

RADICO KHAITAN LIMITED

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CIN: L26941UP1983PLC027278

Statement of Audited Standalone IND AS Financial Results for the quarter and year ended March 31, 2020

(Rs in Lakhs, except EPS)

Sl. No.	Particulars	(1)	(2)	(3)	(4)	(5)
		Quarter ended 31.03.2020 (Audited)	Quarter ended 31.12.2019 (Unaudited)	Quarter ended 31.03.2019 (Audited)	Year ended 31.03.2020 (Audited)	Year ended 31.03.2019 (Audited)
1	Income					
	(a) Revenue from Operations	2,20,911.34	2,01,164.88	1,97,826.12	9,41,789.14	8,05,800.25
	(b) Other Income	217.79	181.59	359.30	918.67	1,328.77
	Total income	2,21,129.13	2,01,346.47	1,98,185.42	9,42,707.81	8,07,129.02
2	Expenditure					
	(a) Cost of material consumed	31,082.68	34,280.41	26,719.25	1,27,091.18	1,04,486.34
	(b) Purchase of stock-in-trade	66.85	155.90	424.73	358.90	1,116.53
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(461.51)	(1,875.44)	(3,609.63)	(1,882.91)	(4,169.89)
	(d) Excise duty on sales	1,62,375.74	1,36,372.17	1,46,827.74	6,99,085.12	5,96,105.71
	(e) Employee benefits expense	4,797.29	4,956.30	4,513.98	18,608.08	17,138.07
	(f) Finance Costs	845.52	810.00	772.62	3,161.46	3,547.98
	(g) Depreciation and amortisation expense	1,339.58	1,309.00	1,086.30	5,252.73	4,243.58
	(h) Selling & Distribution expenses	7,878.91	7,818.17	7,991.18	31,124.52	29,722.75
	(i) Other Expenses	6,942.55	9,206.93	7,793.46	30,223.44	26,367.02
	Total Expenditure	2,14,867.61	1,93,033.44	1,92,519.63	9,13,022.52	7,78,558.09
3	Profit before exceptional items & tax	6,261.52	8,313.03	5,665.79	29,685.29	28,570.93
4	Exceptional items (Refer Note 5)	856.03	858.59	-	2,416.62	-
5	Profit before tax	5,405.49	7,454.44	5,665.79	27,268.67	28,570.93
6	Tax Expense (Refer Note 7)					
	Current Tax	1,389.62	1,642.62	641.42	7,095.03	8,573.32
	Deferred Tax	171.18	241.76	1,119.08	(2,576.43)	1,191.15
7	Net Profit for the period	3,844.69	5,570.06	3,905.29	22,750.07	18,806.46
8	Other Comprehensive (Income)/ Expenses					
	(i) Items that will not be reclassified to profit or loss	267.63	31.25	(95.72)	361.38	110.53
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(67.35)	(7.87)	33.45	(90.95)	(38.62)
9	Total Comprehensive Income	3,644.41	5,546.68	3,967.56	22,479.64	18,734.55
10	Paid up equity share capital (Face value of Rs. 2/- each)	2,670.69	2,669.95	2,668.19	2,670.69	2,668.19
11	Other Equity (Excluding Revaluation Reserve)				1,49,382.18	1,28,826.10
12	Earning per share (Face value of Rs.2/- each) not annualized					
	Basic	2.89	4.17	2.93	17.05	14.10
	Diluted	2.88	4.15	2.93	17.04	14.08



Statement of Assets & Liabilities (Standalone)

(Rs in Lakhs unless otherwise stated)

Particulars	As at	As at
	March 31, 2020 (Audited)	March 31, 2019 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	72,953.60	69,792.38
Capital work-in-progress	1,808.29	1,599.86
Intangible assets	1,388.95	1,601.79
Financial assets		
Investment in a joint venture	15,538.53	15,538.53
Investment in others	0.60	0.60
Loans	1,658.26	803.08
Others	179.95	159.60
Other non-current assets	10,305.95	11,025.14
Total Non-Current Assets	1,03,834.13	1,00,520.98
Current assets		
Inventories	37,417.54	35,971.29
Financial assets		
Trade receivables	82,305.44	64,174.89
Cash and cash equivalents	1,010.43	825.40
Bank balances other than above	813.55	941.61
Loans	4,073.86	4,669.95
Others	2,050.18	2,412.35
Current Tax assets (Net)	750.18	-
Other current assets	13,783.92	13,544.00
Total Current Assets	1,42,205.10	1,22,539.49
Total Assets	2,46,039.23	2,23,060.47
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2,670.69	2,668.19
Other Equity	1,49,382.18	1,28,826.10
Total Equity	1,52,052.87	1,31,494.29
Non-current liabilities		
Financial liabilities		
Borrowings	153.31	2,165.56
Others	514.96	47.19
Provisions	1,110.35	1,036.69
Deferred tax liabilities (Net)	7,846.60	10,404.90
Other non current liabilities	16.58	19.13
Total Non-Current Liabilities	9,641.80	13,673.47
Current liabilities		
Financial liabilities		
Borrowings	39,736.97	30,160.06
Trade payables		
Outstanding dues of Micro, Small and Medium Enterprises	2,786.51	-
Other Enterprises	23,637.27	24,483.57
Others	3,186.65	3,154.84
Provisions	5,277.61	6,835.20
Other current liabilities	9,719.55	12,413.17
Current tax liabilities(Net)	-	845.87
Total Current Liabilities	84,344.56	77,892.71
Total Liabilities	2,46,039.23	2,23,060.47



