HIGH ON PREMIUM

Annual Report 2020-21

Radico

RADICO KHAITAN LTD.

HIGH ON PREMIUM

We have a generation today seeking new and interesting experiences. Something that matches and satisfies their aspirations. We are seeing many consumers buying products and services, beyond their basic-need, because of the way it makes them feel.

Over the years, Radico Khaitan's growth strategy has been centered around one simple principle – premiumization. Since the launch of our first premium brand, i.e. Magic Moments vodka, there has been no looking back.

We recognized the growth story of India, the increasing purchasing power of its consumers and their aspirations. Even as the world waited and allowed the story to unravel, we have been getting ready. In the last decade, we have launched twelve new brands of which eleven have been in the premium category.

We adopted an unconventional route to brand building. We identified gaps in the industry and gave consumers what they want - an entirely new experience. Whether it is Magic Moments vodka or Morpheus Super Premium brandy, we created consumer segments that didn't exist. As a result, we established market leading positions in different industry segments.

We took a leap of faith when we launched Rampur Indian Single Malt Whisky and Jaisalmer Indian Craft Gin. Within a short period of its launch, both these products have established a mark for themselves in the global markets. This is true testament to our brand creation capabilities.

For Radico Khaitan, the last few years have been the phase of consolidation. Our performance during the last five years has been a result of our transformational strategy. With a robust brand portfolio, an exciting pipeline of new launches and a strong balance sheet, we are future ready and poised for the next stage of growth.

The journey from being a distiller of spirits to a leading IMFL player with global brands has been remarkable.

We are High on Premium!

CONTENTS

TOTAL IMFL VOLUME

22.34
MILLION CASES
(8.0%) Y-O-Y GROWTH

PRESTIGE & ABOVE VOLUME

6.51
MILLION CASES
29% OF TOTAL IMFL VOLUME

REVENUE FROM OPERATIONS (NET)

₹2,418.18
CRORE
(0.4%) Y-O-Y GROWTH

EBITDA

₹407.79
CRORE
10.8% Y-O-Y GROWTH
169 BPS MARGIN EXPANSION

NET DEBT

₹197.54
CRORE
REDUCTION DURING FY2021
₹184.50 CRORE

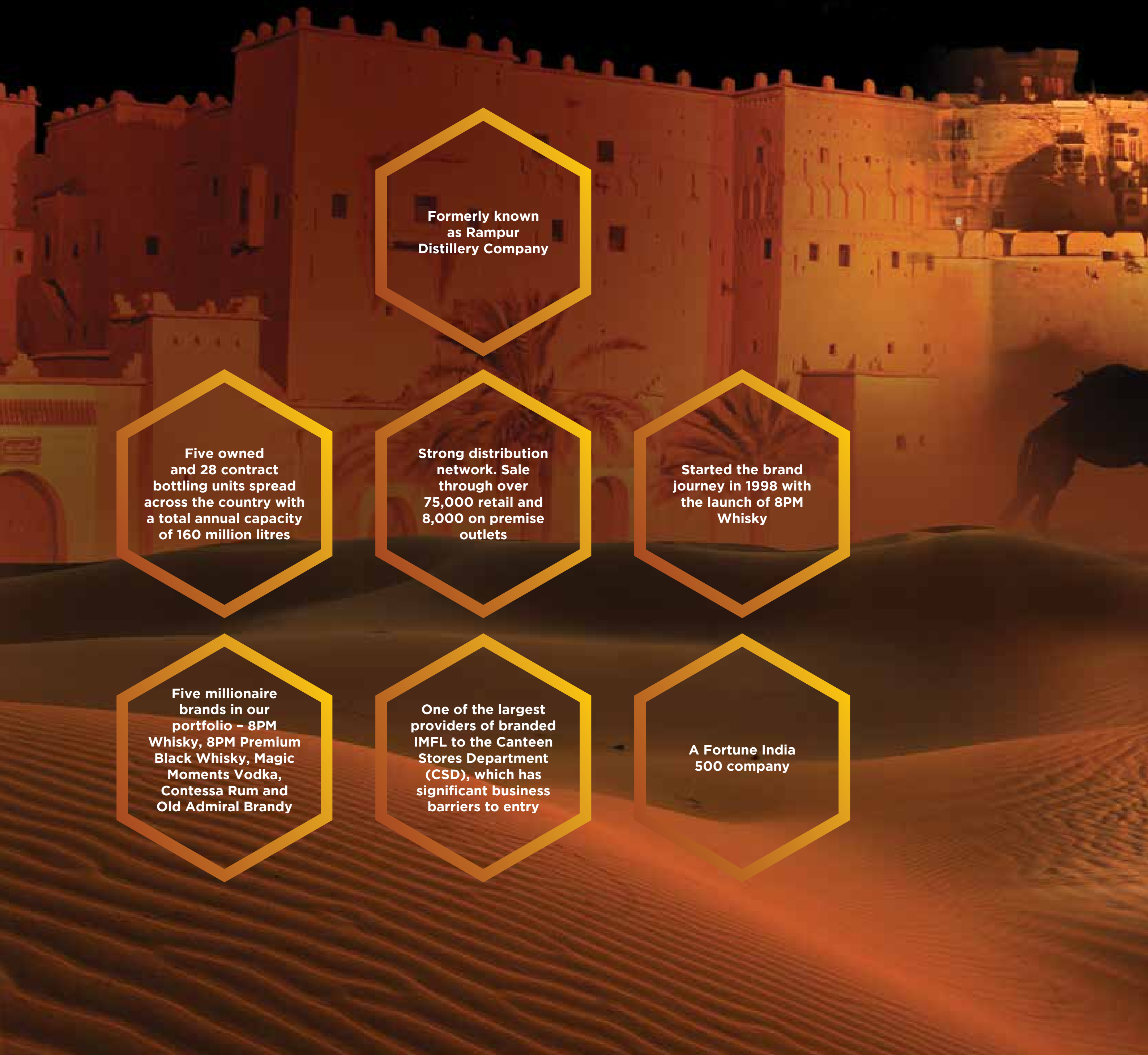
EXCISE DUTY PAID

₹7,479.22
CRORE

ABOUT RADICO KHAITAN

A legacy of over 75 years...

Started in 1943, steadily and patiently, we have evolved from being just a distiller of spirits and bottler for others to a leading Indian Made Foreign Liquor (IMFL) company with a diversified brand portfolio. Today, we have some of the best known brands being served in the nation and international markets including Rampur Indian Single Malt whisky, Jaisalmer Indian Craft Gin, Magic Moments Vodka, Morpheus XO Brandy, 8PM and 8PM Premium Black Whisky, 1965 Spirit of Victory Rum, Old Admiral Brandy, Contessa Rum, After Dark Premium Whisky, etc




JAISALMER
JAISALMER
INDIAN CRAFT GIN
The Royalty Awaits
LIMITED BATCH HANDCRAFTED

BRAND PORTFOLIO

“Products are made in a factory but brands are created in the mind.”

Walter Landor, Branding Pioneer

We are one of the few companies in the Indian Alcobev industry to compete with international premium companies with our own home growth brands. In line with our mission statement, ‘To develop products that customers love and endorse’, we have innovated, tested and ensured that we launch products and the customers will make them as Brands.

Jaisalmer Indian Craft Gin, The Royalty Awaits

Jaisalmer Indian Craft Gin is as royal and spectacular in its lineage as the name suggests. Dedicated to this spectacular way of life, Jaisalmer Indian Craft Gin harks back to imperial age of Maharajas and Maharanis and their leisure moments. A triple-distilled neutral grain spirit, re-distilled in a traditional copper pot still; the recipe is handcrafted in a time-honoured way.

Derived from the ancient Indian knowledge of herbs; retaining the classic gin flavour of juniper berries, a refreshing twist has been added with hand-picked Indian botanicals. Of the 11 botanicals used in the distillation, 7 have been sourced from all four corners of India. Jaisalmer Indian Craft Gin is like an oasis in the desert, with an elegant refreshing finish that lingers long after.

Within a short span, Jaisalmer Indian Craft Gin has a global footprint in more than 25 countries and is loved and adored by our customers.

AWARDS

- Best Asian Gin by The Gin Guide Awards 2019
- Gold Medal by The Fifty Best New York 2020
- Grand Gold at the Monde Selection for two consecutive years 2020 and 2021
- Scored 95 points at Ultimate Spirits Challenge 2020
- Double Gold by The Fifty Best New York 2021
- Gold Medal Winner at International Spirit Challenge 2021
- Scored 94 points at Ultimate Spirits Challenge 2021

Rampur Indian Single Malt Whisky, Decades of Perfection

With footprint in over 45 countries, Rampur Indian Single Malt Whisky was made available in Delhi, India, for the very first time at select retails and the top 5-star properties. Rampur is a luxury brand that is manufactured at our plant in Rampur (UP). It is aged to perfection in the foothills of the Himalayas and is called the Kohinoor of single malts. Packaged in a stout bottle with a thick base, the bottle exhibits a quintessential look as it comes in a hand-crafted silk pouch. It has drawn global recognition for its smoothness, taste, and quality within a very short time, since its launch in FY2017, with expressions priced between US $70 and US $1400. Its success is an affirmation of our R&D expertise. We have made investment in malt capacity expansion to cater to the demand for this product.

AWARDS

- Gold Medal Winner at The International Spirits Challenge 2021
- Scored 92 Points at The Ultimate Spirits Challenge 2021
- Scored 90 Points at The New York International Competition 2021

Magic Moments Vodka, Make Every Moment a Magic Moment

Launched in 2006, Magic Moments is India's largest premium vodka brand with around 60% market share. Produced from the finest grains, its triple distilling process is a mark of absolute purity. This premium vodka is smooth and gives an enriched taste. No wonder, this brand of vodka is a millionaire brand of the Company winning many coveted laurels. As a brand extension, the Company's brand Magic Moments Remix has been an instant hit. Available in different flavours including Green Apple, Orange, Lemon, Lemongrass & Ginger, Grapefruit & Watermelon, the flavours have become a favourite amongst mixologists that take the experience up a notch.

AWARDS

- Ranked 11th largest vodka globally by the Millionaires' Club, 2021
- Ranked 13th best-selling vodka globally on The Spirits Business Brand Champions list
- Magic Moments Premium Grain Vodka and Lemon flavour won Gold awards at the Monde Selection, 2021

Magic Moments Verve, The Smooth Blend of Sophistication

Verve is a super-premium vodka launched in 2012. Using a five-staged slow filtration process with silver and platinum filters, this vodka is unique, with distinct flavours that have made it a hit among consumers. With a 20% market share of the premium vodka category making, it continues to be one of the fastest growing vodka brand in the super premium segment.

AWARDS

- Won Gold in eight calendar years - 2013, 2014, 2015, 2016, 2017, 2019, 2020 and 2021 at the Global Monde Selection Awards
- Two flavours – Green Apple and Orange – won International High Quality Trophy and Gold award (for the third consecutive year) at the Monde Selection, 2021
- Two newly launched flavours Lemon Lush and Cranberry Tease won Gold and Silver awards, respectively, at the Monde Selection, 2021

Morpheus XO Brandy, Dare to Dream

With around 60% market share in the premium brandy category, Morpheus is India's largest selling premium brandy. Crafted by our master blenders to challenge traditional brandy tenets, it's rich blend is truly irresistible. Named after the Greek God of Dreams, it provides an exotic experience to the premium brandy lovers. Its goblet packaging and brand positioning have helped create a niche as a spirit that is intense and sophisticated.

AWARDS

- Won Gold six times at the Monde Selection Awards in the calendar years – 2011, 2015, 2016, 2017, 2018 and 2021

Morpheus Blue XO Premium Brandy, Dare to Dream

Indulge in the taste of excellence the enriched XO blended premium brandy in the sublime allure of Morpheus Blue. The true embodiment of understated perfection. Crafted by our master blenders, Morpheus Blue is perfection in a bottle, packed for the most deserving of dreamers.

AWARDS

- Won International High Quality Trophy and Gold award (for the third consecutive year) at the Monde Selection, 2021

8PM Premium Black Whisky, Rivals become friends

India's premium whisky, 8PM Premium Black achieves the perfect balance of strength and smoothness. Made with the finest quality grain, this whisky is the epitome of lavishness and quality drinking. With the packaging differentiation giving a look of an international scotch whisky, it evokes a sense of class and luxury. With a million cases plus volume sales during the financial year 2020-21, it is a testimony that our consumers use the smooth blend to celebrate success, friendship, and the spirit of camaraderie... even among rivals because when shared, rivals become friends.

AWARDS

- Won International High-Quality Award and a Gold award (for the fourth consecutive year) at the Monde Selection, 2021
- Won Gold award for being the Fastest growing brand at The Spiritz Achievers Awards 2020

8PM Whisky, Har Shaam Ki Shuruat

Launched in 1998, 8PM Whisky is the flagship brand of Radico Khaitan. It reflects the true essence of quality drinking, blended with the rich taste of finest quality grains. 8PM is the first brand in the liquor industry to make it to the Limca Book of Records for selling one million cases in the very first year of its launch. The growth of 8PM whisky as a brand marks the brand creation journey of Radico Khaitan.

AWARDS

- Ranked 9th largest whisky globally by the Millionaires' Club, 2021
- Ranked 5th best-selling whisky globally on The Spirits Business Brand Champions list
- Ranked 6th Top Indian whisky by the Millionaires' Club, 2021

After Dark Premium Whisky, Your passion. Your blend.

A brand in the fast-growing premium segment in India, After Dark is a drink meant to be savoured with friends. It is a bold celebration of fun and action. With a brand positioning around a unique world of desire, adventure and excitement, it is finding huge traction among the growing whisky lovers in the country.

AWARDS

- Won the Gold Medal at the Monde Selection Quality Award, 2021

Regal Talons Premium Grain Whisky, Apne Dum Par

Made for champions, Regal Talons is distilled for those who believe in conquering, winning and take charge of their own destiny. The unmatched spirit of adventure that has inspired the immaculate smoothness of this rare generation whisky. The fine taste of Regal Talons sets free the spirit of passion and perfection and takes one to a new level of supremacy.

AWARDS

- Won Gold at the Global Monde Selection Awards in the calendar years – 2017, 2018 and 2021

1965 The Spirit of Victory Premium XXX Rum, Experience The Spirit of Victory

1965 The Spirit Of Victory, Premium XXX Rum, is a salute to the gallantry and bravery of India's soldiers during the 1965 war. The product, with rich flavours like dried fruits, chocolate, oak and honey was created to cater to the demand of premium rum drinkers. It was launched for the CSD in 2017 and exclusively marketed to the Indian Defence Forces. Having tasted success in creating a strong emotional connect with the armed forces personnel, the brand has now been made available in select civil markets.

AWARDS

- Won Monde Selection Gold Quality Awards in the calendar years 2018, 2019, 2020 and 2021

Pluton Bay Rum, Spirit of Adventure

The journey of Pluton Bay is one of passion, a sense of adventure and a pursuit of excellence. It is a toast to the spirit of exploration as one sea captain said- "The spirits are now smoother to the tongue and have acquired a gold color during the voyage." Pluton Bay is spicy, dark brown exotic rum, smoother than any other. It's a promise of a million cheers for true lovers of quality rum.

AWARDS

- Won Silver at the Global Monde Selection awards in the calendar years 2017 and 2018

Contessa Rum, For the Man of Courage

Contessa Rum is another millionaire brand from the house of Radico Khaitan. The highest selling rum brand in the defence segment with a formidable leadership in the Indian market, the rum is also available in parts of Africa, South East Asia, Middle East, The USA and Canada. The rum truly reflects the real meaning of courage while its taste simply touches the right chords and reflects true essence of bravery.

AWARDS

- Ranked 11th best-selling Rum on the Spirits Business Brand Champions list
- Ranked 9th largest Rum globally by the Millionaires' Club 2021

Whytehall Brandy, Legacy of Perfection

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

AWARDS

- Won Monde Selection Gold Quality Awards in the calendar years 2019 and 2020

Old Admiral Brandy, For Real Men Only

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

AWARDS

- Ranked as the world's 2nd largest selling brandy by the Drink International Millionaires' Club 2021 rankings
- Best-selling Brandy globally on The Spirits Business Brand Champions list

OUR RESPONSE TO COVID-19

The impact of pandemic during FY2021 has led to scaling down of operations and rationalizing of cost across industries. During this period, the need of the hour was agility and adaptability, and a focus on our employees along with brand and customer centricity. We were quick to realise the gravity of the COVID-19 induced pandemic and immediately put together a core team to tackle the situation. With employee safety as the top priority, we defined various standard operating procedures, relooked at the processes and safety guidelines across the organization. We ensured daily health monitoring at the time of entry and exit, regular sanitation and installation of sanitizer dispensers at all the common points and defined actions to be taken in case of direct or indirect exposure to COVID-19.

With the lockdown, there was a demand to shift the normal ways of working to a 'new normal'. We focused on digital technology to make the shift seamless and smooth for our employees. We quickly created an eco-system where employees could work from home and continued with motivational and training programs for employees and their families. We ensured regular communication through various channels to highlight the importance of adopting COVID-19 appropriate behaviours.

However, the big jolt came during the second wave as we saw a huge toll on human lives. We provided medical support to our employees and their families including arranging for teleconsultation, medicines, oxygen concentrators and vaccinations. We announced a welfare scheme for the extended family of our employees. In case of an unfortunate event of the demise of a team member due to COVID-19, we will provide support to the bereaved family for a period of up to three years. Although this cannot compensate for the family's loss, but it will perhaps give them some time to recoup.

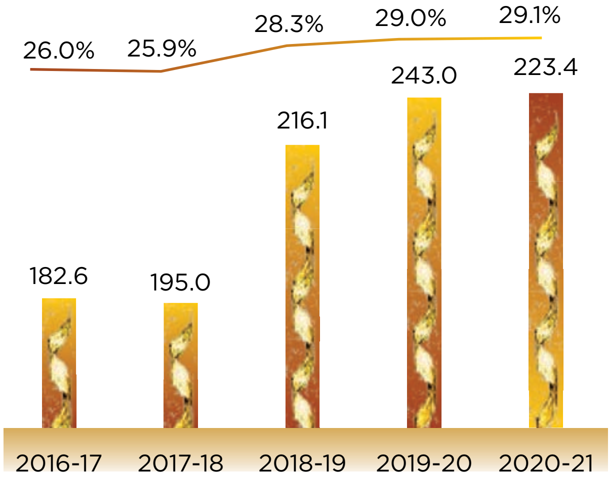
We were cognizant of the challenges of working from home in a stressful time like the pandemic and ensured conducting COVID-19 awareness sessions through reputed institutes. We did not lose focus on the mental stress of our employees and regular mental wellness sessions were conducted to equip people with the tools to fight against the challenging times. Most importantly, we would like to highlight, that there were no pay cuts for our employees nor any reduction in headcount.

We have a commitment to our community and the country. During the fiscal year, we supported the government in its fight against the pandemic through contribution to relief funds and supply of sanitizers. We also started public area sanitization drive in Rampur district using Turbo Mist Sanitization Machine. Currently, we are working on the installations of oxygen generators at the government hospitals in six districts of Uttar Pradesh, a small gesture from Radico Khaitan to give back to the community and society.

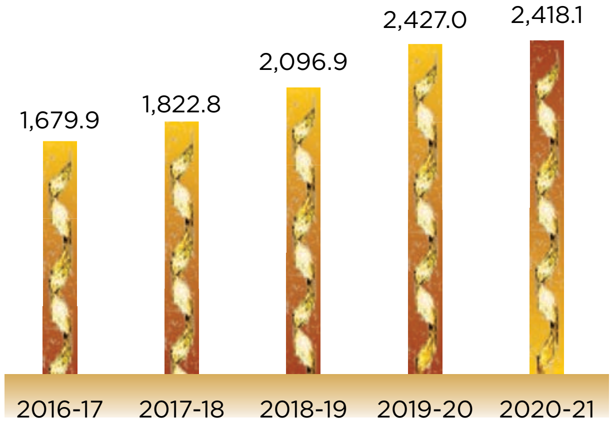
We are deeply committed to all our stakeholders and working to ensure that we continue to create value, pandemic or no pandemic. With the onset of the lockdown, we realised that it will not be business as usual. We reviewed and rationalized each cost line item to ensure that we can maintain robust margins which will give us ammunition to continue working on our brands. We continued to work with our partners and connected with them on digital platforms and increased the number of interactions with them. We expanded our scope of digital platform to engage with our customers and the millennial through targeted digital media campaigns to further our connect with them and strengthen our brand recall.

FINANCIAL HIGHLIGHTS

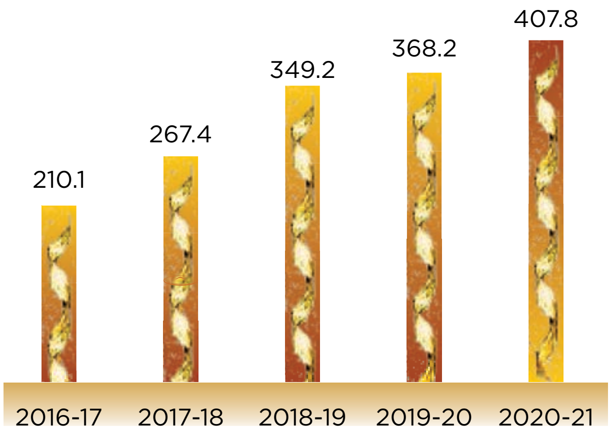
Prestige & above brands as % to total volume (Lakh Cases)



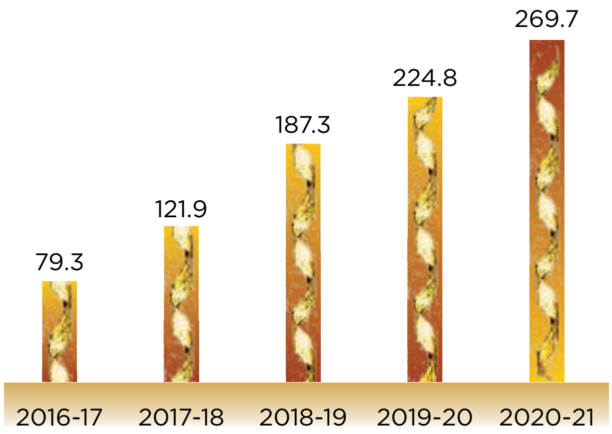
Net Revenue from Operations
(₹ in crore)



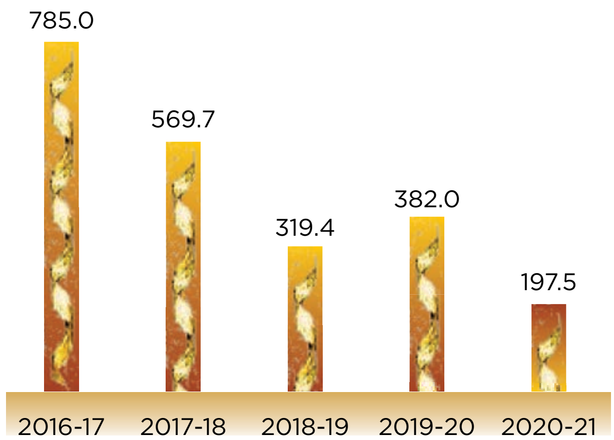
EBIDTA
(₹ in crore)



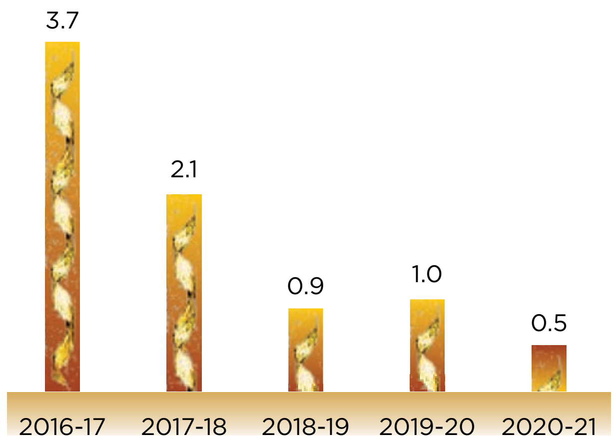
Net Profit
(₹ in crore)



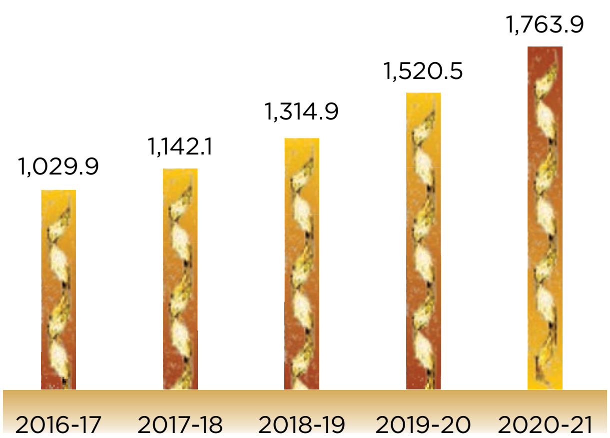
Net Debt
(₹ in crore)



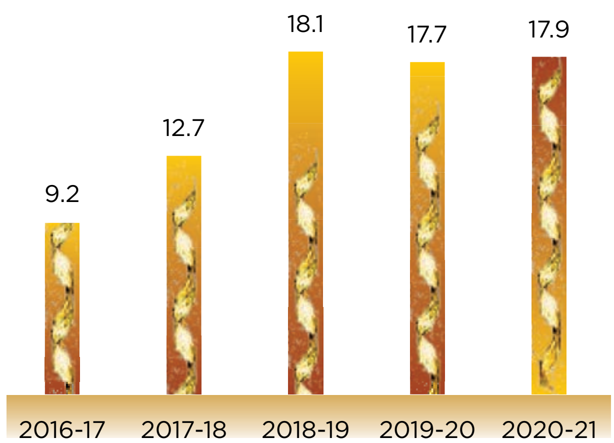
Net Debt/ EBDITA
(x)



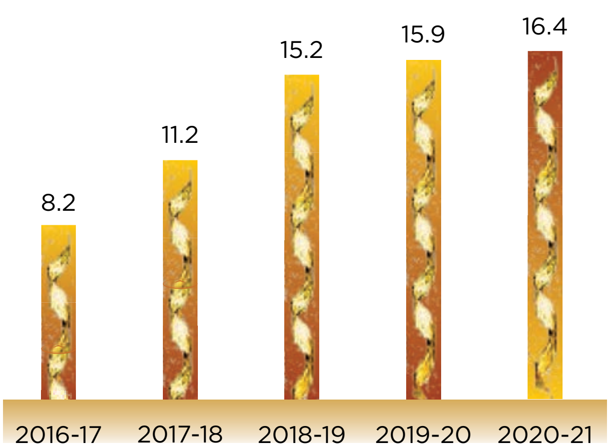
Net Worth
(₹ in crore)



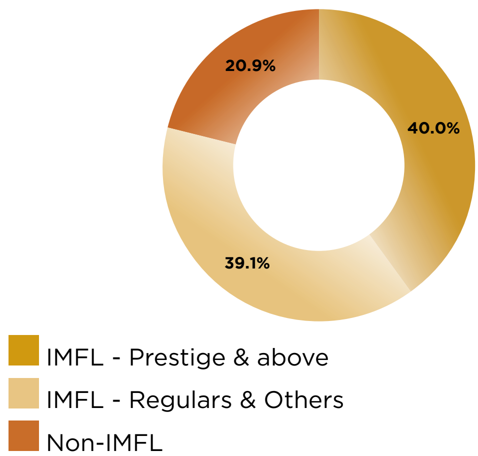
Return on Average Capital employed
(%)



Return on Average Equity
(%)



Revenue Breakup
FY2020-21



RAMPUR Distillery
ESTD 1943

RAMPUR

INDIAN SINGLE MALT WHISKY
NON-CHILL FILTERED

Indulge in the rich Indian heritage and enduring traditions of the Maharajas. Aged in the foothills of the Himalayas, this exquisite whisky is the Kohinoor of Single Malts.

Tasting Notes

Aroma/Nose: Rich fruity top note, toffee in the background, floral, honey, dried fruits and hint of spice.

Taste/Palate: All round balanced taste with malty & creamy vanilla. Hint of fruits like apricot & apple with sweet & winey taste.

Appearance & Finish: Golden amber with rich & long finish.

Decades of Perfection

www.rampursinglemalt.com

TRANSFORMATIONAL JOURNEY

WE SAW

"Every adversity, every failure and every heartache carries with it the seed of an equivalent or a greater benefit."

- Napoleon Hill

For a company with a legacy of over 75 years, we have been on a journey of evolution and transformation of sorts and hence not easily whittled down by adversities. Our journey began in 1943 with a focus on distillation and bottling. Till 1996, we created large capabilities and gained expertise to manufacture high quality spirit for branded players and to the armed forces / canteen stores.

Our next stage of transformation was getting ready with our branded journey which began in 1998. This phase saw us moving steadily in the branded, premium market with the launch of multiple brands including 8PM Whisky, Old Admiral Brandy, Contessa Rum, etc. We also ramped up our manufacturing platform with pan India manufacturing tie-up and developed a strong marketing machinery with a nationwide selling and distribution setup.

We started our premiumization journey in 2006, launching multiple stellar, premium brands. We are one of the only few companies globally to have created the entire brand portfolio organically

through in-house capabilities. Over the years, we have established a recognizable brand image even in the international market with our luxury brands, Rampur Indian Single Malt Whisky and Jaisalmer Indian Craft Gin.

We took each adversity as another stepping stone to strengthen the delivery capability of the team, to test how resilient our business model is and gauge the power of our brands.

Our consolidation phase is complete, our knowhow has deepened and we have strengthened our infrastructure. Our brands have matured. We have plans to take our portfolio to newer heights with the launch of new super premium brands. We have a strong balance sheet and cash flows to support a sustainable and profitable growth.

WE PLANNED

"The greatest danger in times of turbulence is not the turbulence – it is to act with yesterday's logic."

— Peter Drucker

Our business transformation journey continues to be work in progress and evolving with the changing situations. We are agile and adapt to the new challenging times, keeping in mind the premiumisation and long term sustainable growth of the business.

Few years back, we reviewed our business model, looked at the evolution of the industry and mapped the scenarios of consumer expectations. Based on our understanding, we implemented a number of strategic initiatives which formed the base for the next stage of our growth. Each employee is a part of this journey and we developed an incentive scheme for all employees (till the grass root level) to ensure that everyone is aligned with the focus on value growth and not volume growth. We also strengthened the leadership team and inducted leaders who believed in our vision and had solid experience in the industry. Further, given our premiumisation journey, we bolstered our sales and marketing team and brought in experts on brands, digital marketing, etc. In the pursuit of sustainable growth, we also divested from unprofitable volumes in certain markets.

We realised that the premiumisation aspiration cannot happen without the necessary and consistent investment in our brands. This required a strong balance sheet and we have been focusing on free cash flow generation and reducing our debt levels. Given an understanding of the customer aspirations and a strong R&D team, we have been able to deliver successful premium brand launches such as Rampur Indian Single Malt Whisky, Jaisalmer Indian Craft Gin, 8PM Premium Black Whisky and 1965 Spirit of Victory Rum.

To prepare for our journey, we continue to engage with our stakeholders and have seen some positive developments which have benefitted the industry and importantly, us as the market leader. The recent shift in the Uttar Pradesh state's excise policy which had moved from the monopolistic distribution to a free market helped us increase our market share, given the strong positioning we have in the state.

Similarly, we continue to make marketing investment in each of the key markets we operate in and all these steps have certainly helped in making our journey successful, despite the challenges like the pandemic during the year.

RAMPUR

INDIAN SINGLE MALT WHISKY
NON-CHILL FILTERED

DOUBLE CASK

THIS BEAUTIFUL EXPRESSION IS CRAFTED BY MATURATION IN HAND-PICKED *AMERICAN BOURBON* BARRELS & *EUROPEAN OAK* SHERRY CASKS

TASTING NOTES

NOSE: Full bodied aroma of tropical fruits, smooth malty tones and oaky notes from double oak–wood barrels create an auroral of flavors.

PALATE: Lustful elegance of sweet fruits riding on rich sherry for a blissful nirvana.

FINISH: Tantalisingly long, lingering and generous.

RAMPUR
Distillery
ESTD 1943

RAMPUR

INDIAN SINGLE MALT WHISKY
NON-CHILL FILTERED

ASĀVA

Matured in American Bourbon barrels and meticulously finished in Indian Cabernet Sauvignon casks for the first time in History resulting in a unique expression with an impeccable balance.

TASTING NOTES

NOSE: Typical tropical fruity note of Rampur with added notes of apricot, blackberry & plum followed with a faint hint of tobacco and spices.

PALATE: Velvety, manuka honey sweetness highlighted by spicy oak, vanilla and balanced with dryness from Indian red wine.

FINISH: The Indian trail lingers with a medium finish.

WORLD'S FIRST INDIAN WINE CASKS

facebook.com/RampurSingleMalt www.rampursinglemalt.com instagram.com/RampurSingleMalt

WE CONQUERED

"If you want to reach a goal, you must see the reaching in your mind before you actually arrive at your goals."

- Zig Ziglar

FY2021 started on a difficult note. And yet we prevailed and outperformed the industry, once again. That is the legacy of Radico Khaitan!

While the transformation journey continues, it fills our heart with joy on the path we have chosen and the impact we are seeing. Our premiumisation led transformation has helped us to consistently outperform the industry. In the year FY2019, the industry grew by 9.2% whereas we grew by 10.8%. In FY2020, the industry grew by only 0.4% whereas we outperformed by a wide margin at 12.5% growth. In the current fiscal, because of pandemic, the industry had degrown by (13.6)% whereas we de-grew by only (8)% and hence continuing market share gain. In an uncertain, pandemic world, achieving the highest ever monthly volumes in December 2020 is a showcase of our transformation process.

We had committed to reducing our debt in 2016 and that journey has seen us pare our debt by ₹ 750 crore since 2016, including debt reduction of ₹ 184 crore during the year. Another testimony to the success of our transformation story.

We are proud to report that 8 PM Premium Black Whisky registered sales volume of 1.2 million cases during the year despite the challenges in Q1 FY2021. The performance of our luxury brands, Rampur Indian Single Malt and Jaisalmer Indian Craft Gin was encouraging as we continue to expand our distribution width.

The transformation journey has been exciting, but is far from over.

We will continue with our transformation journey till we reach our aspiration of "being the most valuable spirits company in India with global standards, whilst at the same time committed to environment, sustainability and governance."

We know our goal and working each day to make it happen. For us at Radico Khaitan, it is just the beginning of an exhilarating tomorrow... We are High on Premium!

LETTER TO SHAREHOLDERS

Despite the uncertainties ahead, I continue to remain bullish about the economy and our business model... We have emerged stronger post the first two waves and this resilience will help us in the future as well. I am confident of our people and our capability to deliver the best premium products to our customers. We are ready to take on any challenges.

Dear Shareholders,

These are extremely difficult, uncertain times. In such times, I pray for the safety of all our shareholder members and their families. After two waves of COVID-19, we are living in an extremely challenging environment. I hope that you and your family members are taking all necessary precautions, adhering to the Government's guidelines and have taken the vaccination as these are the only ways we can protect ourselves against the Coronavirus.

We faced a tough Financial Year 2020-21, the year of the 'new normal' which brought in disruption for individuals, communities, organizations and countries. During a large part of the year, we have been impacted by the uncertainties induced by the lockdowns, forcing each one of us to find new ways of working. This severely impacted the economy in the first quarter of the fiscal year, posing challenges to our industry as well. As you are aware, we too felt the impact in our first quarter as we saw our volumes go down by 43.5% and Net Revenue from Operations fall by 34.4%, as compared to the previous year.

I believe that such challenges also bring in its wake unseen opportunities. We have been on a Premiumisation journey to shore up our profitability margins and these abnormal times saw us navigating through this tough situation and also preparing to be future ready. We focussed on investing behind our brands even as we optimized cost structure to sustain our margins. It is with satisfaction that I note that these not only helped strengthen our financial position but also enhanced our market share. While we managed to close FY2021 at the same level as the previous fiscal's Net Revenues from Operations at ₹2,418 crore, we expanded our EBITDA margins by nearly 170 basis point to close the year with ₹408 crore, up 11%, as compared to the previous year.

During the whole year, employee health, safety and wellness was our top priority. In the pandemic, where we saw pay cuts and job loss across industries, it is with pride to mention that not a single member of our employee community was asked to leave nor did we undertake any salaries cuts.

Despite the uncertainties ahead, I continue to remain bullish about the economy and our business model as we experienced improving trends during the second half of the year and have seen the economy and industry normalise. We have emerged stronger post the first two waves and this resilience will help us in the future as well. I am confident of our people and our capability to deliver the best premium products to our customers. We are ready to take on any challenges.

I take this opportunity to thank each one of you for continuing to believe in our vision and execution as we step into the next phase of our strategic growth journey. I would also like to acknowledge the contribution of our partners and customers for reposing faith in Radico Khaitan and actively working for our combined success.

Warm regards,

Lalit Khaitan
Chairman & Managing Director

IN CONVERSATION WITH ABHISHEK KHAITAN, MANAGING DIRECTOR

How would you describe FY2021 and what were the actions that you took to emerge stronger?

We will all remember FY2021 as the year of pandemic, lockdowns, disruption and chaos. It hit the economy, it impacted our industry and it had repercussion on the company and our employees. We were quick to realize the gravity of the situation and immediately actioned multiple measures to navigate through the challenging times. Our first and foremost priority remained, and remains, our employees and all efforts were made to ensure their safety.

In such tough times, conserving cash and generating cash are the imperatives to succeed and that is what we focussed on during the fiscal. We reviewed each and every cost line items, putting in place very strong credit controls. Yet we continued to invest in our A&SP spends which enabled us to continue the growth momentum.

All these have helped us to not only come out through the pandemic but emerge stronger with increased market share. Importantly, we have been on a journey of debt reduction since April 2016 and it is noteworthy that since 2016, we have reduced our debt by ₹ 750 crores which is a testimony to our business model and the cash flow generation.

How do you see the success of your Premiumisation and brand journey?

Since 2006, we took a decision that we need to have a strong premium brand portfolio which will help us not only to maintain high margins but make us less susceptible to the market vagaries and help drive sustainable growth. Understanding the customers need, and driven by our R&D team, we have launched multiple premium brands which have become market leaders. Product innovation catering to the consumer aspirations and identifying the gaps in the market has been the key to our success.

Our brands like Magic Moments Vodka, Morpheus Brandy, 8PM family of whiskies, Contessa Rum, etc. are market leaders in their own rights. We are possibly the rare Indian company in the industry which also has products (Rampur Indian Single Malt Whisky and Jaisalmer Indian Craft Gin) in the super-luxury space, a space occupied by international alcohol companies. It is with pride that I say, that our products are available across the world and being admired and recommended by top experts. Our focus on product quality and consumer satisfaction has won various awards and accolades internationally.

Even during the pandemic, our performance is a testament to our resilient business model, strong premium product portfolio and excellent execution capabilities of the management team. Importantly, we have been outperforming the industry by a wide margin.

Looking ahead, we will continue to make judicious marketing investment to continue our market share expansion and continue the premiumisation journey.

In the super premium/luxury space, you have launched Rampur Malt and Jaisalmer Gin. What is the future strategy for these brands?

Jaisalmer is available globally in over 25 countries and is now made available in 6 metros in India. It will be launched on pan-India basis over the next year. Rampur Indian Single Malt is available in 45 countries and now made available in Delhi. We had expanded our malt distillation and maturation capacity three years back. With the increased capacity, Rampur will be made available in larger quantities in India in 2-3 years' time. In addition to civil market, both these brands will be launched in the defence market in FY2022. With the ban of BIO products in the defence markets, both these products have strong opportunities. Both these brands will start to make a meaningful contribution to our profitability in the years to come. In future, we will continue to enhance our premium portfolio whether it is whisky or vodka or any other category.

Radico Khaitan is probably the only company that has focused on white spirits with continued investments behind Magic Moments and now with Jaisalmer gin. What is the potential of this segment given it is still 4-5% of the IMFL market in India?

It is with pride that I say, that our products are available across the world and being admired and recommended by top experts. Our focus on product quality and consumer satisfaction has won various awards and accolades internationally.

