ANNUAL REPORT 2021-22

RADICO KHAITAN LIMITED

PROMOTING PREMIUMISATION

SCALING CAPABILITIES

NURTURING SUSTAINABILITY

Index

Corporate Overview

Statutory Reports

Financial Statements

Total IMFL Volume
26.35
Million Cases
(17.9% y-o-y growth)

Prestige & Above Volume
8.11
Million Cases
(24.5% y-o-y growth)

Net Revenue from Operations
₹2,868
Crore
(19.6% y-o-y growth)

EBITDA
₹403
Crore
(14.0% EBITDA margin)

Net Debt
₹116
Crore
(₹ 82 Crore reduction in FY2022)

Excise Duty Paid
₹9,602
Crore

Disclaimer

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

www.radicokhaitan.com/investor-relations

THINK OF RADICO KHAITAN, AND WHAT COMES TO MIND IS A BRAND THAT SPELLS PREMIUM QUALITY AND DEFINES THE SPIRIT OF EXCELLENCE. A BRAND THAT IS ROOTED IN CAPABILITIES, AND CRAFTED TO DELIVER SUSTAINED PERFORMANCE. A BRAND THAT CONNECTS WITH THE DEEPEST ASPIRATIONS AND NEEDS OF ITS CONSUMERS. A BRAND THAT BELIEVES IN CREATING VALUE AND SUSTAINABLE GROWTH KEEPING IN MIND ITS COMMITMENT TO ENVIRONMENT AND SOCIETY.

FY2022 saw Radico Khaitan scale new heights as the industry emerged from the second, deadlier wave of the COVID pandemic. It also saw an increased spending by consumers on affordable luxuries. Consumption of premium products went up as people started spending the savings of the lockdown period on looking and feeling good. Further, sustainable development took centrestage in this scenario, with nations globally realising the increased risk of pandemics due to environmental degradation.

In this backdrop, Radico Khaitan also accelerated its focus on premiumisation to capture the enhanced buoyancy in the industry, and to partly offset the margin pressure triggered by the recent cost push and lag effect of price increases. Amid the volume growth in premium and luxury brown spirits, and the bounce-back in the white spirits, we invested in scaling our capacities and capabilities to harness the emerging demand. At the same time, we focussed concertedly on driving sustainable development to ensure long-term growth and value creation for our stakeholders. Enhanced focus on more sustainable products, crafted through innovation and value engineering, emerged as a key propeller of this strategy.

The consumption uptrend and sustainability thrust is expected to continue, and we are fully geared to capitalise on the opportunity matrix and stay ahead of the industry curve.

Innovative. Premium. Sustainable.

RADICO KHAITAN – AT A GLANCE

A BRAND THAT EPITOMISES THE MANY SPECIAL MOMENTS OF LIFE, AND EMBODIES CELEBRATION IN ITS MANY VARIED FORMS. A BRAND THAT APPEALS TO THE MOST DISCERNING OF CONSUMERS AND IS DESIGNED TO CATER TO THEIR EVOLVING NEEDS.

JAISALMER GOLD GIN

The Indian wisdom of ancient herbs, infused with 18 handpicked botanicals including finest quality Juniper Berries, Angelica, Coriander from Jaisalmer, Nagpur Orange Peel, Darjeeling Green Tea, Liquorice, Lemongrass, Bay Leaves, Gandharaj Lemon Peel, Saffron from Kashmir, Nutmeg, Cinnamon Bark, Black Pepper & Rose Petals is further enhanced with Gold filtration.

Harnessed from an inexhaustible source and powered only by renewable energy. The Company makes use of desiccants to pull moisture from the air, using renewable energy sources like solar, waste heat or biomass. This water is then used in the making of Jaisalmer Gold Gin.

We have very carefully taken steps towards reducing paper usage by consciously discontinuing gift boxes and paper labels, and reducing carbon footprint.

This is just another step towards our sustainability journey.