Particulars	March 31, 2020	March 31, 2019
A. Cash flow from operating activities		
Profit for the year before tax	27,268.67	28,570.93
Adjustments for		
Depreciation and amortization expense	5,252.73	4,243.58
Profit on sale of fixed assets	(6.10)	(12.79)
Loss on sale / write off assets	77.58	89.90
Finance costs	3,161.46	3,547.98
Interest income	(498.33)	(838.81)
Provision for Expected credit loss and Bad Debt	2,092.75	506.29
Provision for Non-moving/ obsolete Inventory	875.00	83.53
Employees stock option scheme	8.59	18.07
Dividend income on investments	(359.57)	(200.20)
Operating profit before working capital changes	37,872.78	36,008.48
Changes in working capital		
Decrease/(Increase) in Inventories	(2,321.25)	(4,969.15)
Decrease/(Increase) in Trade Receivables	(20,223.30)	(1,680.11)
Decrease/(Increase) in current financial assets (loans)	596.09	779.25
Decrease/(Increase) in current financial assets (Others)	105.38	(323.17)
Decrease/(Increase) in other current assets	(239.92)	1,068.24
Decrease/(Increase) in non-current financial assets (loans)	(855.18)	2,098.22
Decrease/(Increase) in non-current financial assets (Others)	11.79	12.69
Decrease/(Increase) in other non-current assets	1,469.36	(587.99)
Increase/(Decrease) in non-current financial liabilities (others)	105.68	(21.00)
Increase/(Decrease) in other non-current liabilities	-	(18.57)
Increase/(Decrease) in long term provisions	73.66	56.09
Increase/(Decrease) in short term provisions	(1,918.97)	(1,432.26)
Increase/(Decrease) in current Trade Payables	1,940.21	3,070.07
Increase/(Decrease) in current financial liabilities (others)	584.11	544.44
Increase/(Decrease) in other current liabilities	(2,693.62)	3,988.90
Cash generated from operating activities before taxes	14,506.82	38,594.13
Net income tax paid	(8,538.08)	(7,725.18)
Net Cash flow from operating activities (A)	5,968.74	30,868.95
B. Cash flow from investing activities		
Additions in tangible assets	(7,024.47)	(7,141.99)
Additions in intangible assets	(22.67)	(62.27)
Additions in CWIP	(208.40)	419.20
Capital Advances	(750.17)	(441.86)
Sale of fixed assets	74.99	38.59
Sale of investments	-	5,000.00
Interest received	555.59	1,047.62
Subsidy Received	-	30.00
Dividend received	559.57	400.20
Fixed deposits matured during the year	(32.61)	55.62
Net Cash flow from Investing activities (B)	(6,848.17)	(654.89)
C. Cash flow from financing activities		
Increase/(Decrease) in share capital (including securities premium)	130.90	106.81
Leased Payment	(752.79)	-
Net Loans (repaid) / taken	9,748.35	(17,388.77)
Dividend paid including Dividend Distribution Tax	(1,929.98)	(1,607.09)
Interest paid	(2,825.62)	(3,704.29)
Net Cash flow from financing activities (C)	4,370.86	(22,593.34)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	3,491.43	7,620.72
Cash and cash equivalents at the beginning of the year	(23,557.31)	(31,178.03)
Cash and cash equivalents at the end of the year	(20,065.88)	(23,557.31)



Particulars	March 31, 2020	March 31, 2019
Reconciliation of Cash and cash equivalents		
Cash in hand	23.66	29.83
Bank Balance		795.57
In Current account	986.77	777.38
In term deposits	660.66	
Cash Credit (repayable on demand)	<u>(21,736.97)</u>	<u>(25,160.09)</u>
Total Cash and Cash equivalents	<u>(20,065.88)</u>	<u>(23,557.31)</u>

Note

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



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Notes:

1. The audited standalone financial results of the Company for the quarter and year ended March 31, 2020, have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 28, 2020. The statutory auditors have expressed an unmodified audit opinion on these financial results.
2. This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
3. As the Company's business activity falls within a single primary business segment, namely Alcohol and Alcoholic Beverages, the disclosure requirements as per Ind-AS 108 "Operating Segments" are not applicable.
4. The Company adopted Ind AS 116 - Leases on April 1, 2019 by using modified retrospective approach and accordingly comparatives for the year ended March 31, 2019, have not been adjusted. Consequently, the Company has not restated the comparative figures and the cumulative effect of initially applying this Standard has been recognized as an adjustment of Rs 130.58 Lakhs (net of tax) to opening balance of retained earnings as on April 1, 2019.