Vodka currently accounts for less than 5% of the domestic IMFL volumes compared to around 25-30% globally. With the favourable demographic profile and changing consumer preferences, we believe that Vodka industry is bound to expand. Over the last five years, premium vodka space has grown at a faster pace than the overall vodka industry which is a positive sign. Within vodka, flavours are gaining momentum. More than 50% of our vodka volumes is flavours. To expand the vodka category, we are doing a number of things including new flavours, expressions and more premium offerings to be launched in the near future. We are doing very targeted marketing campaigns which will also help us expand this category.

How important is ESG for Radico Khaitan?

Environmental, Social and Governance (ESG) has come in popular parlance only in recent times. With a legacy of over 75 years, it has been our firm belief in creating value that is sustainable and in a manner that is economical, environmentally friendly and socially acceptable. Importantly, we have adopted this approach to our business, long before it was mandated by law.

As a company, we believe in a strong governance framework and as you leaf through the annual report, you will read about our commitment in this area. Social continues to play a pivotal role for each one of us and we are doing everything possible to fulfil our social obligations to our communities and society. You would have already glanced few initiatives that we have taken in the other sections.

As a company, we have taken environmental stewardship and supporting the planet in big and small ways. For example, in our Rampur distillery nearly 70% of the power consumed is from renewable energy sources and around 47% of the renewable power was through biogas generated through waste produced during the alcohol manufacturing process. We have been ramping up our usage of recycled glass bottles for certain large brands which stands at 14% in FY2021 as compared to 4.5% in FY2019. Other initiatives include water recharging and harvesting around our factories, educating farmers around water conversation through the use of technology. We are aligned to the UN Sustainability Development Goals (SDGs) and will continue to work under the ESG framework to create a better world.

BOARD AND LEADERSHIP

Dr. Lalit Khaitan
Chairman and Managing Director

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

Abhishek Khaitan
Managing Director

Tushar Jain
Independent Director
Entrepreneur with over 25 years of experience; Managing Director at Automat Industries and Smith Industrial Corporation

Krishnan Pal Singh
Whole Time Director and Director – Operations

Sharad Jaipuria
Independent Director
Chairman and Managing Director of Ginni International and Chairman of Ginni Global

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

Sushmita Singha
Independent Director
Director, Kajaria Ceramics Limited, Honorary member of BRICS Chamber of Commerce

LEADERSHIP TEAM

Dr. Lalit Khaitan
Chairman and Managing Director

Abhishek Khaitan
Managing Director

Krishnan Pal Singh
Whole Time Director and Director – Operations

Amar Sinha
Chief Operating Officer

Dilip Banthiya
Chief Financial Officer

Sanjeev Banga
President - International Business

Dinesh Kumar Gupta
Vice President – Legal & Company Secretary

Saket Somani
Vice President – Finance & Strategy

Atul Bhatia
Chief Information Officer

Vinay Padroo
Chief Human Resources Officer

BUSINESS STRATEGY

Strengthening the premium brand portfolio

Concerted efforts have been made by the Company towards channelizing deep understanding of consumer preference and the industry dynamics to deliver superior products and brands. To this effect, Radico Khaitan continues to work on making its core brands more aspirational and driving premiumization by impactful innovations. Radico Khaitan continues to track the changing industry dynamics, consumption patterns and consumer preferences which drives product innovation. The Company has a pipeline of new premium brand launches in the coming year. It shall include brands in the biggest segment of the industry, i.e. whisky. Radico Khaitan is also planning to capitalize on the market leading position and expand the Vodka market with more premium offerings. With Jaisalmer Indian Craft Gin, the Company has had the first mover advantage in the Indian craft gin which is gaining strong traction globally. Building upon its success, Radico Khaitan is also looking to launch new product in the super premium gin space.

Innovation to sustain consumer preferences

Investment in innovation has enabled the Company to grow its market share for existing products while at the same time capturing new categories (Rampur Indian Single Malt whisky) and new product segments (Jaisalmer Indian Craft gin). Furthermore, it has helped in bridging portfolio gaps (8PM Premium Black whisky) and providing long-lasting customer experiences. It has also enabled the Company to offer choices for its existing loyal consumers who are looking to upgrade (Magic Moments Verve vodka and Morpheus Blue brandy). Radico Khaitan's wide portfolio across various categories offers its consumers a choice for all occasions and provides an edge over competing brands.

Expanding market share across regions

Over the years, Radico Khaitan has been delivering industry outperforming growth. This has been made possible due to the Company's diversified product portfolio across price points. The Company's brands enjoy a strong consumer loyalty. Furthermore, Radico Khaitan has continued to make focused marketing investment behind brands despite the industry slowdown which has led to gaining market shares. The longstanding strategy of continuous innovation and value creation has also helped Radico Khaitan sustain its leadership position across key product categories and key liquor consuming markets.

Increasing global footprints

Consistent brand building efforts over the past few years are now paying rich dividends in the international markets. Despite the pandemic and frequent lockdowns, Radico Khaitan's exports registered strong growth during FY2021 and contributed over 7% of the total net revenue from operations. Due to a strong brand equity, the Company's brands were the preferred ones for home consumption. Online sales for its luxury portfolio was able to offset the non-availability of Global Travel Retail channel. Radico Khaitan successfully launched a new expression of its Indian Single Malt – Rampur Asava at the virtual Whisky Show, London. For the first time in history, a Single Malt has been finished in an Indian Wine Cask. Rampur Asava has received very encouraging response from global Whisky experts, consumers as well as trade.

Increasing efficiency in Supply Chain Management

Radico Khaitan's supply chain management strategy revolves around customer service, cost efficiency and operational excellence. The Company has 33 bottling units spanning across the entire country, of which 5 are owned and 28 are contract bottling units. Radico Khaitan continuously strives to build flexibility and competitiveness in supply chain by developing more suppliers in the system across all materials as well as logistics to ensure reliable volume deliveries at the right place in a timely and cost-effective manner.

To mitigate supply chain risk due to COVID, Radico Khaitan is minimizing import from China and other countries. The Company is also developing the sourcing base in India to maximize the supply chain efficiency. The Company has done reverse auction in past in logistics and is currently exploring the possibility in packaging and other materials to control cost and assess the market scenario.

To enable more efficiency in procurement process, Radico Khaitan is utilising IT based tools for full-fledged material requisition planning starting from sales forecast to ordering, inventory management to cost control and to service market fast. The Company is also identifying the key business partners to create collaborative approach to increase efficiency in the supply chain.

Focus on digitalisation:

Over the last few years, Radico Khaitan has been increasing its focus on digitalisation to enhance brand visibility and automation at work place for faster and efficient decision making across the value chain.

Digital marketing

The Company has expanded its presence on the digital platforms through social media promotions and targeted digital media campaigns to connect with the millennial and strengthen its brand recall. All of the Company's leading brands such as Rampur Indian Single Malt and Jaisalmer Indian Craft Gin have their own microsites therefore enabling online consumer experience. Other core brands such as Magic Moments and 8PM Premium Black have significant online presence through dedicated social media pages. In order to make its marketing efforts more targeted and efficient, the Company leverages its digital marketing and consumer engagement technologies to connect with its potential consumers based on their choices and preferences.

Digital transformation at work place

Radico Khaitan has been driving digital transformation across the organization and defining a clear roadmap to simplify and synergise processes. The Company is leveraging vital technology components, to drive transformation in the work environment and support the workforce. Radico Khaitan is driving enterprise-wide collaboration over a single platform and utilizing the power of machine learning to automate business-as-usual tasks. Strong technology core is not only limited to enhancing the remote work environment. It also includes leveraging unified data accessibility and AI-driven tools to implement intelligent business systems. This will enable real-time, consensus-driven decisions that will go a very long way in building an adaptive and agile organisation.

Lean cost structure

Radico Khaitan continues to focus on cost optimisation and making its operations much leaner. The Company is diligently putting conscious effort towards reviewing each and every fixed cost line item. Extra neutral alcohol (ENA) and packaging materials are two key components of the variable costs. The Company is largely self-dependent for its ENA requirements due to owning significant distillation capacity of 160 Million liters. This also provides a cushion against fluctuations in the ENA prices. The Company has undertaken various initiatives to further optimise its cost structure. These includes rationalisation of the bottle supplies, diversification of its supplier base and weight optimisation of glass bottles.

ENVIRONMENT STEWARDSHIP

We believe in creating value and sustainable growth keeping in mind our commitment to environment and society.

We have been aligning ourselves with the UN's SDGs to ensure that our work with the communities and environment go hand in hand with achieving the overall objective of providing a better and sustainable future for all. It has been our endeavour to use renewable energy sources and consuming lesser resources per unit of production.

Use of Recycled Glass Bottles

Given the nature of our business and the high usage of glass bottles, we have been aiming to increase our consumption of recycled glass bottles. This continuous focus has seen us increasing the usage from 4.5% to 14.1% in the past two years for key large brands.

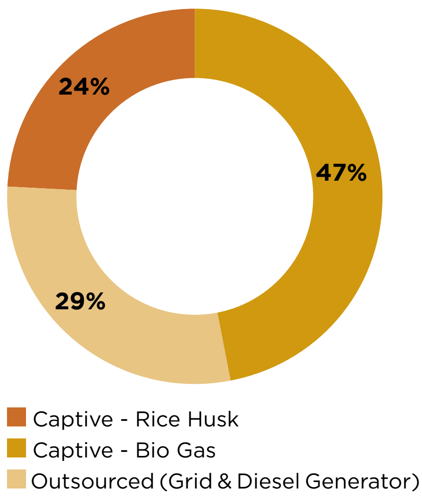
UN SDGs

Consumption (million)	FY2019	FY2020	FY2021
% Recycled Bottles	4.5%	7.4%	14.1%

Energy Consumption

Out of the total power consumption at the Rampur plant in FY2021, Radico Khaitan generated 71% through captive power plants using renewable energy/bio fuels. A significant portion of our generation comes from biogas generated through waste produced during the alcohol manufacturing process – significantly reducing out carbon footprint.

UN SDGs



Tree Plantation

During the year under review, Radico Khaitan undertook plantation of 10,000 trees at various locations in the Rampur district.

UN SDGs

Water Consumption

We are proud to mention that our water consumption is one of the lowest in the Alcobev industry. We have been continuously working to bring down the water consumption through technology upgrade throughout the manufacturing process. Today both, the molasses and grain distilleries, use about 6.2-6.3 liters of water per bulk liter of alcohol production. This has come down by 48% in case of Molasses based distillery and 40% in case of Grain based distillery.

	Molasses based		Grain based	
Year	**FY2018**	**FY2021**	**FY2018**	**FY2021**
% Recycled Streams	39%	70%	29%	63%
Fresh water consumption (liter/BL)	12.3	6.3	10.5	6.2

UN SDGs

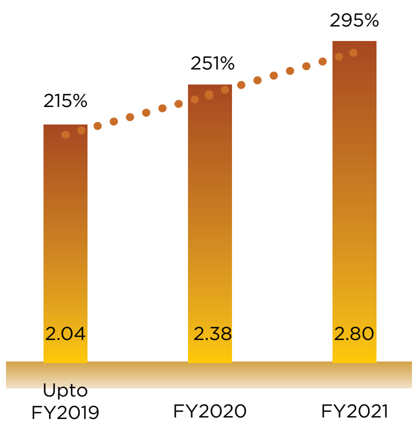
Water Recharging

Water is at the core of sustainable development and is critical for socio-economic development, healthy ecosystems and for human survival itself. Water is at the heart of adaptation to climate change, serving as the crucial link between the climate system, human society and the environment.

Rainwater harvesting and ground level recharging is a common theme at our plants. We have installed 27 recharging structures across the premises. We have taken our success to our communities and have installed 129 recharging structures across 38 villages in Chamraua Block of District Rampur. Currently, we are able to recharge ~300% of total water we draw from the ground, giving back more to the ecosystem. Consequently, the ground water level in Chamraua Block has improved by about 1 meter and reached a stable level.

Year	Recharge water (million M^3)	% of ground water used	No. of recharging shafts
Upto FY2019	2.04	215%	118
FY2020	2.38	251%	141
FY2021	**2.80**	**295%**	**156**

UN SDGs



Radico - The Art of Living's Bhujal Shakti Project

We have joined hands with 'Vyakti Vikas Kendra India' (The Art of Living) and the government to further replicate our water recharging success in other areas of Rampur.

Under the project, we plan to cover three blocks of Rampur district out of the four blocks. A total of 451 villages have been considered, out of 1,163 villages of Rampur district. We plan to cover a total area of 831 sq km, out of the total of 2,298 sq km area of Rampur district. Our project will benefit over 40% of the total population of Rampur district of 23.3 lakh.

This project will not only support the upliftment of water level in the Rampur district but also provide employment to a large number of youth. As part of the project, individuals will be trained and prepared to create awareness about the water resources in the area, rainfall patterns, hydrological cycle, and water accounting and budgeting. This will enable them to also prepare water security plans for the area and maintain recharge structures. Hand in hand, water literacy training programs will also be conducted across the area to educate farmers about more effective and sustainable irrigation techniques such as sprinkler systems or drip irrigation. Farmers utilizing efficient irrigation techniques shall be incentivized and rewarded.

UN SDGs

Director's Report

Dear Members,

Your Directors are pleased to present the Thirty Seventh Annual Report on the business and operations together with the Audited Financial Statements of your Company for the year ended March 31, 2021.

Results of operations and state of Company's affairs

	Standalone			Consolidated		
(₹ in Crore)	**FY2021**	**FY2020**	**Change (%)**	**FY2021**	**FY2020**	**Change (%)**
Revenue from Operations (Gross)	10,367.36	9,417.89	10.1%	10,367.36	9,417.89	10.1%
Revenue from Operations (Net)	**2,418.14**	**2,427.04**	**(0.4)%**	**2,418.14**	**2,427.04**	**(0.4)%**
Other Income	20.07	9.19	118.5%	20.07	9.19	118.5%
Income from Operations	**2,438.21**	**2,436.23**	**0.1%**	**2,438.21**	**2,436.23**	**0.1%**
Raw Materials Consumed	1,202.42	1,248.19	(3.7)%	1,202.42	1,248.19	(3.7)%
Employee Benefit Expenses	176.34	186.08	(5.2)%	176.34	186.08	(5.2)%
Selling & Distribution Expenses	316.52	311.25	1.7%	316.52	311.25	1.7%
Depreciation	53.90	52.53	2.6%	53.90	52.53	2.6%
Finance Cost	22.02	31.61	(30.4)%	22.02	31.61	(30.4)%
Other Operating Expenses	313.92	309.72	1.4%	313.92	309.72	1.4%
Total Expenses	**2,085.11**	**2,139.37**	**(2.5)%**	**2,085.11**	**2,139.37**	**(2.5)%**
Profit Before Tax & Exceptional Item	353.10	296.85	18.9%	353.10	296.85	18.9%
Exceptional Item	0.00	(24.17)		0.00	(24.17)	
Profit Before Tax	**353.10**	**272.69**	**29.5%**	**353.10**	**272.69**	**29.5%**
Current Tax	84.36	70.95	18.9%	84.36	70.95	18.9%
Previous Year Adjustments	(3.89)	0.00		(3.89)	0.00	
Deferred Tax	2.07	(25.76)	(108.0)%	2.07	(25.76)	(108.0)%
Net Profit	**270.56**	**227.50**	**18.9%**	**270.56**	**227.50**	**18.9%**
Net Income Margin (%)	*11.2%*	*9.4%*		*11.2%*	*9.4%*	
Share in profit of Joint Venture				6.59	1.64	302.3%
Other Comprehensive Expenses / (Income)	0.86	2.70	(68.1)%	0.86	2.73	(68.7)%
Total Comprehensive Income	**269.70**	**224.80**	**20.0%**	**276.30**	**226.41**	**22.0%**
Total Comprehensive Income Margin (%)	*11.2%*	*9.3%*		*11.2%*	*9.3%*	
Basic EPS (₹)	20.26	17.05	18.8%	20.75	17.16	20.9%
Gross Profit	**1,215.72**	**1,178.85**	**3.1%**	**1,215.72**	**1,178.85**	**3.1%**
Gross Margin (%)	***50.3%***	***48.6%***		***50.3%***	***48.6%***	
EBITDA	**407.79**	**368.19**	**10.8%**	**407.79**	**368.19**	**10.8%**
EBITDA Margin (%)	***16.9%***	***15.2%***		***16.9%***	***15.2%***	
Paid-up Equity Share Capital (Face Value of ₹ 2 each)	26.71	26.71	0.0%	26.71	26.71	0.0%
Reserves & Surplus	1,737.19	1,493.82	16.3%	1,766.20	1,516.23	16.5%
Transfer to General Reserve	-	-				
Proposed Dividend and tax thereon	32.06	26.71	20.0%	32.06	26.71	20.0%

PERFORMANCE REVIEW (STANDALONE)

Revenue from Operations

Volume (Million Cases)	**FY2021**	**FY2020**	**Change (%)**
Prestige & Above	6.51	7.05	(7.7)%
Regular & Others	15.83	17.25	(8.2)%
Total Volume	**22.34**	**24.30**	**(8.0)%**
Prestige & Above as % of Total	*29.1%*	*29.0%*	

Due to the pandemic induced lock downs in April 2020, our performance was impacted adversely. As a result, total volumes declined (8.0%) Y-O-Y and Revenue from Operations (Net) degrew by (0.4)%. Immediately after the nationwide lockdowns started to ease out in May 2020, our operations rebounded very quickly and we also saw improvement in the industry performance on a quarter-on-quarter basis. Through the second half of FY2021, we had seen sustained improvement in various macroeconomic indicators demonstrating a strong economic revival. By the end of the year, eight out of eleven top markets that we operate in returned to growth. Against IMFL volume decline of (8.0)%, IMFL sales value decreased by (3.3)%. In value terms, Prestige & Above brands contributed to about 50.6% of total IMFL sales value (vs. 49.5% last year). IMFL sales value accounted for 79.1% of the total Revenue from Operations (net) of the Company compared to 81.5% last year. Non-IMFL sales value growth was 12.6% during the year.

Gross Profit

Gross Margin expanded from 48.6% in FY2020 to 50.3% in FY2021. On Y-O-Y basis, ENA prices declined about 4%. Raw material prices overall have been benign during FY2021. However, towards the end of the year we saw some inflationary pressures on the dry goods such as packing materials.

EBITDA

EBITDA increased by 10.8% Y-O-Y with margins of 16.9% (increased by 169 bps Y-O-Y). During FY2021, Advertising & Sales Promotion (A&SP) expenses were ₹ 139.63 Crore (flat Y-O-Y). The Company continues to invest behind brand building to support strategic growth and market share expansion initiatives.

Finance Cost

Finance Cost for FY2021 decreased by 30.4% Y-O-Y from ₹ 31.61 Crore to ₹ 22.02 Crore.

Total Comprehensive Income

Total Comprehensive Income increased by 20.0% compared to last year to ₹ 269.70 Crore.

PERFORMANCE REVIEW (CONSOLIDATED)

Radico Khaitan has a 36% equity stake in Radico NV Distilleries Maharashtra Limited. Consolidated financials of the Company include share in profit of this joint venture amounting to ₹ 6.59 Crore in FY2021 compared with ₹ 1.64 Crore in FY2020.

DIVIDEND

The Board of Directors has recommended a dividend of 120% i.e. ₹ 2.40 per equity share of ₹ 2 each fully paid up Capital of the Company (last year ₹ 2 per equity share of ₹ 2 each). The payment of dividend is subject to approval of the members at the forthcoming annual general meeting and shall be subject to deduction of income tax at source.

The dividend recommended is in accordance with the Company's Dividend Distribution Policy. The Dividend Distribution Policy of the Company is available on the Company's website and can be accessed at https://www.radicokhaitan.com/wp-content/uploads/2019/03/Dividend-Distribution-Policy.pdf

CAPITAL STRUCTURE

Share Capital

The Company has an authorized share capital of ₹ 94 Crore consisting of ₹ 34 Crores equity share capital (17,00,00,000 equity shares of ₹ 2 each) and ₹ 60 Crores preference share capital (60,00,000 preference shares of ₹ 100 each).

As on March 31, 2021, the issued, subscribed and paid up share Capital of the Company is ₹ 26.71 Crores divided into 13,35,68,265 fully paid up equity shares of ₹ 2 each.

Employees' Stock Option Scheme

The Company has an employee stock option scheme 2006 (Scheme 2006). During the year, there was no material change in the scheme and the scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 (the 'SEBI ESOP Regulations').

During the year under review, no stock options were granted to employees under the Scheme 2006 and the Company has allotted 34,000 equity shares on exercise of stock options. Each Option entitles the holder to acquire one equity share of ₹ 2 each of the Company at the exercise price fixed at the time of grant, being the market price as per the erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

The particulars of the options as required by SEBI (Share Based Employee Benefits) Regulations, 2014 have been placed on the website of the company and web link of the same is https://www.radicokhaitan.com/wp-content/uploads/2021/09/ESOP-Disclosure-Annual-Report-2021.pdf

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review, the Company has no subsidiary. The Company has only one joint venture, namely, Radico NV Distilleries Maharashtra Limited ("RNV"). The Company has 36% stake in the said joint venture. In terms of the Section 129(3) of the Companies Act, 2013 ("the Act"), the financial results of RNV are consolidated with the accounts of the Company and the salient features of the financial statements of RNV as set out in the prescribed form AOC-1 is appended as **Annexure – A** to this report.

In accordance with the provisions of the Act and SEBI (Listing Obligation and Disclosures requirements) Regulations, 2015 read with Ind AS 110 Consolidated Financial Statement, Ind AS 28 Investments in Associates and Joint Ventures and Ind AS 31 Interests in Joint Ventures, the consolidated audited financial statement forms part of the Annual Report.

CREDIT RATING

The Company's long-term credit facility is revised by CARE Ratings. The Company's long-term credit facilities is now rated as CARE AA- (Double A Minus) with a positive outlook.

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

AUDITORS AND AUDITORS' REPORT

Statutory Auditor

As per the provisions of the Act, the term of BGJC & Associates LLP, Chartered Accountants as Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting. Based on the recommendations of the Audit Committee, it is proposed to appoint M/s. Walker Chandiok & Co LLP, Chartered Accountants as Statutory Auditors of the Company, for a term of 5 (five) consecutive years. M/s. Walker Chandiok & Co LLP, Chartered Accountants, have confirmed their eligibility and qualifications required under the Act for holding the office as Statutory Auditors of the Company.

Audit Report

The report of the Statutory Auditors along with notes to Schedules is enclosed to this annual report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark. Further, the auditors have not reported any fraud u/s 143(12) of the Act.

Cost Auditor

The Board, on the recommendation of the Audit Committee, has approved the appointment of Mr. R. Krishnan, Cost Accountants, as Cost Auditors, for the financial year ending March 31, 2021. In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditors has to be ratified by the shareholders, the Board recommends the same for approval by shareholders at the ensuing annual general meeting.

Cost Records

Maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 and the prescribed cost records have been made and maintained by the Company.

Secretarial Auditor

The Company had appointed M/s TVA & Co. LLP, Company Secretaries to conduct its Secretarial Audit for the financial year ended March 31, 2021. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, reservation, disclaimer or adverse remark. The Secretarial Audit Report is annexed as **Annexure B** to the Board's report. The Board, on the recommendation of Audit Committee, has re-appointed M/s. TVA & Co. LLP, Company Secretaries, New Delhi, as Secretarial Auditors of the Company for financial year 2021-22.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Induction, Re-appointment, Retirements and Resignations

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Abhishek Khaitan, Managing Director of the Company, retires by rotation at the ensuing annual general meeting. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee (NRC), has recommended re-appointment of Mr. Abhishek Khaitan.

The members had, at the 33rd AGM of the Company held on September 29, 2017, approved re-appointment of and payment of remuneration to Mr. Abhishek Khaitan as Managing Directors for the Company for a period of five years effective from February 28, 2018.

Hence, the Board of Directors have recommended the payment of remuneration to Mr. Abhishek Khaitan, as per Regulation 17(6)(e) of SEBI Listing Regulations, with effects from April 01, 2019 for the remaining tenure of his appointment i.e. upto February 19,2023.

During the year, Mr. Dinesh Kumar Gupta was appointed as Vice President – Legal and Company Secretary in the category of key managerial personnel with effect from January 28, 2021 in place of Mr. Amit Manchanda who resigned from the services of the Company.

The Company has a Nomination & Remuneration Committee and formulated the criteria for determining the qualifications, positive attributes and independence of a Director ("the Criteria"). The policy relates to the remuneration of the Directors, key managerial personnel and other employees, as required under Section 178(3) of the Act. The Criteria includes that a person to be appointed on the Board of the Company should possess in addition to the fundamental attributes of character and integrity, appropriate qualifications, skills, experience and knowledge.

Meeting of Independent Directors

The Independent Directors of the Company met separately on January 28, 2021 without the presence of the Non-Independent Directors and the members of management. The meeting was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company. In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), following matters were, inter-alia, discussed in the meeting:

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

2. Review of the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

3. Assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Declaration by Independent Directors

The Company's Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct. The Company keeps a policy of transparency and arm's length while dealing with its Independent Directors. No transaction was entered with Independent Directors during the year which could have any material pecuniary relationship with them. Apart from sitting fee, no other remuneration was paid to any of the Independent Directors.

In the opinion of the Board, the Independent Directors hold highest standard of integrity and possess the requisite qualifications, experience, expertise and proficiency.

Policy on Nomination, Remuneration and Board Diversity

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

Annual Board Evaluation

The Board is committed to transparency in assessing the performance of Directors. In accordance with the Companies Act, 2013 and the Rules made thereunder, Schedule – IV of the Act and Regulation 4(2)(f) of the Listing Regulations, Radico Khaitan has framed a policy for the formal annual evaluation of the performance of the Board, Committees and individual Directors. The Company has put in place a robust framework for evaluation of the Board, its Committees, the Chairman, individual Directors and the governance processes that support the Board's functioning.

This framework covers specific criteria and the grounds on which all Directors in their individual capacity are evaluated. The key criteria for performance evaluation of the Board and its Committees include aspects such as composition and structure, effectiveness of board processes, information sharing and functioning. The criteria for performance evaluation of the individual Directors include aspects such as professional conduct, competency, and contribution to the Board and Committee meetings. The criteria for performance evaluation of the committees of the Board include aspects such as the composition of committees and effectiveness of committee meetings. The performance evaluation of the Independent Directors was done by the entire Board excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

Familiarisation Programme for the Board Members

A note on the familiarisation programme adopted by the Company for orientation and training of the Directors and the Board evaluation process undertaken in compliance with the provisions of the Companies Act, 2013 and the Listing Regulations is provided in the Report on Corporate Governance which forms part of the Annual Report.

Roles and Responsibilities of Board Members

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

PARTICULARS OF EMPLOYEES AND REMUNERATION

In terms of the first proviso to Section 136 of the Act, the Reports and Accounts are being sent to the shareholders excluding the information required under Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any shareholder interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company on any working day of the Company up to the date of the 36th Annual General Meeting. The statement containing information as required under the provisions of Section 197(12) of the Act read with Rule 5 (1), Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure – C** and forms part of this Report.

BOARD COMMITTEE AND MEETINGS OF THE BOARD AND BOARD – COMMITTEES

In compliance with the statutory requirements, the Company has mandatory committees viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management

Committee, Stakeholders Relationship Committee and Committee of Directors.

All the recommendations made by the Committees of the Board, including the Audit Committee, were accepted by the Board.

The Board of Directors met four (4) times during the previous financial year. A detailed update on the Board, its composition, governance of committee including detailed charter, terms and reference of various Board Committees, number of Board and Committee meetings held during financial year 2020-21 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this Annual report.

CONVERSATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required to be disclosed pursuant to Section 134 of the Act read with the Companies (Accounts) Rules, 2014 is given as **Annexure-D** and forms part of this Report.

ENVIRONMENTAL PROTECTION MEASURES TAKEN BY THE COMPANY

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

INTERNAL FINANCIAL CONTROLS

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

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

Management team has assessed the effectiveness of the Company's internal control over financial reporting as at March 31, 2021. The Statutory Auditors of the Company have audited the financial statements included in this Annual Report and issued their report on internal control over financial reporting (as defined under section 143 of the Companies Act, 2013). The Company has appointed reputed firms of Chartered Accountants to carry out Internal Audits. The audit is based on focused and risk-based internal plans, which is reviewed every year in consultation with the Audit Committee. In line with international practices, the focus of Internal Audit is oriented towards the review of internal controls and risks in operations.

RISK MANAGEMENT POLICY

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

DEMATERIALISATION

During the year 1,44,750 shares of the Company constituting 0.11% of the issued and subscribed Share Capital of the Company, were dematerialised. As on March 31, 2021, 99.04% of the shares of the Company have been dematerialized. Your Directors would request all the members who have not yet converted their holdings into dematerialized form, to do so thereby facilitating trading of their shares. As per SEBI guidelines it is mandatory that the shares of a company are in dematerialized form for trading.

INSURANCE OF FIXED ASSETS

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

ARCHIVAL POLICY

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

SAFETY & WELLBEING OF WOMEN

Gender equality and women safety is a very important part of Radico Khaitan's human resource policies. The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company has endeavoured to encourage women professionals by creating proper policies to tackle issues relating to safe and proper working conditions and create and maintain a healthy and conducive work environment that is free from discrimination. During the year under review, there were no sexual harassment cases reported to the Safety & Wellbeing of Women.

Composition of the Sexual Harassment Committee as on March 31, 2021 compliance with conditions of corporate governance, as stipulated under the Listing Regulations, forms part of the Annual Report.

The internal financial controls have been documented, digitised and embedded in the business process. Assurance on the

1.	Ms. Roopali Makhija	Presiding Officer
2.	Ms. Jyoti Negi	Member
3.	Mr. Dinesh Kumar Gupta	Member
4.	Ms. Manu Chaudhary	Member
5.	Mr. Vinay Padroo	Member
6.	Mr. Mukesh Arora	Member

VIGIL MECHANISM

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

CORPORATE SOCIAL RESPONSIBILITIES (CSR)

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

Composition of the CSR Committee as on March 31, 2021

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

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

The company had the obligation to spend ₹ 457.02 lakhs in the Financial Year 2020-21 however the company has spent ₹ 528.08 which is excess by ₹ 71.06 Lakhs.

The Board has approved the adjustment excess amount spent against the obligations of next 3 years as per the Section 135 of the Companies Act, 2013.

REPORTING OF FRAUDS

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

CYBER RISK

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

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, the work performed by the Internal Auditors, Statutory Auditors and Secretarial Auditors, including the Audit of Internal Financial Controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY2021.

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

i) In the preparation of the Annual Accounts for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

ii) The Board has selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;

iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) The annual accounts have been prepared on a going concern basis;

v) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

OTHER DISCLOSURES

(i) Extract of Annual Return

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return as at March 31, 2021 on its website and by virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report.

Annual Return can be accessed at https://www.radicokhaitan.com/wp content/uploads/2021/09/MGT-7-Annual-Return-2021.pdf

(ii) 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.

(iii) Loans, Guarantees and Investments

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.

(iv) Particulars of Contract or arrangements with Related Party

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus, disclosure in form AOC-2 is not required.

Further, there are no material related party transactions during the year under review with the promoters, directors or key managerial personnel. The Company has developed a Related Party Transactions framework through Standard Operating Procedures for the purpose of identification and monitoring of such transactions.

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

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

(v) Orders passed by courts/regulators

The U.P. State Excise Department has issued a show cause notice (SCN) to us claiming an excise duty amounting to ₹ 1,822.77 Lakhs on the alcohol lost in the fire accident. Based on the opinion of the legal counsel, the Group has filed an appeal under Rule 813 of the U.P. Excise Rule before the U.P. Commissioner of Excise seeking relief from the above claim by way of setting aside the above mentioned SCN, considering this loss of alcohol as an unavoidable accident of fire.

(vi) Secretarial Standards

The Company has followed applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively.

(vii) Corporate Governance Report

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

(viii) General Reserve

Your Directors do not propose to transfer any amount to General Reserve and the entire amount of the profit for the year ended March 31, 2021 forms part of retained earnings.

(ix) Management Discussion and Analysis:

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

(x) Business Responsibility Report

The Business Responsibility Report for FY2021, as stipulated under Regulation 34(2)(f) of the Listing Regulations is annexed is a separate report and forms part of this Annual Report.

(xi) Change in the nature of business

There is no change in the nature of business during the year under the review.

(xii) Details of material changes from the year end.

There is no material change since March 31, 2021.

(xiii) Dispatch of Annual Report through electronic mode

In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website (https://www.radicokhaitan.com/investorrelations), websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www. nseindia.com, respectively, and on the website of the Company's Registrar and Transfer Agent, KFin Technologies Private Limited ("KFinTech") at https://evoting.karvy.com.

Acknowledgements

Your Directors acknowledge with gratitude the cooperation and assistance received from the Central and State Government authorities. Your Directors thank the shareholders, financial institutions, banks/ other lenders, customers, vendors and other business associates for their confidence in the Company and its management and look forward to their continued support. The Board wishes to place on record its appreciation for the dedication and commitment of the Company's employees at all levels, which has continued to be our major strength. We look forward to their continued support in the future.

For & on behalf of the Board

Dr. Lalit Khaitan
Chairman & Managing Director
DIN – 00238222

Place: New Delhi
Date: July 28, 2021

Form-AOC-1

[Pursuant to first proviso to sub-section(3) of section 129 read with rule5 of Companies (Accounts) Rules,2014]

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

Part A Subsidiaries

Information in respect of each subsidiary to be presented	Amounts in ₹
There is no Subsidiary of the Company	NIL

Part B Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act,2013 related to Associate Companies and Joint Ventures			Amounts in Lakhs
Name of Associates or Joint Ventures		**Radico NV Distilleries Maharashtra Ltd.**	
1.	Latest audited Balance Sheet Date	31.03.2021	
2.	Date on which the Associate or Joint Venture was associated or acquired	26.05.2007	
3.	Shares of Associate or Joint Ventures held by the company on the year end	Equity shares	Preference Shares
	No.	13,58,503	20,00,000
	Amount of Investment in Associates or Joint Venture	₹ 18439.43	
	Extent of Holding (in percentage)	36%	
4.	Description of how there is significant influence	As per Joint Venture and Shareholders Agreement dated 26.5.2007. The day-to-day management for the operations of the Company shall be the responsibility of the Radico Khaitan Limited.	
5.	Reason why the associate/joint venture is not consolidated	N.A.	
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	7093.22	
7.	Profit or Loss for the year:		
	i. Considered in Consolidation	659.43	
	ii. Not Considered in Consolidation	N.A.	

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

For and on behalf of Board of Directors

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

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director

Darshan Chhajer
Partner
Membership No.088308

Dinesh Kumar Gupta
Vice President – Legal &
Company Secretary

Abhishek Khaitan
Managing Director

Alok K. Agarwal
Sr. Vice President - Finance &
Accounts

Director

Place: New Delhi
Dated: July 28, 2021

ANNEXURE – B

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

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

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

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with the client;

  g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

  h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;

  i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

  j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) **We further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with following Acts, Laws and Regulations applicable specifically to the Company:-

  i. Food Safety and Standards Act, 2006 and Rules and Regulations made thereunder;

  ii. State Excise Laws relating to alcohol industry;

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (NSE).

(iii) Codes and Policies adopted by the Company.

We further report that during the period under review the following Act, Rules, Regulations and Guidelines were not applicable to the Company:

(i) 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;

(ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and

(iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(v) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions carried through by the Board do not have any dissenting views and hence no relevant recordings were made in the minutes book maintained for the purpose.

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

We further report that during the audit period there were following events/actions in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc, having a major bearing on the Company's affairs:

(i) Change in Management

During the period under review, Mr. Amit Manchanda, Vice President-Legal & Company Secretary had resigned from the Company w.e.f. 28th January, 2021. The Company has duly filed necessary intimations in this regard with the Stock Exchange and the Registrar of Companies.

Mr. Dinesh Kumar Gupta was appointed as Vice President-Legal & Company Secretary and Compliance Officer w.e.f. 28th January, 2021 in the board meeting held on 28th January, 2021. The Company has duly filed necessary intimations in this regard with the Stock Exchange and the Registrar of Companies.

(ii) Declaration and Payment of Final Dividend

The Board in its meeting held on 28th May, 2020 had proposed to recommend the final dividend on the equity shares of Rs. 2 (Rupees Two Only) per share, amounting to Rs 26,70,84,530 (Rupees Twenty Six Crore Seventy Lakh Eighty Four Thousand Five hundred Thirty Only), which shall be paid out of the profits of the Company for the year 2019-20 and the dividend as recommended by the Board was also approved by the shareholder of the Company in the Annual General Meeting held on 31st August, 2020. The Company has duly made the payment of such final dividend to its shareholders in compliance with the provisions of the Companies Act, 2013.

(iii) Re-appointment of Cost Auditor

The Board had re-appointed Mr. R. Krishnan as the Cost Auditor of the Company to conduct the audit of the Cost Records of the Company for the Financial Year 2020-21. The said re-appointment of Cost Auditors was made in its Board Meeting held on 28th May, 2020 as recommended by the Audit Committee in its meeting held on 28th May, 2020 and such appointment and remuneration was also approved by the shareholders of the Company in the Annual General Meeting held on 31st August, 2020.

(iv) Closure of Sanitizer Business

Sanitizer Business was not core business and due to change in demand scenario, the management has decided to discontinue the sanitizer business.

For TVA & Co. LLP
Company Secretaries

Tanuj Vohra
Partner
M. No.: F5621, C.P. No.: 5253
UDIN:F005621C000405746
RP L2015UP000900

Delhi, June 1, 2021

Note: This report is to be read with our letter of even date which is annexed as 'Annexure 1' and forms an integral part of our report.

* Due to the current COVID-19 pandemic outbreak throughout the nation. We have relied on the electronic information and records shared with us by the company through e-mail.

Annexure-1

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

1 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.

2 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 of the Company. Our examination was limited to the verification of procedures on test basis.

3 We have not verified the correctness and appropriateness of the financial records and Books of accounts of the Company.

4 We have obtained necessary management representation about the compliance of various laws, correctness of information shared and happening of events, wherever required.

5 Compliance with respect to the filings of various Reports, Returns, Forms, Certificates and Documents under the various statutes as mentioned in our report is the responsibility of the management of the Company. Our examination was limited to checking the execution and timeliness of filing and we have not verified the contents of such Reports, Returns, Forms, Certificates etc.

6 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.

ANNEXURE - C

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 2020-21	**Director's Name**	**Ratio to mean remuneration**
		Dr. Lalit Khaitan	154.9:1
		Mr. Abhishek Khaitan	155.0:1
		Dr. Raghupati Singhania	N.A.
		Mr. K.P. Singh	30.6:1
		Mr. Sarvesh Srivastava	N.A.
		Ms. Sushmita Singha	N.A.
		Mr. Sharad Jaipuria	N.A.
		Mr. Tushar Jain	N.A.
(ii)	The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the financial year 2020-21 compared to 2019-20.	Director's/CFO/CEO/CS/Manager name	% age increase in remuneration
		Dr. Lalit Khaitan, Chairman & Managing Director	13.8%
		Mr. Abhishek Khaitan, Managing Director	13.7%
		Mr. K.P. Singh, Director	-
		Mr. Dilip K. Banthiya, Chief Financial Officer	-
		Mr. Amit Manchanda, Vice President – Legal & Company Secretary	-
		Mr. Dinesh Kumar Gupta, Vice President – Legal & Company Secretary	N.A
(iii)	Percentage increase in the median remuneration of employees in the financial year 2020-21 compared to 2019-20	0.5%	
(iv)	Number of permanent employees on the rolls of the Company	**As on 31.03.2021**	**As on 31.03.2020**
		1179	1145
(v)	Average percentile increase already made in the salaries of Employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	During 2020-21, the percentage increase is 3% which is based on remuneration policy of the Company and external market competitiveness.	During 2019-20, the percentage increase is 9% which is based on remuneration policy of the Company that rewards people based on their contribution to the success of the company and external market competitiveness.
(vi)	The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.		