RADICO KHAITAN IS ALL THIS, AND MORE. IT IS A BRAND THAT HAS BEEN NURTURED THROUGH DECADES OF PIONEERING INITIATIVES TO CREATE MAGIC WITH EVERY SIP. AN ODE TO THE SPIRIT OF INDIA'S ROYAL TRADITIONS, AND AT THE SAME TIME, A SALUTE TO THE YOUTHFUL SOPHISTICATION OF ITS NEW-AGE CONSUMER.

A Fortune India 500 company, Radico Khaitan Limited ("Radico Khaitan" or "the Company") has a diversified portfolio, which bespeaks some of the best brands in the Indian Made Foreign Liquor (IMFL) industry. From Rampur Indian Single Malt Whisky, Jaisalmer Indian Craft Gin, Royal Ranthambore Heritage Collection Royal Crafted Whisky, Magic Moments Vodka, to Morpheus XO Brandy, 8PM and 8PM Premium Black Whiskies, 1965 Spirit of Victory Rum, After Dark Premium Whisky, Old Admiral Brandy and Contessa Rum among others – each of these names is synonymous with the best of IMFL brands in the domestic and global markets.

SCALING CAPABILITIES... THROUGH THE YEARS!

Radico Khaitan's evolution, from a distiller of spirits and bottler for others since its start in 1943 (as Rampur Distillery Company), is a story of many exciting milestones and celebratory moments. It is packed with a multitude of notable achievements that have steered the Company's emergence as one of India's most preferred, admired and reputed liquor brands with global brand recall.

Our journey is marked by many remarkable innovations, crafted with our deep understanding of the consumer's taste and market trends. 8PM Whisky, the brand with which we started our own label in 1998, is the first brand in the history of liquor industry to make it to the Limca Book of Records for selling a million cases in the first year of its launch.

Our flagship brand, Magic Moments Vodka, was launched in 2006, marking our entry into the premium vodka segment. It is the largest selling vodka in India and ranked the 12th largest globally by The Millionaire's Club.

RADICO KHAITAN STANDS TALL TODAY ON THE INDUSTRY LANDSCAPE WITH:

Five owned and 28 contract bottling units spread across the country, with a total annual distillation capacity of 160 million litres

Five millionaire brands in our portfolio - 8PM Whisky, 8PM Premium Black Whisky, Magic Moments Vodka, Contessa Rum and Old Admiral Brandy

Strong distribution network, with sales through over 75,000 retail and 8,000 on-premise outlets

One of the largest branded IMFL supplies to the Canteen Stores Department (CSD), where significant business barriers to entry exist

OUR GROWTH ENABLERS

A strong and growing premium product portfolio driven by consumer preferences

Successful launches in the luxury space with Indian single malt and Indian craft gin

Enviable brand equity, with well-recognised products across various categories and segments of IMFL industry in India

Strategically located, well equipped quality-driven manufacturing facilities

Technology-driven research and development capabilities, led by market insights and focussed on innovation

Pan-India sales and distribution network with an efficient supply chain management system

Exports to over 85 countries, which provides access to a global scale

Value growth with focus on profitability, lean cost structure and strong cash flow generation

Experienced Board and senior management team, supported by committed and competent employees

INNOVATING TO PREMIUMISE

Radico Khaitan is one of the few companies in India that has developed its entire brand portfolio organically, through its robust in-house R&D capabilities. We have a fully integrated R&D centre at Rampur (UP), and regional quality laboratories with strictest quality control norms that drive our blending programme. We also work closely with external accredited organisations to drive innovation and premiumisation.

BEST-IN-CLASS FACILITIES

We have two state-of-the-art distillery campuses located strategically in India. The Rampur Distillery in Rampur (Uttar Pradesh) and Radico NV Distilleries Maharashtra Limited, a joint venture in Aurangabad (Maharashtra), have a combined capacity of over 160 million litres. We operate a total of 33 bottling units across India, including five owned and operated by us. We have recently invested in conversion of our Rampur capacities into dual feed mode and in establishing a new facility in Sitapur (U.P.).