In the reporting quarter and year ended, the expense in respect of "Operating Leases" has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost on lease liability.

Accordingly, the Company has recognized:

- Interest expense (Finance Cost) on lease liabilities Rs. 35.55 lakhs (reporting quarter) / Rs. 140.44 lakhs (reporting year).
- Depreciation on right-of-use assets Rs. 145.12 lakhs (reporting quarter) / Rs. 560.37 lakhs (reporting year);

Against lease rent of Rs. 169.19 lakhs (reporting quarter) / Rs. 752.79 lakhs-(reporting year) which would have been, recognised under the erstwhile Standard.

Owing to adoption of Ind AS 116, profit after tax has decreased by Rs. 11.47 lakhs for the quarter and increased by Rs. 51.98 lakhs for the year ended.

- 5 (a) Environmental Compensation of Rs. 702.00 lakhs as levied by CPCB, has been paid and accounted for during the reporting year.
- (b) In accordance with Sabka Vishwas Scheme 2019, Rs.858.59 lakhs has been paid, towards Central excise duty, as one-time settlement, the said relates to the period April 2007 to June 2017, in line with legal advice and accounted for during the reporting year.
- (c) The Government of Bihar in exercise of the powers conferred under Section 19(4) of the Bihar Excise Act, 1915 through its notification dated April 5, 2016, imposed a ban on trade and consumption of Liquor in the State of Bihar. As on March 31, 2019, the Company had an outstanding of Rs. 1259.12 lakhs with the Bihar State Beverages Corporation Limited ("BSBCL"). An amount of Rs. 403.09 lakhs pertaining to VAT refund from the Government of Bihar under the applicable law at that time, in respect of billed stocks returned by BSBCL or stocks destroyed pursuant relevant notifications, has been received in June 2019. The balance of Rs 856.03 lakhs, has been written off, as a matter of prudence and it is disclosed as an exceptional item.

The COVID -19 pandemic is rapidly spreading throughout the world. RADICO's bottling facilities and offices were under nationwide lockdown, and operations temporarily suspended, since March 24, 2020. However, the ENA manufacturing plant remained partially operational till March 31, 2020 and subsequent period. Presently the plant operations are at full capacity. From May 04, 2020, the bottling facilities have become



operational with necessary safety regulations.

Because of lockdown, the volumes for the month of March 2020 has been impacted partially and there has been no sales in the month of April'20. From May 04, 2020, the sales have started with partial opening of lockdown.

The company has sufficient liquidity and demand of its products to continue its operations.

Further, in assessing the recoverability of receivables including trade receivables, loan and advances, the Company has considered internal and external information up to the date of approval of these financial statements, and has performed sensitivity analysis on the assumptions based on current indicators of future economic conditions. Company is confident to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and will continue to, closely monitor any material changes to future economic conditions.

7. The Company has exercised the option of lower rate of tax as per section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, it has recognised provision for income tax and re-measured its deferred tax assets / liabilities, for the year ended March 31, 2020. Full impact of above, has been recognised in the results for the year ended March 31, 2020 under tax expense.
8. During the year, the Company has allotted 125,000 equity shares on exercise of Employees Stock Option by the eligible employees, as per the ESOP Scheme 2006.
9. The Board of Directors have recommended dividend on equity shares @ Rs 2 per equity share having face value of Rs 2/- of the Company amounting to Rs 2670.69 lakhs, for approval of the shareholders at their ensuing Annual General Meeting.
10. Based on NCLT order dated 16th December 2019, the joint venture entity (Radico NV Distilleries Maharashtra Ltd.), has reduced its equity capital from Rs 7387.72 lakhs to Rs. 3773.58 lakhs w.e.f. March 31, 2019. As a result, the reserves of the joint venture increased to Rs. 39610.95 lakhs from Rs. 35996.81 lakhs. The impact of the said change has reflected in the annualised accounts as at March 31, 2020 by the JV company..
11. The figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the 3rd quarter of the current financial year and previous financial year, respectively
12. The Company has regrouped / reclassified previous period figures, wherever considered necessary.

For Radico Khaitan Limited



Dr. Lalit Khaitan

Chairman & Managing Director

DIN: 00238222

Place: New Delhi
Date: May 28, 2020