ANNEXURE - D

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

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March 2021 is given here below and forms part of the Directors Report.

(A) CONSERVATION OF ENERGY:

Steps taken or impact on conservation of energy	1. In molasses based 130 kl distillation plant, automatic power factor correction panel installed to improve power factor and power saving. 2. With thermal insulation audit, arrested the heat losses through steam lines, which cannot be identified manually. 3. With air leak survey, air leak arrested throughout the plant and saved the power. 4. By optimize the process parameter of heat integration in 100 KLPD GSP Distillation, flash steam of steam condensate utilization in Simmering re boiler and flash steam of rectifier lees utilize in aldehyde column. This resulted in saving of ₹ 14 Lakhs per Annum 5. By utilising the process parameter of heat integration of both wash to ENA plant and BMSW evaporator, utilised 100% rectifier lees recycling in molasses wash to ENA plant & preheat the boiler DM water through recovery column vapor condenser thereby saving of steam and reducing DM water consumption and saving about ₹ 20 Lakhs /annum.
The steps taken by the company for utilizing alternate sources of energy	1. In molasses based 130 kl distillation plant installed automatic power factor correction panel to improve power factor from 0.82 to 0.95 and power saving 245 unit per day. 2. Steam line and furnace heat loss arrested in plant by improving the quality of insulation and arrested heat loss and saved ₹ 20 Lakhs. 3. Power saving thru air compressor by arresting the air leakage approx. 1048 kwh per day and saved ₹ 12.65 Lakhs (five months during 2020-21). Saving ₹ 30 Lakhs per year. 4. By utilizing the flash steam, saved direct steam consumption in plant. 5. By utilization of 100% plant lees, saved DM Water.
The capital investment on energy conservation equipment's	1. The investment is ₹ 2.5 Lakhs for automatic power factor correction panel and power saving scheme. 2. The investment is ₹ 3.14 Lakhs for arresting the heat loss. 3. The investment is ₹ 7.20 Lakhs for arresting the air leakage. 4. By process improvements and small modifications. Approx ₹ 2.5 Lakhs. 5. By process improvements and small investments. Approx ₹ 3.5 Lakhs.

(B) TECHNOLOGY ABSORPTION:

Major efforts made towards technology absorption and process improvement.	1. To enhance the cattle feed generation by optimization of feed distribution, energy integration and others parameter of GSP integrated evaporation to enhance efficiency of evaporation and improvement in thick syrup quality. Saving of ₹ 60 Lakhs/Annum.
	2. Installed new one alfa Laval decanter in place of old hum bolt stand by decanter to improve the efficiency of decantation and enhance the cattle fodder generation. saving of ₹ 20 Lakhs.
	3. To purchase 1470 oak wood casks for fresh malt spirit maturation to enhance the maturation facility to produce single malt whisky.
	4. By optimize the process parameter and re use of steam condensate of new 5kl malt plant, we have saved steam consumption by 1.0 Kg/BL and 5 M*3/KBL DM water consumption and saving about ₹ 14.50 Lakhs / annum.
	5. Installation one new condenser with declined angle Lyn arm to spirit still of 5KL malt plant. To enhance sensory profile of FMS

Benefits derived like product improvement, cost reduction, product development or import substitution	Apart from the monetary savings, there are other benefits from R&D which are product quality improvement and capacity enhancement.
Imported technology (imported during the last three years reckoned from the beginning of the financial year)-	None
(a) Detail of technology imported	
(b) Year of Import	
(c) Whether the technology been fully absorbed	
(d) If not fully absorbed, areas, where this has not taken place, reasons thereof	
Expenses incurred on Research and Development	None

(C) FOREIGN EXCHANGE EARNING AND OUTGO:

Particulars of earnings and outgo of foreign exchange are given in Note 50 in Notes to Standalone Financial Statements.

(D) ENVIRONMENT PROTECTION:

During the year 2020-21, the Company has enhanced the water recharging facilities through Water Recharging Shafts in ponds of near by villages. After installing the additional 33 Rain water Recharging Shafts, now total 129 no of shafts have been installed in 38 no of villages. The water recharging shafts are contributing into upliftment of groundwater level of the area. In comparison to the initial year 2017, ground water level has improved by around 1.5 mtr.

For and on behalf of the Board

Dr. Lalit Khaitan
Chairman & Managing Director
DIN-00238222

Place: New Delhi
Date: July 28, 2021

ANNEXURE - E

Segment C: Reporting of Corporate Social Responsibility (CSR) for the Financial Year 2020-21.

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	Refer Section: Corporate Social Responsibility (CSR) in the Board's Report. Web-link for CSR Policy: http://www.radicokhaitan.com/wp-content/uploads/2019/03/CSR-Policies.pdf Web-link for projects or programs: http://www.radicokhaitan.com/investor-relations/
2	The Composition of the CSR Committee	1. Dr. Lalit Khaitan 2. Mr. Abhishek Khaitan 3. Mr. K.P. Singh 4. Ms. Sushmita Singha
3	Average net profit of the Company for last three financial years	₹ 21552.98 Lakhs
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 457.02 Lakhs (₹431.06 Lakhs + ₹25.96 Lakhs)*
5	Details of CSR spent during the financial year:	
	(a) Total amount to be spent for the financial year	₹ 528.08 Lakhs
	(b) Amount excess spent, if any;	₹ 71.06 Lakhs, to be adjusted in next three financial years
	(c) Manner in which the amount spent during the financial year is detailed below:	Details given below

Annual Report on CSR Activities

(Amount in ₹ Lakhs)

1	2	3	4	5	6	7	8
Sl. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) local area or other (2) specify the state & district where projects & programs was undertaken**	**Amount outlay (budget) projects or programs wise**	**Amount spent on the projects or programs: Sub heads:- (1) Direct expenditure on projects or programs (2) Overheads**	**Cumulative expenditure upto the reporting period**	**Amount spent:- Direct or through implementing agency**
1	Awareness for Sanitation and Safe Drinking Water	Promoting Sanitation, making availability of Safe Drinking Water and also to undertake health Care Project	Rampur (U.P.)	42.50	0.04	0.04	Direct
2	Educational Development	Promoting Education including Enhancement of Vocational Skill	Rampur (U.P.)	15.00	31.71	31.71	Direct
3	Women's Development	Empowering Women & Promoting Gender Equality	Rampur (U.P.)	0.10	0.10	0.10	Direct
4	Environmen-tal sustainability Ecological Balance	Ensuring Environmental Sustainability Ecological Balance	Rampur (U.P.)	10.00	70.27	70.27	Direct
5	Sports Promotional activities	Promotion of Sports & Cultural Activities	Rampur (U.P.)	16.00	7.30	7.30	Direct

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**
6	Sanitation / Drinking water / Lab equipment & Furniture / Sitting arrangements, Village lighting, Health Camp & Vaccine	Sanitation / Drinking water / Lab equipment & Furniture / Sitting arrangements, Village lighting, Health Camp & Vaccine	Rampur and Delhi	225.00	311.15	311.15	Direct
7	Project on Healthcare and Education through KDKCT	Bigger Project on Healthcare and Education though KDKCT	All India	35.00	24.66	24.66	Direct
8	Other Social Activities	Other Social Activities	Rampur and Delhi	47.40	107.51	107.51	Direct
9	Donation and Charity	Donation and Charity	Rampur and Delhi	69.00	0	0	Direct
	Total	-	-	460.00	552.74	552.74	-

*Unspent amount for the last year

For and on behalf of the Board

Dr. Lalit Khaitan
Chairman & Managing Director
DIN-00238222

Mr. Abhishek Khaitan
Managing Director
DIN-00772865

Place: New Delhi
Date: July 28, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY OVERVIEW

GLOBAL ECONOMY

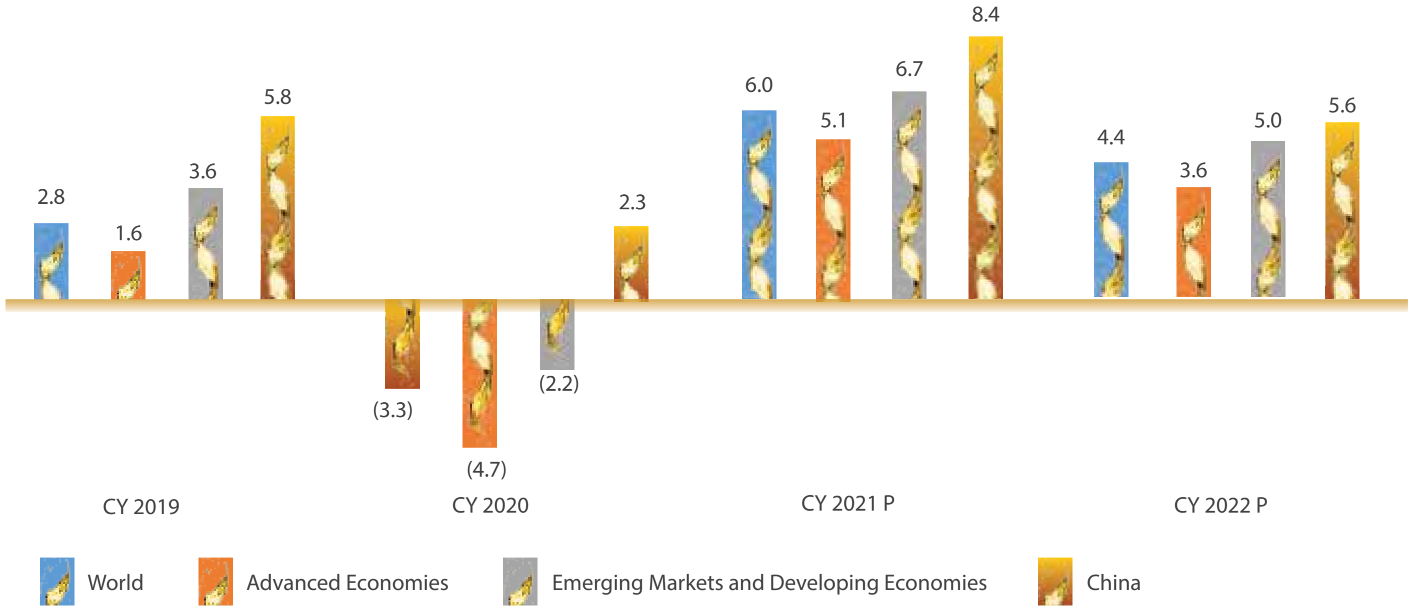
Global economy is on its path to recovery with growth likely to approach 6.0% in 2021, after an estimated contraction of (3.3%) in CY2020. Advanced economies are expected to recover significantly faster due to rapid policy response and a widespread vaccination drive. Emerging markets and developing economies are expected to take longer time for recovery due to medium-term socio-economic losses because of low rates of vaccination and a lack of support to vulnerable groups during COVID-19 induced economic contractions. Youth, women workers and the informally employed have been hit the hardest by these contractions which are also expected to significantly increase income inequality.

IMF expects that the downturn would have been much higher if it had not been for exceptional policy assistance in CY2020. Although GDP recovered faster than anticipated in the second half of CY2020, it is still below pre-pandemic levels in most countries. IMF projects an economic recovery in CY2021 and CY2022. Both developing economies and advanced economies are expected to have strong growth rates and undo some of the economic damage caused directly and indirectly due to the pandemic.

The following years are likely to be characterised by diverging recovery paths and agile policy making influenced primarily by the stage of recovery. Despite a wide range of outlooks across economies, the overarching policy priorities remain strikingly consistent, which is resolving the immediate health problem and restoring prosperity to pre-crisis levels. While the projected recovery brings some respite to low income nations and the aforementioned vulnerable groups, future recoveries depend on the global health situation which still remains uncertain. New strains of the virus may prove to be resistant to current vaccines which can prolong the pandemic and postpone global economic recovery. Different regions and countries are likely to see a significantly different path to recovery depending on the evolution of viral strains and the implementation of health policies to deal with them.

Despite the current uncertainty regarding the global health paradigm, there are reasons to be confident about the future. Vaccines have proven to be incredibly effective. Countries with high vaccination rates like Canada and USA have seen a stark decline in daily cases and the removal of many public restrictions.

Growth Rates (%)



Source: IMF – World Economic Outlook, April 2021

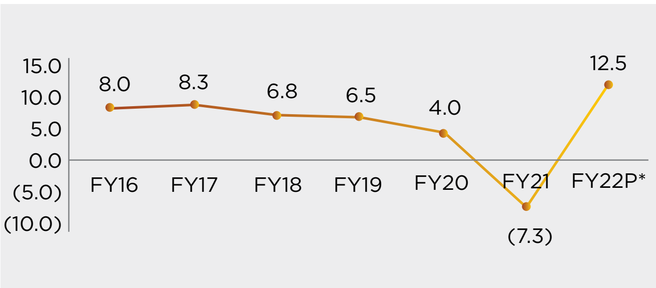
INDIAN ECONOMY

The Indian economy has faced its worst crisis ever and is projected to contract by (7.3%) in FY2021. The recent surge in daily coronavirus cases has sparked fears that India's recovery could be slower than expected. In Q3 and Q4 of CY2020, economic growth had started to pick up. The progress indicated that the economy is gaining traction, with GDP growth gaining momentum in the short term.

Coupled with the GDP contraction, India is facing significant supply side bottlenecks, which is leading to a situation dubbed stagflation. This situation has partially led to RBI facing a conundrum where easy monetary policies may help encourage GDP growth but also worsen the already high inflation. Given the incredibly complex economic situation, it is difficult to predict the policies the government and RBI will implement to turn the situation around.

Nevertheless, IMF predicts strong rebound and real GDP growth of 12.5% in FY2022. The rebound is clearly evidenced by the uptick in consumption, manufacturing activity and bank credit. India is experiencing a V-shaped recovery. Global agencies such as the World Bank have acknowledged the fact that this recovery is phenomenal, given how the country has now opened up, and is organising large-scale vaccination drives on priority.

India Economic Growth (%)



Source: National Statistics Office; FY 2020-21 Provisional Estimates dated 31st May, 2021,
* IMF – World Economic Outlook, April 2021

Even as the Indian economy faces multi-dimensional challenges in the short term, it remains one of the most dynamic major economies in the world with significant growth potential. With structural drivers firmly in place, the pace of economic growth is expected to pick up over time. Moreover, the expansionary growth inducing Union Budget 2021 aimed to significantly increase the spending would support the GDP growth and provide impetus to build India's competitiveness on global platform and foster inclusive growth.

INDUSTRY OVERVIEW

CONSUMER SECTOR

With one of the largest consumer economies, India normally represents an incredibly attractive market given its significant growth opportunities. A growing upper-middle class, more people being pushed out of poverty, low penetration rates for FMCG in rural areas, and rapidly rising consumerism has been the trend in India in the last decade. With a large number of people being pushed into poverty due to the economic recession induced by the pandemic, the short run attractiveness of the consumer sector in India has been impacted.

Consumer mind-set will evolve when it comes to shopping, as considerations such as price and a faster transition to digital platforms will play a key role. After declining for the previous five years, savings have increased since February 2020, owing to decreased mobility and lack of spending due to lockdowns, indicating consumption-led growth and high optimism in the future. Once the COVID-19 related restrictions are eased out and situation starts to normalise, consumer discretionary spending is expected to increase given people have been constrained for so long.

The pandemic has been incredibly disruptive to supply chains and has significantly changed the way business is conducted. With lockdowns and the looming third wave being a potential threat, online storefronts are likely to become the primary form through which selling activities are conducted at least for some goods in the short run. With the increase in the accessibility of internet, especially amongst the younger demography, this transition can be an opportunity as it will help firms in the consumer sector develop additional supply chains. A number of states have recently allowed online booking/home deliveries of alcohol. Although still at a nascent stage, such developments open up new route to market opportunities in the long run.

Consumer goods companies are rethinking their existing strategies in order to gain traction in the industry and grab a larger share of consumer spending. As demand habits are evolving, it is posing new obstacles and opening up new opportunities for businesses. Understanding consumer behaviour after COVID-19 (their new demands and pain points), as well as the significance of technology and digital platforms, will go a long way toward improving the customer experience and fostering long-term connections.

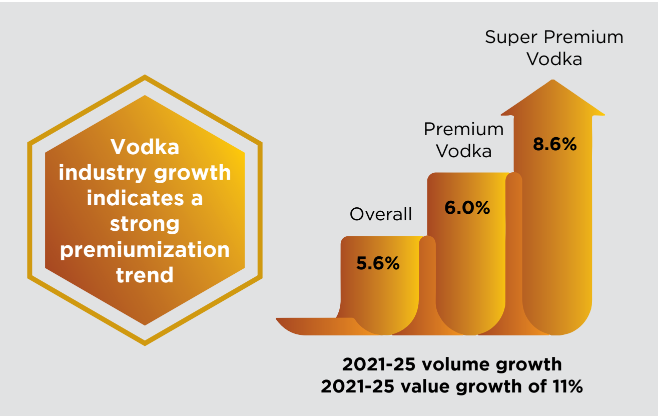
SPIRITS INDUSTRY IN INDIA

Overall, the spirits industry volumes in FY2021 suffered significantly due to COVID-19 induced lockdowns during the early part of the year. The second half of FY2021, however, featured quarter-on-quarter improvement with strong sales momentum as India emerged from national lockdown and approached a situation with some semblance of normality. By the fourth quarter of FY2021, eight out of eleven top liquor consuming states had returned to above pre-COVID levels. The strong recovery made by the industry in third and fourth quarters of FY2021 demonstrate the fundamental strength and resilience in the spirits industry in India.

This recovery is despite the high tax rates implemented on alcohol during the pandemic. Post reopening in May 2020, to cover the loss of revenues, many states increased duties and taxes in the range of 10% to 75%. A partial recovery being made despite these factors suggest that price elasticity of demand for alcoholic beverages is still low, particularly for the premium category brands. Demand should continue to rise as supply chains are restored and things return to normal.

Government has fixed a target of 10% blending of fuel grade ethanol with petrol by 2022 and 20% blending by 2025. It is expected that in the current ethanol supply year 2020-21, about 325 Crore litres of ethanol is likely to be supplied to the oil marketing companies (OMCs) to achieve 8.5% blending levels. It is likely that the Government will achieve 10% blending target by 2022 with supply of 400 Crore litres of ethanol. Given this focus on ethanol blending, there may be some headwinds in the Extra neutral alcohol (ENA) prices. Furthermore, towards the end of the year, commodity prices, particularly dry good such as packaging materials, experienced sharp increase. Any short term raw material price increase is not expected to have a significant impact on profitability margins for the companies who are focused on premiumization.

According to Euromonitor International, during CY2020 overall Indian Made Foreign Liquor (IMFL) volumes declined as much as (18.0)% to 274 Million cases of 9 litres each. Traditionally, brown spirits which include Whisky, Brandy and Dark Rum, have been the major contributors towards overall IMFL sales volume. During CY2020, whisky constituted the largest segment with 65.4% of the sales volumes and 74.2% of the value. The largest segment of the industry also suffered severly with volume decline of (16.3)% and value degrowth of (22.7)%. White Spirits such as vodka and gin account for 3.6% of the total IMFL volumes and 6.8% of the value indicating a premiumization trend.



Flavored vodka continues to gain popularity and market share. It now constitutes about a third of the overall vodka industry. During CY2020, premium and super premium category vodka accounted for about 68% of the total vodka volumes compared with around 65% five years ago. This trend is expected to continue and the share of premium category vodka is anticipated to increase further.

The industry's focus on premium brands has enabled manufacturers to identify consumers who have relatively lower price sensitivities that ultimately drive value growth. Single malt scotch and blended scotch are expected to grow with CY2021-25 CAGR of 13.0% and 7.3%, respectively.

Sales of Spirits by Category (Volume): 2020

Sales of Spirits by Category (Value): 2020

THE INDIAN SPIRITS INDUSTRY OUTLOOK

Businesses are under pressure to rapidly adapt their operations to develop a resilient customer experience while maintaining convenience. COVID-19 lockdowns left restaurants and bars closed for a good part of last year and led to the subsequent rise of the at-home drinking. This is likely to have a long lasting impact on the way liquor is consumed in India. Furthermore, the launch of online sale and home delivery of liquor in certain states opened up an all-new route to market for consumers. It is still at a nascent stage and requires a lot of efforts from both the state governments and the brand owners to make it successful.

Demand for premium brands is relatively less impacted by the industry slowdown due to COVID-19. Furthermore, where spend on commuting, social activities or holidays are reducing, consumers are having more disposable incomes which they can use to have quality experience at home. Therefore, premium brands are likely to show much more resilience and grow in the near future.

The ready-to-drink (RTD) alcohol category, which includes hard seltzers, flavored alcohol beverages, and pre-mixed cocktails, is under rapid transformation across leading global markets, with volume growth out-pacing that of other beverage alcohol categories. This segment is likely to catch the fancy of Indian consumer.

India has an incredibly large young demography which presents many opportunities to firms in the industry. As the youth approaches the legal drinking age and becomes more affluent, they are likely to drive much of the expected and projected future demand. Brand owners are focused on appealing to the younger generation through online marketing and storefronts to capture as much of this segment as possible.

According to Euromonitor International, IMFL volume is expected to reach 353 Million cases in CY2025. During the CY2021-2025 period, IMFL sales volume is expected to grow at a CAGR of 4.2%. During the same period IMFL industry value is expected to grow by 4.6%. The vodka industry is expected to perform better during the same period with volume growth of 5.6% and value growth of 11.0%.

GROWTH DRIVERS

Economic Growth: The Indian economy has grown at a strong pace in the recent past, outperforming most of the emerging markets to become one of the fastest growing major economies in the world. Although, FY2020 and FY2021 have been impacted by global slowdown, IMF predicts a strong rebound and real GDP growth of 12.5% in FY2022. In the longer term, India is bound to be an important contributor of the global economic growth.

Favourable Demographics: India has a young demographic profile and over 15 million people are expected enter the drinking age every year which represents significant growth opportunities for the industry. Total household consumption is expected to reach ₹ 300 trillion by 2030. Further, with proportion of high-income households getting widely distributed, the contribution from tier 2, 3 and 4 cities to the consumption is likely to increase.

Urbanisation: Huge population in India are migrating towards bigger cities, where they are exposed to a wider variety of alcoholic beverage products, including IMFL and significantly contributing to the market growth. Rapid urbanization is expected to enhance disposable income, which is favourable for the growth of the industry.

Growth of rural consumption: Rural consumption is expected to grow faster with growing incomes and greater internet penetration. Even during the COVID-19 period, rural economy has shown more resilience over the last year due to better crops season and ongoing policy support.

Changing Consumer Preferences: Rising affluence is the biggest driver of increasing consumption. Additionally, consumer behaviour and spending patterns are shifting as disposable incomes rise and Indian society evolves with a preference for lifestyle and aspirational brands. The rise in premiumization is evident in the higher focus of the big players on semi-premium and premium categories with an increase in launches and marketing of these categories.

Increased Alcohol Accessibility and Availability: Over the past few years, there has been a huge change in attitudes and lifestyle, making consumption of alcohol more socially acceptable. This acceptability of alcohol extends to drinking in family environments, at social events, and by females/ youngsters. There has been an increase in the variety of alcoholic beverages and brands with most of them easily available in government licensed outlets, government shops, private licensed retail chains, restaurants, pubs and bars.

Improved Operating Environment: The importance of the liquor industry to the state's exchequer cannot be understated. A significantly improved operating environment led by state-wide price increases and favourable policy changes resulted in this robust industry performance. Most of the excise policy changes last year have focused on enhancing state revenues without increasing taxes which bodes well for the organic growth in the industry.

COMPANY OVERVIEW

Radico Khaitan Limited (herein after referred as 'Radico Khaitan" or the Company) is one of the oldest and the largest manufacturers of Indian Made Foreign Liquor ("IMFL") in India. The Company commenced its operations in 1943 and was earlier known as Rampur Distillery Company. Over the years, Radico Khaitan has emerged as a major bulk spirits supplier and bottler to other spirit manufacturers. It has become one of the most admired liquor brands across India.

The Company started its journey of building its own brand portfolio with the launch of 8PM Whisky in 1998. During the first decade (i.e. 1998-2006), the Company concentrated on building a strong manufacturing platform, establishing a robust pan India distribution network and achieved sales volume of over 10 Million cases. The next decade (i.e. 2006 onwards) was the era of premiumisation that started with the launch of Magic Moments vodka, which became the largest selling vodka in India and one of the largest globally. During this period, Radico Khaitan achieved premium sales volume of over 7 Million cases.

In the last ten years, Radico Khaitan has been able to successfully expand its premium brand portfolio. The Company has launched twelve new brands over the last decade of which eleven has been from the premium category. Radico Khaitan is one of the few companies in India, which has developed its entire brand portfolio organically with in-house capabilities. This truly reflects the Company's focus on innovation, R&D strength and understanding of customer preferences.

WIDE PRODUCT PORTFOLIO

Over the years, the Company has developed robust brand portfolio across the IMFL category comprising of Whisky, Brandy, Rum and White Spirits includes Magic Moments and Magic Moments Verve Vodka, Morpheus and Morpheus Blue Brandy, 8PM and 8PM Premium Black Whisky, 1965 – The Spirit of Victory Rum, Rampur Indian Single Malt Whisky, Jaisalmer Indian Craft Gin, Contessa Rum, Old Admiral Brandy, After Dark Whisky, Pluton Bay Rum and Regal Talon Whisky. The Company's portfolio currently includes five millionaire brands namely 8PM Whisky, Contessa Rum, Old Admiral Brandy, Magic Moments Vodka and 8PM Premium Black Whisky.

Despite the impact of COVID-19 in FY2021, 8 PM family of brands continued the growth trajectory and achieved sales volumes of 10.7 million cases. 8PM Premium Black whisky achieved sales volume of over a million case during the year.

Radico Khaitan is also one of the largest providers of branded IMFL to the Canteen Stores Department (CSD). There are stringent conditions for entering into CSD segment leading to entry barriers for new players. The recent restriction on the availability of BIO products in the CSD opens up significant opportunities for Radico Khaitan's luxury products such as Rampur Indian Single Malt and Jaisalmer Indian Craft Gin. The Company has been successfully building its brand equity in international markets and currently exports its products to more than 85 countries. The Company has been able to establish a niche position for itself in the global spirits market.

SIGNIFICANT DISTILLATION CAPACITY AT MANUFACTURING UNITS

The Company has three distilleries in Rampur (Uttar Pradesh) and two in joint venture RNV in Aurangabad (Maharashtra) in which Radico Khaitan owns 36% equity. The Company operates 5 own and 28 contract bottling units spread across the country with a combined capacity of 160 Million litres. Its strategically located manufacturing facilities and distribution centres at various locations provide easy access to key markets. Apart from a nationwide presence, strategic location also helps to avoid the high taxes levied on interstate movement of finished and in-process liquor. Radico Khaitan remains focused on high productivity levels and product excellence across its manufacturing platform. The Company continues to introduce best practices to become more agile such as Demand-Driven Supply Chain, Total Productivity Management and Six-Sigma. Radico Khaitan has adopted the strategy of reduce, recycle and reuse with the objective to recover clean and green energy which is utilized in boiler as fuel and power generation through back pressure turbine and biogas gensets without affecting water, air and environment quality.

STRONG DISTRIBUTION NETWORK

Radico Khaitan has a strong sales and distribution network with a presence in retail and on-trade through over 75,000 retail and 8,000 on-premise outlets in the relevant segments in different parts of India. Apart from wholesalers,

a total of around 300 employees divided into four zones, each headed by a regional profit center head, ensure an adequate on-the-ground sales and distribution presence across the country. The robust distribution system enables the Company to ensure availability of products across channels and geographies.

PERFORMANCE OVERVIEW

Operational Snapshot (million cases)

Year	FY2021	FY2020	YoY Change
Prestige & Above	6.51	7.05	(7.7)%
Regular & Others	15.83	17.25	(8.2)%
Total Volume	**22.34**	**24.30**	**(8.0)%**
Prestige & Above as % of Total Volume	29.1%	29.0%	

Financial Snapshot (₹Crore)

Year	FY2021	FY2020	YoY Change
Net Sales	2,418.14	2,427.04	(0.4)%
Gross Profit	1,215.72	1,178.85	3.1%
EBITDA*	407.79	368.19	10.8%
Profit Before Tax (PBT)	353.10	272.69	29.5%
Total Comprehensive Income **	269.70	224.80	20.0%

Note: Above numbers are on standalone basis

* EBITDA for 12M FY2020 adjusted for ₹24.17 Crore pertaining to exceptional items: Write off of debtors in Bihar of ₹8.56 Crore in Q4 FY2020, ₹8.59 Crore paid under the SV Scheme during Q3 FY2020 and

Environmental Compensation of ₹7.02 Crore paid during H1 FY2020

** Tax provision last year included ₹25.76 Crore of Deferred Tax benefit

Key Financial Ratios

Ratios	FY2021	FY2020	YoY Change
Debtors Turnover (days) (on Gross Sales basis)	25	32	(23.0)%
Inventory Turnover (days) (on Gross Sales basis)	17	15	18.7%
Creditor Turnover (days) (on Gross Sales basis)	9	10	(10.0)%
Interest Coverage Ratio (x)	17.05	10.28	65.9%
Current Ratio (x)	1.98	1.69	17.7%
Debt Equity Ratio (x)	0.15	0.26	(41.2)%
EBITDA Margin (%)	16.9%	15.2%	169 bps
Total Comprehensive Income Margin (%)	11.2%	9.3%	189 bps
Return on Average Equity (%)	16.4%	15.9%	56 bps
Return on Average Capital Employed (%)	17.9%	17.7%	21 bps

Over the years, Radico Khaitan has been focused on strong cash flow generation and deleveraging. Despite COVID-19 led disruptions in FY2021, the Company has successfully managed to reduce net debt by another ₹184 Crore. Consequently, there was significant improvement in debt equity ratio and interest coverage ratio in FY2021.

IMPACT OF COVID-19

The COVID 19 pandemic and its associated government measures limited the mobility, impacted patterns and places of alcohol consumption. During the lock down period, the Company's IMFL bottling was fully suspended from 24-March to 4-May 2021, but manufacturing of ENA was partially operational as the Company started production of sanitizers to support the nation's fight against COVID-19. Radico Khaitan has undertaken a number of preventive measures to ensure safety of its employees in the offices and manufacturing units. The Company has sufficient liquidity and demand of its products to continue its operations. There is no significant impact due to the COVID-19 pandemic and lockdown as assessed by the management.

RISK AND MITIGATION

Economy Risk: The slowdown in global economic growth and other declines or disruptions in the Indian economy in general may result in a reduction in disposable income of consumers and slowdown in the IMFL industry. This could adversely affect the Company's business and financial performance.

Mitigation: Radico Khaitan focuses on driving strong business growth, strategic investments in innovative products and marketing to gain market share, coupled with narrowing of operating expenses and reducing debt. Despite the lock down during the month of April 2020, the Company has registered a stable top line during the year and was able to expand profitability margins. Overall, Radico Khaitan is well placed to overcome the economy challenges due to its resilient business model, strong premium product portfolio and excellent execution capabilities.

Regulatory Risk: Given a state subject, the Indian spirit industry is highly regulated and complex as each state has its own regulations governing the manufacture and sale of spirits. The industry faces challenges in the form of manufacturing setup duties and compliance state-wise, taxation, no direct advertising, licensing to produce, store and distribute products. Any change in rules and regulations by the respective state governments and non-compliance with laws and regulations could adversely impact the business.

Mitigation: With over 75 years of experience of liquor manufacturing and 25 years in IMFL business, Radico Khaitan is well versed with applicable laws and regulations across almost all states of India. The Company has in place the code of business conduct and supporting policies to comply with the laws and regulations of the country. The legal and compliance team is closely involved in monitoring and reviewing the practices and policies to provide reasonable assurance that the Company's operations are in line with all relevant laws and legal obligations.

Competition Risk: The Company might face competition from international peers as the lucrative growth prospects of the spirit industries in India due to low per capital liquor consumption are always attracting new players to the market.

Mitigation: Given the strong barriers to entry in this industry it is difficult for a foreign player to establish footprints in India. Radico Khaitan has competitive edge with its strong brand loyalty among consumers and offering of better quality products across price points with a value for money proposition.

Raw Material Risk: ENA and packaging materials are the two key components of the raw materials required for the Company's product portfolio and hence commodity price volatility remains one of the key considerations. The government's ethanol blending policy may put pressure on the ENA prices in the future. Further there has been pressure on global commodity prices in the recent times which may have a bearing on the Company's profitability.

Mitigation: Given the Company's premiumization strategy, it continues to move towards grain based ENA which is impacted to a lesser extent by the ethanol blending policy. Grain production in India has been on all-time highs level last year therefore there is high availability of raw material. There are new capacities of grain alcohol coming up. Moreover, with the backward integration into captive ENA production, the Company is insulated from fluctuations in ENA prices to a large extent. Furthermore, as the Company moves up the premiumization ladder, the margins are less susceptible to commodity price increases.

CORPORATE SOCIAL RESPONSIBILITY

Radico Khaitan is aimed at creating economic value and is committed to actively contributing towards the development of a sustainable society. Several projects are executed with better governance and ethical business practices. The Company has a Corporate Social Responsibility ("CSR") Committee in place, to formulate and recommend CSR Policy to the Board. The aim is to establish the Company image as a reliable, credible, responsible business partner by making a positive difference in the society, where the Company operates its business. During the year under review, the Company has spent an amount of ₹5.28 Crore towards CSR activities with primary focus on community development, enhancing livelihood, promoting education and health care including preventive health care and ensuring environmental sustainability. In addition, Radico Khaitan has pledged to give back to the society and lend its support to the government during the second wave of the COVID-19 pandemic with the installation of oxygen generators in 6 districts of Uttar Pradesh.

HUMAN RESOURCES

Radico Khaitan has evolved stronger, despite the challenges of the COVID- 19 pandemic, primarily due to the resilience and responsiveness shown by Radico Khaitan's team. This has strengthened the Company's belief that human capital remains at the core for driving strategic growth. The Company has evolved a work culture which focuses on a future ready organisation and the pillars of this culture include:

- Respect for people by recognising human capital and rewarding individual and team contributions
- Continual innovation to stay ahead of the consumer expectations
- Customer focus to stay connected with existing customers to deliver a superior experience
- Working for excellence reflected in the attitude to do it better every time and set new benchmarks for excellence

Radico Khaitan's human resources management focuses on facilitating each employee to explore his/her potential and synergize it to work towards achieving corporate goals. This journey is facilitated by an inclusive work culture, which keeps throwing new work challenges and thereby helping continuous learning. Employee training and re-training on structured learning paths and upgrading skills enhances the resource value. Talent development focuses on recognizing potential employees as New Generation Managers and developing them on capsuled learning plans to make them ready for taking up new roles in the future.

Digitalizing the employee life cycle processes and employee engagement on the intranet platform is strengthening the work culture and belongingness of people. All employees have well defined performance plans and parameters for evaluating their performance. This objective based assessment ensures outcomes-based rewards, which further strengthens the Company's performance management system and the culture of accountability. With the evolving culture, the Human Resources (HR) function is focused on creating a platform for employees to make a larger impact by doing more purposeful work and getting recognised and appreciated for it.

Holistic development, welfare and wellbeing of employees is the core of the HR agenda, which was well recognized in the pandemic. HR teams pro-actively mobilised resources to avoid medical emergencies and scarcity of medical aid for employees and their families. To ensure the wellbeing of the family after the death of an employee in the pandemic, policy initiatives were taken for financial support for the family, education for the children and term insurance coverage of employees ensured a strong sense of security. HR function at Radico Khaitan will continue to strive to create new benchmarks for its culture and holistic wellbeing of employees who will create more value for the Company.

INFORMATION TECHNOLOGY

Radico Khaitan leverages its technology and data for the efficient management of its business operations, better customer experience, enhancing the supply chain, and making the sourcing and supply forecasts more accurate. The Company focuses on infusing digital technologies into business to ensure future readiness and meet the intrinsic needs of the business.

During the unprecedented times of COVID-19, the IT team, supported by strong and stable network infrastructure, enabled the business to work as usual along with maintaining balance between access and security. Microsoft Teams and Zoom as communication solutions were successfully deployed and used by employees for secure communication. Disaster Recovery (DR) has been setup to ensure business operations should continue as usual without any interruptions in case of any event failure.

Data Security: The Company is implementing Data Leakage Protection (DLP) and cloud security tools to further strengthen its data protection along with on cloud advanced threat protection technology and data encryption tool. Radico Khaitan will implement Advanced Technology Program (ATP) to protect endpoints from advanced threats and from email phishing as well. To monitor and report real time threat status and compliance the Company will implement various dashboards. The Company uses various softwares to protect systems against Malware, Hacking & Phishing. Latest IT tools are being deployed to take care of IT assets, Networks, Servers etc.

Data Analytics: Data analytics will help Radico Khaitan to build strategies to achieve next level of growth. In order to further enhance the Company's market reach and simultaneously get rich data of real time business, the Company has undertaken various digital initiatives for driving business efficiencies. Few of them are as follows:

i. Sales Force Automation (SFA): SFA mobile application is being used by approx. 550 field executives to cover 60500 retailers pan India with geo tagging technology

ii. Factory is enabled with Track and Trace technology

iii. Employee Self Service (ESS) Portal

iv. Most recently the Company has also started the implementation of SAP SAC based EPM (enterprise performance management) tool. It will help the Company plan, budget and forecast across finance, supply chain and sales, streamline the financial close process, and drive better decisions through the provision of data analytics, what-if and predictive tools.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has an effective and reliable internal control system. In line with the business operations, Radico Khaitan has well-planned internal control framework, which covers various aspects of governance, compliance, audit, control and reporting. It ensured adherence to local statutory requirements for orderly and efficient conduct of business, safeguarding of assets, the detection and prevention of frauds and errors, adequacy and completeness of accounting records and timely preparation of reliable financial information. The efficacy of the internal checks and control systems is validated by and internal auditors and re-examined by the management.

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. The Audit Committee monitors and provides an effective supervision of the financial reporting process of the Company with a view to ensure accurate and timely disclosures with the highest level of transparency, integrity and quality. It also confirms adequacy and effectiveness of internal control systems and suggests for the improvements required.

CAUTIONARY STATEMENT

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

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing obligations and Disclosures requirements) regulations 2015, and the report contains the details of Corporate Governance Systems and processes at Radico Khaitan Limited.

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

We consider stakeholders as partners in our success and remain committed to maximise stakeholders value. Your Company is committed to sound principles of corporate governance with respect to all its procedures, policies and practices. Under good corporate governance, we are committed to ensuring that all functions of the Company are discharged in a professionally sound, accountable and competent manner.

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

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

BOARD OF DIRECTORS:

Composition:

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

The Chairman plays a key role in promoting and building integrity within Board and organisation for benefit of all its stakeholders. The Managing Director takes a lead role in steering the organisation towards achieving the long term goals.

The Board of Directors of the Company as on March 31, 2021 comprises of eight (8) Directors of which five (5) are Non-Executive / Independent Directors, while three (3) are Executive Directors. The composition of the Board is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and represents the optimum combination of professionalism, knowledge, experience and consists of eminent individuals from the industry, technical, legal and financial areas.

The details of the Director being re-appointed on retirement by rotation at the ensuing Annual General Meeting, as required pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are mentioned in the Notice to the Annual General Meeting.

The brief profile of the Board Members are given on the website of the Company i.e. www.radicokhaitan.com.

Number of Board Meetings:

During the financial year ended March 31, 2021, four (4) meetings of the Board of Directors were held and the maximum time gap between two (2) meetings did not exceed 120 days. The dates on which the Board Meetings were held were as follows:

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

28th May 2020	23rd July 2020	28th October 2020	28th January 2021

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 Director holds Membership in more than ten (10) Board level Committees and Chairmanship in more than five (5) such Committees.