PAN-INDIA PRESENCE

Radico Khaitan has a robust sales and distribution network, with over 75,000 retail and 8,000 on-premises shops in key alcohol categories throughout India. In addition to wholesalers, around 300 personnel, organised into four zones with each zone being led by a regional profit centre head, help to maintain an efficient sales and distribution presence across the nation. The Company can thus ensure product availability across channels and geographies due to its sophisticated and efficient distribution system.

75,000
Retail outlets

8,000
On-Premise Shops

85
International markets, including countries in the Middle East, North and South America, Africa, Asia and Europe

Taste of the Best. Flavour of the Premium.

OUR BRAND SHOWCASE

Jaisalmer Indian Craft Gin

THE ROYALTY AWAITS

Jaisalmer Indian Craft Gin is as royal and spectacular in its lineage as the name suggests. A triple-distilled neutral grain spirit, it is re-distilled in a traditional copper pot still, with its recipe 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. The Coriander and Vetiver, a complex spice with intriguing peppery notes, are grown in the fields around Jaisalmer in Northern India. The Sweet Orange Peel, which complements the citrus and floral tones of the gin, comes from Central India, the Cubeb Berries and Lemon Grass from Southern India, the Darjeeling Green Tea leaves from Eastern India, and the Lemon Peel from Western India. Other botanicals include angelica roots, liquorice and caraway seeds, lending a spicy, slightly anise-tinged flavour to the gin.

Jaisalmer Indian Craft Gin is like an oasis in the desert, with an elegant refreshing finish that lingers long after.

Awards

- Gold Medal for the Best Gin by The Fifty Best New York 2022
- Gold Medal at the Spirits Selection by Concours Mondial 2022
- Grand Gold at the Monde Selection for the third consecutive year (2020, 2021 and 2022), and International High-Quality Trophy
- 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
- Gold Medal by The Fifty Best New York 2020
- Scored 95 points at Ultimate Spirits Challenge 2020
- Best Asian Gin by The Gin Guide Awards 2019

Rampur Indian Single Malt Whisky

A SALUTE TO THE ROYAL HERITAGE

With footprint in over 45 countries and 22 airport duty free outlets, Rampur Indian Single Malt Whisky is available in select cities in India 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.

Rampur Double Cask: This beautiful expression is crafted by maturation in hand-picked American Bourbon barrels and European Oak Sherry casks.

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

Awards

- Rampur Indian Single Malt featured in Jim Murray's Whisky Bible 2022
- Ranked No. 1 New World Single Malt Whisky by the Whisky Advocate Magazine
- Rampur Asava ranked 7 among the top 20 whiskeys of the world of 2021 by the Whiskey Advocate Magazine
- Rampur Asava won the Gold Medal at The Fifty Best awards in 2021
- Rampur Double Cask received the Gold rating at the Whiskies of the World, 2021
- Rampur Double Cask was rated amongst Top 100 Best Spirits of 2021 by Wine Enthusiast (94 pts)
- Grand Gold at the Monde Selection, 2022

Royal Ranthambore Heritage Collection Royal Crafted Whisky

INDIA'S FINEST YET

India's Finest Yet Blended Malt Scotch & Scotch Grain from Malted Barley: It is crafted from bespoke Blended Malt Scotch from various regions of Scotland. Scotch Grain is also blended to harmonise the whisky. Though by definition it's a scotch grain, this Scotch Grain is made from 100% Malted Barley.

Oak Infused Grain Neutral Spirit: We take pride in introducing a unique oak infusion process for the very first time in India to the Grain Neutral Spirit, which literally transforms the fresh and dry grain neutral spirit to a subtle and mild oak tonality.

A Beautiful Whisky Making Craft called Blending: A complex whisky, i.e. six Blended Malt Scotches, one Scotch Grain from Malted Barley and Oak Infused Grain Neutral Spirit, reserved for a specific time to assimilate the blend.

