61,375	982.84
- Imported Liquors	Bottles	130,944	150.17	129,354	139.18
- Alcohol	BL	5,727,000	2,829.29	2,486,000	1,082.57
			<u>3,921.10</u>		<u>2,204.59</u>
d) Consumption of raw materials					
(i) Molasses	Qtls	2,101,363	11,999.78	2,875,826	13,731.96
(ii) Cane juice	Qtls	10,737	41.21	16,974	54.98
(iii) Barley Malt	Qtls	14,559	381.94	15,950	432.85
(iv) Sorghum	Qtls	354	4.00	28,277	361.94
(v) Broken Rice	Qtls	426,311	5,963.04	434,687	6,064.29
(vi) Millet (Bajra)	Qtls	119,464	1,324.72	182,997	2,175.97
(vii) Maize	Qtls	325,211	4,077.23	78,330	1,032.67
(viii) Malt /Malt Scotch/Grain/Graipe Spirits		-	1,431.97	-	1,137.10
(ix) Rectified spirit / Extra Neutral Alcohol		-	9,006.16	-	8,307.37
(x) Resin	KG	7,738,753	7,400.13	7,240,132	7,756.31
(xi) Press Mud	Qtls	1,058,539	423.40	425,326	165.87
(x) Others		-	885.95	-	754.44
			<u>42,939.53</u>		<u>41,975.75</u>
e) Value of imports calculated on CIF basis:					
Raw materials			676.39		575.93
Components & spare parts			141.69		155.88
Purchases			346.21		426.68
Capital goods			151.56		-
f) Expenditure in foreign currency on account of					
Foreign travel & subscriptions			77.99		51.23
Interest/Financial exp. on ECB			1,525.97		1,565.80
Professional fee			32.47		30.67
Commission paid / Insurance paid			24.89		24.72
Loan to an Associate Company			-		-
Freight			1,655.34		2,292.14
Others			17.22		12.39
g) Value of imported and indigenous raw materials, spare parts components and stores consumed during the year					
		Raw Materials		Others	
		Value	% of total Consumption	Value	% of total Consumption
Imported		676.39	1.58	141.69	0.59
		(575.93)	(1.37)	(155.88)	(0.63)
Indigenous		42,263.14	98.42	23,996.97	99.41
		(41,399.82)	(98.63)	(24,520.71)	(99.37)
		<u>42,939.54</u>	<u>100.00</u>	<u>24,138.66</u>	<u>100.00</u>
		<u>(41,975.75)</u>	<u>(100.00)</u>	<u>(24,676.59)</u>	<u>(100.00)</u>

Note: Figures in brackets are those of previous year.

h)	Remittance in foreign currency (NIL)/ or to the mandate banks on account of dividends to non residents	<u>31.03.2015</u>	<u>31.03.2014</u>
	(i). Number of non resident shareholders	16	18
	(ii). Number of shares held by them	14,260	15,500
	(iii). Dividend (Rs in lacs)	0.11	0.12
	(iv) Year to which the dividend relates	2013-14	2012-13
i)	Earnings in foreign exchange - Export of goods on FOB basis.	25,855.64	24,297.84

43 Foreign currency exposure

	Currency	<u>31.03.2015</u>	<u>31.03.2014</u>
		Amount (lacs)	Amount (lacs)
a Hedged by way of forward exchange contracts:			
<u>Borrowings (including interest) - ECB</u>			
	ICICI Bank Ltd.-Bahrain	US\$ -	50.41
	State Bank of India - Singapore	US\$ -	3.21
<u>Borrowings - PCFC Loan</u>			
	Yes Bank	US\$ 10.00	-
b Not hedged:			
<u>Borrowings - ECB</u>			
	ICICI Bank Ltd.-Bahrain	US\$ 160.00	165.00
	ICICI Bank Ltd.-Bahrain	US\$ 241.04	248.35
	State Bank of India - Singapore	US\$ 131.25	150.00
	Interest payable on ECB/FCCB	US\$ 4.17	-
	Loan given	US\$ -	8.00
	Export Receivables	US\$ 119.35	68.06
	Export Receivables	EURO 0.08	-
	Advance from Customers	US\$ 100.17	61.60
	Advance from Customers	EURO 0.05	-
	Advance recoverable in cash or kind	US\$ 3.24	-
	Other receivable	US\$ 44.98	-
	Balance with banks	US\$ 0.82	0.54

44 Information under 186(4) of the Companies Act, 2013

	As on 31.3.2014	Given during the year	Repaid during the year	Balance as on 31.3.2015
(a) Loans given:				
i) To a Joint Venture Company (interest free long term working capital advance)	1,000.00	-	-	1000.00
ii) To an Associate Company (in Foreign currency at interest of 6%)	480.80	-	480.80	-
iii) In the form of unsecured short-term Inter corporate Deposits *	9,350.00	13,825.00	6,185.00	16,990.00

(b) Investments made - as disclosed under Note.12 & 14

(c) Guarantee given: - as disclosed in Note no.31(v)

* Notes:

All loans are given to unrelated entities at interest rates ranging from 11% to 14%

All the loans are provided for business purposes of respective entities, repayable on demand with prepayment option to the borrower.