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

Name of the Director	Nature of Directorship	Relationship with each other	Attendance		Directorship in other Companies (*)	Membership and Chairmanship of the Committees of the Board of other Companies (**)	
			At the Board Meetings	At the last AGM		Committee Member	Committee Chairman
Dr. Lalit Khaitan	Promoter, Chairman & Managing Director	Father of Mr. Abhishek Khaitan	4	Leave sought	-	-	-
Mr. Abhishek Khaitan	Promoter, Managing Director	Son of Dr. Lalit Khaitan	4	Leave sought	-	-	-
Mr. K.P. Singh	Whole Time Director	Not related to any of the Directors	4	Yes	1	-	-
Dr. Raghupati Singhania	Non-executive Independent	Not related to any of the Directors	4	No	9	1	1
Mr. Sarvesh Srivastava	Non-executive Independent	Not related to any of the Directors	4	Yes	-	-	-
Ms. Sushmita Singha	Non-executive Independent	Not related to any of the Directors	4	No	3	1	2
Mr. Sharad Jaipuria	Non-executive Independent	Not related to any of the Directors	4	Yes	1	1	1
Mr. Tushar Jain	Non-executive Independent	Not related to any of the Directors	4	No	-	-	-

Sl. No.	Names of Directors	Names of Listed entities and their category of Directorship as on March 31, 2021
1	Dr. Lalit Khaitan	Radico Khaitan Ltd. – Chairman & Managing Director
2	Mr. Abhishek Khaitan	Radico Khaitan Ltd. – Managing Director
3	Mr. K.P. Singh	Radico Khaitan Ltd. – Whole Time Director
4	Dr. Raghupati Singhania	JK Tyre & Industries Ltd. – Chairman & Managing Director / Member
		JK Lakshmi Cement Ltd. – Director / Member
		Bengal & Assam Company Ltd. – Director / Member
		JK Agri Genetics Ltd. – Director / Member
		Radico Khaitan Ltd. – Non Executive Director
5	Mr. Sarvesh Srivastava	Radico Khaitan Ltd. – Non Executive Director
6	Ms. Sushmita Singha	Ginni International Ltd. - Director
		Kajaria Ceramics Ltd. – Director / Chairman
		Green Panel Industries Ltd. – Director / Member
		Radico Khaitan Ltd. – Non Executive Director
7	Mr. Sharad Jaipuria	Ginni International Ltd. – Director / Member
		Radico Khaitan Ltd. – Non Executive Director
8	Mr. Tushar Jain	Radico Khaitan Ltd. – Non Executive Director

Notes:

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

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

Tenure:

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

Board Procedures:

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

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

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

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

Independent Directors:

The Non-Executive Independent Directors fulfil the conditions of independence specified in Section 149 (6) of the Companies Act, 2013 and Rules made thereunder and meet with requirement of Regulation 25 (Obligation with respect to independent Directors) and Regulation 16(1)(b) (1) of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 and are independent of the management. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 and the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 has been issued and disclosed on the website of the Company viz. http://www.radicokhaitan.com/investor-relations.

Familiarisation Programme for Directors:

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

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

Key Board qualification, expertise and attributes

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board.

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

The criteria for appointment to the Board include:

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of relevance to the Company;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mind-set.

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

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

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

Key Board qualifications/expertise/competencies:

Director	Area of expertise							
	Financial	Diversity	Global business	Leadership	Technology	Mergers and acquisitions	Board service and governance	Strategy and planning
Dr. Lalit Khaitan	√	√	√	√	√	√	√	√
Mr. Abhishek Khaitan	√	√	√	√	√	√	√	√
Mr. K.P. Singh	√	√	√	√	√	-	√	√
Dr. Raghupati Singhania	√	√	√	√	√	√	√	√
Mr. Sarvesh Srivastava	√	√	√	√	√	√	√	-
Ms. Sushmita Singha	√	√	√	-	-	-	√	√
Mr. Sharad Jaipuria	√	√	√	√	√	√	√	-
Mr. Tushar Jain	√	√	√	√	√	√	√	√

SUCCESSION PLANNING:

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

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

Our Board includes 8 directors with broad and diverse skills and viewpoints to aid the Company in advancing its strategy. In addition, promoting senior management within the organisation fuels the ambitions of the talent force to earn future leadership roles.

Conflict of interests:

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

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

The Non-executive directors had no pecuniary relationship or transactions with the Company in their personal capacity during the financial year 2020-2021.

COMMITTEES OF THE BOARD:

Currently, there are eight (8) Committees of the Board, namely: Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee, ESOP Compensation Committee, Corporate Social Responsibility (CSR) Committee, Risk Management Committee, Committee of Independent Directors and Committee of Directors. The Board has decided the terms of reference for these Committees.

The minutes of the meetings of the Committees are placed before the Board for information and noting. The details as to the composition, terms of reference, number of meetings and related attendance of Committees mandatory under the Companies Act and listing regulations are provided hereunder.

Audit Committee:

Composition and terms of reference

As on March 31, 2021, the Audit Committee comprises of three(3) Independent, Non- executive Directors. The members of the Audit Committee are Mr. Sarvesh Srivastava (Chairman of the Committee), Dr. Raghupati Singhania and Mr. Tushar Jain. 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, Statutory Auditor(s) and Internal Auditor and Cost Auditors to attend the meetings of the Audit Committee. The Company Secretary acts as Secretary to the Committee. The minutes of each Audit Committee meeting are placed and discussed at the next meeting of the Board.

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

The details as to the date(s) on which the meetings were held and attendance of the Audit Committee members during the financial year ended March 31, 2021 are as follows:

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

28th May 2020	23rd July 2020	28th October 2020	28th January 2021

Name	Position	Category	Meeting details	
			Held	Attended
Mr. Sarvesh Srivastava	Chairman	Non-Executive Independent	4	4
Dr. Raghupati Singhania	Member	Non-Executive Independent	4	4
Mr. Tushar Jain	Member	Non-Executive Independent	4	4

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

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service.
3. Recommending to the Board of Directors, the appointment of Cost Auditor for the Company.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
   A. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report as per Section 134 of the Companies Act, 2013;
   B. Changes in the Accounting policies and practices and the reasons for the same, major accounting entries and significant adjustments made in the financial statements arising out of audit findings;
   C. Compliance with listing and other legal requirements relating to financial statements;
   D. Disclosure of any related party transactions; and
   E. Qualifications in the draft audit report, if any.
5. Reviewing with management quarterly, half-yearly, nine-months and annual financial statements, standalone as well as consolidated before submission to the Board for approval.
6. Reviewing with the management performance of statutory and internal auditors.
7. Discussion with the internal auditors, cost auditor on any significant findings and follow-up thereon.

8. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post- audit discussion to ascertain any area of concern.

9. Reviewing reports furnished by the internal auditors and statutory auditors and ensuring suitable follow-up thereon.

10. Reviewing the Company's financial and risk management policies, forex policy, management discussion and analysis, significant related party transactions.

11. Reviewing with the management and the Statutory Auditors anticipated changes in the Accounting Standards.

12. Review of the Vigil Mechanism and Whistle Blower mechanism of the Company;

13. The Audit Committee has power to investigate any activity within its terms of reference, to seek information from employees and to obtain outside financial and legal advise; and

14. Any other matter referred to by the Board of Directors.

Apart from the above, the Company has an internal audit team, headed by Mr. Mukesh Agarwal, who reports to the Chief Financial Officer and the Audit Committee. From time to time, the Company's adequacy of internal controls covering financial, operational, compliance, IT applications, etc., are reviewed by the Internal Audit team and presentations are made to the Audit Committee on the findings of such reviews. The Audit Committee, inter alia, reviews the adequacy of internal audit function and the internal audit reports including those related to internal control weaknesses.

Nomination and Remuneration Committee:

Composition:

As on March 31, 2021, the Nomination and Remuneration Committee comprises of three (3) Directors, viz., Dr. Raghupati Singhania (Chairman of the Committee), Mr. Tushar Jain and Mr. Sharad Jaipuria. 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 Section178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meeting and Attendance:

The Nomination and Remuneration Committee met three (2) times during the year on 28.05.2020 and 28.01.2021. 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	Meeting details	
				Held	Attended
1	Dr. Raghupati Singhania	Chairman	Non-Executive Independent	2	2
2	Mr. Tushar Jain	Member	Non-Executive Independent	2	2
3	Mr. Sharad Jaipuria	Member	Non-Executive Independent	2	2

Terms of reference:

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

1. Reviewing the overall compensation policy, service agreements and other employment conditions of Managing / Whole-time Director(s) and Senior Management (one level below the Board);

2. to help in determining the appropriate size, diversity and composition of the Board;

3. to recommend to the Board appointment / re-appointment and removal of Directors;

4. to frame criteria and determining qualifications, positive attributes and independence of Directors;

5. to recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Companies Act, 2013 is to be considered);

6. to create on 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 paid to all the Directors in the Financial Year 2020-21:

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

Executive Directors: (₹ in Lakhs)

Sl. No.	Name of director	Salary & Allowances	Commission	Perquisites	Retiral benefits*	No. of Stock options	Incentive	Tenure
1	Dr. Lalit Khaitan	746.77	125.00	36.31	56.01	NIL	NIL	5 Years
2	Mr. Abhishek Khaitan	746.77	125.00	28.86	57.01	NIL	NIL	5 Years
3	Mr. K.P. Singh	163.62	NIL	1.75	7.48	NIL	28.22	5 Years

* Contributions to Provident Fund and Superannuation Fund.
* There is no fixed component and performance linked incentives, along with the performance criteria.
* There is no service contracts, notice period and severance fees.

Non Executive Directors*:

Sl. No.	Name	Sitting Fees (in ₹)
1	Dr. Raghupati Singhania	2,50,000/-
2	Mr. Sarvesh Srivastava	2,80,000/-
3	Ms. Sushmita Singha	1,75,000/-
4	Mr. Tushar Jain	2,50,000/-
5	Mr. Sharad Jaipuria	2,50,000/-

* Non executive directors were paid sitting fees of ₹40,000/- for attending each meetings of the Board and ₹ 15,000/- for Committees thereof and reimbursement of local conveyance. Non executive directors were not paid any amount by way of salary, perquisites and other benefits including stock options except the above mentioned sitting fees.

Number of equity shares of the Company held by non-executive directors as on March 31, 2021 is as under:

1. Sharad Jaipuria - 6000 Shares
2. Tushar Jain - 8950 Shares

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

Performance Evaluation and its Criteria:

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

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

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

Risk Management Committee:

Composition:

The Board had constituted Risk Management Committee to focus on risk management including determination of Company's risk appetite, risk tolerance and regular risk assessments (risk identification, risk quantification and risk evaluation) etc.

Terms of Reference:

1. Formulate and review risk management policy;
2. Oversee implementation of the same;
3. Monitor and evaluate risks basis appropriate methodology, processes and systems;
4. Appointment, removal and terms of remuneration of Chief Risk Officer, if any

The Risk Management Committee has powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

Meeting and Attendance:

During the year, Risk Management Committee met once on January 22, 2021. The necessary quorum was present for the meeting.

The Table below provides the attendance of the Risk Management Committee members:

Sl. No.	Name	Position	Category	Meeting details	
				Held	Attended
1	Dr. Lalit Khaitan	Chairman	Executive Director	1	1
2	Mr. Abhishek Khaitan	Member	Executive Director	1	1
3	Mr. Sharad Jaipuria*	Member	Non-Executive Independent	1	0
4	Mr. Dilip K. Banthiya	Member	Chief Financial Officer	1	1

* On June 01, 2021 Mr. Sharad Jaipuria was appointed as Member and Chairman of the Committee in compliance with SEBI Listing Regulations.

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 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, date(s) on which the meetings were held and the attendance of the members of the Committee during the financial year ended March 31, 2021 are as follows:

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

28th May 2020	23rd July 2020	28th October 2020	28th January 2021

The Table below provides the attendance of the Stakeholder's Relationship Committee members:

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

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. Dinesh Kumar Gupta
Vice President - Legal & Company Secretary
Radico Khaitan Limited

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

Shareholders' complaints/queries

Details pertaining to the number of complaints/ queries received and responded and the status thereof during the financial year ended March 31, 2021 are given as follows:

Nature of queries/complaints	Received during the year
Non-receipt of Dividend warrants	276
Non-receipt of Share Certificate(s) lodged for transfer / splitting of the share certificates etc.	454
Letters received from Stock Exchange(s) / SEBI	4
Others/Miscellaneous	702
Total	**1436**

All the requests, queries and complaints received during the financial year ended March 31, 2021, 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 Complaints/ Queries	No. of days for disposal
1	Demat of Shares	15 days
2	Dividend revalidation / issue of Dividend Drafts	7 days
3	Change of Address/ Bank Mandate	2 days
5	General queries	2 days

Corporate Social Responsibility (CSR) Committee:

Pursuant to Section 135 of the Companies Act, 2013, the Board of Directors has constituted the CSR Committee comprising of four (4) Directors. The Members of the Committee are Dr. Lalit Khaitan, Mr. Abhishek Khaitan, Mr. K.P. Singh and Ms. Sushmita Singha (Independent Women Director).

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

Meeting and Attendance:

The CSR Committee met during the year on May 28, 2020. The necessary quorum was present for the meeting. The Composition of the CSR Committee as at March 31, 2021 and the details of meeting of the Committee are as under:

The Table below provides the attendance of the Corporate Social Responsibility Committee members.

Name	Position	Category	Meeting details	
			Held	Attended
Dr. Lalit Khaitan	Chairman	Executive	1	1
Mr. Abhishek Khaitan	Member	Executive	1	1
Mr. K.P. Singh	Member	Executive	1	1
Ms. Sushmita Singha	Member	Non-Executive Independent	1	1

Subsidiary Companies:

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

Independent Directors' Meeting:

During the year under review, the Independent Directors met on January 28, 2021, to discuss matters pertaining to Company's affairs and put forth their views.

All Independent Directors were present for this Meeting.

CEO / CFO CERTIFICATION:

As stipulated under Regulation 17(8) and Part B of Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, the CEO / CFO Certificate for the financial year 2020-21 and Regulation 33 (2) (a) of Chapter IV of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, signed by Mr. Abhishek Khaitan, Managing Director as CEO and Mr. Dilip K Banthiya, CFO is enclosed as **Annexure-A**.

ETHICS / GOVERNANCE POLICIES

At Radico, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all the stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner.

Some of these codes and policies are listed below:

- Code of Conduct and Our Code
- Code of Conduct for Prohibition of Insider Trading
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Health, Safety and Environment (HSE) Policy
- Vigil Mechanism and Whistle-blower Policy
- Prevention of Sexual Harassment Policy
- Corporate Social Responsibility Policy
- Policy for selection of Directors and determining Directors' independence
- Remuneration Policy for Directors, Key Managerial Personnel and other employees
- Dividend Distribution Policy
- Policy for determining Material Subsidiaries
- Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions
- Policy on Determination and Disclosure of Materiality of Events and Information and Web Archival Policy
- Policy for Preservation of Documents
- Risk Management Policy
- Foreign Exchange and Derivatives Risk Management Policy
- Data & Cyber Security Policy
- Anti-Corruption and Bribery Policy

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
2019-2020	Rampur Distillery Bareilly Road Rampur – 244 901 (U.P.)	August 31, 2020	01:00 P.M.	Nil
2018-2019	Rampur Distillery Bareilly Road Rampur – 244 901 (U.P.)	September 26, 2019	01:00 P.M.	2
2017-2018	Rampur Distillery Bareilly Road Rampur – 244 901 (U.P.)	August 31, 2018	01:00 P.M.	Nil

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

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.

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

B. All important information pertaining to the Company is also mentioned in the Annual Report of the Company which is circulated to the members and others entitled thereto for each financial year.

C. Your Company provides necessary information to the Stock Exchanges and other rules and regulations issued by the Securities Exchange Board of India.

D. For the year ending March 31, 2022, quarterly financial results will be announced as per the tentative schedule detailed below

Not later than August 15, 2021	First Quarter
Not later than November 15, 2021	Second Quarter and Half Yearly
Not later than February 15, 2022	Third Quarter and Nine Months
Not later than May 30, 2022	Fourth Quarter and Annual

GENERAL SHAREHOLDER INFORMATION:

A. Company Registration details:

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

B. Date, time and venue of the 37th Annual General Meeting:

Tuesday, 28 day of September, 2021 at 1.00 p.m. at Rampur Distillery, Bareilly Road, Rampur – 244 901, Uttar Pradesh.

C. Financial Year:

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

D. Book closure and Dividend payment details:

The Book closure will start from September 22, 2021 to September 28, 2021 (both day inclusive) and Dividend shall be paid after October 03, 2021.

E. Listing on Stock Exchanges:

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

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

The Company has paid the listing fees for the financial year 2021-22 to the stock exchange(s) on which Company's shares are listed. The Company has also paid custodial fees for the year 2021-22 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Security Identification Number (ISIN) allocated to the Company by NSDL and CDSL is INE944F01028.

F. Registered Office:

Bareilly Road, Rampur – 244 901, Uttar Pradesh.

G. Website:

www.radicokhaitan.com

H. E-mail ID for Investor's Grievances:

investor@radico.co.in

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

I. Stock price data:

The monthly high and low prices and volumes of your Company's shares at BSE and NSE for the year 2021 are given as follows:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
2020						
April	331.00	259.60	926286	329.90	259.00	13801480
May	338.00	280.10	1373803	338.70	279.95	23551805
June	393.10	322.50	1147863	393.70	321.95	15705488
July	412.70	363.95	785924	414.00	363.55	12917630
August	429.30	361.00	524982	429.90	360.50	7811437
September	471.75	376.65	1143377	472.00	376.40	11989814
October	471.00	391.15	410369	460.00	384.00	6783857
November	471.50	418.05	324606	471.75	418.45	5570698
December	484.00	422.65	597354	485.00	422.00	6726722
2021						
January	529.90	452.90	1245121	529.85	452.75	11796383
February	584.00	490.35	1926058	580.70	490.60	8385228
March	628.30	516.20	1491793	650.00	516.00	7591962

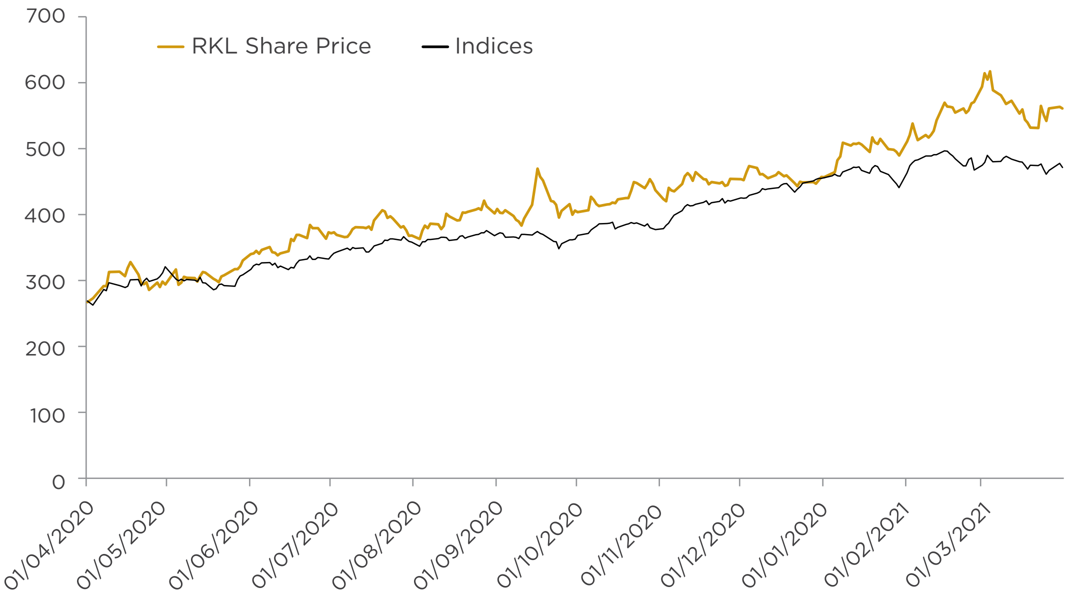
Note:

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

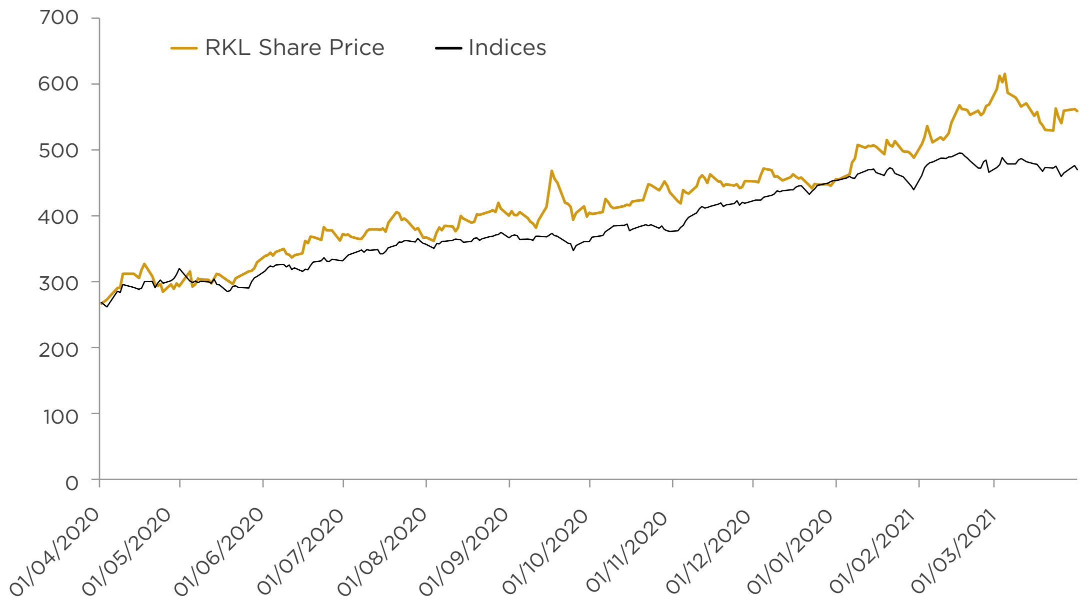
The Chart below shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex for the year 2020 -21. The shares of the Company are traded in the B category at BSE and are also actively traded on NSE.

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

Radio Khaitan share price versus S&P BSE Sensex (Rebased)



Radio Khaitan share price versus Nifty 50 (Rebased)



J. Share transfer system:

The share transfer activities in respect of the shares in physical mode are carried out by the Company's Registrar and Share Transfer Agent (RTA). The Shares lodged for transfer are processed and returned within the stipulated time. The applications and requests received by your Company for transfer of shares held in physical form are processed and the share certificates for the same are sent to the transferee within the stipulated period under the Companies Act, 2013. The Board of Directors of the Company have delegated the authority to approve the transfer of shares, transmission of shares or requests for deletion of name of the shareholder, etc., as mentioned in Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 to the designated officials of the Company. The transactions in respect of issue of duplicate share certificates, split, rematerialisation, consolidation and renewal of share certificates are approved by the Stakeholders Relationship Committee.

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

K. Distribution of Shareholdings:

The distribution of shareholding of the Company as on March 31, 2021 is as follows:

Sl. No.	Category of Shareholders	Total No. of Shares	% of Total no. of Shares
1	Promoters	53829818	40.30
2	Mutual Funds	20591569	15.42
3	Banks, Indian Financial Institution	3958	0.00
4	FIIs/FPIs	25990443	19.46
5	Private Corporate Bodies	5527006	4.14
6	Indian Public	26438948	19.79
7	NRIs/OCBs	1154903	0.86
8	State Government	31,620	0.02
	Total	**133568265**	**100.00**

Distribution of Shareholding as on March 31, 2021

Sl.No.	Category (Amount)	No. of Holders	% To Holders	Physical (Shares)	Electronic (Shares)	Total Shares	Amount (₹)	% To Equity
1	up to 5000	63954	98.19	1074127	9193570	10267697	20535394	7.69
2	5001 - 10000	582	0.89	127185	1928470	2055655	4111310	1.54
3	10001-20000	253	0.39	25420	1837200	1862620	3725240	1.39
4	20001-30000	84	0.13	10,850	1047659	1058509	2117018	0.79
5	30001-40000	49	0.08	15,500	849742	865242	1730484	0.65
6	40001-50000	24	0.04	0	555214	555214	1110428	0.42
7	50001-60000	21	0.03	0	587633	587633	1175266	0.44
8	60001-100000	43	0.07	31620	1695940	1727560	3455120	1.29
9	100001 and above	120	0.18	0	114588135	114588135	229176270	85.79
	Total	**65130**	**100.00**	**1284702**	**132283563**	**133568265**	**267136530**	**100.00**

L. Dematerialization of shares and liquidity

Radico Khaitan Limited shares are tradable in the electronic form only. We have established connectivity with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through KFin Technologies Private Limited, the Company's Registrar and Transfer Agents (RTA). The International Securities Identification Number (ISIN) allotted to our shares under the Depository System is INE944F01028.

As on March 31, 2021, 132,283,563 shares were held in dematerialize form and the rest in physical form.

SEBI, effective April 01, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat.

However, investors are not barred from holding shares in physical form. We request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts and email IDs with the respective depository participants to enable us to provide better service.

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad (Not applicable)

M. Unclaimed Dividend/Shares:

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

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

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

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

The Company has sent out individual communication to the concerned Members whose shares are liable to be transferred to IEPFA on 15.06.2021, to take immediate action in the matter.

As required under the IEPF Rules, the Company has also published a Notice informing the Members' who have not claimed their dividend for a period of 7 years to claim the same from the Company before they are transferred to IEPFA.

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

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 01, 2020	Nil	Nil
Shareholders who approached the Company for transfer of shares from suspense account during the year	Nil	Nil
Shareholders to whom shares were transferred from the suspense account during the year	Nil	Nil
During the year (2020-21) shareholders whose shares were transferred to the demat account of the IEPF Authority as per Section 124 of the Act	203	99,566
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2021	Nil	Nil

The voting rights on the shares outstanding in the suspense account as on March 31, 2021 shall remain frozen till the rightful owner of such shares claims the shares.

N. Transfer to Investor Education & Protection Fund:

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

Financial Year	Date of Declaration of Dividend	Total Dividend	Unclaimed Dividend as on 31-3-2019	Due Date of Transfer to IEPF account
FY 2002	16.07.2002	38,579,176.00	730,556.00	22.08.2009
FY 2003	19.07.2003	34,721,258.40	914,312.00	24.08.2010
FY 2004	17.07.2004	38,579,176.00	973,284.00	22.08.2011
FY 2005	16.11.2005	42,437,093.60	983,341.00	21.12.2012
FY 2006	25.09.2006	48,223,970.00	1,135,840.00	30.10.2013
FY 2007	26.09.2007	51,231,109.50	922,432.00	05.11.2014
FY2008	30.09.2008	51,231,109.50	1,065,509.00	16.10.2015
FY2009	15.09.2009	30,738,665.70	699,978.00	07.10.2016
FY2010	09.09.2010	79,300,632.60	1,620,668.00	26.10.2017
FY2011	09.09.2011	92,853,567.80	1,630,738.00	24.09.2018
FY2012	24.09.2012	106,195,503.20	2,312,827.00	11.10.2019
FY2013	30.09.2013	106,356,544.00	2349982.00	21.10.2020

O. Plant locations:

These details have been provided in 'Corporate Information' in the Annual Report.

P. Credit Ratings:

The details about the credit ratings of the Company has been provided in the Director's Report.

Q. Green initiative:

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.KFin Technologies Private Limited, by sending a letter signed by the shareholders on addresses given below and intimate changes in the email 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: +91 11 40975400/444/500/555
Fax:+91 11 41678841-42
Email: investor@radico.co.in

M/s. KFin Technologies Private Limited
Registered Office:
Karvy Selenium Tower B, Plot number 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500032, Telangana
Ph: +91 040 6716 1517
www.kfintech.com
Toll Free No.18 00 3454 001
Fax No. 040-23430814
Email Id: einward.ris@kfintech.com

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

AFFIRMATIONS AND DISCLOSURES:

Compliances with Governance Framework

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

A. 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.

B. Related party transactions:

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

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

C. Details of non-compliance by the Company:

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

D. Vigil Mechanism / Whistle Blower Policy:

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

E Disclosure of Accounting Treatment:

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

F. 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.

G. Prevention of 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 organisation. The Company has zero tolerance towards sexual harassment and it's an important part of our corporate culture. Radico Khaitan has a special committee in this regards which meets at regular intervals.

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2020 is given in the Directors' report.

H. Prevention of Insider Trading:

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

I. Code of Conduct:

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

Declaration of Compliance with the Code of Conduct

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2021.

Abhishek Khaitan
Managing Director
DIN - 00772865

New Delhi
Date: July 28, 2021

J. Anti-Corruption and Bribery Policy:

We at Radico Khaitan conduct our business in an ethical and honest manner.

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

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

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

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

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

The Company has adequate risk assessment and minimisation system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/ CFD/CMD1/ CIR/P/2018/0000000141 dated November 15, 2018.

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

M. Certificate from Secretarial Auditor regarding compliance of conditions of Corporate Governance by the Company attached herewith as a part of the report as **Annexure-B**

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

The Certificate of Company Secretary in practice is annexed herewith as a part of the report as **Annexure-C**

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

P. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. Details relating to fees paid to the Statutory Auditors are given in Note 47 to the Standalone Financial Statements and Note 47 to the Consolidated Financial Statements.

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

DETAILS OF ADOPTION OF NON- MANDATORY (DISCRETIONARY) REQUIREMENTS

Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time-to time. The status of compliance with the non- mandatory requirements of the Listing Regulations is provided below:

- The requirement relating to maintenance of office and reimbursement of expenses of Non- Executive Chairman is not applicable to the Company since the Chairman of the Company is an Executive Director.

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

For and on behalf of the Board

Dr. Lalit Khaitan
Chairman & Managing Director
DIN-00238222

Place: New Delhi
Date: July 28, 2021

Annexure - A

CEO/CFO CERTIFICATION

This is to certify that:

A. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee:

1. significant changes in internal control over financial reporting during the year;

2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board

Dilip Kumar Banthiya
Chief Financial Officer

Abhishek Khaitan
Managing Director
DIN: 00772865

Place: New Delhi
Date: June 01, 2021

CORPORATE GOVERNANCE AUDIT REPORT

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

1. We have examined the compliance of the conditions of Corporate Governance by Radico Khaitan Limited ('the Company') for the Financial Year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to the review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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 and the representation made by the directors and the management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

TVA & Co. LLP
Company Secretaries

Tanuj Vohra
Partner
M. No.: F5621, C.P. No.: 5253
UDIN: F005621C000405823
RP L2015UP000900

Place: New Delhi
Date: June 01, 2021

Annexure - C

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V, Para C, clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant Registers, Records, Forms, Returns and Disclosures received from the Directors of Radico Khaitan Limited having CIN L26941UP1983PLC027278 and having registered office at Bareilly Road, Rampur, Uttar Pradesh -244901 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para C, clause (10)(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers and the representation given by the Management, we hereby certify that none of the Directors on the Board of the Company as stated below, for the Financial Year ended on March 31, 2021, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Lalit Kumar Khaitan	00238222	28/01/2003
2	Abhishek Khaitan	00772865	28/01/2003
3	Krishan Pal Singh	00178560	28/01/2003
4	Raghupati Singhania	00036129	28/01/2003
5	Sarvesh Srivastava	06869261	30/05/2014
6	Sharad Jaipuria	00017049	08/08/2019
7	Tushar Jain	00053023	08/08/2019
8	Sushmita Singha	02284266	01/04/2019

It is solemnly the responsibility of Directors to submit relevant declarations and disclosures with complete and accurate information in compliance with the relevant provisions. Further, ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For TVA & Co. LLP
Company Secretaries

Tanuj Vohra
Partner
M. No.: F5621, C.P. No.: 5253
UDIN: F005621C000405812
RP L2015UP000900

Place: New Delhi
Date: June 01, 2021

Business Responsibility Report

Pursuant to the regulation 34 (2) (f) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 which has mandated the inclusion of a Business Responsibility Report (BRR) as part of company's Annual Report for top 1000 listed entities based on market capitalisation at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). Following is the Business Responsibility Report of the Company for the Financial Year ended March, 31,2021.

SECTION A:

GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L26941UP1983PLC027278
2	Name of the Company	Radico Khaitan Limited
3	Registered Address	Bareilly Road, Rampur, Uttar Pradesh – 244901
4	Website	www.radicokhaitan.com
5	Email ID	info@radico.co.in
6	Financial Year Reported	1st April, 2020 to 31st March, 2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise) - Name and description of main products	Manufacturing of Alcohol and Alcoholic Products NIC Code of the product: 1101
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Manufacturing of Alcohol and Alcoholic Products
9	Total number of locations where business activity is undertaken by the Company	32
a.	Number of International Locations (Provide details of major 5)	Nil
b.	Number of National Locations	32
10	Markets served by the Company – Local/State/National/ International	Apart from serving entire country, company exports to more than 50 countries.

SECTION B:

FINANCIAL DETAILS OF THE COMPANY

1	Paid-up Capital	₹ 26.71 Crores
2	Total Turnover	₹ 10367.36 Crores (Gross)
		₹ 2418.14 Crores (Net of Excise Duty)
3	Total Profit After Tax	₹ 270.56 Crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 528.07 Lakhs
5	List of activities in which expenditure in 4 above has been incurred	Refer to the Annexure E to the Directors' Report

SECTION C:

OTHER DETAILS

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

SECTION D:

GENERAL INFORMATION ABOUT THE COMPANY

1. Details of Director/Directors responsible for BR

A. Details of Director/Directors responsible for BR Policy / Policies

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

B. Details of the BR Head

#	Particulars	Details
1	DIN Number	00772865
2	Name	Mr. Abhishek Khaitan
3	Designation	Managing Director
4	Details of the BR Head	+91 11 4097 5500
5	Email ID	Investor@radico.co.in

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

The nine principles are as under

1. Principle

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

2. Principle

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

3. Principle

Businesses should promote the well-being of all employees.

4. Principle

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

5. Principle

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

6. Principle

Businesses should respect and promote human rights.

7. Principle

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

8. Principle

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

9. Principle

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

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

#	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have any policy/policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	All the Policies have been developed considering relevant national & International Standards.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board / Director /Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.radicokhaitan.com/investor-relations.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy has been posted on the Company's website for information of all the internal and external stakeholders of the Company.								
8	Does the Company have in-house structure to implement the policy / policies.	Yes, the Company have necessary structure in place to implement the policy.								
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the mechanism, policy /policies?	Yes, the Company have necessary grievance redressal to address stakeholders grievances related to the policy. The CSR committee of the Board of Directors is responsible for addressing stakeholders concerns related to BR policy.								
10	Has the Company carried out independent audit / evaluation of the working We are in the process of appointing independent of this policy by an internal or external agency?	The BR policy is evaluated internally. Time to time evaluation of its working is done by an internal or external agency.								

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

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

3. Governance Related to BR

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

Yes, the BR Report is published on annual basis. The report for the financial year 2010-21 can be assessed through the link: http://www.radicokhaitan.com/investor-relations.

SECTION E:

GENERAL INFORMATION ABOUT THE COMPANY

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

Description	Response
Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	Radico Khaitan have strong and rich foundation of ethics and responsibility which is absolutely necessary to sustainable economic value. With its legacy of fair, transparent and ethical governance, Radico Khaitan has adopted an Anti-Bribery policy under which strict action is envisaged against employees if found indulged into the practice of giving undue favours to government servants or any other stakeholders like vendors, bankers, etc Radico Khaitan Limited also has its own self explanatory code of conduct which defines the importance & commitment on ethics, bribery and any other kind of behaviour which are not acceptable by the company and all employees sign that code with full commitment. The Company encourages and expects the parties associated with its value chain partners like dealers, vendors, supplier, contractors, employees etc. to follow the Code of Business Conduct and principles envisaged in the policy while their interactions with Radico Khaitan Limited. From time to time, drives are initiated for responsible drinking, don't drink and driving, etc. The Company promotes the policy of responsible drinking amongst its consumers.Employees are involved in decision making through making of committees where they have say to express their concerns.
How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	For query / compliant please refer to Corporate Governance Report under the head of Stack Holder Relationship Committee. The Company did not have any significant external stakeholder complaint in the last financial year.

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

Description	Response
List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.	1. The effluent treatment facility in Rampur and other plants complies with Zero liquid Discharge concept as set up by CPCB/ State pollution Board. The treatment has varied by products, which not only improves operational stability of the plants but also adds on to company's profitability. Primary treatment of the effluent yields bio gas, which is used as fuel in cogen boiler to generate steam and then power through a backpressure turbine. The backpressure steam is used again in the distillation plant to produce extra neutral alcohol and rectified spirit. 2. The cogeneration plant of Rampur Distillery consist of 26 MT capacity India's first standalone bio gas fired steam boiler and 2 MW turbine generator and 30 MT capacity bio gas and rice husk based boiler and 2.5 MW in tandem to make Radico Khaitan self reliant on its requirement for power for its normal operation. 3. Meeting out 100% pollution control norms, the treated effluent is not discharged outside and in turn is mixed and cured with organic mass like press mud of sugar mills and suitable organic manures to manufacture bio manure or bio compost, a bio fertiliser used successfully in growing the crop of sugar canes, etc.

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

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

Description		Response
1.	Please indicate the Total number of employees.	1179 as on March 31, 2021
2.	Please indicate the Total number of employees hired on temporary/ contractual / casual basis.	1683
3.	Please indicate the Number of permanent women employees.	19
4.	Please indicate the Number of permanent employees with disabilities	NIL
5.	Do you have an employee association that is recognised by Management?	Yes. There are recognised trade unions constituted as per the terms of the Trade Unions Act at the Company's manufacturing units.

Description		Response
6.	What percentage of your permanent employees is members of this recognised employee association?	12%
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil

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

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

Description		Response
1.	Has the Company mapped its internal and external stakeholders? Yes/No	Yes. The Company has mapped its internal stakeholders as well as external stakeholders. The Company believes that an effective stakeholder engagement process is necessary for achieving its sustainability and growth.
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders.	The Company has appointed a consultant to identify its marginalised stakeholders by way of vendors, stockists, contract workers who are situated in and around its factory locations which are essentially under-developed locations requiring attention. The Company has put in place systems and procedures to identify, prioritise and address the needs and concerns of its stakeholders across businesses and units in a continuous, consistent and systematic manner. It has implemented mechanisms to facilitate effective dialogues with all stakeholders across businesses, identify material concerns and their resolution in an equitable and transparent manner. These measures have helped the Company develop strong relationships, which have withstood the test of time

Description		Response
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.	The Company's collaborative stakeholders are manifest in its programmes which company has done under CSR which are mostly are towards the welfare of the people and stakeholders in and around our factory locations by providing health and sanitary care, educational facilities and vocational training, infrastructural facilities like road, water, etc. Most of the welfare schemes undertaken by the Company are targeted towards upliftment of the poor and down-trodden and marginalised stakeholders located in and around our factories. These initiatives augment the natural resource base of the nation and create sustainable rural livelihoods.

Principle 5: Businesses should respect and promote human rights.

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

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

Description		Response
1.	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.	The Company has a Policy on Safety Health and Environment (SHE), which covers all the operations of the Company. The Policy includes implementation of a low carbon growth strategy across its businesses, integrated soil and water conservation programmes and the creation of large-scale sustainable livelihoods amongst the marginalised sections of society. The policy is applicable to the Companies all the location. The company has done tie up with various organisation for recycling of pet bottles, collection of glass bottles and management of e-waste.
2.	Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for webpage etc.	Yes. The Company is committed to reduce Greenhouse Gas (GHG) emissions and have short-term and long- term targets in this regard. All these targets are aimed at: • Reduce water use through a 50% improvement in water use efficiency. • Continuous focus on reduction of thermal and electrical energy consumption. • Installation of Waste Recovery System. • Utilisation of waste products from its thermal power plants like fly ash to improve the environment. • Development of ponds and afforestation of the mined area to ensure greener environment. • Installation of high efficiency bag filters in place of ESPs to ensure emissions are well within the permissible limits.

Description		Response
3.	Does the Company identify and assess potential environmental risks? Y / N	Yes.
4.	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No.
5.	Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for webpage etc.	Yes, the Company produces powers in its own plants through use of turbine and waste. The details are provided in annexure - E. Further, it has also installed heat recovery systems and latest generation energy lighting and equipment, to save energy and fuel cost. The Company has also commissioned Rain Water harvesting projects within the plant and nearby villages. Details are given on the company website www.radicokhaitan.com.
6.	Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Emission / waste generated by the Company are within the permissible limits given by CPCB/SPCB for the financial year 2020-21.
7.	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	The Company is in compliance with various environmental laws as per joint inspection conducted by CPCB/ UPCB from time to time.