Awards

- Grand Gold at the Monde Selection, 2022

Magic Moments Dazzle Vodka - Gold

RAZZLE WITH THE MAGIC OF DAZZLE

Magic Moments Dazzle is an exciting new creation to have come out from the distillery of the country's finest vodka maker. Produced from the finest grains, it is refined through a slow seven-stage filtration process, using special gold filters for unmatched purity, while the natural flavours lend this blend an exquisite smoothness.

Awards

- Grand Gold at the Monde Selection, 2022

Magic Moments Dazzle Vodka - Vanilla

Tantalising flavourful is how we would like to put it when it comes to describing the taste of the all-new Magic Moments Dazzle Vanilla. It gets its delectable taste from one of a kind vanilla flavour extracted from the rich Madagascar Vanilla with creamy notes. Produced from the finest of grains and dosed with the sweetness of vanilla, it is the flavour of pure indulgence.

Awards

- Gold at the Monde Selection, 2022

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.

The magic of every party begins here. Magic Moments Vodka undergoes a triple distillation process for purity and a refined taste, reflecting the best of spirits. The flavour category is what makes Magic Moments Remix more significant and alluring to individuals with its flavour offerings - Orange, Green Apple, Lemon, Lemongrass and Ginger, Raspberry, Chocolate, Grapefruit and Watermelon, and Cucumber and Wild Green Lemon.

Magic Moments brings life to every party and brings magic in every moment.

Awards

- Ranked 12th largest vodka globally by the Millionaires' Club, 2022
- Ranked 9th best-selling vodka globally by The Spirits Business Brand Champions, 2022
- Magic Moments Premium Grain Vodka won Gold award for the second consecutive year at the Monde Selection, 2022
- Lemongrass & Ginger Vodka won Gold award at the Monde Selection, 2022

Magic Moments Verve

THE SMOOTH BLEND OF SOPHISTICATION

Verve super-premium vodka is refined through a slow five-stage filtration process, using silver and platinum filters that ensure purity till the last drop. A high-end blend produced by India's biggest vodka brand, this Magic Moments casts a spell of Verve.

Discover the finest of what one can experience when a perfect medley of superior grains and a distinct distillation process come together to create a smooth test, and a blend of its flavour so exquisite that the taste lingers on. From zesty orange and crispy green apple to luscious cranberry and citrusy lemon, Verve lends a flavour of smoothness till the last drop.

Awards

- Won Gold in nine calendar years - 2013, 2014, 2015, 2016, 2017, 2019, 2020, 2021 and 2022 at the Global Monde Selection Awards
- Verve Lemon Lush won Gold for the second consecutive year at the Monde Selection, 2022

After Dark Premium Whisky

YOUR PASSION. YOUR BLEND.

When the setting sun takes with it every single remnant of the day and the sky begins to glimmer with a sheet of stars, that's when After Dark can be enjoyed in all its glory. The night has different connotations for different people. It unfolds and brings a unique world of desire, adventure and excitement.

A promising 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.

Awards

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

Morpheus Blue XO Brandy

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

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

Awards

- Won the Gold award (for the fourth consecutive year) at the Monde Selection, 2022

Morpheus XO Brandy

DARE TO DREAM

With around 60% market share, Morpheus is India's largest selling premium brandy.

Crafted by our master blenders to challenge traditional brandy tenets, Morpheus is a state of mind. It is your daring resolve to flow against the current. To never surrender. To reach for your goals and turn your dreams into reality.

Morpheus is unlike any other. Its fruity and floral top notes combine with sweet and heavy bodied traces of matured wood, vanilla and raisin, to leave you with a truly exquisite aftertaste. Containing the texture of warm soils, fragrant scents and all the richness of tropical weather, its rich blend is truly irresistible.

Awards

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

8PM Premium Black Whisky

AT 8 PM, RIVALS BECOME FRIENDS

A premium variant of one of the most popular whisky brands, 8PM, this uber rich and smooth blend was launched in 2019. Made with the finest quality grains, this whisky is the epitome of lavishness and quality drinking.