(d) Securities given: - as disclosed in foot note to Note No.12

45 The Company is required to spend a further sum of Rs.71.86 lakhs towards Corporate Social Responsibility relating to the financial year 2014-15, as required under section 135 of the Companies Act, 2013. This is expected to be spent in the succeeding financial year.

46 The Company has entered into arrangements with certain distilleries and bottling units in other states for manufacture and marketing of its own IMFL brands. The manufacture under the said arrangement, wherein each party's obligations are stipulated, is carried out under its close supervision. The marketing is entirely the responsibility of the Company and consequently the Company is required to bear bad debts arising on sales. The Company is also required to ensure adequate finance to the distilleries, where required. Accordingly, it is considered appropriate to disclose the following information (unaudited), as applicable to such activities.

i) Income from operations through other distilleries / bottling units reflects the net contribution from the sales made by these Units and is detailed as under :

	<u>31.03.2015</u>	<u>31.03.2014</u>
Gross Sales	131,056.52	142,292.37
Net Sales	48,032.44	53,659.00
Cost of Sales	32,857.32	36,889.95
Gross Profit	15,175.12	16,769.05
Expenses	3,352.97	3,706.62
Income	11,822.15	13,062.43

ii) The balance due from distilleries under the arrangement, Rs 17424.63 lacs (Previous year Rs 21031.53 lacs) is included under advances recoverable. This is on account of the financing by the company of inventories, debtors and other current assets net of current liabilities on behalf of the Units. Such advances include Rs.1992.96 lacs (previous year Rs.1927.94 lacs) in respect of units which are closed and considered good and recoverable. The management is taking steps to recover the amount.

47 Previous year figures have been re-grouped, wherever necessary, to correspond to current year figures.

As per our report of even date

For and on behalf of Board

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208 W

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director

M. S. Balachandran
Partner
Membership No. 024282

Amit Manchanda
Group Head - Legal &
Company Secretary

Abhishek Khaitan
Managing Director

Place : New Delhi
Dated : 22-05-2015

Ajay K. Agarwal
President (Finance & Accounts)

Directors

Corporate Profile

<p>BOARD OF DIRECTORS:</p> <p>Dr. Lalit Khaitan Chairman & Managing Director</p> <p>Abhishek Khaitan Managing Director</p> <p>K.P. Singh Wholetime Director</p> <p>Dr. Raghupati Singhanian</p> <p>Karna Singh Mehta</p> <p>Ashutosh Patra</p> <p>Sarvesh Srivastava</p> <p>Shailja Saraf</p>	<p>REGISTERED OFFICE:</p> <p>Bareilly Road Rampur – 244 901 (U.P.).</p> <p>Phone No.0595-2350601, 2350602 Fax No.0595-2350009</p> <p>Email:Rampur@radico.co.in</p> <p>CORPORATE OFFICE:</p> <p>Plot No.J-1, Block B-1 Mohan Co-operative Industrial Area Mathura Road, New Delhi – 110 044. Ph.: +91-11-40975400/444 40975500/555 Fax.: +91-11-41678841/42 E-mail:info@radico.co.in</p>	<p>AUDITORS:</p> <p>M/s. V. Sankar Aiyar & Co. Chartered Accountants Satyam Cinema Building, 2nd Floor Ranjit Nagar Commercial Complex New Delhi – 110 008.</p> <p>INTERNAL AUDITORS:</p> <p>M/s. Grant Thornton 21st Floor, DLF Square, Jacaranda Marg, DLF Phase II, Gurgaon – 122 002.</p>
<p>GROUP HEAD – LEGAL & COMPANY SECRETARY:</p> <p>Amit Manchanda</p>	<p>WORKS:</p> <p>Rampur Distillery Bareilly Road Rampur – 244 901 (U.P.).</p> <p>Plot No.B-24, A-25, Shree Khatushyamji Industrial Complex RIICO, Reengus Dist. Sikar, Rajasthan.</p> <p>B-3, UPSIDC Industrial Development Area Phase – I, Sultanpur Patti Bajpur Dist. Udham Singh Nagar Uttarakhand.</p> <p>S. No.59 Timmapur Village Palmakul Post - 509 325 Shadnagar Tq. Mahaboobnagar Dist. Hyderabad Andhra Pradesh.</p> <p>44 KM Stone Delhi Rohtak Road Village & Post Rohad Bahadurgarh. Dist. Jhajjar 124501 Haryana.</p>	<p>COST AUDITORS:</p> <p>Mr. S.N. Balasubramanian Cost Accountant Flat No: H -301, Green Valley Apartment Plot No.18, Sector-22 Dwarka New Delhi -110 077.</p> <p>BANKERS AND FINANCING INSTITUTIONS:</p> <p>Punjab National Bank State Bank of India AXIS Bank Ltd. State Bank of Mysore Kotak Mahindra Bank Standard Chartered Bank State Bank of Travancore State Bank of Hyderabad IDBI Bank Ltd. ICICI Bank Ltd. Yes Bank Ltd. Aditya Birla Finance Ltd. Lakshmi Vilas Bank Ltd.</p> <p>OUR WEBSITE: www.radicokhaitan.com</p>

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RADICO KHAITAN LIMITED

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