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

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

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

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

Description		Response
2.	Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?	The Company's CSR projects are implemented through an In-House CSR Department. Some of the healthcare and welfare activities are also being undertaken through governmental agencies/ NGO.
3.	Have you done any impact assessment of your initiative?	The Company has appointed Grant Thornton LLP for reviewing the impact assessment of its CSR initiatives. The company has prepared a scheme for systematic review of the performance of the various
4.	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	Details of amount spent by the Company by way of CSR programmes towards the development of the Community have been provided in Annexure E of the Directors' Report for the financial year 2020-21.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	The Company undertakes CSR activities after assessing the needs of the community. Further, all CSR activities are rolled out directly to the society. The Company believes that they will benefit the society at large. This helps in increased reach as well as ensuring the adoption of initiative by communities. Project teams track the reach and take necessary steps to make it successful.

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

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

On behalf of the Board of Directors of Radico Khaitan Limited

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

Place: New Delhi
Date: July 28, 2021

Independent Auditor's Report

To the Members of RADICO KHAITAN LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of Radico Khaitan Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income) for the year ended on that date, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income for the year ended on that date, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Audit Response
Trade Receivables Receivables (net of provisioning) of ₹ 69745.74 lakhs constitute 43% of the current assets of the company as at March 31, 2021 and are spread across geography, covering State Corporations, Defence canteens and open market customers (including exports). The realization is linked with actual sales by State Corporations.	**Principal Audit Procedures** • Evaluating and testing the controls for managing trade receivables, including subsequent collection and provisioning. • Validating the basis of ECL policy as approved by the Board of Directors, in the present context based on historical data and recent developments. • Validating the Aging of receivables, review of trend customer wise, reasons for long outstanding balances, evaluation of disputes and possibility of recovery and existence of the customers. • Obtaining independent customer confirmations during the current COVID 19 Pandemic was a challenge. Hence greater reliance was placed on alternate substantive audit procedures. • Assessing the appropriateness and completeness of the related disclosure in the company's Financial Statements. **Conclusion** Our procedures did not identify any material exceptions.

Inventory	Principal Audit Procedures
Inventories (net of provisions) of ₹ 48906.57 Lakhs constitute 30% of the current assets of the company as at March 31, 2021. The Inventory is lying at various locations, including at 3rd party premises. Packing material constitutes a major part of inventory and has risk of impairment.	• Testing the inventory provisioning and challenging the assumptions for inventory valuation basis non-moving/slow moving items. • Review the policy of the management for physical verification and the documents related to management's physical count procedure actually followed at different locations. • Observed the physical verification process at locations of financial significance during year end audit along with sample testing. • Relied on physical verification report by zonal internal auditors. • Identifying obsolete inventory, if any. • Obtain confirmation from Tie up units being inventory at 3rd party locations and applying substantive procedure • Assess the appropriateness and completeness of the related disclosure in the company's Financial Statements. **Conclusion** Our procedures did not identify any material exceptions.

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

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

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

The other information has not been made available to us as at the date of this auditor's report. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Indian Accounting Standards and other accounting principles generally accepted in India. The Board of Directors of the company are responsible for the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors of the Company is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this standalone financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account;

   d. In our opinion, the aforesaid standalone financial statements read with notes thereto comply with the Indian Accounting Standards specified under section 133 of the Act read with rule 7 7 of the Companies (Accounts) Rules, 2014;

   e. On the basis of the written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".

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

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

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

   (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 39b on Contingent Liabilities to the standalone financial statements;

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

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

For **BGJC & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 003304N/N500056

Darshan Chhajer
Partner
Membership No. 088308
UDIN: 21088308AAAABB3547

Date: June 1, 2021
Place: Gurugram

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Radico Khaitan Limited on the standalone financial statements for the year ended March 31, 2021]

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a block of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, no physical verification of its property, plant and equipment was conducted during the year.

(c) The title deeds of immovable properties recorded in the books of account are held in the name of the Company, except 5 land parcels (1,45,282sq mts) valuing ₹. 3706.55 Lakhs, grouped under freehold land, where title is determined based on long term possession and revenue records.

(ii) The inventory, except goods in transit, has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on physical verification carried out during the year.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.

(iv) The company has not given any loan or provided any guarantee or security to parties covered under section 185 of the Companies Act, 2013. Further, according to the information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under. Further, as informed, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, goods and services tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, goods and services tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, goods and services tax, service tax, value added tax, customs duty, excise duty on account of any dispute, are as follows:

	Nature of dues	Disputed Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Amount paid under protest (₹ in Lakhs)
UP VAT ACT/ KARNATAKA VAT ACT /DELHI VAT ACT	Sales Tax/ Entry Tax/VAT	6.86	1999-00	Trade Tax Tribunal, Moradabad	2.74
		1.81	1998-99	Allahabad High Court	1.00
		1.21	1999-00	Trade Tax Tribunal, Moradabad	0.75
		33.79	2012-13	Hyderabad High Court	16.89
		8.45	2012-13	Hyderabad High Court	2.11
		84.13	2014-15	Karnataka High Court	-
Finance Act 1994	Service Tax	49.90	2016-17 & 2017-18	Assistance Commissioner (CGST Division)	-
United Provinces (Uttar Pradesh) Excise Act, 1910	Excise Duty	102.32	1995 to 2005	Allahabad High Court, Lucknow Bench	-
		246.17	1995-2005	Allahabad High Court, Lucknow Bench	246.17
		22.00	1997-98	Allahabad High Court, Lucknow Bench	4.63
		181.25	2016-17	Supreme Court	-
The Custom Act 1962	Custom Duty	10.73	2015	Commissioner of Customs (Appeals)	

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, governments. There are no debenture holders.

(ix) The Company has not raised the money by way of public issue offer/ further public offer. Money raised by way of term loans during the year were utilized for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and to the best of our information and according to the explanations given to us, managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanation given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of the related party transactions have been disclosed in the Financial Statements, as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **BGJC & Associates LLP**
Chartered Accountants
Firm's Registration No.: 003304N/N500056

Darshan Chhajer
Partner
Membership Number: 088308
UDIN: 21088308AAAABB3547

Date: July 1, 2021
Place: Gurugram

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Radico Khaitan Limited on the standalone financial statements for the year ended March 31, 2021]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Radico Khaitan Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **BGJC & Associates LLP**
Chartered Accountants
Firm's Registration No.: 003304N/N500056

Darshan Chhajer
Partner
Membership Number: 088308
UDIN: 21088308AAAABB3547

Place: Gurugram
Date: May 28, 2020

Standalone Balance Sheet

as at March 31, 2021

(₹ in Lakhs unless otherwise stated)

Particulars	Note No	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2	77,838.87	72,953.60
Capital work-in-progress		3,778.49	1,808.29
Intangible assets	2	1,151.13	1,388.95
Financial assets			
Investment in a joint venture	3	15,538.53	15,538.53
Investment in others	4	0.60	0.60
Loans	5	973.33	1,658.26
Others	6	66.61	179.95
Other non-current assets	7	6,716.21	10,305.95
Total non-current assets		**106,063.77**	**103,834.13**
Current assets			
Inventories	8	48,906.57	37,417.54
Financial assets			
Trade receivables	9	69,745.74	82,305.44
Cash and cash equivalents	10	12,110.36	1,010.43
Bank balances other than above	11	887.71	813.55
Loans	12	4,573.15	4,073.86
Others	13	2,896.58	2,050.18
Current tax assets (Net)	14	97.47	750.18
Other current assets	15	23,253.93	13,783.92
Total current assets		**162,471.51**	**142,205.10**
Total assets		**268,535.28**	**246,039.23**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	2,671.37	2,670.69
Other Equity	17	173,719.31	149,382.18
		176,390.68	**152,052.87**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	26.91	153.31
Others	19	1,143.30	514.96
Provisions	20	1,028.74	1,110.35
Deferred tax liabilities (Net)	21	8,024.78	7,846.60
Other non current liabilities	22	16.58	16.58
Total non-current liabilities		**10,240.31**	**9,641.80**
Current liabilities			
Financial liabilities			
Borrowings	23	27,182.44	39,736.97
Trade payables			
Outstanding dues of Micro, Small and Medium Enterprises	24	3,073.83	2,786.51
Other Enterprises	24	23,116.94	23,637.27
Others	25	3,331.96	3,186.65
Provisions	26	10,037.89	5,277.61
Other current liabilities	27	15,161.23	9,719.55
Total current liabilities		**81,904.29**	**84,344.56**
Total Equity & Liabilities		**268,535.28**	**246,039.23**
Significant Accounting Policies	1		
Other Notes to Accounts	2-61		

As per our report of even date attached
For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N
Darshan Chhajer
Partner
Membership No.: 088308
Place : Gurugram

Place: New Delhi
Date: June 01, 2021

For and on behalf of Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director

Dinesh Kumar Gupta
Vice President - Legal &
Company Secretary

Abhishek Khaitan
Managing Director

Alok Agarwal
Sr Vice President
(Finance & Accounts)

Director

Standalone Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

Particulars	Note No	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Revenue from operations	28	1,036,736.12	941,789.14
Other income	29	2,007.37	918.67
Total income		**1,038,743.49**	**942,707.81**
EXPENSES			
Cost of materials consumed	30	123,883.30	127,091.18
Excise duty		794,922.31	699,085.12
Purchase of stock-in-trade	31	177.00	358.90
Change in inventories of finished goods, stock-in-trade and work-in-progress	32	(3,818.04)	(2,630.99)
Employee benefits expense	33	17,633.56	18,608.08
Finance costs	34	2,201.65	3,161.46
Depreciation and amortization expense	35	5,389.91	5,252.73
Other expenses	36	63,043.64	62,096.04
Total Expenses		**1,003,433.33**	**913,022.52**
Profit for the year before exceptional items & tax		**35,310.16**	**29,685.29**
Exceptional items	37	-	2,416.62
Profit for the year before tax		**35,310.16**	**27,268.67**
Less: Tax expense			
Current tax		8,435.85	7,095.03
For earlier years		(389.24)	-
Deferred tax		207.19	(2,576.43)
Profit for the year from continuing operations		**27,056.36**	**22,750.07**
Other comprehensive income/(loss)	38		
Items that will not be reclassified to profit or loss		(115.25)	(361.38)
Income tax relating to items that will not be reclassified to profit or loss		29.01	90.95
Total other comprehensive income/(loss)		**(86.24)**	**(270.43)**
Total comprehensive income for the year (Comprising profit and other comprehensive income for the year)		**26,970.12**	**22,479.64**
Earning per share for Continuing Operations			
Basic earnings per share in INR (face value of ₹ 2/- each)	42	20.26	17.05
Diluted earnings per share in INR (face value of ₹ 2/- each)	42	20.25	17.04
Significant Accounting Policies	1		
Other Notes to Accounts	2-61		

As per our report of even date attached
For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N
Darshan Chhajer
Partner
Membership No.: 088308
Place : Gurugram

Place: New Delhi
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For and on behalf of Board of Directors

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(Finance & Accounts)

Dr. Lalit Khaitan
Chairman & Managing Director

Abhishek Khaitan
Managing Director

Director

Standalone Statement of changes in equity

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
At the beginning of the year	2,670.69	2,668.19
Changes in Equity Share capital during the year	0.68	2.50
At the end of the year	**2,671.37**	**2,670.69**

B. OTHER EQUITY

Particulars	Securities Premium Reserve	General Reserves	Employee Stock Options outstanding account	Retained Earnings	Total
Balance as at March 31, 2019	37,930.08	40,000.00	39.49	50,856.53	128,826.10
Profit/ (Loss) for the year (1)	-	-	-	22,750.07	-
Other Comprehensive Income/(loss) (2)	-	-	-	(270.43)	-
Total Comprehensive Income/ (loss) (1+2)	-	-	-	22,479.64	22,479.64
Dividends including tax thereon (Refer note 41)	-	-	-	(1,929.98)	(1,929.98)
Lease assets - Ind As 116 adjustment				(130.58)	(130.58)
Share based payments	151.50		(14.50)		137.00
Balance as at March 31, 2020	**38,081.58**	**40,000.00**	**24.99**	**71,275.61**	**149,382.18**
Profit/ (Loss) for the year (1)	-	-	-	27,056.36	-
Other Comprehensive Income / (loss) (2)	-	-	-	(86.24)	-
Total Comprehensive Income/ (loss) (1+2)	-	-	-	26,970.12	26,970.12
Dividends (Refer note 41)	-	-	-	(2,670.85)	(2,670.85)
Share based payments	42.55		(4.69)	-	37.86
Balance as at March 31, 2021	**38,124.13**	**40,000.00**	**20.30**	**95,574.88**	**173,719.31**

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N
Darshan Chhajer
Partner
Membership No.: 088308
Place : Gurugram

Place: New Delhi
Date: June 01, 2021

For and on behalf of Board of Directors

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Abhishek Khaitan
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Alok Agarwal
Sr Vice President
(Finance & Accounts)

Director

Standalone Statement of Cash Flows

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flow from operating activities		
Profit for the year before tax	35,310.16	27,268.67
Adjustments for		
Depreciation and amortization expense	5,389.91	5,252.73
Profit on sale of fixed assets	(2.41)	(6.10)
Loss on sale / write off assets	61.07	77.58
Finance costs	2,201.65	3,161.46
Interest income	(653.56)	(498.33)
Provision for Expected credit loss and Bad Debt	140.03	2,092.75
Provision for Non-moving/ obsolete Inventory	155.26	875.00
Employees stock option scheme	1.79	8.59
Dividend income on investments	(811.30)	(359.57)
Operating profit before working capital changes	**41,792.60**	**37,872.78**
Changes in working capital		
Decrease/(Increase) in Inventories	(11,644.29)	(2,321.25)
Decrease/(Increase) in Trade Receivables	12,419.68	(20,223.30)
Decrease/(Increase) in current financial assets (loans)	(499.29)	596.09
Decrease/(Increase) in current financial assets (Others)	(912.39)	105.38
Decrease/(Increase) in other current assets	(9,470.01)	(239.92)
Decrease/(Increase) in non-current financial assets (loans)	684.93	(855.18)
Decrease/(Increase) in non-current financial assets (Others)	0.90	11.79
Decrease/(Increase) in other non-current assets	2,601.80	1,469.36
Increase/(Decrease) in non-current financial liabilities (others)	(80.42)	105.68
Increase/(Decrease) in long term provisions	(81.61)	73.66
Increase/(Decrease) in short term provisions	4,645.03	(1,918.97)
Increase/(Decrease) in current Trade Payables	(233.01)	1,940.21
Increase/(Decrease) in current financial liabilities (others)	431.49	584.11
Increase/(Decrease) in other current liabilities	5,441.68	(2,693.62)
Cash generated from operating activities before taxes	45,097.09	14,506.82
Net income tax paid	(7,393.90)	(8,538.08)
Net Cash flow from operating activities (A)	**37,703.19**	**5,968.74**
B. Cash flow from investing activities		
Additions in tangible assets	(8,906.76)	(7,024.47)
Additions in intangible assets	-	(22.67)
Additions in CWIP	(1,970.20)	(208.40)
Capital Advances	987.94	(750.17)
Sale of fixed assets	(1.65)	74.99
Interest received	721.18	555.59
Dividend received	811.30	559.57
Fixed deposits matured during the year	36.00	84.11
Net Cash flow from Investing activities (B)	**(8,322.19)**	**(6,731.45)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. Cash flow from financing activities		
Increase/(Decrease) in share capital (including securities premium)	36.74	130.90
Leased Payment	(692.52)	(752.79)
Net Loans (repaid) / taken	(12,691.58)	6,325.23
Dividend paid including Dividend Distribution Tax	(2,670.85)	(1,929.98)
Interest paid	(2,262.86)	(2,825.62)
Net Cash flow from financing activities (C)	**(18,281.07)**	**947.74**
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	**11,099.93**	**185.03**
Cash and cash equivalents at the beginning of the year	1,010.43	825.40
Cash and cash equivalents at the end of the year	**12,110.36**	**1,010.43**

Note -

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

As per our report of even date attached
For BGJC & Associates LLP
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Firm Registration No. 003304N
Darshan Chhajer
Partner
Membership No.: 088308
Place : Gurugram

For and on behalf of Board of Directors

Dilip K. Banthiya
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Abhishek Khaitan
Managing Director

Alok Agarwal
Sr Vice President
(Finance & Accounts)

Director

Place: New Delhi
Date: June 01, 2021

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

BACKGROUND

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

SIGNIFICANT ACCOUNTING POLICIES

1.01 Basis of preparation

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

The entity has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2021 has been prepared in accordance with Ind AS.

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

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

1.02 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period.

All other liabilities classified as non-current.

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

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

1.03 Fair value measurement

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

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

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

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

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

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

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

(₹ in Lakhs unless otherwise stated)

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

- Level 1-Quoted (unadjusted) market prices in active markets for identical assets or liabilities,
- Level 2-Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable,
- Level 3-Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

1.04 Foreign Currency Transactions

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

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

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

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

1.05 Revenue recognition

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable (net of returns and allowances, trade discounts and volume rebates), taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government with an exception to excise duty. The company has concluded that it is the principal in all of its revenue arrangements with tie up units since the company is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. In arrangements with tie up units, revenue is recognised at gross value with corresponding cost being recognised under cost of production.

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

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

Interest income

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

Royalty Income

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

Export Incentives

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

Dividend Income

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

1.06 Excise Duty

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

1.07 Government grants

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

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

1.08 Taxes

Current Income Tax

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

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

Deferred Tax

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

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

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

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with interests in joint ventures, deferred tax assets are recognised only to the

(₹ in Lakhs unless otherwise stated)

extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

Deferred tax on Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of deferred tax relating to MAT credit entitlement to the extent there is no longer reasonable certainty that the Company will pay normal income-tax during the specified period.

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

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

1.09 Property, plant and equipment

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

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

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

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

Depreciation

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

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

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

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

1.10 Intangible assets

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

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

Amortization

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

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

1.11 Borrowing costs

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

1.12 Segment reporting

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

1.13 Inventories

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

"Physical verification of all major Inventory items is carried out atleast once a year. The variations is any are duly accounted for after thorough verification. At the year end the stock is rolled over and verified.

Borrowing cost on Malt under maturation is not being capitalised to cost of inventory. This is in accordance with Ind AS 23, as they are manufactured of large quantity on the repetitive basis."

1.14 Leases

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

Entity as a lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;

(₹ in Lakhs unless otherwise stated)

- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under Ind AS 17

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

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

Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

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

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

1.15 Impairment of non-financial assets

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

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

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

1.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

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

Contingent liability and Contingent Assets

Contingent liabilities are not recognized but are disclosed where possibility of any outflow in settlement is remote.

Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

1.17 Employee benefits

Short-term obligations

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

Other long-term employee benefit obligations

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

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

Post-employment obligations

The Company operates the following post-employment schemes:

Gratuity obligations

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

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

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

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

Provident Fund Obligation

The Company makes contribution to the recognised provident fund - " The Rampur Distillery & Chemical Company Limited Employee Provident Fund Trust", which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

Company's contribution to the provident fund is charged to Statement of Profit and Loss"

1.18 Share-based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost

(₹ in Lakhs unless otherwise stated)

of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The fair value of the options granted is recognized as an employee benefits expense with a corresponding increase in equity. Total amount to be expensed is determined by reference to the fair value of the option granted:

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

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

1.19 Earnings Per Share

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

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

1.20 Financial instruments

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

Initial recognition and measurement

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

A. Financial Assets

Financial assets are recognised when the company becomes a party to the contractual provisions of the instrument

Subsequent measurement

Financial assets are subsequently classified as measured at:

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

Trade Receivables and Loans:

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

Financial assets measured at amortised cost:

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

a). The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b). Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the

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(₹ in Lakhs unless otherwise stated)

EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

Measured at fair value through other comprehensive income:

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

Measured at fair value through Profit or Loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity investments

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

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

Derecognition

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

Impairment of financial assets

Expected credit losses (ECL) are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category, as per policy approved by the Board of Directors.

For financial assets, as per Ind AS 109, the Company recognises 12 months expected credit losses for all originated or acquired financial assets if at the reporting date. The credit risk of the financial asset has not increased significantly since its initial recognition.

Expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.

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

B. Financial liabilities

Financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument

Subsequent measurement

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

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

Trade and other payables

In case of trade and other payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per credit period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

(₹ in Lakhs unless otherwise stated)

Derecognition

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

Reclassification of financial assets

No reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the entity's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The entity does not restate any previously recognised gains, losses (including impairment gains or losses).

C. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously, includes balances written off against provisions.

1.21 Derivative financial instruments

The entity uses derivative financial instruments, such as forward currency contracts, interest rate swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1.22 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise balance at banks and cash on hand and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible which are subject to an insignificant risk of changes in value.

1.23 Significant accounting judgements, estimates and assumptions

The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, contingent liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates, in the COVID19 pandemic environment of lockdown, could result in out comes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These have been assessed to the best of understanding but the degree of uncertainty has increased.

Judgements

In the process of applying the accounting policies, management has made the following judgements, which have most significant effect on the amounts recognised in the separate financial statements:

a) Arrangement containing lease

"Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Radico's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existinglease contracts.

b) Revenue recognition

The entity assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The entity has generally

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for the year ended March 31, 2021

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concluded that it is acting as a principal in all its revenue arrangements.

When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the entity and its business partners are reviewed to determine each party's respective role in the transaction.

Where the entity's role in a transaction is that of a principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, net off sales tax/VAT/GST, trade discounts and rebates but inclusive of excise duty with any related expenditure charged as an operating cost.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation and uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The entity based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the entity, especially in the current COVID19 Pandemic environment. Management has made the estimates and assumptions considering the short to medium term impact, to the best of understanding. Such changes are reflected in the assumptions when they occur.

a) Impairment reviews

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

Impairment reviews in respect of the relevant CGUs are performed at least annually or more regularly if events indicate that this is necessary.

Impairment reviews are based on discounted future cash flows. The future cash flows which are based on business forecasts, the long-term growth rates and the pre-tax discount rates, that reflects the current market assessment of the time value of money and the risk specific to the asset or CGU, used are dependent on management estimates and judgements. Future events could cause the assumptions used in these impairment reviews to change.

There is no significant impact due to the COVID 19 pandemic and lockdown as assessed by the management.

b) Allowance for uncollectible account receivables and advances

Trade receivables and certain financial assets do not carry any interest unlike other interest bearing financials assets viz intercorporate deposits. Such financial assets are stated at their carrying value as reduced by impairment losses determined in accordance with expected credit loss. Allowance as per expected credit loss model is based on simplified approach which is based on historically observed default rates and changed as per forward-looking estimates. In case of trade receivables entity uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables which is also based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. The actual loss could differ from the estimate made by the management, especially in the current environment of COVID19 Pandemic.

c) Taxes

The entity is subject to income tax laws as applicable in India. Significant judgement is required in determining the provision for taxes as the tax treatment is often by its nature complex, and cannot be finally determined until a formal resolution has been reached with the relevant tax authority which may take several years to conclude. Amounts provided are accrued based on management's interpretation of country specific tax laws and the likelihood of settlement. The entity recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Actual liabilities could differ from the amount provided which could have a consequent adverse impact on the results and net position of the entity.

d) Pension and post-retirement benefits

The cost of defined benefit plans viz. gratuity, provident fund, leave encashment, etc. are determined using actuarial assumptions. An actuarial valuation involves making various assumptions that may differ from actual

(₹ in Lakhs unless otherwise stated)

developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about defined benefit plans are given in note no. 53.

e) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

1.24 Recent Accounting Developments

Standard issued but not yet effective: (based on Exposure drafts available as on date)

Issue of Ind AS 117 – Insurance Contracts

Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk. Application of this standard is not expected to have any significant impact on the Company's financial statements.

Amendments to existing Standards

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

1. Ind AS 103 – Business Combination
2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
3. Ind AS 40 – Investment Property

   The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

2 PROPERTY, PLANT AND EQUIPMENT

Description of Assets	Gross Block				Depreciation			Net Block	
	As at April 01, 2020	Additions	Disposals/ Adjsuments	As at March 31, 2021	Up to March 31,2020	For the year	Accumulated Depreciation on Disposals	Up to March 31,2021	As at March 31,2021
Tangible Assets									
Freehold land	12,865.48	-	-	12,865.48	-	-	-	-	12,865.48
Leasehold land	3,467.56	-	-	3,467.56	229.65	45.93	-	275.58	3,191.98
Buildings	10,068.39	1,127.94	-	11,196.33	1,719.80	450.91	-	2,170.71	9,025.62
Plant & equipments	61,103.28	4,271.40	194.20	65,180.48	14,548.69	3,839.18	161.34	18,226.53	46,953.95
Furniture & Fixtures	489.28	1,023.42	0.08	1,512.62	177.60	94.94	0.08	272.46	1,240.16
Vehicles	935.95	415.94	75.31	1,276.58	291.39	131.42	51.99	370.82	905.76
Office equipments	199.88	181.90	7.69	374.09	101.08	50.52	6.86	144.74	229.35
Right to use (Leased Assets) (Refer note 39 (c))	1,300.45	1,187.61	-	2,488.06	560.37	499.46	-	1,059.83	1,428.23
Leasehold improvements	288.40	1,886.16	-	2,174.56	136.49	39.73	-	176.22	1,998.34
	90,718.67	**10,094.37**	**277.28**	**100,535.76**	**17,765.07**	**5,152.09**	**220.27**	**22,696.89**	**77,838.87**
Intangible Assets									
Brands & trade marks	2,552.26	-	-	2,552.26	1,220.53	215.49	-	1,436.02	1,116.24
Software	393.91	-	-	393.91	336.69	22.33	-	359.02	34.89
	2,946.17	**-**	**-**	**2,946.17**	**1,557.22**	**237.82**	**-**	**1,795.04**	**1,151.13**
Total	**93,664.84**	**10,094.37**	**277.28**	**103,481.93**	**19,322.29**	**5,389.91**	**220.27**	**24,491.93**	**78,990.00**

Description of Assets	Gross Block				Depreciation			Net Block	
	As at April 01, 2019	Additions	Disposals/ Adjsuments	As at March 31,2020	Up to March 31,2019	For the year	Accumulated Depreciation on Disposals	Up to March 31, 2020	As at March 31,2020
Tangible Assets									
Freehold land	12,927.50	-	62.02	12,865.48	-	-	-	-	12,865.48
Leasehold land	3,467.56	-	-	3,467.56	183.72	45.93	-	229.65	3,237.91
Buildings	8,782.51	1,311.93	26.05	10,068.39	1,319.35	425.12	24.67	1,719.80	8,348.59
Plant & equipments	56,663.84	5,664.22	1,224.78	61,103.28	12,008.18	3,694.22	1,153.71	14,548.69	46,554.59
Furniture & fittings	480.94	8.34	-	489.28	108.59	69.01	-	177.60	311.68
Vehicles	1,004.02	4.96	73.03	935.95	225.88	131.14	65.63	291.39	644.56
Office equipments	174.94	35.02	10.08	199.88	53.80	52.75	5.47	101.08	98.80
Right to use (Leased Assets) (Refer note 39 (c))	-	1,300.45	-	1,300.45	-	560.37	-	560.37	740.08
Leasehold improvements	288.40	-	-	288.40	97.81	38.68	-	136.49	151.91
	83,789.71	**8,324.92**	**1,395.96**	**90,718.67**	**13,997.33**	**5,017.22**	**1,249.48**	**17,765.07**	**72,953.60**
Intangible Assets									
Brands & trade marks	2,552.26	-	-	2,552.26	1,005.04	215.49	-	1,220.53	1,331.73
Software	457.23	22.67	85.99	393.91	402.66	20.02	85.99	336.69	57.22
	3,009.49	**22.67**	**85.99**	**2,946.17**	**1,407.70**	**235.51**	**85.99**	**1,557.22**	**1,388.95**
Total	**86,799.20**	**8,347.59**	**1,481.95**	**93,664.84**	**15,405.03**	**5,252.73**	**1,335.47**	**19,322.29**	**74,342.55**

3 INVESTMENT IN A JOINT VENTURE

Unquoted Investments

Particulars	March 31, 2021	March 31, 2020
Unquoted Investments		
Equity Shares (at amortised cost) (Refer note 58)		
Radico NV Distilleries Maharashtra Limited - 13,58,503 (previous year: 13,58,503) equity shares of ₹ 100 each, fully paid up	13,538.53	13,538.53
Preference Shares (at amortised cost)		
Radico NV Distilleries Maharashtra Limited - 20,00,000 (previous year: 20,00,000) 10% cumulative, non-convertible preference shares of ₹ 100 each, fully paid up	2,000.00	2,000.00
	15,538.53	**15,538.53**
Aggregate amount of unquoted investments	15,538.53	15,538.53
Aggregate amount of impairment in value of investments.	-	-

(₹ in Lakhs unless otherwise stated)

4 INVESTMENT IN OTHERS (UNQUOTED AT FVTPL)

Particulars	March 31, 2021	March 31, 2020
New Urban Cooperative Bank Ltd. - 2,388 (previous year: 2,388) equity shares of ₹ 25 each, fully paid up	0.60	0.60
	0.60	**0.60**
Aggregate amount of unquoted investments	0.60	0.60
Aggregate amount of impairment in value of investments	-	-

5 LOANS

Particulars	March 31, 2021	March 31, 2020
(Unsecured- Considered good)		
Security Deposits	973.33	1,658.26
	973.33	**1,658.26**

6 OTHERS

Particulars	March 31, 2021	March 31, 2020
Interest accrued on term deposits	10.72	12.60
Deposits with more than 12 months maturity (Refer note-11)	55.89	166.45
Advances recoverable	-	0.90
	66.61	**179.95**

7 OTHER NON-CURRENT ASSETS

Particulars	March 31, 2021	March 31, 2020
Capital Advances	3,532.43	4,520.37
Advances other than capital advances		
Advances recoverable	3,092.00	5,592.00
Prepaid Assets	91.78	193.58
	6,716.21	**10,305.95**

8 INVENTORIES

Particulars	March 31, 2021	March 31, 2020
(Refer note-1.13 on valuation of inventories)		
Raw materials	8,846.51	7,691.42
Work-in-progress	3,724.71	3,729.67
Finished goods *	25,949.54	17,253.87
Stock-in-trade	192.53	160.68
Stores & spares (Including promotional material)	4,451.06	3,581.36
Packing materials	5,929.72	5,978.31
Goods in transit - Raw material	2.75	11.69
	49,096.82	38,407.00
Less: Provision for obsolete and non-moving inventories	(190.25)	(989.46)
	48,906.57	**37,417.54**

Amount recognised in statement of profit and loss

Write-down of inventories to net realisable value , resulted in net loss / (gain) of ₹ 155.26 lakhs (previous year ₹ 875.00 lakhs). These were recognised as an expense / income during the year in the Statement of Profit and Loss.

* Includes provision for excise duty/Custom duty ₹ 9356.87 lakhs (previous year ₹ 4409.04 lakhs)

* Include ENA and Malt Spirit under maturation.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

9 TRADE RECEIVABLES

Particulars	March 31, 2021	March 31, 2020
Trade Receivables considered good - Unsecured	67,736.65	77,591.55
Trade Receivables which have significant increase in Credit Risk	4,534.89	6,777.63
Trade Receivables - credit impaired	-	357.09
	72,271.54	84,726.27
Less: Allowance for expected credit losses	(2,525.80)	(2,420.83)
	69,745.74	**82,305.44**

Trade Receivables relate to company's contract with its customers, are non interest bearing and are generally on credit terms not exceeding 12 months.

10 CASH AND CASH EQUIVALENTS

Particulars	March 31, 2021	March 31, 2020
Balances with banks*	12,087.82	986.77
Cash in hand	22.54	23.66
	12,110.36	**1,010.43**

*Including cheques on hand ₹ Nil (previous year ₹ 22.10 Lakhs)

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	March 31, 2021	March 31, 2020
Balances with banks		
In unpaid dividend accounts	152.49	152.89
In term deposits #	791.11	827.11
Deposits with more than 12 months maturity (Refer note-6)	(55.89)	(166.45)
	887.71	**813.55**
# Deposit are:		
Under lien with Government departments and banks as security	791.11	827.11

12 LOANS

Particulars	March 31, 2021	March 31, 2020
(Unsecured- Considered good, unless otherwise stated)		
Security Deposits	1,435.10	1,173.29
Others		
Advances recoverable	449.37	202.36
Inter corporate deposits (Refer note-54)		
ICDs Considered good - Unsecured	2,688.68	2,698.21
ICDs - credit impaired.	-	461.00
	4,573.15	4,534.86
Less: Allowance for expected credit losses	-	(461.00)
	4,573.15	**4,073.86**

13 OTHERS

Particulars	March 31, 2021	March 31, 2020
Accrued export incentives	598.15	418.99
Other balances recoverable from Statutory/ Government authorities	2,078.43	1,345.20
Interest accrued on term deposits	44.55	32.05
Loans and advances		
Considered good - Unsecured	175.45	253.94
Credit impaired	112.31	112.31
Less: Allowance for expected credit losses	(112.31)	(112.31)
	2,896.58	**2,050.18**

(₹ in Lakhs unless otherwise stated)

14 CURRENT TAX ASSETS (NET)

Particulars	March 31, 2021	March 31, 2020
Income Tax *	97.47	750.18
	97.47	**750.18**

*Net of provisions of ₹ 15,549.95 (Previous year ₹ 25,635.42)

15 OTHER CURRENT ASSETS

Particulars	March 31, 2021	March 31, 2020
(Unsecured - Considered good)		
Advances recoverable in kind	1,637.93	1,837.88
Others		
Amount paid under protest	807.14	520.69
Claims and duties adjustable from Excise Department	14,173.73	6,687.10
Other Advances recoverable	3,399.77	2,099.77
Prepaid assets	3,235.36	2,638.48
	23,253.93	**13,783.92**

16 EQUITY SHARE CAPITAL

Particulars	March 31, 2021	March 31, 2020
Authorised		
17,00,00,000 (Previous year 17,00,00,000) equity shares of ₹ 2/- each	3,400.00	3,400.00
60,00,000 (Previous year 60,00,000) preference shares of ₹ 100/- each	6,000.00	6,000.00
	9,400.00	**9,400.00**
Issued, subscribed and fully paid		
13,35,68,265 (Previous Year 13,35,34,265) equity shares of ₹ 2/- each	2,671.37	2,670.69
	2,671.37	**2,670.69**

Rights, Preferences & Restrictions attached to equity shares

a. The Company has issued only one class of shares, referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. Reconciliation of the number of shares

	March 31, 2021	March 31, 2020
	No. of Shares	No. of Shares
Outstanding at the beginning of the year	133,534,265	133,409,265
Add: Issued during the year	34,000	125,000
Outstanding at the end of the year	**133,568,265**	**133,534,265**

c. Details of shareholders holding more than 5% of total equity shares of the company

	March 31, 2021		March 31, 2020	
	Percentage of Holding	No. of Shares	Percentage of Holding	No. of Shares
Sapphire Intrex Ltd.	33.97%	45,379,098	33.98%	45,379,098
TIMF Holdings	5.83%	7,781,575	5.83%	7,781,575

d. Shares reserved for issue under options: ESOPs

The Company established Employee Stock Options Plan, duly approved by the shareholders in the meeting held on May 25, 2006 which was effective from July 25, 2006. Accordingly, the Company has granted 42,80,000 equity options up to March 31, 2021 which will get vested over a period of 4 years from the date of the grant. The employees have the options to exercise their right within a period of 3 years from the date of vesting. The compensation cost of stock options granted to employees is accounted by the Company using the fair value method.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

e. Summary of Stock Option

	March 31, 2021 No. of Shares	March 31, 2020 No. of Shares
Option granted up to the year end	4,280,000	4,280,000
Options forfeited up to the year end	1,741,451	1,741,451
Options exercised up to the year end	2,433,049	2,399,049
Option outstanding at the year end	105,500	139,500
Exercise price (weighted average)	₹ 86.29	₹ 85.98

In respect of Options granted under the Employee Stock Options plan, in accordance with the guidelines issued by SEBI, the accounting value of the options is accounted as deferred employee compensation, which is amortized on a straight line basis over the period between the date of grant of options and eligible dates for conversion into equity shares. Consequently, Employee benefits expense (Refer note-33) includes ₹ 1.79 lakhs (previous year ₹ 8.59 lakhs) being the amortisation of deferred employee compensation.

17 OTHER EQUITY

Particulars	March 31, 2021	March 31, 2020
Reserves & Surplus		
Retained Earning	95,574.88	71,275.61
Securities Premium Reserve	38,124.13	38,081.58
General Reserve	40,000.00	40,000.00
Employee Stock Options Outstanding Account	20.30	24.99
	173,719.31	**149,382.18**

Refer statement of changes in equity for detailed movement in above reserves and surplus.

18 BORROWINGS

Particulars	March 31, 2021	March 31, 2020
Secured #		
Vehicle loans	153.51	290.56
	153.51	**290.56**
Less : Shown in current maturities of long-term debt (Refer note- 25)	(126.60)	(137.25)
	(126.60)	(137.25)
	26.91	**153.31**

 # Notes

i). The above loans are secured by a pari-passu first charge on Vehicles procured.

ii). Terms of repayment are as follows:-

Name	Year of Maturity	Outstanding as at March 31, 2021	Outstanding as at March 31, 2020
HDFC Bank *	Jan 2022	106.20	224.50
HDFC Bank *	June 2023	21.11	29.27
YES Bank *	May 2023	26.20	36.79
		153.51	**290.56**

Monthly Installment

19 OTHERS (AT AMORTISED COST)

Name	Outstanding as at March 31, 2021	Outstanding as at March 31, 2020
Security Payable	72.45	152.87
Lease Liabilities (Refer note no. 39 (c))	1,070.85	362.09
	1,143.30	**514.96**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

20 PROVISIONS

Name	Outstanding as at March 31, 2021	Outstanding as at March 31, 2020
Provision for employee benefits		
Leave encashment	1,028.74	1,110.35
	1,028.74	**1,110.35**

21 DEFERRED TAX LIABILITIES (NET) (REFER NOTE-43)

Name	Outstanding as at March 31, 2021	Outstanding as at March 31, 2020
Deferred Tax Liabilities	9,825.07	9,955.33
Deferred Tax Assets	(1,800.29)	(2,108.73)
Deferred Tax Liability (Net)	**8,024.78**	**7,846.60**

22 OTHER NON-CURRENT LIABILITIES

Name	Outstanding as at March 31, 2021	Outstanding as at March 31, 2020
Other Payables	16.58	16.58
	16.58	**16.58**

23 BORROWINGS

Name	Outstanding as at March 31, 2021	Outstanding as at March 31, 2020
Secured #		
Cash credit from banks	682.45	21,736.97
Unsecured		
Loan from banks	26,499.99	18,000.00
	27,182.44	**39,736.97**

Secured by hypothecation of inventories and trade receivables. Further secured by a second charge on fixed assets of the Company.

Non-fund based facilities provided by banks are also secured by second charge on the fixed assets (Property, Plant and Equipment excluding Intangible Assets) of the Company.