In just a short span of time, it has received a strong consumer response owing to its rare balance of strength and smoothness. 8PM Premium Black offers a rare signature of blend of scotch and Indian grain spirits. Once you've experienced its full-bodied yet silky taste, you know why all around the world, at 8PM, rivals become friends over 8PM Premium Black.

Awards

- Ranked as the second fastest growing brand (across categories) and the fastest growing whisky globally by The Millionaires' Club, 2022
- Won the Gold award (for the fourth consecutive year) at the Monde Selection, 2022

8PM Whisky

TIME FOR FRIENDS

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, 2022
- Ranked 6th Best-selling Indian Whisky by The Spirits Business Brand Champions, 2022
- Ranked 6th Top Indian Whisky by The Millionaires' Club, 2022

1965 The Spirit of Victory Premium XXX Rum

EXPERIENCE THE SPIRIT OF VICTORY

It 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, 2021 and 2022

Pluton Bay Rum

THE SPIRIT OF ADVENTURE

Pluton Bay is about passion, adventure and excellence. It has been specially crafted for those who seek uncharted territories, who don't shy away from challenges, and are always up for an adrenaline rush. Pluton Bay is a spicy, dark brown rum, smoother than any other. A rare blend of aged cane juice and finest neutral spirits, it was launched in the premium rum category.

With an international tear-off sleeve and a pilfer-proof cap, Pluton Bay is an unique experience. Its spiciness and extra smooth texture make this dark brown rum rare and exotic. It's truly a treat for discerning rum lovers, who would accept nothing but true, deserving success.

Awards

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

Whytehall Premium Brandy

LEGACY OF PERFECTION

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

Awards

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

Regal Talons Premium Grain Whisky

APNE DUM PAR

Spread your wings, soar high where only the eagles dare. Get a firm hold on your destiny, and on the skies. It is the unmatched spirit of adventure that has inspired the immaculate smoothness of this rare generation of whisky. The exuberant and unbridled flavour of Indian grains, blended with imported Scotch malts, are infused with a fruity and woody aroma, and a hint of lightly peated and salty notes, come together to give an exceptional taste worth relishing.

Awards

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

Old Admiral Brandy

FOR REAL MEN ONLY

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

Awards

- Ranked as the world's 3rd largest selling brandy by the Drink International Millionaires' Club, 2022
- Ranked 2nd best-selling Brandy globally by The Spirits Business Brand Champions, 2022

Contessa Rum

FOR THE MAN OF COURAGE

Truly meant for the courageous, this blend reflects the true essence of bravery, of daring, of fearlessness. It embodies grit, endurance and perseverance.

Contessa Rum is yet another millionaire brand from the House of Radico Khaitan. This brand has surpassed expectations and has garnered a strong foothold in the Indian market. The highest selling rum brand in the defence segment with a formidable leadership in the market, its splendid, bold taste has reached parts of Africa, South-East Asia, the Middle East, and recently the USA and Canada.

Awards

- Ranked 8th largest Rum globally by The Millionaires' Club, 2022
- Ranked 8th best-selling Rum by the Spirits Business Brand Champions, 2022

Letter to the Shareholders

Dear Shareholders,

WHILE THE POST PANDEMIC RECOVERY WAS SWIFT IN INDIA, THE GEOPOLITICAL UNCERTAINTY TRIGGERED A NEW SET OF CHALLENGES DURING THE YEAR. INFLATIONARY PRESSURES HAVE BEEN AT ALL TIME HIGHS, IMPACTING CONSUMER SENTIMENT AND BEHAVIOUR. THESE CHALLENGES NOTWITHSTANDING, RADICO KHAITAN HAS DELIVERED A DOUBLE-DIGIT IMFL VOLUME GROWTH, OUTPERFORMING THE INDUSTRY FOR THE SIXTH YEAR IN A ROW, WITH GROWTH ACROSS BRANDS AND CATEGORIES.