24 TRADE PAYABLES

Particulars	March 31, 2021	March 31, 2020
Outstanding dues of Micro, Small and Medium Enterprises (Refer note no. 57)	3,073.83	2,786.51
Other Enterprises	23,116.94	23,637.27
	26,190.77	**26,423.78**

25 OTHERS (FINANCIAL LIABILITY CARRIED AT AMORTISED COST)

Particulars	March 31, 2021	March 31, 2020
Current maturities of long-term debt		
Rupee loan from banks	126.60	137.25
Interest accrued but not due on borrowings	53.63	239.51
Lease Liabilities (Refer note 39 (c))	413.39	502.96
Security Payable	2,585.85	2,154.40
Unclaimed dividends #	152.49	152.53
	3,331.96	**3,186.65**

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

26 PROVISIONS

Particulars	March 31, 2021	March 31, 2020
For employee benefits		
Gratuity (Refer note-53)	170.77	388.08
Leave encashment	510.24	480.49
For excise duty on closing stock	9,298.72	4,371.21
For custom duty on closing stock	58.16	37.83
	10,037.89	**5,277.61**

27 OTHER CURRENT LIABILITIES

Particulars	March 31, 2021	March 31, 2020
On account of capital goods/ services	391.32	341.18
Advances from customers	8,072.51	5,642.88
Other payables		
Accrued salary and benefits	715.25	633.11
Statutory dues	5,982.15	3,102.38
	15,161.23	**9,719.55**

28 REVENUE FROM OPERATIONS

Particulars	March 31, 2021	March 31, 2020
(Refer note-1.05 on revenue recognition)		
Sale of		
Alcohol and other alcoholic products	1,029,468.68	933,105.93
Pet bottles & caps	2,719.53	3,755.74
Jaivik khad	393.62	348.88
Others	654.48	328.38
Sale of traded goods		
Indian Made Foreign Liquor	-	-
Imported Liquor	241.94	659.78
Royalty Income	779.39	1,001.53
Other operating revenues		
Export incentives	264.33	202.58
SAD refund	-	-
Scrap sales	2,214.15	2,386.32
	1,036,736.12	**941,789.14**

29 OTHER INCOME

Particulars	March 31, 2021	March 31, 2020
Interest income on		
Term deposit with banks and financial institutions	53.39	53.15
Loans (including inter corporate deposits)	421.12	414.11
Deferred income on deposit	25.59	31.07
Interest on income tax refunds	153.46	-
Dividend income on non-current (trade) investments	811.30	359.57
Other non-operating income		
Profit on sale of current investments	0.57	-
Profit on sale of fixed assets	2.41	6.10
Excess provisions written back	80.68	24.82
Miscellaneous income	458.85	29.85
	2,007.37	**918.67**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

30 COST OF MATERIALS CONSUMED

Particulars	March 31, 2021	March 31, 2020
Raw Materials		
Opening Stock	7,691.42	6,977.32
Add: Purchases	68,063.46	68,325.40
	75,754.88	75,302.72
Less: Closing Stock	(8,846.51)	(7,691.42)
Raw material consumed	66,908.37	67,611.30
Packing materials consumed	56,974.93	59,479.88
	123,883.30	**127,091.18**

31 PURCHASE OF STOCK-IN-TRADE

Particulars	March 31, 2021	March 31, 2020
Imported Liquor	177.00	358.90
	177.00	**358.90**

32 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	March 31, 2021	March 31, 2020
Opening Stock		
Stock-in-trade	160.68	309.59
Finished goods	17,253.87	17,186.17
Work-in-progress	3,729.67	3,616.92
	21,144.22	**21,112.68**
Less : Closing Stock		
Stock-in-trade	192.53	160.68
Finished goods	25,949.54	17,253.87
Work-in-progress	3,724.71	3,729.67
	29,866.78	**21,144.22**
Increase / (Decrease) of excise duty CL Depot stock	(22.98)	(748.08)
Increase / (Decrease) of excise duty on Finished Goods	4,927.50	(1,851.37)
	(3,818.04)	**(2,630.99)**

33 EMPLOYEE BENEFITS EXPENSE

Particulars	March 31, 2021	March 31, 2020
Salaries, wages and allowances	15,896.90	17,019.70
Contribution to provident and other funds	992.03	834.96
Gratuity	229.27	181.32
Share based payment to Employee (Refer note-16)	1.79	8.59
Staff welfare expenses	513.57	563.51
	17,633.56	**18,608.08**

34 FINANCE COSTS

Particulars	March 31, 2021	March 31, 2020
Interest	2,005.19	2,948.69
Finance cost on Leased Assets (Refer note 39 (c))	124.67	140.44
Other borrowing costs	71.79	72.33
	2,201.65	**3,161.46**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

35 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	March 31, 2021	March 31, 2020
Depreciation on tangible assets	5,152.09	5,017.22
Amortisation of intangible assets	237.82	235.51
	5,389.91	**5,252.73**

36 OTHER EXPENSES

Particulars	March 31, 2021	March 31, 2020
Power and fuel	4,684.53	5,026.71
Stores and spares consumed	1,966.67	1,944.90
Repairs and maintenance		
Building	133.58	220.86
Plant and equipment	2,081.38	1,747.59
Others	216.16	307.01
Machinery and other hire charges	5.14	5.09
Insurance	797.82	645.97
Rent	148.95	138.03
Rates and taxes	12,288.81	9,586.67
Travelling		
Directors	55.20	156.34
Others	811.19	1,219.57
Directors' fee	20.97	18.91
Foreign exchange fluctuations (net)	(65.88)	(407.20)
Provision for Non-moving/ obsolete Inventory	155.26	875.00
Charity and donation	26.78	522.60
Corporate Social Responsibility Expenses (Refer note-48)	528.08	401.22
Provision for Expected Credit Losses (Net)	177.36	739.00
Bio composting expenses	241.84	239.35
Professional Fee & retainership expenses	432.21	491.93
Communication	116.49	126.01
Sundry balances written off	43.35	522.54
Loss on sale / write off of assets	61.07	77.58
Bank charges	31.11	29.72
Other overheads	3,083.29	3,117.17
Bottling Charges	3,350.66	3,218.95
Selling and distribution:		
Freight outwards	10,738.47	10,986.75
Supervision charges after sales	773.37	716.63
Supervision charges to supervisors	2,792.33	2,223.07
Rebate discount and allowance	3,384.31	3,236.81
Advertisement & sales promotion	13,963.14	13,961.26
	63,043.64	**62,096.04**

37 EXCEPTIONAL ITEMS (REFER NOTE 59)

Particulars	March 31, 2021	March 31, 2020
Enviromental Compensation	-	702.00
Settlement under Sabka Vikas Scheme	-	858.59
Written-off towards matters arising consequent to prohibition in the state of Bihar	-	856.03
	-	**2,416.62**

(₹ in Lakhs unless otherwise stated)

38 OTHER COMPREHENSIVE INCOME

Particulars	March 31, 2021	March 31, 2020
Items that will not be reclassified to profit or loss		
Actuarial Gain / (loss) on employee benefits	(115.25)	(361.38)
Income tax relating to items that will not be reclassified to profit or loss	29.01	90.95
	(86.24)	**(270.43)**

39 A) CAPITAL COMMITMENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of Capital commitments (Net of advances)	879.64	2,503.98
	879.64	**2,503.98**

39 B) CONTINGENT LIABILITIES NOT PROVIDED FOR:

Particulars	As at March 31, 2021	As at March 31, 2020
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	24.35	24.35
(c) Disputed liability relating to payment of late re-calibration fees on verification and stamping of manufacturing vats/tanks installed at the distillery	155.00	155.00
(d) Disputed VAT/Sales/GST/Entry/Service Tax matters under appeal	186.15	186.15
(e) Disputed Excise matters	551.75	551.75
(f) Disputed Stamp duty claim arising out of amalgamation, being contested	80.00	80.00
(g) Disputed customs duty	10.73	16.63
	1,008.87	**1,014.77**

ii) In February 2007, the Madhya Pradesh State Industrial Development Corporation Ltd. demanded a sum of ₹ 168.09 lakhs besides unspecified expenses arising out of the alleged non-compliance of conditions relating to its holding of shares in Abhishek Cement Ltd., prior to its merger with Radico Khaitan Ltd. in the financial year 2002-03. The writ petition filed by the Company before the Madhya Pradesh High Court has been partly allowed by confirming the recovery of ₹ 167.32 lakhs against the Company. However, the division bench of the Madhya Pradesh High Court has stayed the recovery proceedings initiated by local collector office. The court has ordered to maintain ₹ 100 lakhs in State Bank of India till the final adjudication of the matter. The matter is since sub-judice.

iii) (a) The applicability of Goods & Service Tax Act, 2017 on Extra Neutral Alcohol (ENA) was kept on hold by the GST council vide their minutes of meeting dated 05.08.2017, 22.12.2018 and 20.09.2019 wherein the ENA meant for the potable purpose was kept under the control of respective State Governments, and accordingly the Company is paying the state taxes on ENA as applicable in the respective states.

(b) The Deputy Commissioner (Commercial Tax), Sector I, Rampur had issued notices on 14.11.2019, 15.11.2019 and 16.11.2019 for the leviability of GST on ENA w.e.f. July 2017. Radico Khaitan has filed writ petition before Hon'ble High Court of Allahabad, challenging these notices, with the plea that potable ENA is kept out of the purview of GST by the GST Council. The Hon'ble Court on 10th January 2020, granted stay to the Company against any proceedings under GST and also advised the department to file a response.

iv) A minor fire occurred at the Company (UP) Rampur plant on 6th March, 2021 involving two of the alcohol storage tanks. The Company's emergency response team along with the local fire brigades were able to bring the fire under control without further spread to the plant's other areas. There was no loss of life.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

This accident resulted in loss of Extra Neutral Alcohol to the tune of 1.81 Lakh alcoholic liters stored in these two tanks translating into a financial loss of ₹ 270 Lakhs including the replacement cost of damaged tanks. The Company immediately filed the insurance claim which is being assessed by the Insurer. Meanwhile, an interim measure claim of ₹ 50 lakhs has already been received.

Beside this, the U.P. State Excise Department has issued a show cause notice (SCN) to us claiming an excise duty amounting to ₹ 1,822.77 Lakhs on the alcohol lost in the accident. Based on the opinion of the legal counsel, the Company has filed an appeal under Rule 813 of the U.P. Excise Rule before the U.P. Commissioner of Excise seeking relief from the above claim by way of setting aside the above mentioned SCN, considering this loss of alcohol as an unavoidable accident of fire.

39 C) LEASE COMMITMENTS:

Disclosure as per Ind AS 116

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 1029.17 lakhs, and a lease liability of ₹ 1203.67 lakhs. The cumulative effect of applying the standard, amounting to ₹130.58 lakhs was debited to retained earnings, net of taxes of ₹ 43.92 lakhs. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17. 5. The weighted average incremental borrowing rate applied to lease liabilities as applicable.

Following are the changes in the carrying value of right of use assets :

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	740.08	1029.17
Additions	1,187.61	271.28
Deletion	-	0
Depreciation	(499.46)	(560.37)
Balance at end of the year	**1,428.23**	**740.08**

The aggregate depreciation expense on Right to use assets is included under depreciation and amortization expense in the statement of Profit and Loss

The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	413.39	502.96
Non current lease liabilities	1,070.85	362.09
Total	**1,484.24**	**865.05**

(₹ in Lakhs unless otherwise stated)

The following is the movement in lease liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	865.05	1,206.12
Additions	1,187.36	271.28
Finance cost accrued during the year	124.67	140.44
Payment of lease liabilities (Total cash outflow)	(692.84)	(752.79)
Balance at end of the year	**1,484.24**	**865.05**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases is ₹ 148.95 Lakhs for the year ended March 31, 2021, (previous year ₹ 138.03 Lakhs).

Impact of adoption of Ind AS 116 on statement of profit & loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on lease liabilities (refer note 34)	124.67	140.44
Depreciation of right-to-use asset (refer note 2)	499.46	560.37
Deferred tax (credit)	-	(13.08)
Impact on statement of profit & loss during the year	**624.13**	**687.73**

40 In the opinion of the Management and to the best of their knowledge and belief, the value on realisation of current/ non current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the financial statements.

41 DIVIDEND ON EQUITY SHARES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend on Equity Shares declared and paid during the year		
Dividend of ₹ 2.00 per share (Previous Year ₹ 1.20 per share) for financial year 2019-20	2,670.85	1,600.91
Dividend Distribution Tax	-	329.07
	2,670.85	**1,929.98**
Proposed dividends on Equity shares not recognised as liability		
Dividend of ₹ 2.40 per share (Previous Year ₹ 2.00 per share) for financial year 2020-21	3,205.64	2,670.69
Dividend Distribution Tax	-	-
	3,205.64	**2,670.69**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31. All proposed dividends were approved as proposed and paid in subsequent year.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

42 EARNINGS PER EQUITY SHARE (EPS)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the entity by the weighted average number of Equity shares outstanding during the year (Amount in INR)	20.26	17.05
Diluted EPS is calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares (Amount in INR).	20.25	17.04
The following reflects the income and share data used in the basic and diluted EPS computations:		
Profit attributable to equity holder for basic earnings	27,056.36	22,750.07
Effect of dilution:		
Share options (ESOP)	1.79	8.59
Profit attributable to equity holders adjusted for the effect of dilution	**27,058.15**	**22,758.66**
Weighted average number of Equity shares for basic EPS	133,544,276	133,443,402
Effect of dilution:		
Share options (Refer Note 16 (e))	105,500	139,500
Weighted average number of Equity shares adjusted for the effect of dilution	133,649,776	133,582,902

43 INCOME TAX

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Income Tax:		
Current income tax charge	8,435.85	7,095.03
Total (A)	**8,435.85**	**7,095.03**
Deferred Tax:		
Relating to origination and reversal of temporary differences	207.19	(2,576.43)
Total (B)	**207.19**	**(2,576.43)**
OCI section		
Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on re-measurements of defined benefit plans	(29.01)	(90.95)
Income tax charged to OCI	**(29.01)**	**(90.95)**
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for:-		
Differential tax impact for land indexation at a rate different from the statutory rate	71.80	56.00
Amortisation of certain assets not claimed as deduction under tax	(47.98)	(47.72)
Differential impact of provisions	-	-
Loss on sale of fixed assets (net)	(14.62)	(17.99)
Deduction claimed in Tax but not in books	204.19	203.36
Others	30.43	2,150.73
Total (C)	**243.82**	**2,344.38**
Total (A)+ (B)+ (C)	**8,886.86**	**6,862.98**
Accounting profit before tax	35,310.16	27,268.67
Income tax calculated at India's statutory Income Tax Rate	8,886.86	6,862.98
Other non-deductible expenses	-	-
Total	**8,886.86**	**6,862.98**

(₹ in Lakhs unless otherwise stated)

DEFERRED TAX

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax relates to the following:		
Property, plant and equipment	(9,575.14)	(9,429.54)
Other Ind-AS adjustments (security deposit, lease liability etc.)	914.67	1,031.30
Provision created under Expected credit loss	635.69	551.64
Tax holiday units	-	-
Mat Credit Entitlement	-	-
Net deferred tax assets/(liabilities)	**(8,024.78)**	**(7,846.60)**
Reflected in the balance sheet as follows:		
Deferred tax assets (continuing operations)	1,800.29	2,108.73
Deferred tax liabilities (continuing operations)	(9,825.07)	(9,955.33)
Mat Credit Entitlement	-	-
Deferred tax liabilities (net)	**(8,024.78)**	**(7,846.60)**
Reconciliation of deferred tax liabilities (net):		
Opening balance	7,846.60	10,404.90
Tax income/(expense) during the year recognised in profit or loss	207.19	(2,576.43)
Tax income/(expense) during the year recognised in OCI	(29.01)	(90.95)
Impact of Ind AS 116	-	(43.92)
Change in MAT Credit	-	153.00
Closing balance	**8,024.78**	**7,846.60**

The entity offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

44 LIST OF INVESTMENT

Particulars	As at March 31, 2021	As at March 31, 2020
	Joint Venture	Joint Venture
(i)The name of Investee	Radico NV Distilleries Maharashtra Limited	Radico NV Distilleries Maharashtra Limited
(ii)The principal place of business	Aurangabad (Maharashtra)	Aurangabad (Maharashtra)
(iii)The ownership interest held	36%	36%
(iv)The method used to account for the investment	Accounted at cost	Accounted at cost

45 SEGMENT REPORTING

i) Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Officer, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Officer evaluates the company's performance based on only one segment i.e. manufacturing and trading in Liquor & Alcohol.

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

ii) **Geographical information**

The geographical segments have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and overseas segment includes sales to customer located outside India.

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue from Operation		
Domestic	223,652.46	232,945.82
Overseas	18,161.35	9,758.20
	241,813.81	**242,704.02**

Note: There are no non-current assets located outside India.

46 RELATED PARTY TRANSACTIONS AND DISCLOSURES

(1) Related parties and their relationship :

I Key Management personnel :

(1) Dr. Lalit Khaitan, Chairman & Managing Director

(2) Mr. Abhishek Khaitan, Managing Director

(3) Mr. K.P.Singh, Whole Time Director

(4) Mr. Dilip K Banthiya, Chief Financial Officer

(5) Mr. Amit Manchanda, Company Secretary (upto 28.01.2021)

(6) Mr. Dinesh Kumar Gupta, Company Secretary (w.e.f. 28.01.2021)

II Relatives of Key Management personnel :

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

III Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise :

(1) Sapphire Intrex Ltd.

(2) The Rampur Distillery & Chemical Company Ltd. (Employees P. F. Trust)

(3) The Rampur Distillery & Chemical Company Ltd. (Employees Group Gratuity Trust)

(4) The Rampur Distillery & Chemical Company Ltd. (Employees Superannuation Scheme)

IV Joint Ventures:

(1) Radico NV Distilleries Maharashtra Limited

(₹ in Lakhs unless otherwise stated)

(2) Transaction with above in the ordinary course of business :

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Key Management Personnel :		
Dr. Lalit Khaitan, Chairman & Managing Director		
Remuneration		
Salary and Allowances	871.77	797.04
Contribution to Provident and other Funds	56.01	49.14
Value of benefits, calculated as per Income Tax Rules	36.31	22.43
Mr. Abhishek Khaitan, Managing Director		
Remuneration		
Salary and Allowances	871.77	797.04
Contribution to Provident and other Funds	57.01	50.14
Value of benefits, calculated as per Income Tax Rules	28.86	19.51
Mr. K.P.Singh, Whole Time Director		
Remuneration		
Salary and Allowances	191.83	181.86
Contribution to Provident and other Funds	7.48	8.48
Value of benefits, calculated as per Income Tax Rules	1.75	52.14
Mr. Dilip K Banthiya, Chief Financial Officer		
Remuneration		
Salary and Allowances	204.08	222.97
Contribution to Provident and other Funds	10.21	10.21
Value of benefits, calculated as per Income Tax Rules	3.70	50.70
Mr. Amit Manchanda, Company secretary		
Remuneration		
Salary and Allowances	44.14	54.29
Contribution to Provident and other Funds	2.82	3.21
Value of benefits, calculated as per Income Tax Rules	0.82	25.14
Mr. Dinesh Kumar Gupta, Company secretary		
Remuneration		
Salary and Allowances	14.85	
Contribution to Provident and other Funds	0.65	
Value of benefits, calculated as per Income Tax Rules	0.34	
Relatives of Key Management personnel :		
Mrs. Deepshikha Khaitan (wife of Mr. Abhishek Khaitan)		
Remuneration		
Salary and Allowances	-	11.60
Contribution to Provident and other Funds	-	1.95
Value of benefits, calculated as per Income Tax Rules	-	1.18
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	69.48	69.48
Contribution paid (Employer's contribution only)		
The Rampur Distillery & Chemical Company Ltd. (Employees P. F. Trust)	563.26	541.65
The Rampur Distillery & Chemical Company Ltd. (Employees Group Gratuity Trust)	344.52	542.70
The Rampur Distillery & Chemical Company Ltd. (Employees Superannuation Scheme)	102.79	105.30

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Joint Venture		
Radico NV Distilleries Maharashtra Limited		
Sale of Fixed Assets	-	23.18
Commission Income	428.19	0.47
Lease rent paid	7.08	7.08
Bottling Charges Paid *	716.62	523.22
Tie-up operation income	4.00	13.72
Dividend on Preference Shares	200.00	200.00
Dividend on Equity Shares	611.30	159.57
Purchase of material	3,580.49	3,068.58
Sale of material	2.89	-
Advances Recoverable	-	22.29
Payable	142.26	140.29
Dividend receivable	-	-
Investment in preference share & equity share	15,538.53	15,538.53

* Excluding GST refundable on export consignment bottling ₹ 15.32 Lakhs.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no outstanding guarantees provided or received for any related party receivables or payables in the current financial year. For the year ended March 31, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2020: ₹ Nil). This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

47 PAYMENT TO AUDITORS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
i) Audit Fee	31.50	31.50
ii) Limited Review Fee	13.50	13.50
iii) GST on (i) and (ii) above	8.10	8.10
iv) Other Services (Certification Fee including Taxes)	0.24	1.31
v) Reimbursement of Out of Pocket Expenses (including taxes)	0.55	2.26
	53.89	**56.67**

48 DETAILS OF CSR EXPENDITURE

	Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
i)	Gross amount required to be spent by the company (including carry forwarded unspent amount)	457.02		427.18	
		In cash/ Payable	Yet to be paid in cash	In cash / Payable	Yet to be paid in cash
ii)	Amount spent during the year :				
	For construction / acquisition of assets	-	-	-	-
	For other purposes	528.08	-	401.22	-
iii)	Unspent amount	(71.06)	-	25.96	-

(₹ in Lakhs unless otherwise stated)

49 i) Remittance in foreign currency / or to the mandate banks on account of dividends to non residents

	Particulars	As at March 31, 2021	As at March 31, 2020
	(i) Number of non resident shareholders	16	16
	(ii) Number of shares held by them	14,880	14,880
	(iii) Dividend per share	2.00	1.20
	(iv) Financial year to which the dividend relates	2019-20	2018-19
ii)	Earnings in foreign exchange - Export of goods on FOB basis	17,623.93	9,513.54

50 FOREIGN CURRENCY EXPOSURE

Derivatives not designated as hedging instruments

The entity uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. However such foreign currency denominated borrowings have not been designated as hedge. Such derivatives are recorded at mark to market at each reporting date with a corresponding recognition in the Statement of Profit and Loss.

Details of foreign currency exposure of the company :

Particulars	As at March 31, 2021		As at March 31, 2020	
	Foreign Currency	INR	Foreign Currency	INR
Other foreign currency exposures:				
Trade Receivables				
USD	87.00	6,394.64	55.42	4,178.09
EURO	0.14	12.05	0.90	75.02
GBP	0.02	2.49	-	-
Advances from Customers				
USD	0.71	52.23	1.14	85.84
GBP	-	-	0.00	0.03
Trade payables				
USD	1.79	131.56	7.06	532.59
EURO	0.02	1.66	0.26	21.29
GBP	0.00	0.08	0.23	21.87
Advances to Vendors				
USD	0.13	9.80	2.32	174.95
EURO	1.46	125.64	2.06	170.93
GBP	0.62	62.90	0.56	52.50
Balance with banks				
USD	1.59	116.69	0.37	28.20

51 FINANCIAL INSTRUMENTS

A- Fair values

The carrying amount of financial assets and liabilities except for certain financial assets i.e. “instrument carried at fair value” appearing in the financial statement are reasonable approximation of fair value. Such investments of those financial instruments carried at fair value are disclosed below:-

Particulars	Fair value		Carrying value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets measured at fair value through profit and loss				
Investments				
Equity shares	0.60	0.60	0.60	0.60
Total	**0.60**	**0.60**	**0.60**	**0.60**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

B- Fair value hierarchy

The following table provides fair value management hierarchy of the company`s assets:

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
March 31, 2021			
Investment			
Equity share	-	-	0.60
Total	-	-	0.60
March 31, 2020			
Investment			
Equity share	-	-	0.60
Total	**-**	**-**	**0.60**

There have been no transfer between level 1, level 2 and level 3 during the year.

C- Valuation techniques and processes used to determine fair value

Fair value of unquoted investments is determined based on the present values, calculated using generally accepted valuation principles.

D- Valuation inputs and relationships to fair value

Significant unobservable inputs used in Level 3 fair value measurement:-

Non current investment - Unquoted

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Fair Value	0.60	0.60
Significant unobservable inputs*		
Earnings growth rate (%)	10.00	10.00
Risk adjusted discount rate (%)	10.00	10.00
* There were no significant inter-relationships between unobservable inputs that materially affect fair values.		
E- Reconciliation of financial instruments categorised under level 3		
Opening at the beginning of the year	0.60	0.60
Additions during the year	-	-
Gain/(Loss) recognised in OCI during the year	-	-
Closing at the end of the year	0.60	0.60

52 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings, security deposits and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, investment in preference shares & equity shares, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company's business activities are exposed to a variety of financial risks, namely market risks, credit risk and liquidity risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

(₹ in Lakhs unless otherwise stated)

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and price risk. Financial instruments affected by market risk include interest bearing loans and borrowings, fixed deposits and FVTPL investments.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments are all constant as at 31 March 2017 and 31 March 2016.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk and equity price risk. Financial instruments affected by market risk include loans and borrowings.

The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies to total debts.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2021 and March 31, 2020.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows

At the reporting date the interest rate profile of the entity's interest bearing financial instrument is as its fair value:

	Carrying amounts	
Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Variable rate instruments		
Long term borrowings	26.91	153.31
Current maturities of long term debt	126.60	137.25
Short term borrowings	27,182.44	39,736.97

Fair value sensitivity analysis for fixed rate instruments

The Company does not have any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss and neither would it affect the equity.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at March 31, 2021		As at March 31, 2020	
Increase/ (decrease) in basis points	100	(100)	100	(100)
Effect on profit before tax (increase)/ decrease	273.36	(273.36)	400.28	(400.28)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(ii) Foreign currency risk

The Indian National Rupee is the entity's most significant currency. As a consequence, the company's results are presented in Indian National Rupee and exposures are managed against Indian National Rupee accordingly. The company has limited foreign currency exposure which are mainly on account of imports and exports.The company has not hedged its imports and exports, since they have short recovery cycle and act as natural hedging reducing the foreign currency risk.

Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of foreign currency exposure.

Sensitivity to risk

Particulars	As at March 31, 2021		As at March 31, 2020	
Increase/ (decrease) in Currency rate (USD/EURO/GBP)	**2.75%**	**(2.75%)**	**2.75%**	**(2.75%)**
Effect on profit before tax increase/ (decrease) USD	174.28	(174.28)	103.48	(103.48)
Effect on profit before tax increase/ (decrease) EURO	3.74	(3.74)	1.48	(1.48)
Effect on profit before tax increase/ (decrease) GBP	1.80	(1.80)	0.84	(0.84)

(iii) Equity price risk

The company's equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Reports on the equity portfolio are submitted to the company's senior management on a regular basis. The company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to:

-unlisted equity securities at fair value is ₹ 0.60 Lakhs.

-unlisted equity in Joint Venture at cost of ₹ 13,538.53 Lakhs

(b) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The entity is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

Trade receivables and loans

Credit risk is managed by company in accordance with the company's established policy, procedures and control relating to credit risk management. Credit quality is assessed based on an extensive credit rating and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and loans are regularly monitored.

(₹ in Lakhs unless otherwise stated)

An impairment analysis is performed at each reporting date on an individual basis for receivables and loans. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note below. The company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and has been rated highly based on internal credit assessment parameters.

Presently, In the current COVID-19 scenario, there are no indication of any material risk. However going forward this could be possible risk which will be addressed as & when they arise.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the entity's treasury department in accordance with the entity's policy. Counterparty credit limits are reviewed by the entity's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2021 and March 31, 2020 is the carrying amounts as illustrated in note below.

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current Financial assets		
Investment in a joint venture	15,538.53	15,538.53
Investment in others	0.60	0.60
Loans	973.33	1,658.26
Others	66.61	179.95
	16,579.07	**17,377.34**
Current Financial assets		
Trade receivables	69,745.74	82,305.44
Cash and cash equivalents	12,110.36	1,010.43
Bank balances other than above	887.71	813.55
Loans	4,573.15	4,073.86
Others	2,896.58	2,050.18
	90,213.54	**90,253.46**

(c) Liquidity Risk

The Company monitors its risk of shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Payable within one year	Payable within one year to five years	Total
As at March 31, 2021:			
Term loans from banks	126.60	26.91	153.51
Short term loan	27,182.44	-	27,182.44
Trade payables	26,190.77	-	26,190.77
Other Financial Liabilities	3,205.36	1,143.30	4,348.66
As at March 31, 2020:			
Term loans from banks	137.25	153.51	290.76
Short term loan	39,736.97	-	39,736.97
Trade payables	26,423.78	-	26,423.78
Other Financial Liabilities	3,049.40	514.96	3,564.36

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the entity's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the entity's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Collateral

The Company has created a charge in favour of the lenders for loans and borrowings (Refer note-18 and 23 on Borrowings for details).

53 (I) POST-EMPLOYMENT BENEFIT PLANS

Particulars	As at March 31, 2021	As at March 31, 2020
Gratuity	170.77	388.08

The entity has a defined benefit plans for Gratuity, Provident Fund and Leave Encashment. For provident fund, entity makes contribution to provident fund trust. Gratuity plan is funded with LIC and requires contributions to be made to a separate fund administered by LIC. Leave encashment liability of the entity is unfunded. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

Each year, the Board of Trustees reviews the level of funding in the Gratuity plan and Provident fund. Such a review includes the asset-liability matching strategy and investment risk management policy. The Board of Trustees decides its contribution based on the results of this annual review. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The following tables summaries the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans.

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2021 and March 31, 2020

	Gratuity		
Particulars	Defined benefit obligation	Fair value of plan assets	Benefit liability
April 01, 2020	(3,350.02)	2,961.95	(388.07)
Cost charged to profit or loss			
Service cost	(198.11)		(198.11)
Net interest expense	(227.80)	201.41	(26.39)
Sub-total included in profit or loss	**(425.91)**	**201.41**	**(224.50)**
Benefits paid	187.48	(187.48)	-
Remeasurement gains/(losses) in other comprehensive income	-	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	(10.86)	(10.86)
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	-	-	-
Experience adjustments	(104.39)	-	(104.39)
Sub-total included in OCI	**(104.39)**	**(10.86)**	**(115.25)**
Contributions by employer	-	557.05	557.05
March 31, 2021	**(3,692.84)**	**3,522.07**	**(170.77)**

(₹ in Lakhs unless otherwise stated)

Particulars	Gratuity		
	Defined benefit obligation	**Fair value of plan assets**	**Benefit liability**
April 01, 2019	(2762.71)	2621.16	(141.55)
Cost charged to profit or loss			
Service cost	(188.62)	-	(188.62)
Net interest expense	(211.62)	200.78	(10.84)
Sub-total included in profit or loss	**(400.24)**	**200.78**	**(199.46)**
Benefits paid	157.01	(157.01)	-
Remeasurement gains/(losses) in other comprehensive income	-	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	(17.30)	(17.30)
Actuarial changes arising from changes in demographic assumptions	0.35	-	0.35
Actuarial changes arising from changes in financial assumptions	(186.07)	-	(186.07)
Experience adjustments	(158.36)	-	(158.36)
Sub-total included in OCI	**(344.08)**	**(17.30)**	**(361.38)**
Contributions by employer	-	314.32	314.32
March 31, 2020	**(3,350.02)**	**2,961.95**	**(388.07)**

Particulars	As at March 31, 2021	As at March 31, 2020
Funds Managed by Insurer	3,522.07	2,961.95
Total	**3,522.07**	**2,961.95**

Significant assumptions used in calculation of post-employment defined benefit obligation of the company's are shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	%	%
Future salary increases	6.80%	6.80%
Mortality rate	5.50%	5.50%
	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 and March 31, 2021 :

Particulars	Gratuity		Gratuity	
	As at March 31, 2021	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**
Assumption	Discount Rate		Discount Rate	
Sensitivity Level	0.50%	0.50%	0.50%	0.50%
	Increase	Increase	Decrease	Decrease
Impact on defined benefit obligation	(106.54)	(110.85)	113.21	117.96
Assumption	Future Salary		Future Salary	
Sensitivity Level	0.50%	0.50%	0.50%	0.50%
	Increase	Increase	Decrease	Decrease
Impact on defined benefit obligation	114.09	118.87	(108.31)	(112.69)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Expected contribution to post employment benefit plans for the next Annual reporting period is ₹ 216.42 lakhs.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	Gratuity	
	As at March 31, 2021	As at March 31, 2020
Within the next 12 months (next annual reporting period)	511.76	328.09
Between 2 and 5 years	431.65	384.29
Beyond 5 years	2,749.45	2,637.64
Total expected payments	**3,692.86**	**3,350.02**
The average duration of the Gratuity at the end of the reporting period	14.93	14.54
(II) Defined Contribution Plans		
Contribution to defined contribution plan, recognised as expenses for the year are as under:		
i) Recognised Providend Fund (including family pension)	820.67	655.83
ii) Super annuation Fund	102.79	105.30
iii) Group Insurance Scheme	41.75	42.54
iv) Employees' State Insurance	26.81	31.30
	992.02	**834.97**

54 INFORMATION UNDER 186(4) OF THE COMPANIES ACT, 2013

	Particulars	Gratuity	
		As at March 31, 2021	As at March 31, 2020
(a)	**Loans given:**		
	i) In the form of unsecured short-term Inter corporate Deposits *		
	Opening Balance	3,159.21	4,895.00
	Given during the year	600.00	750.00
	Received / adjusted during the year	(1,070.53)	(2,485.79)
	Closing Balances	**2,688.68**	**3,159.21**
(b)	**Investments made (As disclosed under Note.3 & 4)**		

* All loans are given to unrelated entities at interest rates ranging from 10% to 12% per annum.All the loans are provided for business purposes of respective entities, repayable on demand with prepayment option to the borrower.

55 CAPITAL MANAGEMENT

For the purpose of the company's capital management, capital includes issued equity share capital and other equity attributable to the equity holders of the company. The primary objective of the company's capital management is to maximise the shareholder's wealth.

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital employed as well as the level of dividend to shareholders.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a debt equity ratio, which is net debt divided by total capital. The company's policy is to keep the debt equity ratio between 70% and 100%. The company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

(₹ in Lakhs unless otherwise stated)

The Company's debt equity ratio was as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	27,335.95	40,027.53
Less: Cash and cash equivalents	(12,110.36)	(1,010.43)
Net debt	**15,225.59**	**39,017.10**
Equity Capital	2,671.37	2,670.69
Other Equity	173,719.31	149,382.18
Total Equity	**176,390.68**	**152,052.87**
Debt Equity Ratio	8.63%	25.66%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current financial year. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021.

56 The nationwide lockdown imposed by the Government of India, due to the COVID -19 pandemic, was lifted in a phased manner. Accordingly, the Company's operations including bottling facilities have become operational with necessary safety measures, even though temporary disruptions occurred from time to time, including recent surge.

The Company has evaluated the impact of this pandemic on its business operations and financial position. Based on such review, there is no significant impact on the Company's assets, capital and financial resources, profitability parameters or liquidity positions as at March 31, 2021.

The Management does not envisage any impact on the going concern assumption in the foreseeable future. However, the impact assessment of COVID-19 will be a continuing process given the uncertainties associated with its nature and duration.

57 Details of dues to micro, small and medium enterprises as defined under MSMED Act 2006

Particulars	As at March 31, 2021	As at March 31, 2020
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	3,073.83	2,768.72
	Nil	17.79
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;		
	Nil	Nil
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;		
	Nil	Nil
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and		
	Nil	17.79
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		
	Nil	17.79

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management and relied upon by the auditors. Interest, if any, on these have been provided since identified.

58 NOTE ON REDUCTION OF SHARE CAPITAL OF JOINT VENTURE ENTITY (GIVEN IN THE FINANCIAL STATEMENT ADOPTED ON JUNE 25, 2019)

Based on NCLT order dated 16th December 2019, the joint venture entity (Radico NV Distilleries Maharashtra Ltd.) has reduced its equity capital from ₹ 7387.72 lakhs to ₹ 3773.58 lakhs w.e.f. March 31,2019. As a result, the reserve of the joint venture increased to ₹ 39610.95 lakhs from ₹ 35996.81 lakhs. The impact of the said change has reflected in the annualised accounts as at March 31, 2020 by the JV company. Proportionately impact on the nos. of equity shares held in the joint venture has been taken.

59 EXCEPTIONAL ITEMS (REFER NOTE NO. 37)

(a) The Central Pollution Control Board (CPCB) vide its letter dated August 06, 2019 pursuant to Company's representation and their subsequent inspection has allowed the Company to restore capacity of its molasses plant from 77 KLD to 200 KLD. Environmental Compensation of ₹ 702.00 lakhs as levied by CPCB, has been paid and accounted for during the year.

(b) In accordance with Sabka Vishwas Scheme 2019, ₹ 858.59 Lakhs was paid towards Central excise duty as one-time settlement, for 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 ₹ 1259.12 lakhs with the Bihar State Beverages Corporation Limited (""BSBCL""). An amount of ₹ 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 ₹ 856.03 lakhs, has been written off, as a matter of prudence and it is disclosed as an exceptional item.

60 SOCIAL SECURITY CODE

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

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

As per our report of even date attached
For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N
Darshan Chhajer
Partner
Membership No.: 088308
Place : Gurugram

Place: New Delhi
Date: June 01, 2021

For and on behalf of Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director

Dinesh Kumar Gupta
Vice President - Legal &
Company Secretary

Abhishek Khaitan
Managing Director

Alok Agarwal
Sr Vice President
(Finance & Accounts)

Director

Independent Auditor's Report

To the Members of Radico Khaitan Limited

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Radico Khaitan Limited (the "Holding Company") and its Joint Venture (Holding Company and its joint venture together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2021, the consolidated Statement of Profit and Loss (including consolidated other comprehensive income) for the year ended on that date, the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year ended on that date and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, its consolidated profit and consolidated total comprehensive income for the year ended on that date, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Audit Response
Trade Receivables Receivables (net of provisioning) of ₹ 69745.74 lakhs constitute 43% of the current assets of the company as at March 31, 2021 and are spread across geography, covering State Corporations, Defence canteens and open market customers (including exports). The realization is linked with actual sales by State Corporations.	**Principal Audit Procedures** • Evaluating and testing the controls for managing trade receivables, including subsequent collection and provisioning. • Validating the basis of ECL policy as approved by the Board of Directors, in the present context based on historical data and recent developments. • Validating the Aging of receivables, review of trend customer wise, reasons for long outstanding balances, evaluation of disputes and possibility of recovery and existence of the customers. • Obtaining independent customer confirmations during the current COVID 19 Pandemic was a challenge. Hence greater reliance was placed on alternate substantive audit procedures. • Assessing the appropriateness and completeness of the related disclosure in the company's Financial Statements. **Conclusion** Our procedures did not identify any material exceptions.

<table>
<tr><th>Key Audit Matter</th><th>Audit Response</th></tr>
<tr><td>Inventory

Inventories (net of provisions) of ₹ 48906.57 Lakhs constitute 30% of the current assets of the company as at March 31, 2021. The Inventory is lying at various locations, including at 3rd party premises. Packing material constitutes a major part of inventory and has risk of impairment.</td><td>Principal Audit Procedures

• Testing the inventory provisioning and challenging the assumptions for inventory valuation basis non-moving/slow moving items.

• Review the policy of the management for physical verification and the documents related to management's physical count procedure actually followed at different locations.

• Observed the physical verification process at locations of financial significance during year end audit along with sample testing.

• Relied on physical verification report by zonal internal auditors.

• Identifying obsolete inventory, if any.

• Obtain confirmation from Tie up units being inventory at 3rd party locations and applying substantive procedure

• Assess the appropriateness and completeness of the related disclosure in the company's Financial Statements.

Conclusion

Our procedures did not identify any material exceptions.</td></tr>
</table>

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

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

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

The other information has not been made available to us as at the date of this auditor's report. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, changes in equity and consolidated cash flows of the Group in accordance with Indian Accounting Standards and other accounting principles generally accepted in India. The Board of Directors of the company are responsible for the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, is the respective Board of Directors of the Companies included in the Group are responsible for assessing the Companies' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group is also responsible for overseeing the Companies' financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this consolidated financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company, its joint venture based on other auditor's report, which are incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

OTHER MATTERS

The Consolidated financial Statement include share of net profit of ₹ 658.78 Lakhs (including other comprehensive income of ₹ 0.65 Lakhs) for the year ended March 31, 2021 as considered in the Consolidated financial statement, in respect of the joint venture, whose financial statements have been audited by us.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

(1) 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 of the aforesaid Consolidated Financial Statements;

  b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, consolidated total comprehensive income, the Consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity and notes to the Consolidated Financial Statements including a summary of accounting policies and other explanatory information dealt with by this report are in agreement with the relevant books of account;

d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of the written representations received from the directors of the Holding Company and Joint Venture Company incorporated in India as on March 31, 2021, and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company and Joint Venture Company incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 1".

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

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

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

   (i) The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 39b on Contingent Liabilities to the consolidated financial statements;

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

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

For **BGJC & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 003304N/N500056

Darshan Chhajer
Partner
Membership No. 088308
UDIN: 21088308AAAABC3866

Date: June 1, 2021
Place: Gurugram

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Radico Khaitan Limited on the consolidated financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Radico Khaitan Limited ("the Holding Company") and its Joint Venture (the Holding company and its joint venture together referred to as "the Group") as of March 31, 2021 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate, especially in the COVID 19 global Pandemic situation.

OPINION

In our opinion, the Group, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **BGJC & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 003304N/N500056

Darshan Chhajer
Partner
Membership No. 088308
UDIN: 21088308AAAABC3866

Date: June 1, 2021
Place: Gurugram

Consolidated Balance Sheet

as at March 31, 2021

(₹ in Lakhs unless otherwise stated)

Particulars	Note No	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2	77,838.87	72,953.60
Capital work-in-progress		3,778.49	1,808.29
Intangible assets	2	1,151.13	1,388.95
Financial assets			
Investment in a joint venture	3	18,439.43	17,779.35
Investment in others	4	0.60	0.60
Loans	5	973.33	1,658.26
Others	6	66.61	179.95
Other non-current assets	7	6,716.21	10,305.95
Total non-current assets		**108,964.67**	**106,074.95**
Current assets			
Inventories	8	48,906.57	37,417.54
Financial assets			
Trade receivables	9	69,745.74	82,305.44
Cash and cash equivalents	10	12,110.36	1,010.43
Bank balances other than above	11	887.71	813.55
Loans	12	4,573.15	4,073.86
Others	13	2,896.58	2,050.18
Current tax assets (Net)	14	97.47	750.18
Other current assets	15	23,253.93	13,783.92
Total current assets		**162,471.51**	**142,205.10**
Total Assets		**271,436.18**	**248,280.05**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	2,671.37	2,670.69
Other Equity	17	176,620.21	151,623.00
		179,291.58	**154,293.69**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	26.91	153.31
Others	19	1,143.30	514.96
Provisions	20	1,028.74	1,110.35
Deferred tax liabilities (Net)	21	8,024.78	7,846.60
Other non current liabilities	22	16.58	16.58
Total non-current liabilities		**10,240.31**	**9,641.80**
Current liabilities			
Financial liabilities			
Borrowings	23	27,182.44	39,736.97
Trade payables			
Outstanding dues of Micro, Small and Medium Enterprises	24	3,073.83	2,786.51
Other Enterprises	24	23,116.94	23,637.27
Others	25	3,331.96	3,186.65
Provisions	26	10,037.89	5,277.61
Other current liabilities	27	15,161.23	9,719.55
Total current liabilities		**81,904.29**	**84,344.56**
Total Equity & Liabilities		**271,436.18**	**248,280.05**
Significant Accounting Policies	1		
Other Notes to Accounts	2-63		

As per our report of even date attached
For BGJC & Associates LLP
Chartered Accountants
Firm Regn. No. 003304N/N500056
Darshan Chhajer
Partner
Membership No.: 088308
Place : Gurugram

Place: New Delhi
Date: June 01, 2021

For and on behalf of Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director

Dinesh Kumar Gupta
Vice President - Legal &
Company Secretary

Abhishek Khaitan
Managing Director

Alok Agarwal
Sr Vice President
(Finance & Accounts)

Director

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

Particulars	Note No	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Revenue from operations	28	1,036,736.12	941,789.14
Other income	29	2,007.37	918.67
Total income		**1,038,743.49**	**942,707.81**
EXPENSES			
Cost of materials consumed	30	123,883.30	127,091.18
Excise duty		794,922.31	699,085.12
Purchase of stock-in-trade	31	177.00	358.90
Change in inventories of finished goods, stock-in-trade and work-in-progress	32	(3,818.04)	(2,630.99)
Employee benefits expense	33	17,633.56	18,608.08
Finance costs	34	2,201.65	3,161.46
Depreciation and amortization expense	35	5,389.91	5,252.73
Other expenses	36	63,043.64	62,096.04
Total Expenses		**1,003,433.33**	**913,022.52**
Profit for the year before exceptional items, tax & share in profit of Joint Venture		**35,310.16**	**29,685.29**
Exceptional items	37	-	2,416.62
Profit for the year before tax and share in profit of Joint Venture		**35,310.16**	**27,268.67**
Less: Tax expense			
Current tax		8,435.85	7,095.03
For earlier years		(389.24)	-
Deferred tax		207.19	(2,576.43)
Net Profit after tax but before share in profit of Joint Venture		**27,056.36**	**22,750.07**
Add: Share in profit of joint venture		659.43	163.92
Net Profit for the year from continuing operations		27,715.79	22,913.99
Other comprehensive income/(loss)	38		
Items that will not be reclassified to profit or loss		(115.25)	(361.38)
Income tax relating to items that will not be reclassified to profit or loss		29.01	90.95
Share in other comprehensive income/(loss) of joint venture		0.65	(3.00)
Total other comprehensive income/(loss)		**(85.59)**	**(273.43)**
Total comprehensive income for the year (Comprising profit and other comprehensive income for the year)		**27,630.20**	**22,640.56**
Earning per share for Continuing Operations			
Basic earnings per share in INR (face value of ₹ 2/- each)	42	20.75	17.16
Diluted earnings per share in INR (face value of ₹ 2/- each)	42	20.74	17.15
Significant Accounting Policies	1		
Other Notes to Accounts	2-63		

As per our report of even date attached
For BGJC & Associates LLP
Chartered Accountants
Firm Regn. No. 003304N/N500056
Darshan Chhajer
Partner
Membership No.: 088308
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For and on behalf of Board of Directors

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Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director

Dinesh Kumar Gupta
Vice President - Legal &
Company Secretary

Abhishek Khaitan
Managing Director

Alok Agarwal
Sr Vice President
(Finance & Accounts)

Director

Place: New Delhi
Date: June 01, 2021

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flow from operating activities		
Net Profit before Taxation and Share of Profit in Joint Venture	35,310.16	27,268.67
Adjustments for		
Depreciation and amortization expense	5,389.91	5,252.73
Profit on sale of fixed assets	(2.41)	(6.10)
Loss on sale / write off assets	61.07	77.58
Finance costs	2,201.65	3,161.46
Interest income	(653.56)	(498.33)
Provision for Expected credit loss and Bad Debt	140.03	2,092.75
Provision for Non-moving/ obsolete Inventory	155.26	875.00
Employees stock option scheme	1.79	8.59
Dividend income on investments	(811.30)	(359.57)
Operating profit before working capital changes	**41,792.60**	**37,872.78**
Changes in working capital		
Decrease/(Increase) in Inventories	(11,644.29)	(2,321.25)
Decrease/(Increase) in Trade Receivables	12,419.68	(20,223.30)
Decrease/(Increase) in current financial assets (loans)	(499.29)	596.09
Decrease/(Increase) in current financial assets (Others)	(912.39)	105.38
Decrease/(Increase) in other current assets	(9,470.01)	(239.92)
Decrease/(Increase) in non-current financial assets (loans)	684.93	(855.18)
Decrease/(Increase) in non-current financial assets (Others)	0.90	11.79
Decrease/(Increase) in other non-current assets	2,601.80	1,469.36
Increase/(Decrease) in non-current financial liabilities (others)	(80.42)	105.68
Increase/(Decrease) in long term provisions	(81.61)	73.66
Increase/(Decrease) in short term provisions	4,645.03	(1,918.97)
Increase/(Decrease) in current Trade Payables	(233.01)	1,940.21
Increase/(Decrease) in current financial liabilities (others)	431.49	584.11
Increase/(Decrease) in other current liabilities	5,441.68	(2,693.62)
Cash generated from operating activities before taxes	45,097.09	14,506.82
Net income tax paid	(7,393.90)	(8,538.08)
Net Cash flow from operating activities (A)	**37,703.19**	**5,968.74**
B. Cash flow from investing activities		
Additions in tangible assets	(8,906.76)	(7,024.47)
Additions in intangible assets	-	(22.67)
Additions in CWIP	(1,970.20)	(208.40)
Capital Advances	987.94	(750.17)
Sale of fixed assets	(1.65)	74.99
Interest received	721.18	555.59
Dividend received	811.30	559.57
Fixed deposits matured during the year	36.00	84.11
Net Cash flow from Investing activities (B)	**(8,322.19)**	**(6,731.45)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. Cash flow from financing activities		
Increase/(Decrease) in share capital (including securities premium)	36.74	130.90
Leased Payment	(692.52)	(752.79)
Net Loans (repaid) / taken	(12,691.58)	6,325.23
Dividend paid including Dividend Distribution Tax	(2,670.85)	(1,929.98)
Interest paid	(2,262.86)	(2,825.62)
Net Cash flow from financing activities (C)	**(18,281.07)**	**947.74**
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	**11,099.93**	**185.03**
Cash and cash equivalents at the beginning of the year	1,010.43	825.40
Cash and cash equivalents at the end of the year	**12,110.36**	**1,010.43**

Note -

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

As per our report of even date attached
For BGJC & Associates LLP
Chartered Accountants
Firm Regn. No. 003304N/N500056
Darshan Chhajer
Partner
Membership No.: 088308
Place : Gurugram

Place: New Delhi
Date: June 01, 2021

For and on behalf of Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director

Dinesh Kumar Gupta
Vice President - Legal &
Company Secretary

Abhishek Khaitan
Managing Director

Alok Agarwal
Sr Vice President
(Finance & Accounts)

Director

Consolidated Statement of changes in equity

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
At the beginning of the year	2,670.69	2,668.19
Changes in Equity Share capital during the year	0.68	2.50
At the end of the year	**2,671.37**	**2,670.69**

B. OTHER EQUITY

Particulars	Securities Premium Reserve	General Reserves	Employee Stock Options outstanding account	Retained Earnings	Total
Balance as at March 31, 2019	37,930.08	40,000.00	39.49	52,936.43	130,906.00
Profit/ (Loss) for the year (1)	-	-	-	22,913.99	-
Other Comprehensive Income/(loss) (2)	-	-	-	(273.43)	-
Total Comprehensive Income/ (loss) (1+2)	-	-	-	22,640.56	22,640.56
Dividends including tax thereon (Refer note 41)	-	-	-	(1,929.98)	(1,929.98)
Lease assets - Ind As 116 adjustment				(130.58)	(130.58)
Share based payments	151.50		(14.50)		137.00
Balance as at March 31, 2020	**38,081.58**	**40,000.00**	**24.99**	**73,516.43**	**151,623.00**
Profit/ (Loss) for the year (1)	-	-	-	27,715.79	-
Other Comprehensive Income / (loss) (2)	-	-	-	(85.59)	-
Total Comprehensive Income/ (loss) (1+2)	-	-	-	27,630.20	27,630.20
Dividends (Refer note 41)	-	-	-	(2,670.85)	(2,670.85)
Share based payments	42.55		(4.69)	-	37.86
Balance as at March 31, 2021	**38,124.13**	**40,000.00**	**20.30**	**98,475.78**	**176,620.21**

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
For BGJC & Associates LLP
Chartered Accountants
Firm Regn. No. 003304N/N500056
Darshan Chhajer
Partner
Membership No.: 088308
Place : Gurugram

Place: New Delhi
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For and on behalf of Board of Directors

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Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

BACKGROUND

Radico Khaitan Limited (the Company) is a company limited by shares, incorporated and domiciled in India. The Company is engaged in the manufacturing and trading of Alcoholic products such as Indian Made Foreign Liquor (IMFL), Alcohol, Country Liquor etc. The Company has its presence in India as well as various other global markets. The joint venture (Radico NV Distelleries Maharashtra Limited) is in the business of manufacturing of potable and industrial alcohol and also bottling of IMFL for other brand owners, country liquor and allied activities.

SIGNIFICANT ACCOUNTING POLICIES

1.01 Basis of preparation

The consolidated financial statements of the Company, its joint venture (together referred to as the "Group"), comprising of Consolidated Balance Sheet and Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity, Statement of Consolidated Cash Flows together with the consolidated notes have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The group has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2021 has been prepared in accordance with Ind AS.

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

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

1.02 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period.

All other liabilities classified as non-current.

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

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

1.03 Fair value measurement

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

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

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

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

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

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

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

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

- Level 1-Quoted (unadjusted) market prices in active markets for identical assets or liabilities,
- Level 2-Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable,
- Level 3-Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

1.04 Foreign Currency Transactions

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

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

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

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

1.05 Revenue recognition

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable (net of returns and allowances, trade discounts and volume rebates), taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government with an exception to excise duty. The group has concluded that it is the principal in all of its revenue arrangements with tie up units since the group is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. In arrangements with tie up units, revenue is recognised at gross value with corresponding cost being recognised under cost of production.

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

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

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss.

Royalty Income

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

Export Incentives

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

Dividend Income

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

1.06 Excise Duty

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

1.07 Government grants

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

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

1.08 Taxes

Current Income Tax

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

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

Deferred Tax

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

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

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

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

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

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

- In respect of deductible temporary differences associated with interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

Deferred tax on Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is reasonable certainty that the group will pay normal income-tax during the specified period. The group reviews the same at each balance sheet date and writes down the carrying amount of deferred tax relating to MAT credit entitlement to the extent there is no longer reasonable certainty that the group will pay normal income-tax during the specified period.

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

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

1.09 Property, plant and equipment

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

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

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

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

Depreciation

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

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

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

1.10 Intangible assets

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

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

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

Amortization

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

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

1.11 Borrowing costs

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

1.12 Segment reporting

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

1.13 Inventories

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

Physical verification of all major Inventory items is carried out atleast once a year. The variations is any are duly accounted for after thorough verification. At the year end the stock is rolled over and verified.

Borrowing cost on Malt under maturation is not being capitalised to cost of inventory. This is in accordance with Ind AS 23, as they are manufactured of large quantity on the repetitive basis."

1.14 Leases

The group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

Group as a lessee

The group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases

The group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term."

Under Ind AS 17

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

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

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

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

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

1.15 Impairment of non-financial assets

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

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less

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costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

1.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

Contingent liability and Contingent Assets

Contingent liabilities are not recognized but are disclosed where possibility of any outflow in settlement is remote.

Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

1.17 Employee benefits

Short-term obligations

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

Other long-term employee benefit obligations

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

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

Post-employment obligations

The group operates the following post-employment schemes:

Gratuity obligations

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

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

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

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

Provident Fund Obligation

The Company makes contribution to the recognised provident fund - " The Rampur Distillery & Chemical Company Limited Employee Provident Fund Trust", which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

Company's contribution to the provident fund is charged to Statement of Profit and Loss

1.18 Share-based payments

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

- including any market performance conditions (e.g., the group's share price),

- excluding the impact of any service and non-market performance vesting conditions (e.g., profitability, sales growth targets and remaining and employee of the group over a specified time period), and

- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period of time).

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

1.19 Earnings Per Share

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

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

1.20 Financial instruments

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

Initial recognition and measurement

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

A. Financial Assets

Financial assets are recognised when the group becomes a party to the contractual provisions of the instrument

Subsequent measurement

Financial assets are subsequently classified as measured at:

- amortised cost

- fair value through other comprehensive income (FVTOCI)

- fair value through profit or loss (FVTPL)

Trade Receivables and Loans:

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

Financial assets measured at amortised cost:

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

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a). The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b). Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Measured at fair value through other comprehensive income:

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

Measured at fair value through Profit or Loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity investments

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

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

Derecognition

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

Impairment of financial assets

Expected credit losses (ECL) are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category, as per policy approved by the Board of Directors.

For financial assets, as per Ind AS 109, the group recognises 12 months expected credit losses for all originated or acquired financial assets if at the reporting date. The credit risk of the financial asset has not increased significantly since its initial recognition.

Expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition."

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

B. Financial liabilities

Financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument

Subsequent measurement

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

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

Trade and other payables

In case of trade and other payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

Trade and other payables represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per credit period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Derecognition

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

Reclassification of financial assets

No reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses).

C. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously, includes balances written off against provisions.

1.21 Derivative financial instruments

The group uses derivative financial instruments, such as forward currency contracts, interest rate swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1.22 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise balance at banks and cash on hand and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible which are subject to an insignificant risk of changes in value.

1.23 Significant accounting judgements, estimates and assumptions

The preparation of the Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, contingent liabilities, and the acgrouping disclosures. Uncertainty about these assumptions and estimates, in the COVID19 pandemic environment of lockdown, could result in out comes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These have been assessed to the best of understanding but the degree of uncertainty has increased.

Judgements

In the process of applying the accounting policies, management has made the following judgements, which have most significant effect on the amounts recognised in the separate financial statements:

a) Arrangement containing lease

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance

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of the underlying asset to Radico's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the group has concluded that no changes are required to lease period relating to the existinglease contracts.

b) Revenue recognition

The group assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The group has generally concluded that it is acting as a principal in all its revenue arrangements.

When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the group and its business partners are reviewed to determine each party's respective role in the transaction.

Where the group's role in a transaction is that of a principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, net off sales tax/VAT/GST, trade discounts and rebates but inclusive of excise duty with any related expenditure charged as an operating cost.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation and uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group, especially in the current COVID19 Pandemic environment. Management has made the estimates and assumptions considering the short to medium term impact, to the best of understanding. Such changes are reflected in the assumptions when they occur.

a) Impairment reviews

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

Impairment reviews in respect of the relevant CGUs are performed at least annually or more regularly if events indicate that this is necessary.

Impairment reviews are based on discounted future cash flows. The future cash flows which are based on business forecasts, the long-term growth rates and the pre-tax discount rates, that reflects the current market assessment of the time value of money and the risk specific to the asset or CGU, used are dependent on management estimates and judgements. Future events could cause the assumptions used in these impairment reviews to change.

There is no significant impact due to the COVID 19 pandemic and lockdown as assessed by the management.

b) Allowance for uncollectible account receivables and advances

Trade receivables and certain financial assets do not carry any interest unlike other interest bearing financials assets viz intercorporate deposits. Such financial assets are stated at their carrying value as reduced by impairment losses determined in accordance with expected credit loss. Allowance as per expected credit loss model is based on simplified approach which is based on historically observed default rates and changed as per forward-looking estimates. In case of trade receivables group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables which is also based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. The actual loss could differ from the estimate made by the management, especially in the current environment of COVID19 Pandemic.

c) Taxes

The group is subject to income tax laws as applicable in India. Significant judgement is required in determining the provision for taxes as the tax treatment is often by its nature complex,

(₹ in Lakhs unless otherwise stated)

and cannot be finally determined until a formal resolution has been reached with the relevant tax authority which may take several years to conclude. Amounts provided are accrued based on management's interpretation of country specific tax laws and the likelihood of settlement. The group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Actual liabilities could differ from the amount provided which could have a consequent adverse impact on the results and net position of the group.

d) Pension and post-retirement benefits

The cost of defined benefit plans viz. gratuity, provident fund, leave encashment, etc. are determined using actuarial assumptions. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about defined benefit plans are given in note no. 53.

e) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

1.24 Recent Accounting Developments

Standard issued but not yet effective: (based on Exposure drafts available as on date)

Issue of Ind AS 117 – Insurance Contracts

Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk. Application of this standard is not expected to have any significant impact on the Group's financial statements.

Amendments to existing Standards

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

1. Ind AS 103 – Business Combination

2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

3. Ind AS 40 – Investment Property

The group is in the process of evaluating the impact of the new amendments issued but not yet effective.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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2 PROPERTY, PLANT AND EQUIPMENT

(Refer notes 1.09 ,1.10 and 1.14)

	Gross Block				Depreciation			Net Block	
Description of Assets	**As at April 01, 2020**	**Additions**	**Disposals/ Adjsuments**	**As at March 31, 2021**	**Up to March 31,2020**	**For the year**	**Accumulated Depreciation on Disposals**	**Up to March 31,2021**	**As at March 31,2021**
Tangible Assets									
Freehold land	12,865.48	-	-	12,865.48	-	-	-	-	12,865.48
Leasehold land	3,467.56	-	-	3,467.56	229.65	45.93	-	275.58	3,191.98
Buildings	10,068.39	1,127.94	-	11,196.33	1,719.80	450.91	-	2,170.71	9,025.62
Plant & equipments	61,103.28	4,271.40	194.20	65,180.48	14,548.69	3,839.18	161.34	18,226.53	46,953.95
Furniture & Fixtures	489.28	1,023.42	0.08	1,512.62	177.60	94.94	0.08	272.46	1,240.16
Vehicles	935.95	415.94	75.31	1,276.58	291.39	131.42	51.99	370.82	905.76
Office equipments	199.88	181.90	7.69	374.09	101.08	50.52	6.86	144.74	229.35
Right to use (Leased Assets) (Refer note 39 (c))	1,300.45	1,187.61	-	2,488.06	560.37	499.46	-	1,059.83	1,428.23
Leasehold improvements	288.40	1,886.16	-	2,174.56	136.49	39.73	-	176.22	1,998.34
	90,718.67	**10,094.37**	**277.28**	**100,535.76**	**17,765.07**	**5,152.09**	**220.27**	**22,696.89**	**77,838.87**
Intangible Assets									
Brands & trade marks	2,552.26	-	-	2,552.26	1,220.53	215.49	-	1,436.02	1,116.24
Software	393.91	-	-	393.91	336.69	22.33	-	359.02	34.89
	2,946.17	**-**	**-**	**2,946.17**	**1,557.22**	**237.82**	**-**	**1,795.04**	**1,151.13**
Total	**93,664.84**	**10,094.37**	**277.28**	**103,481.93**	**19,322.29**	**5,389.91**	**220.27**	**24,491.93**	**78,990.00**

	Gross Block				Depreciation			Net Block	
Description of Assets	**As at April 01, 2019**	**Additions**	**Disposals/ Adjsuments**	**As at March 31,2020**	**Up to March 31,2019**	**For the year**	**Accumulated Depreciation on Disposals**	**Up to March 31, 2020**	**As at March 31,2020**
Tangible Assets									
Freehold land	12,927.50	-	62.02	12,865.48	-	-	-	-	12,865.48
Leasehold land	3,467.56	-	-	3,467.56	183.72	45.93	-	229.65	3,237.91
Buildings	8,782.51	1,311.93	26.05	10,068.39	1,319.35	425.12	24.67	1,719.80	8,348.59
Plant & equipments	56,663.84	5,664.22	1,224.78	61,103.28	12,008.18	3,694.22	1,153.71	14,548.69	46,554.59
Furniture & fittings	480.94	8.34	-	489.28	108.59	69.01	-	177.60	311.68
Vehicles	1,004.02	4.96	73.03	935.95	225.88	131.14	65.63	291.39	644.56
Office equipments	174.94	35.02	10.08	199.88	53.80	52.75	5.47	101.08	98.80
Right to use (Leased Assets) (Refer note 39 (c))	-	1,300.45	-	1,300.45	-	560.37	-	560.37	740.08
Leasehold improvements	288.40	-	-	288.40	97.81	38.68	-	136.49	151.91
	83,789.71	**8,324.92**	**1,395.96**	**90,718.67**	**13,997.33**	**5,017.22**	**1,249.48**	**17,765.07**	**72,953.60**
Intangible Assets									
Brands & trade marks	2,552.26	-	-	2,552.26	1,005.04	215.49	-	1,220.53	1,331.73
Software	457.23	22.67	85.99	393.91	402.66	20.02	85.99	336.69	57.22
	3,009.49	**22.67**	**85.99**	**2,946.17**	**1,407.70**	**235.51**	**85.99**	**1,557.22**	**1,388.95**
Total	**86,799.20**	**8,347.59**	**1,481.95**	**93,664.84**	**15,405.03**	**5,252.73**	**1,335.47**	**19,322.29**	**74,342.55**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

3 INVESTMENT IN A JOINT VENTURE

Particulars	March 31, 2021	March 31, 2020
Unquoted Investments		
Equity Shares (at amortised cost) (Refer note 58)		
Radico NV Distilleries Maharashtra Limited - 13,58,503 (previous year: 13,58,503) equity shares of ₹ 100 each, fully paid up	13,538.53	13,538.53
Add: Share of profit/reserve of Joint Venture	2,901	2,240.82
	16,439	**15,779**
Preference Shares (at amortised cost)		
Radico NV Distilleries Maharashtra Limited - 20,00,000 (previous year: 20,00,000) 10% cumulative, non-convertible preference	2,000.00	2,000.00
shares of ₹100 each, fully paid up	**18,439.43**	**17,779.35**
Aggregate amount of unquoted investments	18,439.43	17,779.35
Aggregate amount of impairment in value of investments.	-	-

4 INVESTMENT IN OTHERS (UNQUOTED AT FVTPL)

Particulars	March 31, 2021	March 31, 2020
New Urban Cooperative Bank Ltd. - 2,388 (previous year: 2,388) equity shares of ₹ 25 each, fully paid up	0.60	0.60
	0.60	**0.60**
Aggregate amount of unquoted investments	0.60	0.60
Aggregate amount of impairment in value of investments	-	-

5 LOANS

Particulars	March 31, 2021	March 31, 2020
(Unsecured- Considered good)		
Security Deposits	973.33	1,658.26
	973.33	**1,658.26**

6 OTHERS

Particulars	March 31, 2021	March 31, 2020
Interest accrued on term deposits	10.72	12.60
Deposits with more than 12 months maturity (Refer note-11)	55.89	166.45
Advances recoverable	-	0.90
	66.61	**179.95**

7 OTHER NON-CURRENT ASSETS

Particulars	March 31, 2021	March 31, 2020
Capital Advances	3,532.43	4,520.37
Advances other than capital advances		
Advances recoverable	3,092.00	5,592.00
Prepaid Assets	91.78	193.58
	6,716.21	**10,305.95**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

8 INVENTORIES

Particulars	March 31, 2021	March 31, 2020
(Refer note-1.13 on valuation of inventories)		
Raw materials	8,846.51	7,691.42
Work-in-progress	3,724.71	3,729.67
Finished goods *	25,949.54	17,253.87
Stock-in-trade	192.53	160.68
Stores & spares (Including promotional material)	4,451.06	3,581.36
Packing materials	5,929.72	5,978.31
Goods in transit - Raw material	2.75	11.69
	49,096.82	38,407.00
Less: Provision for obsolete and non-moving inventories	(190.25)	(989.46)
	48,906.57	**37,417.54**

Amount recognised in statement of profit and loss

Write-down of inventories to net realisable value, resulted in net loss / (gain) of ₹ 155.26 lakhs (previous year ₹875.00 lakhs). These were recognised as an expense / income during the year in the Statement of Profit and Loss.

* Includes provision for excise duty/Custom duty ₹ 9,356.87 lakhs (previous year ₹ 4,409.04 lakhs)

* Include ENA and Malt Spirit under maturation.

9 TRADE RECEIVABLES

Particulars	March 31, 2021	March 31, 2020
Trade Receivables considered good - Unsecured	67,736.65	77,591.55
Trade Receivables which have significant increase in Credit Risk	4,534.89	6,777.63
Trade Receivables - credit impaired	-	357.09
	72,271.54	84,726.27
Less: Allowance for expected credit losses	(2,525.80)	(2,420.83)
	69,745.74	**82,305.44**

Trade Receivables relate to company's contract with its customers, are non interest bearing and are generally on credit terms not exceeding 12 months.

10 CASH AND CASH EQUIVALENTS

Particulars	March 31, 2021	March 31, 2020
Balances with banks*	12,087.82	986.77
Cash in hand	22.54	23.66
	12,110.36	**1,010.43**

*Including cheques on hand ₹ Nil (previous year ₹ 22.10 Lakhs)

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	March 31, 2021	March 31, 2020
Balances with banks		
In unpaid dividend accounts	152.49	152.89
In term deposits #	791.11	827.11
Deposits with more than 12 months maturity (Refer note-6)	(55.89)	(166.45)
	887.71	**813.55**
# Deposit are:		
Under lien with Government departments and banks as security	791.11	827.11

(₹ in Lakhs unless otherwise stated)

12 LOANS

Particulars	March 31, 2021	March 31, 2020
(Unsecured- Considered good, unless otherwise stated)		
Security Deposits	1,435.10	1,173.29
Others		
Advances recoverable	449.37	202.36
Inter corporate deposits (Refer note-54)		
ICDs Considered good - Unsecured	2,688.68	2,698.21
ICDs - credit impaired.	-	461.00
	4,573.15	4,534.86
Less: Allowance for expected credit losses	-	(461.00)
	4,573.15	**4,073.86**

13 OTHERS

Particulars	March 31, 2021	March 31, 2020
Accrued export incentives	598.15	418.99
Other balances recoverable from Statutory/ Government authorities	2,078.43	1,345.20
Interest accrued on		
term deposits	44.55	32.05
Loans and advances		
Considered good - Unsecured	175.45	253.94
Credit impaired	112.31	112.31
Less: Allowance for expected credit losses	(112.31)	(112.31)
	2,896.58	**2,050.18**

14 CURRENT TAX ASSETS (NET)

Particulars	March 31, 2021	March 31, 2020
Income Tax *	97.47	750.18
	97.47	**750.18**

*Net of provisions of ₹ 15,549.95 (Previous year ₹ 25,635.42)

15 OTHER CURRENT ASSETS

Particulars	March 31, 2021	March 31, 2020
(Unsecured - Considered good)		
Advances recoverable in kind	1,637.93	1,837.88
Others		
Amount paid under protest	807.14	520.69
Claims and duties adjustable from Excise Department	14,173.73	6,687.10
Other Advances recoverable	3,399.77	2,099.77
Prepaid assets	3,235.36	2,638.48
	23,253.93	**13,783.92**

16 EQUITY SHARE CAPITAL

Particulars	March 31, 2021	March 31, 2020
Authorised		
17,00,00,000 (Previous year 17,00,00,000) equity shares of ₹ 2/- each	3,400.00	3,400.00
60,00,000 (Previous year 60,00,000) preference shares of ₹ 100/- each	6,000.00	6,000.00
	9,400.00	**9,400.00**
Issued, subscribed and fully paid		
13,35,68,265 (Previous Year 13,35,34,265) equity shares of ₹ 2/- each	2,671.37	2,670.69
	2,671.37	**2,670.69**

Rights, Preferences & Restrictions attached to equity shares

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. Reconciliation of the number of shares

	March 31, 2021	March 31, 2020
	No. of Shares	No. of Shares
Outstanding at the beginning of the year	133,534,265	133,409,265
Add: Issued during the year	34,000	125,000
Outstanding at the end of the year	**133,568,265**	**133,534,265**

c. Details of shareholders holding more than 5% of total equity shares of the company

	March 31, 2021		March 31, 2020	
	Percentage of Holding	No. of Shares	Percentage of Holding	No. of Shares
Sapphire Intrex Ltd.	33.97%	45,379,098	33.98%	45,379,098
TIMF Holdings	5.83%	7,781,575	5.83%	7,781,575

d. Shares reserved for issue under options: ESOPs

The Company established Employee Stock Options Plan, duly approved by the shareholders in the meeting held on May 25, 2006 which was effective from July 25, 2006. Accordingly, the Company has granted 42,80,000 equity options up to March 31, 2021 which will get vested over a period of 4 years from the date of the grant. The employees have the options to exercise their right within a period of 3 years from the date of vesting. The compensation cost of stock options granted to employees is accounted by the Company using the fair value method.

e. Summary of Stock Option

	March 31, 2021	March 31, 2020
	No. of stock option	No. of stock option
Option granted up to the year end	4,280,000	4,280,000
Options forfeited up to the year end	1,741,451	1,741,451
Options exercised up to the year end	2,433,049	2,399,049
Option outstanding at the year end	105,500	139,500
Exercise price (weighted average)	₹ 86.29	₹ 85.98

In respect of Options granted under the Employee Stock Options plan, in accordance with the guidelines issued by SEBI, the accounting value of the options is accounted as deferred employee compensation, which is amortized on a straight line basis over the period between the date of grant of options and eligible dates for conversion into equity shares. Consequently, Employee benefits expense (Refer note-33) includes ₹ 1.79 lakhs (previous year ₹ 8.59 lakhs) being the amortisation of deferred employee compensation.

17 OTHER EQUITY

Particulars	March 31, 2021	March 31, 2020
Reserves & Surplus		
Retained Earning	98,475.78	73,516.43
Securities Premium Reserve	38,124.13	38,081.58
General Reserve	40,000.00	40,000.00
Employee Stock Options Outstanding Account	20.30	24.99
	176,620.21	**151,623.00**

Refer statement of changes in equity for detailed movement in above reserves and surplus.

(₹ in Lakhs unless otherwise stated)

18 BORROWINGS

Particulars	March 31, 2021	March 31, 2020
Secured #		
Vehicle loans	153.51	290.56
	153.51	**290.56**
Less : Shown in current maturities of long-term debt (Refer note- 25)	(126.60)	(137.25)
	(126.60)	(137.25)
	26.91	**153.31**

 # Notes

i). The above loans are secured by a pari-passu first charge on Vehicles procured.

ii). Terms of repayment are as follows:-

Name	Year of Maturity	Outstanding as at March 31, 2021	Outstanding as at March 31, 2020
HDFC Bank *	Jan 2022	106.20	224.50
HDFC Bank *	June 2023	21.11	29.27
YES Bank *	May 2023	26.20	36.79
		153.51	**290.56**

* Monthly Installment

19 OTHERS (AT AMORTISED COST)

Name	Outstanding as at March 31, 2021	Outstanding as at March 31, 2020
Security Payable	72.45	152.87
Lease Liabilities (Refer note no. 39 (c))	1,070.85	362.09
	1,143.30	**514.96**

20 PROVISIONS

Name	Outstanding as at March 31, 2021	Outstanding as at March 31, 2020
Provision for employee benefits		
Leave encashment	1,028.74	1,110.35
	1,028.74	**1,110.35**

21 DEFERRED TAX LIABILITIES (NET) (REFER NOTE-43)

Name	Outstanding as at March 31, 2021	Outstanding as at March 31, 2020
Deferred Tax Liabilities	9,825.07	9,955.33
Deferred Tax Assets	(1,800.29)	(2,108.73)
Deferred Tax Liability (Net)	**8,024.78**	**7,846.60**

22 OTHER NON-CURRENT LIABILITIES

Name	Outstanding as at March 31, 2021	Outstanding as at March 31, 2020
Other Payables	16.58	16.58
	16.58	**16.58**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

23 BORROWINGS

Name	Outstanding as at March 31, 2021	Outstanding as at March 31, 2020
Secured #		
Cash credit from banks	682.45	21,736.97
Unsecured		
Loan from banks	26,499.99	18,000.00
	27,182.44	**39,736.97**

Secured by hypothecation of inventories and trade receivables. Further secured by a second charge on fixed assets of the Company.

Non-fund based facilities provided by banks are also secured by second charge on the fixed assets (Property, Plant and Equipment excluding Intangible Assets) of the Company.

24 TRADE PAYABLES

Particulars	March 31, 2021	March 31, 2020
Outstanding dues of Micro, Small and Medium Enterprises (Refer note no. 57)	3,073.83	2,786.51
Other Enterprises	23,116.94	23,637.27
	26,190.77	**26,423.78**

25 OTHERS (FINANCIAL LIABILITY CARRIED AT AMORTISED COST)

Particulars	March 31, 2021	March 31, 2020
Current maturities of long-term debt		
Rupee loan from banks	126.60	137.25
Interest accrued but not due on borrowings	53.63	239.51
Lease Liabilities (Refer note 39 (c))	413.39	502.96
Security Payable	2,585.85	2,154.40
Unclaimed dividends #	152.49	152.53
	3,331.96	**3,186.65**

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

26 PROVISIONS

Particulars	March 31, 2021	March 31, 2020
For employee benefits		
Gratuity (Refer note-53)	170.77	388.08
Leave encashment	510.24	480.49
For excise duty on closing stock	9,298.72	4,371.21
For custom duty on closing stock	58.16	37.83
	10,037.89	**5,277.61**

27 OTHER CURRENT LIABILITIES

Particulars	March 31, 2021	March 31, 2020
On account of capital goods/ services	391.32	341.18
Advances from customers	8,072.51	5,642.88
Other payables		
Accrued salary and benefits	715.25	633.11
Statutory dues	5,982.15	3,102.38
	15,161.23	**9,719.55**

(₹ in Lakhs unless otherwise stated)

28 REVENUE FROM OPERATIONS

Particulars	March 31, 2021	March 31, 2020
(Refer note-1.05 on revenue recognition)		
Sale of		
Alcohol and other alcoholic products	1,029,468.68	933,105.93
Pet bottles & caps	2,719.53	3,755.74
Jaivik khad	393.62	348.88
Others	654.48	328.38
Sale of traded goods		
Indian Made Foreign Liquor	-	-
Imported Liquor	241.94	659.78
Royalty Income	779.39	1,001.53
Other operating revenues		
Export incentives	264.33	202.58
SAD refund	-	-
Scrap sales	2,214.15	2,386.32
	1,036,736.12	**941,789.14**

29 OTHER INCOME

Particulars	March 31, 2021	March 31, 2020
Interest income on		
Term deposit with banks and financial institutions	53.39	53.15
Loans (including inter corporate deposits)	421.12	414.11
Deferred income on deposit	25.59	31.07
Interest on income tax refunds	153.46	-
Dividend income on non-current (trade) investments	811.30	359.57
Other non-operating income		
Profit on sale of current investments	0.57	-
Profit on sale of fixed assets	2.41	6.10
Excess provisions written back	80.68	24.82
Miscellaneous income	458.85	29.85
	2,007.37	**918.67**

30 COST OF MATERIALS CONSUMED

Particulars	March 31, 2021	March 31, 2020
Raw Materials		
Opening Stock	7,691.42	6,977.32
Add: Purchases	68,063.46	68,325.40
	75,754.88	75,302.72
Less: Closing Stock	(8,846.51)	(7,691.42)
Raw material consumed	66,908.37	67,611.30
Packing materials consumed	56,974.93	59,479.88
	123,883.30	**127,091.18**

31 PURCHASE OF STOCK-IN-TRADE

Particulars	March 31, 2021	March 31, 2020
Imported Liquor	177.00	358.90
	177.00	**358.90**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

32 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	March 31, 2021	March 31, 2020
Opening Stock		
Stock-in-trade	160.68	309.59
Finished goods	17,253.87	17,186.17
Work-in-progress	3,729.67	3,616.92
	21,144.22	**21,112.68**
Less : Closing Stock		
Stock-in-trade	192.53	160.68
Finished goods	25,949.54	17,253.87
Work-in-progress	3,724.71	**3,729.67**
	29,866.78	**21,144.22**
Increase / (Decrease) of excise duty CL Depot stock	(22.98)	(748.08)
Increase / (Decrease) of excise duty on Finished Goods	4,927.50	(1,851.37)
	(3,818.04)	**(2,630.99)**

33 EMPLOYEE BENEFITS EXPENSE

Particulars	March 31, 2021	March 31, 2020
Salaries, wages and allowances	15,896.90	17,019.70
Contribution to provident and other funds	992.03	834.96
Gratuity	229.27	181.32
Share based payment to Employee (Refer note-16)	1.79	8.59
Staff welfare expenses	513.57	563.51
	17,633.56	**18,608.08**

34 FINANCE COSTS

Particulars	March 31, 2021	March 31, 2020
Interest	2,005.19	2,948.69
Finance cost on Leased Assets (Refer note 39 (c))	124.67	140.44
Other borrowing costs	71.79	72.33
	2,201.65	**3,161.46**

35 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	March 31, 2021	March 31, 2020
Depreciation on tangible assets	5,152.09	5,017.22
Amortisation of intangible assets	237.82	235.51
	5,389.91	**5,252.73**

(₹ in Lakhs unless otherwise stated)

36 OTHER EXPENSES

Particulars	March 31, 2021	March 31, 2020
Power and fuel	4,684.53	5,026.71
Stores and spares consumed	1,966.67	1,944.90
Repairs and maintenance		
Building	133.58	220.86
Plant and equipment	2,081.38	1,747.59
Others	216.16	307.01
Machinery and other hire charges	5.14	5.09
Insurance	797.82	645.97
Rent	148.95	138.03
Rates and taxes	12,288.81	9,586.67
Travelling		
Directors	55.20	156.34
Others	811.19	1,219.57
Directors' fee	20.97	18.91
Foreign exchange fluctuations (net)	(65.88)	(407.20)
Provision for Non-moving/ obsolete Inventory	155.26	875.00
Charity and donation	26.78	522.60
Corporate Social Responsibility Expenses (Refer note-48)	528.08	401.22
Provision for Expected Credit Losses (Net)	177.36	739.00
Bio composting expenses	241.84	239.35
Professional Fee & retainership expenses	432.21	491.93
Communication	116.49	126.01
Sundry balances written off	43.35	522.54
Loss on sale / write off of assets	61.07	77.58
Bank charges	31.11	29.72
Other overheads	3,083.29	3,117.17
Bottling Charges	3,350.66	3,218.95
Selling and distribution:		
Freight outwards	10,738.47	10,986.75
Supervision charges after sales	773.37	716.63
Supervision charges to supervisors	2,792.33	2,223.07
Rebate discount and allowance	3,384.31	3,236.81
Advertisement & sales promotion	13,963.14	13,961.26
	63,043.64	**62,096.04**

37 EXCEPTIONAL ITEMS (REFER NOTE 59)

Particulars	March 31, 2021	March 31, 2020
Enviromental Compensation	-	702.00
Settlement under Sabka Vikas Scheme	-	858.59
Written-off towards matters arising consequent to prohibition in the state of Bihar	-	856.03
	-	**2,416.62**

Notes to the Consolidated Financial Statements

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(₹ in Lakhs unless otherwise stated)

38 OTHER COMPREHENSIVE INCOME

Particulars	March 31, 2021	March 31, 2020
Items that will not be reclassified to profit or loss		
Actuarial Gain / (loss) on employee benefits	(115.25)	(361.38)
Income tax relating to items that will not be reclassified to profit or loss	29.01	90.95
Share in other comprehensive income/(loss) of joint venture	0.65	(3.00)
	(85.59)	**(273.43)**

39 a) CAPITAL COMMITMENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of Capital commitments (Net of advances)	879.64	2,503.98
	879.64	**2,503.98**

39 b) CONTINGENT LIABILITIES NOT PROVIDED FOR:

Particulars	As at March 31, 2021	As at March 31, 2020
i) Claims against the group, not acknowledged as debts		
(a) Disputed liability relating to ESI Contribution	0.89	0.89
(b) Disputed liability relating to PF contribution of contractor labour	24.35	24.35
(c) Disputed liability relating to payment of late re-calibration fees on verification and stamping of manufacturing vats/tanks installed at distillery.	155.00	155.00
(d) Disputed VAT/Sales/GST/Entry/Service Tax matters under appeal	186.15	186.15
(e) Disputed Excise matters	551.75	551.75
(f) Disputed Stamp duty claim arising out of amalgamation, being contested	80.00	80.00
(g) Disputed customs duty	10.73	16.63
	1,008.87	**1,014.77**

ii) In February 2007, the Madhya Pradesh State Industrial Development Corporation Ltd. demanded a sum of ₹ 168.09 lakhs besides unspecified expenses arising out of the alleged non-compliance of conditions relating to its holding of shares in Abhishek Cement Ltd., prior to its merger with Radico Khaitan Ltd. in the financial year 2002-03. The writ petition filed by the Group before the Madhya Pradesh High Court has been partly allowed by confirming the recovery of ₹ 167.32 lakhs against the Company. However, the division bench of the Madhya Pradesh High Court has stayed the recovery proceedings initiated by local collector office. The court has ordered to maintain ₹ 100 lakhs in State Bank of India till the final adjudication of the matter. The matter is since sub-judice.

iii) (a) The applicability of Goods & Service Tax Act, 2017 on Extra Neutral Alcohol (ENA) was kept on hold by the GST council vide their minutes of meeting dated 05.08.2017, 22.12.2018 and 20.09.2019 wherein the ENA meant for the potable purpose was kept under the control of respective State Governments, and accordingly the Group is paying the state taxes on ENA as applicable in the respective states.