During this period of uncertainty, organisations which focus on their core strategy and fundamental drivers are the ones likely to succeed. Taking each adversity as an opportunity, we have emerged stronger in our quest to deliver superior products to our consumers and sustainable returns to all our stakeholders.

I congratulate you all on this accomplishment, which has been made possible by your sustained confidence in the Company, backed by the unwavering commitment and hard work of our team. Our people are integral to our business culture and growth plans, and we remain committed to promoting their welfare and wellbeing.

CONTINUED PREMIUMISATION

The strength of our core premium brands, which continue to resonate with the discerning consumer, is reflected in the robust performance in an otherwise difficult business environment. Our focus remains on strengthening these brands, which, coupled with the resilience of our business model, further aided our growth journey during the fiscal under review.

The year also saw the Company take a major leap in driving its Premiumisation strategy, as we moved towards creating a stronger premium brand portfolio to make us future-ready. With the launch of select new brands in the Premium category, we not only delivered the desired growth profile but also succeeded in diversifying and reinforcing our brand portfolio to steer future growth. Our new super premium brand, Royal Ranthambore Heritage Collection-Royal Crafted Whisky, and two variants of Magic Moments Dazzle Vodka, unveiled in October 2021, have received stupendous response from consumers as well as trade channels.

We see the premiumisation uptrend, which was sharpened during the COVID-induced lockdown, continuing in the years ahead. International and larger domestic alcobev companies are also getting increasingly focussed on premiumisation in response to this emerging trend. Our understanding and experience of the premium market positions us ideally to harness this growing consumer shift, and we are gearing up to make the most of it.

INVESTMENT IN BUILDING CAPABILITIES

During the year, we embarked on expansion of our capacities to meet the future demand for our high-quality products through strategic capex investments. We have invested in augmentation of the grain ENA production at the Rampur distillery, and have also decided to set up a 330 KLPD greenfield grain-based distillery in Sitapur. We see these backward integration initiatives helping us leverage the strong brand equity we have created over the years, to enable us to move into the next phase of growth.

We are further enhancing our brand proposition through targeted initiatives, to enable us to participate in the next leg of industry growth. These investments, along with optimisation of our cost structure, are aimed at steering our growth plans and enhancing our profitability margins.

UNRELENTING ESG FOCUS

As a responsible corporate citizen, Radico Khaitan is focussed on creating 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 healthcare, including preventive healthcare, and ensuring environmental sustainability. With water being a scarce natural resource, rainwater harvesting and ground level recharging is a common theme at our plants. We follow a collaborative and hands-on approach to address the water conservation and water management issues faced by the communities nearby.

GETTING FUTURE-READY

The future holds a lot of promise for your Company, and as we step forward towards capitalising on the growth opportunities we see ahead, our focus will be on strengthening our product mix and driving supply chain efficiencies. Continued investments in premiumisation, with a non-compromising approach towards pricing, coupled with expansion of our distribution network, are other enablers of our future growth strategy.

While the near-term input cost scenario is expected to remain volatile, we are confident about the medium to long term prospects of the Indian alcobev industry. We remain committed to delivering sustainable value to all our stakeholders. In line with our strategy of distributing wealth to shareholders, we are pleased to propose a higher dividend of ₹ 3 per equity share.

I take this opportunity to thank all of you for your continued trust and confidence in Radico Khaitan's growth strategy. I would also like to extend my gratitude to our customers, partners and employees for partnering with us in our journey towards sustained and sustainable growth.