(b) The Deputy Commissioner (Commercial Tax), Sector I, Rampur had issued notices on 14.11.2019, 15.11.2019 and 16.11.2019 for the leviability of GST on ENA w.e.f. July 2017. Radico Khaitan has filed writ petition before Hon'ble High Court of Allahabad, challenging these notices, with the plea that potable ENA is kept out of the purview of GST by the GST Council. The Hon'ble Court on 10th January 2020, granted stay to the Group against any proceedings under GST and also advised the department to file a response.

iv) A minor fire occurred at the Company (UP) Rampur plant on 6th March, 2021 involving two of the alcohol storage tanks. The Group's emergency response team along with the local fire brigades were able to bring the fire under control without further spread to the plant's other areas. There was no loss of life.

(₹ in Lakhs unless otherwise stated)

This accident resulted in loss of Extra Neutral Alcohol to the tune of 1.81 Lakh alcoholic liters stored in these two tanks translating into a financial loss of ₹ 270 Lakhs including the replacement cost of damaged tanks. The Group immediately filed the insurance claim which is being assessed by the Insurer. Meanwhile, an interim measure claim of ₹ 50 lakhs has already been received.

Beside this, the U.P. State Excise Department has issued a show cause notice (SCN) to us claiming an excise duty amounting to ₹ 1,822.77 Lakhs on the alcohol lost in the accident. Based on the opinion of the legal counsel, the Group has filed an appeal under Rule 813 of the U.P. Excise Rule before the U.P. Commissioner of Excise seeking relief from the above claim by way of setting aside the above mentioned SCN, considering this loss of alcohol as an unavoidable accident of fire.

39 C) LEASE COMMITMENTS:

Disclosure as per Ind AS 116

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 1029.17 lakhs, and a lease liability of ₹ 1203.67 lakhs. The cumulative effect of applying the standard, amounting to ₹130.58 lakhs was debited to retained earnings, net of taxes of ₹ 43.92 lakhs. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
5. The weighted average incremental borrowing rate applied to lease liabilities as applicable.

Following are the changes in the carrying value of right of use assets :

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	740.08	1029.17
Additions	1,187.61	271.28
Deletion	-	-
Depreciation	(499.46)	(560.37)
Balance at end of the year	**1,428.23**	**740.08**

The aggregate depreciation expense on Right to use assets is included under depreciation and amortization expense in the statement of Profit and Loss

The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	413.39	502.96
Non current lease liabilities	1,070.85	362.09
Total	**1,484.24**	**865.05**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

The following is the movement in lease liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	865.05	1,206.12
Additions	1,187.36	271.28
Finance cost accrued during the year	124.67	140.44
Payment of lease liabilities (Total cash outflow)	(692.84)	(752.79)
Balance at end of the year	**1,484.24**	**865.05**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases is ₹ 148.95 Lakhs for the year ended March 31, 2021, (previous year ₹ 138.03 Lakhs).

Impact of adoption of Ind AS 116 on statement of profit & loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on lease liabilities (refer note 34)	124.67	140.44
Depreciation of right-to-use asset (refer note 2)	499.46	560.37
Deferred tax (credit)	-	(13.08)
Impact on statement of profit & loss during the year	**624.13**	**687.73**

40 In the opinion of the Management and to the best of their knowledge and belief, the value on realisation of current/ non current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the financial statements.

41 DIVIDEND ON EQUITY SHARES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend on Equity Shares declared and paid during the year		
Dividend of ₹ 2.00 per share (Previous Year ₹ 1.20 per share) for financial year 2019-20	2,670.85	1,600.91
Dividend Distribution Tax	-	329.07
	2,670.85	**1,929.98**
Proposed dividends on Equity shares not recognised as liability		
Dividend of ₹ 2.40 per share (Previous Year ₹ 2.00 per share) for financial year 2020-21	3,205.64	2,670.69
Dividend Distribution Tax	-	-
	3,205.64	**2,670.69**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31. All proposed dividends were approved as proposed and paid in subsequent year.

(₹ in Lakhs unless otherwise stated)

42 EARNINGS PER EQUITY SHARE (EPS)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the group by the weighted average number of Equity shares outstanding during the year (Amount in INR)	20.75	17.16
Diluted EPS is calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares (Amount in INR).	20.74	17.15
The following reflects the income and share data used in the basic and diluted EPS computations:		
Profit attributable to equity holder for basic earnings	27,715.79	22,913.99
Effect of dilution:		
Share options (ESOP)	1.79	8.59
Profit attributable to equity holders adjusted for the effect of dilution	**27,717.58**	**22,922.58**
Weighted average number of Equity shares for basic EPS	133,544,276	133,443,402
Effect of dilution:		
Share options (Refer Note 16 (e))	105,500	139,500
Weighted average number of Equity shares adjusted for the effect of dilution	133,649,776	133,582,902

43 INCOME TAX

The major components of Income Tax expense	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Income Tax:		
Current income tax charge	8,435.85	7,095.03
Total (A)	**8,435.85**	**7,095.03**
Deferred Tax:		
Relating to origination and reversal of temporary differences	207.19	(2,576.43)
Total (B)	**207.19**	**(2,576.43)**
OCI section		
Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on re-measurements of defined benefit plans	(29.01)	(90.95)
Income tax charged to OCI	**(29.01)**	**(90.95)**
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for:-		
Differential tax impact for land indexation at a rate different from the statutory rate	71.80	56.00
Amortisation of certain assets not claimed as deduction under tax	(47.98)	(47.72)
Differential impact of provisions	-	-
Loss on sale of fixed assets (net)	(14.62)	(17.99)
Deduction claimed in Tax but not in books	204.19	203.36
Others	30.43	2,150.73
Total (C)	**243.82**	**2,344.38**
Total (A)+ (B)+ (C)	**8,886.86**	**6,862.98**
Accounting profit before tax	35,310.16	27,268.67
Income tax calculated at India's statutory Income Tax Rate	8,886.86	6,862.98
Other non-deductible expenses	-	-
Total	**8,886.86**	**6,862.98**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

DEFERRED TAX

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax relates to the following:		
Property, plant and equipment	(9,575.14)	(9,429.54)
Other Ind-AS adjustments (security deposit, lease liability etc.)	914.67	1,031.30
Provision created under Expected credit loss	635.69	551.64
Tax holiday units	-	-
Mat Credit Entitlement	-	-
Net deferred tax assets/(liabilities)	**(8,024.78)**	**(7,846.60)**
Reflected in the balance sheet as follows:		
Deferred tax assets (continuing operations)	1,800.29	2,108.73
Deferred tax liabilities (continuing operations)	(9,825.07)	(9,955.33)
Mat Credit Entitlement	-	-
Deferred tax liabilities (net)	**(8,024.78)**	**(7,846.60)**
Reconciliation of deferred tax liabilities (net):		
Opening balance	7,846.60	10,404.90
Tax income/(expense) during the year recognised in profit or loss	207.19	(2,576.43)
Tax income/(expense) during the year recognised in OCI	(29.01)	(90.95)
Impact of Ind AS 116	-	(43.92)
Change in MAT Credit	-	153.00
Closing balance	**8,024.78**	**7,846.60**

The group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

44 LIST OF INVESTMENT

Particulars	As at March 31, 2021	As at March 31, 2020
	Joint Venture	Joint Venture
(i)The name of Investee	Radico NV Distilleries Maharashtra Limited	Radico NV Distilleries Maharashtra Limited
(ii)The principal place of business	Aurangabad (Maharashtra)	Aurangabad (Maharashtra)
(iii)The ownership interest held	36%	36%
(iv)The method used to account for the investment	Accounted at cost	Accounted at cost

45 SEGMENT REPORTING

i) Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Officer, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Officer evaluates the group's performance based on only one segment i.e. manufacturing and trading in Liquor & Alcohol.

ii) **Geographical information**

The geographical segments have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and overseas segment includes sales to customer located outside India.

(₹ in Lakhs unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue from Operation		
Domestic	223,652.46	232,945.82
Overseas	18,161.35	9,758.20
	241,813.81	**242,704.02**

Note: There are no non-current assets located outside India.

46 RELATED PARTY TRANSACTIONS AND DISCLOSURES

(1) Related parties and their relationship :

I Key Management personnel :

(1) Dr. Lalit Khaitan, Chairman & Managing Director

(2) Mr. Abhishek Khaitan, Managing Director

(3) Mr. K.P.Singh, Whole Time Director

(4) Mr. Dilip K Banthiya, Chief Financial Officer

(5) Mr. Amit Manchanda, Company Secretary (upto 28.01.2021)

(6) Mr. Dinesh Kumar Gupta, Company Secretary (w.e.f. 28.01.2021)

II Relatives of Key Management personnel :

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

III Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise :

(1) Sapphire Intrex Ltd.

(2) The Rampur Distillery & Chemical Company Ltd. (Employees P. F. Trust)

(3) The Rampur Distillery & Chemical Company Ltd. (Employees Group Gratuity Trust)

(4) The Rampur Distillery & Chemical Company Ltd. (Employees Superannuation Scheme)

IV Joint Ventures:

(1) Radico NV Distilleries Maharashtra Limited

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

(2) Transaction with above in the ordinary course of business :

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Key Management Personnel :		
Dr. Lalit Khaitan, Chairman & Managing Director		
Remuneration		
Salary and Allowances	871.77	797.04
Contribution to Provident and other Funds	56.01	49.14
Value of benefits, calculated as per Income Tax Rules	36.31	22.43
Mr. Abhishek Khaitan, Managing Director		
Remuneration		
Salary and Allowances	871.77	797.04
Contribution to Provident and other Funds	57.01	50.14
Value of benefits, calculated as per Income Tax Rules	28.86	19.51
Mr. K.P.Singh, Whole Time Director		
Remuneration		
Salary and Allowances	191.83	181.86
Contribution to Provident and other Funds.	7.48	8.48
Value of benefits, calculated as per Income Tax Rules	1.75	52.14
Mr. Dilip K Banthiya, Chief Financial Officer		
Remuneration		
Salary and Allowances	204.08	222.97
Contribution to Provident and other Funds	10.21	10.21
Value of benefits, calculated as per Income Tax Rules	3.70	50.70
Mr. Amit Manchanda, Company secretary		
Remuneration		
Salary and Allowances	44.14	54.29
Contribution to Provident and other Funds	2.82	3.21
Value of benefits, calculated as per Income Tax Rules	0.82	25.14
Mr. Dinesh Kumar Gupta, Company secretary		
Remuneration		
Salary and Allowances	14.85	
Contribution to Provident and other Funds	0.65	
Value of benefits, calculated as per Income Tax Rules	0.34	
Relatives of Key Management personnel :		
Mrs. Deepshikha Khaitan (wife of Mr. Abhishek Khaitan)		
Remuneration		
Salary and Allowances	-	11.60
Contribution to Provident and other Funds	-	1.95
Value of benefits, calculated as per Income Tax Rules	-	1.18
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	69.48	69.48
Contribution paid (Employer's contribution only)		
The Rampur Distillery & Chemical Company Ltd. (Employees P. F. Trust)	563.26	541.65
The Rampur Distillery & Chemical Company Ltd. (Employees Group Gratuity Trust)	344.52	542.70
The Rampur Distillery & Chemical Company Ltd. (Employees Superannuation Scheme)	102.79	105.30

(₹ in Lakhs unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Joint Venture		
Radico NV Distilleries Maharashtra Limited		
Sale of Fixed Assets	-	23.18
Commission Income	428.19	0.47
Lease rent paid	7.08	7.08
Bottling Charges Paid *	716.62	523.22
Tie-up operation income	4.00	13.72
Dividend on Preference Shares	200.00	200.00
Dividend on Equity Shares	611.30	159.57
Purchase of material	3,580.49	3,068.58
Sale of material	2.89	-
Advances Recoverable	-	22.29
Payable	142.26	140.29
Dividend receivable	-	-
Investment in preference share & equity share	18,439.43	17,779.35

* Excluding GST refundable on export consignment bottling ₹ 15.32 Lakhs.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no outstanding guarantees provided or received for any related party receivables or payables in the current financial year. For the year ended March 31, 2021, the group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2020: ₹ Nil). This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

47 PAYMENT TO AUDITORS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
i) Audit Fee	31.50	31.50
ii) Limited Review Fee	13.50	13.50
iii) GST on (i) and (ii) above	8.10	8.10
iv) Other Services (Certification Fee including Taxes)	0.24	1.31
v) Reimbursement of Out of Pocket Expenses (including taxes)	0.55	2.26
	53.89	**56.67**

48 DETAILS OF CSR EXPENDITURE

	Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
i)	Gross amount required to be spent by the Group (including carry forwarded unspent amount)	457.02		427.18	
		In cash/ Payable	Yet to be paid in cash	In cash / Payable	Yet to be paid in cash
ii)	Amount spent during the year :				
	For construction / acquisition of assets	-	-	-	-
	For other purposes	528.08	-	401.22	-
iii)	Unspent amount	(71.06)	-	25.96	-

Notes to the Consolidated Financial Statements

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(₹ in Lakhs unless otherwise stated)

49 i) Remittance in foreign currency / or to the mandate banks on account of dividends to non residents

	Particulars	As at March 31, 2021	As at March 31, 2020
	(i) Number of non resident shareholders	16	16
	(ii) Number of shares held by them	14,880	14,880
	(iii) Dividend per share	2.00	1.20
	(iv) Financial year to which the dividend relates	2019-20	2018-19
ii)	Earnings in foreign exchange - Export of goods on FOB basis	17,623.93	9,513.54

50 FOREIGN CURRENCY EXPOSURE

Derivatives not designated as hedging instruments

The group uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. However such foreign currency denominated borrowings have not been designated as hedge. Such derivatives are recorded at mark to market at each reporting date with a corresponding recognition in the Statement of Profit and Loss.

Details of foreign currency exposure of the company :

Particulars	As at March 31, 2021		As at March 31, 2020	
	Foreign Currency	INR	Foreign Currency	INR
Other foreign currency exposures:				
Trade Receivables				
USD	87.00	6,394.64	55.42	4,178.09
EURO	0.14	12.05	0.90	75.02
GBP	0.02	2.49	-	-
Advances from Customers				
USD	0.71	52.23	1.14	85.84
GBP	-	-	0.00	0.03
Trade payables				
USD	1.79	131.56	7.06	532.59
EURO	0.02	1.66	0.26	21.29
GBP	0.00	0.08	0.23	21.87
Advances to Vendors				
USD	0.13	9.80	2.32	174.95
EURO	1.46	125.64	2.06	170.93
GBP	0.62	62.90	0.56	52.50
Balance with banks				
USD	1.59	116.69	0.37	28.20

51 FINANCIAL INSTRUMENTS

A- Fair values

The carrying amount of financial assets and liabilities except for certain financial assets i.e. “instrument carried at fair value” appearing in the financial statement are reasonable approximation of fair value. Such investments of those financial instruments carried at fair value are disclosed below:-

Particulars	Fair value		Carrying value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets measured at fair value through profit and loss				
Investments				
Equity shares	0.60	0.60	0.60	0.60
Total	**0.60**	**0.60**	**0.60**	**0.60**

(₹ in Lakhs unless otherwise stated)

B- Fair value hierarchy

The following table provides fair value management hierarchy of the company`s assets:

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
March 31, 2021			
Investment			
Equity share	-	-	0.60
Total	**-**	**-**	**0.60**
March 31, 2020			
Investment			
Equity share	-	-	0.60
Total	**-**	**-**	**0.60**

There have been no transfer between level 1, level 2 and level 3 during the year.

C- Valuation techniques and processes used to determine fair value

Fair value of unquoted investments is determined based on the present values, calculated using generally accepted valuation principles.

D- Valuation inputs and relationships to fair value

Significant unobservable inputs used in Level 3 fair value measurement:-

Non current investment - Unquoted

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Fair Value	0.60	0.60
Significant unobservable inputs*		
Earnings growth rate (%)	10.00	10.00
Risk adjusted discount rate (%)	10.00	10.00
* There were no significant inter-relationships between unobservable inputs that materially affect fair values.		
E- Reconciliation of financial instruments categorised under level 3		
Opening at the beginning of the year	0.60	0.60
Additions during the year	-	-
Gain/(Loss) recognised in OCI during the year	-	-
Closing at the end of the year	0.60	0.60

52 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's principal financial liabilities comprise loans and borrowings, security deposits and trade and other payables. The main purpose of these financial liabilities is to finance the group's operations and to provide guarantees to support its operations. The group's principal financial assets include loans, investment in preference shares & equity shares, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The group's business activities are exposed to a variety of financial risks, namely market risks, credit risk and liquidity risk. The group's senior management has the overall responsibility for establishing and governing the group's risk management framework. The Group has constituted a Risk Management Committee, which is responsible for developing and monitoring the group's risk management policies. The group's risk management policies are established to identify and analyse the risks faced by the group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the group.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk and equity price risk. Financial instruments affected by market risk include loans and borrowings.

The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies to total debts.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2021 and March 31, 2020.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows

At the reporting date the interest rate profile of the group's interest bearing financial instrument is as its fair value:

Particulars	Carrying amounts	
	As at March 31, 2021	As at March 31, 2020
Variable rate instruments		
Long term borrowings	26.91	153.31
Current maturities of long term debt	126.60	137.25
Short term borrowings	27,182.44	39,736.97

Fair value sensitivity analysis for fixed rate instruments

The Group does not have any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss and neither would it affect the equity.

A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at March 31, 2021		As at March 31, 2020	
Increase/ (decrease) in basis points	100	(100)	100	(100)
Effect on profit before tax (increase)/ decrease	273.36	(273.36)	400.28	(400.28)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(₹ in Lakhs unless otherwise stated)

(ii) Foreign currency risk

The Indian National Rupee is the group's most significant currency. As a consequence, the group's results are presented in Indian National Rupee and exposures are managed against Indian National Rupee accordingly. The group has limited foreign currency exposure which are mainly on account of imports and exports.The group has not hedged its imports and exports, since they have short recovery cycle and act as natural hedging reducing the foreign currency risk.

Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the group's profit before tax due to changes in the fair value of foreign currency exposure.

Sensitivity to risk

Particulars	As at March 31, 2021		As at March 31, 2020	
Increase/ (decrease) in Currency rate (USD/EURO/GBP)	**2.75%**	**(2.75%)**	**2.75%**	**(2.75%)**
Effect on profit before tax increase/ (decrease) USD	174.28	(174.28)	103.48	(103.48)
Effect on profit before tax increase/ (decrease) EURO	3.74	(3.74)	1.48	(1.48)
Effect on profit before tax increase/ (decrease) GBP	1.80	(1.80)	0.84	(0.84)

(iii) Equity price risk

The group's equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Reports on the equity portfolio are submitted to the group's senior management on a regular basis. The group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to:

-unlisted equity securities at fair value is ₹ 0.60 Lakhs.

-unlisted equity in Joint Venture at cost of ₹ 13,538.53 Lakhs

(b) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

Trade receivables and loans

Credit risk is managed by group in accordance with the group's established policy, procedures and control relating to credit risk management. Credit quality is assessed based on an extensive credit rating and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and loans are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for receivables and loans. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note below. The group does not hold collateral as security. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and has been rated highly based on internal credit assessment parameters.

Presently, In the current COVID-19 scenario, there are no indication of any material risk. However going forward this could be possible risk which will be addressed as & when they arise.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the group's treasury department in accordance with the group's policy. Counterparty credit limits are reviewed by the group's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2021 and March 31, 2020 is the carrying amounts as illustrated in note below.

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current Financial assets		
Investment in a joint venture	18,439.43	17,779.35
Investment in others	0.60	0.60
Loans	973.33	1,658.26
Others	66.61	179.95
	19,479.97	**19,618.16**
Current Financial assets		
Trade receivables	69,745.74	82,305.44
Cash and cash equivalents	12,110.36	1,010.43
Bank balances other than above	887.71	813.55
Loans	4,573.15	4,073.86
Others	2,896.58	2,050.18
	90,213.54	**90,253.46**

(c) Liquidity Risk

"The group monitors its risk of shortage of funds on a regular basis. The group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particulars	Payable within one year	Payable within one year to five years	Total
As at March 31, 2021:			
Term loans from banks	126.60	26.91	153.51
Short term loan	27,182.44	-	27,182.44
Trade payables	26,190.77	-	26,190.77
Other Financial Liabilities	3,205.36	1,143.30	4,348.66
As at March 31, 2020:			
Term loans from banks	137.25	153.51	290.76
Short term loan	39,736.97	-	39,736.97
Trade payables	26,423.78	-	26,423.78
Other Financial Liabilities	3,049.40	514.96	3,564.36

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the group's performance to developments affecting a particular industry.

(₹ in Lakhs unless otherwise stated)

In order to avoid excessive concentrations of risk, the group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Collateral

The group has created a charge in favour of the lenders for loans and borrowings (Refer note-18 and 23 on Borrowings for details).

53 (I) POST-EMPLOYMENT BENEFIT PLANS

Particulars	As at March 31, 2021	As at March 31, 2020
Gratuity	170.77	388.08

The group has a defined benefit plans for Gratuity, Provident Fund and Leave Encashment. For provident fund, group makes contribution to provident fund trust. Gratuity plan is funded with LIC and requires contributions to be made to a separate fund administered by LIC. Leave encashment liability of the group is unfunded. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

Each year, the Board of Trustees reviews the level of funding in the Gratuity plan and Provident fund. Such a review includes the asset-liability matching strategy and investment risk management policy. The Board of Trustees decides its contribution based on the results of this annual review. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The following tables summaries the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans.

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2021 and March 31, 2020

	Gratuity		
Particulars	Defined benefit obligation	Fair value of plan assets	Benefit liability
April 01, 2020	(3,350.02)	2,961.95	(388.07)
Cost charged to profit or loss			
Service cost	(198.11)		(198.11)
Net interest expense	(227.80)	201.41	(26.39)
Sub-total included in profit or loss	**(425.91)**	**201.41**	**(224.50)**
Benefits paid	187.48	(187.48)	-
Remeasurement gains/(losses) in other comprehensive income	-	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	(10.86)	(10.86)
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	-	-	-
Experience adjustments	(104.39)	-	(104.39)
Sub-total included in OCI	**(104.39)**	**(10.86)**	**(115.25)**
Contributions by employer	-	557.05	557.05
March 31, 2021	**(3,692.84)**	**3,522.07**	**(170.77)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

Particulars	Gratuity		
	Defined benefit obligation	Fair value of plan assets	Benefit liability
April 01, 2019	(2762.71)	2621.16	(141.55)
Cost charged to profit or loss			
Service cost	(188.62)	-	(188.62)
Net interest expense	(211.62)	200.78	(10.84)
Sub-total included in profit or loss	**(400.24)**	**200.78**	**(199.46)**
Benefits paid	157.01	(157.01)	-
Remeasurement gains/(losses) in other comprehensive income	-	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	(17.30)	(17.30)
Actuarial changes arising from changes in demographic assumptions	0.35	-	0.35
Actuarial changes arising from changes in financial assumptions	(186.07)	-	(186.07)
Experience adjustments	(158.36)	-	(158.36)
Sub-total included in OCI	**(344.08)**	**(17.30)**	**(361.38)**
Contributions by employer	-	314.32	314.32
March 31, 2020	**(3,350.02)**	**2,961.95**	**(388.07)**

Particulars	As at March 31, 2021	As at March 31, 2020
Funds Managed by Insurer	3,522.07	2,961.95
Total	**3,522.07**	**2,961.95**

Significant assumptions used in calculation of post-employment defined benefit obligation of the group's are shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	%	%
Future salary increases	6.80%	6.80%
Mortality rate	5.50%	5.50%
	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 and March 31, 2021 :

Particulars	Gratuity		Gratuity	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Assumption	Discount Rate		Discount Rate	
Sensitivity Level	0.50%	0.50%	0.50%	0.50%
	Increase	Increase	Decrease	Decrease
Impact on defined benefit obligation	(106.54)	(110.85)	113.21	117.96
Assumption	Future Salary		Future Salary	
Sensitivity Level	0.50%	0.50%	0.50%	0.50%
	Increase	Increase	Decrease	Decrease
Impact on defined benefit obligation	114.09	118.87	(108.31)	(112.69)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Expected contribution to post employment benefit plans for the next Annual reporting period is ₹216.42 lakhs

(₹ in Lakhs unless otherwise stated)

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	Gratuity As at March 31, 2021	Gratuity As at March 31, 2020
Within the next 12 months (next annual reporting period)	511.76	328.09
Between 2 and 5 years	431.65	384.29
Beyond 5 years	2,749.45	2,637.64
Total expected payments	**3,692.86**	**3,350.02**
The average duration of the Gratuity at the end of the reporting period	14.93	14.54
(II) Defined Contribution Plans		
Contribution to defined contribution plan, recognised as expenses for the year are as under:		
i) Recognised Providend Fund (including family pension)	820.67	655.83
ii) Super annuation Fund	102.79	105.30
iii) Group Insurance Scheme	41.75	42.54
iv) Employees' State Insurance	26.81	31.30
	992.02	**834.97**

54 INFORMATION UNDER 186(4) OF THE COMPANIES ACT, 2013

	Particulars	Gratuity As at March 31, 2021	Gratuity As at March 31, 2020
(a)	Loans given:		
	i) In the form of unsecured short-term Inter corporate Deposits *		
	Opening Balance	3,159.21	4,895.00
	Given during the year	600.00	750.00
	Received / adjusted during the year	(1,070.53)	(2,485.79)
	Closing Balances	**2,688.68**	**3,159.21**
(b)	Investments made (As disclosed under Note.3 & 4)		

* All loans are given to unrelated entities at interest rates ranging from 10% to 12% per annum.All the loans are provided for business purposes of respective entities, repayable on demand with prepayment option to the borrower.

55 CAPITAL MANAGEMENT

For the purpose of the group's capital management, capital includes issued equity share capital and other equity attributable to the equity holders of the Group. The primary objective of the group's capital management is to maximise the shareholder's wealth.

The group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital employed as well as the level of dividend to shareholders.

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The group monitors capital using a debt equity ratio, which is net debt divided by total capital. The group's policy is to keep the debt equity ratio between 70% and 100%. The group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

The group's debt equity ratio was as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	27,335.95	40,027.53
Less: Cash and cash equivalents	(12,110.36)	(1,010.43)
Net debt	**15,225.59**	**39,017.10**
Equity Capital	2,671.37	2,670.69
Other Equity	176,620.21	151,623.00
Total Equity	**179,291.58**	**154,293.69**
Debt Equity Ratio	8.49%	25.29%

In order to achieve this overall objective, the group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current financial year. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021.

56 The nationwide lockdown imposed by the Government of India, due to the COVID -19 pandemic, was lifted in a phased manner. Accordingly, the group's operations including bottling facilities have become operational with necessary safety measures, even though temporary disruptions occurred from time to time, including recent surge.

The group has evaluated the impact of this pandemic on its business operations and financial position. Based on such review, there is no significant impact on the group's assets, capital and financial resources, profitability parameters or liquidity positions as at March 31, 2021.

The Management does not envisage any impact on the going concern assumption in the foreseeable future. However, the impact assessment of COVID-19 will be a continuing process given the uncertainties associated with its nature and duration.

57 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER MSMED ACT 2006

Particulars		As at March 31, 2021	As at March 31, 2020
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	Principal	3,073.83	2,768.72
	Interest	Nil	17.79
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;			
		Nil	Nil
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;			
		Nil	Nil
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and			
		Nil	17.79

(₹ in Lakhs unless otherwise stated)

(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.			
		Nil	17.79

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management and relied upon by the auditors. Interest, if any, on these have been provided since identified.

58 NOTE ON REDUCTION OF SHARE CAPITAL OF JOINT VENTURE ENTITY (GIVEN IN THE FINANCIAL STATEMENT ADOPTED ON JUNE 25, 2019)

Based on NCLT order dated 16th December 2019, the joint venture entity (Radico NV Distilleries Maharashtra Ltd.) has reduced its equity capital from ₹ 7387.72 lakhs to ₹ 3773.58 lakhs w.e.f. March 31,2019. As a result, the reserve of the joint venture increased to ₹ 39610.95 lakhs from ₹ 35996.81 lakhs. The impact of the said change has reflected in the annualised accounts as at March 31, 2020 by the JV company. Proportionately impact on the nos. of equity shares held in the joint venture has been taken.

59 EXCEPTIONAL ITEMS (REFER NOTE NO. 37)

(a) The Central Pollution Control Board (CPCB) vide its letter dated August 06, 2019 pursuant to Group's representation and their subsequent inspection has allowed the Group to restore capacity of its molasses plant from 77 KLD to 200 KLD. Environmental Compensation of ₹702.00 lakhs as levied by CPCB, has been paid and accounted for during the year.

(b) In accordance with Sabka Vishwas Scheme 2019, ₹858.59 Lakhs was paid towards Central excise duty as one-time settlement, for 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 Group had an outstanding of ₹ 1259.12 lakhs with the Bihar State Beverages Corporation Limited (""BSBCL""). An amount of ₹ 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 ₹ 856.03 lakhs, has been written off, as a matter of prudence and it is disclosed as an exceptional item.

60 INTEREST IN OTHER ENTITIES

a) Interest in Joint Venture

Name of the group	Place of Business	% of Ownership Interest	Relationship	Accouting Method	Carrying amount As at March 31, 2021	Carrying amount As at March 31, 2020
Radico NV Distilleries Maharashtra Limited	Maharashtra	36%	Joint Venture	Equity Method	16,439.43	15,779.35

(b) Summarised financial information of the joint venture:

The table below provide summarised financial information for the joint venture of the group. The information disclosed reflects the amounts presented in the financial statements of the joint venture and not Radico Khaitan Limited's share of those amounts.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs unless otherwise stated)

Summarised Balance Sheet:

Particulars	As at March 31, 2021	As at March 31, 2020
ASSETS		
Non-current assets		
Property, Plant and Equipment	31,983.31	33,291.92
Capital work-in-progress	55.79	124.92
Investment property	35.01	38.12
Intangible assets	112.65	112.65
Financial assets	2,285.92	2,032.71
Income Tax Assets (net)	43.54	296.25
Other non-current assets	18.77	38.50
Current assets		
Inventories	8,331.45	10,237.46
Financial assets	8,659.43	4,044.96
Other current assets	2,575.10	2,624.25
	54,100.97	**52,841.74**
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	3,773.58	3,773.58
Other Equity	41,357.15	39,523.58
Non-current liabilities		
Financial Liabilities	2,844.99	3,059.52
Provisions	112.86	136.93
Deferred tax liabilities (Net)	3,685.85	3,871.43
Other non-current liabilities	32.02	34.22
Current liabilities		
Financial Liabilities	1,598.34	1,872.63
Other current liabilities	573.80	427.01
Provisions	61.97	80.00
Current tax liabilities (net)	60.41	62.84
	54,100.97	**52,841.74**

Summarized Statement of Profit and Loss for the year ended

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue from operations	34,564.35	31,785.51
Other income	2,584.55	176.19
	37,148.90	**31,961.70**
Cost of materials consumed	18,741.22	22,243.06
Changes in inventories of finished goods and stock in process	2,279.58	(3,005.82)
Employee benefits expense	1,934.56	2,065.71
Finance costs	382.09	327.81
Depreciation and amortization expense	1,936.97	1,791.37
Other expenses	7,808.57	7,679.89
	33,082.99	**31,102.02**
Profit/(loss) for the year before taxation (A-B)	4,065.91	859.68
Tax expense	536.04	404.35
Profit/(loss) for the year after tax	**3,529.87**	**455.33**
Other Comprehensive Income	1.81	(8.32)
Total Comprehensive Income for the year, net of tax	**3,531.68**	**447.01**

(₹ in Lakhs unless otherwise stated)

The capital commitment and contingent liabilities of the above joint venture are given below:

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Commitments	88.05	122.24
Contingent Liabilities	784.39	745.46

The producers of Alcohol from Grain including us received show cause notice during 2018-19 from Commissioner of Excise, Maharashtra demanding duty on lower recovery of alcohol from Grain which was suitably replied by the industry and the group, however, notice of hearing is still awaited from the Commissioner.

(c) Reconciliation of Carrying Amount

The table below provides the reconciliation to carrying amounts for the joint venture to the group.

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Net Assets	43,831.57	43,384.56
Profit for the year	1,831.76	455.33
Other Comprehensive Income	1.81	(8.32)
Total Comprehensive Inccome/ (Loss) for the year, net of tax	1,833.57	447.01
Closing Net Assets	45,665.14	43,831.57
Group's Share in %	36%	36%
Group's Share in ₹	16,439.43	15,779.35
Carrying Amount	16439.43	15,779.35

62 SOCIAL SECURITY CODE

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

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

As per our report of even date attached

For BGJC & Associates LLP
Chartered Accountants
Firm Regn. No. 003304N/N500056

Darshan Chhajer
Partner
Membership No.: 088308
Place : Gurugram

Place: New Delhi
Date: June 01, 2021

For and on behalf of Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director

Dinesh Kumar Gupta
Vice President - Legal &
Company Secretary

Abhishek Khaitan
Managing Director

Alok Agarwal
Sr Vice President
(Finance & Accounts)

Director

COMPANY INFORMATION

BOARD OF DIRECTORS

Dr. Lalit Khaitan
Chairman & Managing Director

Mr. Abhishek Khaitan
Managing Director

Mr. Krishan Pal Singh
Whole-time Director

Dr. Raghupati Singhania
Independent Director

Mr. Sarvesh Srivastava
Independent Director

Ms. Sushmita Singha
Independent Director

Mr. Tushar Jain
Independent Director

Mr. Sharad Jaipuria
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Dilip K Banthiya

VICE PRESIDENT – LEGAL & COMPANY SECRETARY

Dinesh Kumar Gupta
(w.e.f January 28, 2021)

Amit Manchanda
(upto January 28, 2021)

AUDIT COMMITTEE

Mr. Sarvesh Srivastava
Chairman

Dr. Raghupati Singhania
Member

Mr. Tushar Jain
Member

NOMINATION AND REMUNERATION COMMITTEE

Dr. Raghupati Singhania
Chairman

Mr. Tushar Jain
Member

Mr. Sharad Jaipuria
Member

STAKEHOLDER'S RELATIONSHIP COMMITTEE

Mr. Sharad Jaipuria
Chairman

Mr. Sarvesh Srivastava
Member

Mr. K.P. Singh
Member

ESOP COMPENSATION COMMITTEE

Dr. Lalit Khaitan
Chairman

Mr. Abhishek Khaitan
Member

Mr. K.P. Singh
Member

RISK MANAGEMENT COMMITTEE

Dr. Lalit Khaitan
Chairman

Mr. Abhishek Khaitan
Member

Mr. Dilip K. Banthiya
Member

Mr. Sharad Jaipuria
Member
(w.e.f June 01, 2021)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Dr. Lalit Khaitan
Chairman

Mr. Abhishek Khaitan
Member

Mr. K.P. Singh
Member

Ms. Sushmita Singha
Member

TRANSFER AGENTS BANKERS

Karvy Selenium Tower B,
Plot number 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally,
Hyderabad – 500032

BANKERS

Punjab National Bank
State Bank of India
AXIS Bank
Kotak Mahindra Bank
Standard Chartered Bank
IDBI Bank Ltd.
Yes Bank Ltd.
HDFC Bank Ltd.

REGISTERED OFFICE

Bareilly Road Rampur – 244 901
Uttar Pradesh.

CORPORATE OFFICE

Plot No.J-1, Block B-1,
Mohan Co-operative Industrial
Area, Mathura Road,
New Delhi – 110 044.

WORKS

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Rampur – 244 901, Uttar Pradesh

B-24, A-25, Shri Khatushyamji
Industrial Complex Reengus,
Dist. Sikar – 332 404, Rajasthan

A-1/A-2/B-3, Bazpur Industrial Area
Phase – I, P.O. Sultanpur Patti,
Bazpur Dist. Udham Singh Nagar –
262 123, Uttarakhand

S. No.59, Timmapur Village,
Palmakul Post – 509 325
Shadnagar Tq. Dist.
Mahaboobnagar, Hyderabad
Andhra Pradesh

44 KM Stone,
Delhi Rohtak Road Village &
Post Rohad, Bahadurgarh
Dist. Jhajjar – 124501, Haryana

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