Warm regards,

Lalit Khaitan

Chairman & Managing Director

In Conversation with Abhishek Khaitan, Managing Director

IT HAS BEEN A LONG AND SUCCESSFUL JOURNEY FOR RADICO KHAITAN - FROM BEING JUST A DISTILLER OF ALCOHOL TO BECOMING THE CREATOR OF FIVE MILLIONAIRE BRANDS, OPERATING 33 BOTTLING UNITS, GOING THE PREMIUMISATION ROUTE, AND CREATING WORLD-CLASS LUXURY BRANDS. THE COMPANY'S GROWTH TRUMPED THE PREVIOUS BEST IN THE FOURTH QUARTER OF FY2022, RECORDING ITS HIGHEST EVER VOLUMES. RADICO KHAITAN CONTINUED TO OUTPERFORM THE INDUSTRY FOR THE SIXTH CONSECUTIVE YEAR, WITH TOTAL VOLUMES OF 26.4 MILLION CASES. THE COMPANY'S MANAGING DIRECTOR, ABHISHEK KHAITAN, SHARES HIS INSIGHTS INTO RADICO KHAITAN'S REMARKABLE PERFORMANCE.

WE HAVE BEEN PURSUING PREMIUMISATION AS A CONSCIOUS STRATEGY FOR OVER A DECADE NOW. ADOPTING AN UNCONVENTIONAL ROUTE TO BRAND CREATION, THROUGH CONTINUOUS INNOVATION AND VALUE CREATION OVER THE YEARS, WE HAVE ATTAINED MARKET LEADERSHIP POSITION ACROSS CATEGORIES AND PRICE POINTS.

Q. You have mentioned in the past about your plan to make Radico Khaitan genuinely an Indian MNC. How do you plan to achieve that?

A. Historically, the super-premium and the luxury spirits space has been dominated by international brands. Over the years, Radico Khaitan has been able to successfully establish its presence in the global alcobev marketplace with the launch of an Indian Single Malt and Indian Craft Gin. Since its launch in 2016, Rampur Indian Single Malt has won several accolades globally, and is now available across 45 countries and in duty-free markets. The demand for Rampur Indian Single Malt is such that it is outstripping supply.

Looking at the future prospects, we had expanded our malt distillation and maturation capacity a few years back. With the increased capacity, Rampur will be made available in larger quantities from FY2024 onwards. Once that is done, we will be able to further expand our footprint, not only internationally but also in India. Entry of global majors into the Indian single malt space is an endorsement of the quality of the single malts that India can produce.

Rated as the best gin out of Asia, Jaisalmer Indian Craft gin is available globally in over 30 countries, and also in 12 states in India. Following the opening of travel retail, we are expanding our footprint in Europe, America and in other countries, especially in on-trade such as restaurants, bars and hotels.

We have also recently launched an exclusive Gold Edition of Jaisalmer for the exports market, and we see that adding to our global presence in the premium segment.

Our recently launched Royal Ranthambore Whisky and Magic Moments Dazzle Vodka have been shipped to the US and UAE. We have also received repeat orders. At Radico Khaitan, we have always showcased India's uniqueness to the global market - a kind of 'Indian-ness' when it comes to spirits.

Q. Radico Khaitan has created successful and unique premium brands across categories and achieved market leadership position. What is the reason of this strategy working so well?

A. We have been pursuing premiumisation as a conscious strategy for over a decade now. Adopting an unconventional route to brand creation, through continuous innovation and value creation over the years, we have attained market leadership position across categories and price points. In-depth understanding of the ever-evolving consumer preferences and a robust R&D pipeline have enabled the Company to grow its market share for existing products while, at the same time, capturing new categories such as Rampur Indian Single Malt Whisky and Jaisalmer Indian Craft Gin. This strategy has helped in bridging portfolio gaps with 8PM Premium Black and Royal Ranthambore whiskies, which are providing long-lasting customer

IN ORDER TO MAKE OUR MARKETING EFFORTS MORE TARGETED, WE LEVERAGE OUR DIGITAL MARKETING AND CONSUMER ENGAGEMENT TECHNOLOGIES TO CONNECT WITH POTENTIAL CONSUMERS BASED ON THEIR CHOICES AND PREFERENCES.

experiences. It has also enabled the Company to offer choices, like Magic Moments Verve and Dazzle vodkas, for its existing loyal consumers who are looking to upgrade. Radico Khaitan's wide portfolio across various categories offers its consumers a choice for all occasions and provides an edge over competing brands.

Over the last few years, Radico Khaitan has been increasing its focus on digitalisation to enhance brand visibility and automation at workplace for faster and efficient decision-making across the value chain. We have expanded our presence on the digital platforms through social media promotions and targeted digital media campaigns to connect with the millennials and strengthen our brand recall. All our leading brands, such as Rampur, Jaisalmer and Royal Ranthambore, have their own microsites, thus 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 our marketing efforts more targeted, we leverage our digital marketing and consumer engagement technologies to connect with potential consumers based on their choices and preferences.

Radico Khaitan already has leading market share across categories, and going forward, we see the Company notching further growth in its market share across its premium categories at the back of our focussed marketing investments.

Q. Along with brand building, Radico Khaitan has also been focussed on cash flow generation. You have been able to reduce debt from ₹950 Crore in FY2016 to less than ₹120 Crore in FY2022. What are the steps that the Company took to achieve this feat?

A. A few years back, we undertook a detailed review of our long-term strategy, and implemented certain strategic steps for long-term sustainable growth of our business. We developed and implemented an incentive scheme for all our employees, which was focussed on value growth and cash flow rather than volumes. Our premiumisation drive over the years also started to bear desired results. During this period, we took our premium brand portfolio to the next level with the launch of super-premium and luxury brands, such as Rampur Indian Single Malt Whisky, Jaisalmer Indian Craft Gin, Royal Ranthambore Whisky, Magic Moments Dazzle Vodka, 8PM Premium Black Whisky, and 1965 Spirit of Victory Rum. All these had the cumulative effect of strengthening our business profitability and generating strong cash flows.

We have always believed that conserving and generating cash are the imperatives to succeed, and that is what we have been strategically focussed on. We also reviewed each and every line item in balance sheet, putting in place strong credit controls. This resulted in streamlining our working capital, which improved from 60 days in FY2016 to less than 30 days of gross sales in FY2022.

Even during COVID time, we continued to invest in our A&SP spends, which enabled us to sustain the growth momentum. The Company's cost of borrowing is one of the lowest in the industry, on

OUR BRAND STRATEGY IS INSPIRED BY CONSUMER ASPIRATIONS. WE TRULY BELIEVE THAT CONSUMERS SHOULD BE ABLE TO FIND VALUE IN OUR PRODUCTS, AND THIS IS THE REASON WE NEVER COMPROMISE ON QUALITY.

account of its stable profitability, strong capital structure and improved liquidity position. We are taking all necessary steps to sustain our financial strength, maintain a robust business model, and grow consistently, competitively and profitably.

Q. The marketing campaign for 8PM Whisky is today considered a case study for business management students. It sold a million cases in the first year of its launch and entered the record books for its achievement. Today, it is a couple of years from completing a quarter century since its launch. What are the learnings from creating such a brand and how much of it has gone into creating other blockbuster brands?

A. I joined the family business in 1996 with the thought that the way forward in the industry was to move up the value chain, from volume to value, and create own brands. With this vision, I started building a sales and marketing team and investing in brand development. I also created a pan-India bottling network. After a lot of research, 8PM Whisky was launched. This brand had many firsts to its name.

The brand name was unique and had an instant connect with the consumers without any vernacular boundaries. It was the first whisky in the industry in the regular category to have blended Scotch, which gave it an aspirational value among the consumers. We also spent a lot of time and resources on the packaging and marketing. To give a premium positioning, 8PM was fitted with a tamper-proof guala cap, which was a feature for only premium products. Even the ad film for 8PM was unique as it showed senior army officers on the India-Pakistan border. It was adjudged as one of the best ad films of the century at the Cannes Films festival. 8PM Whisky went on to create history and became the first brand in India to hit the one million case sales mark within a year of its launch.

Our brand strategy is inspired by consumer aspirations. We truly believe that consumers should be able to find value in our products, and this is the reason we never compromise on quality. If you see the width of our portfolio, we have brands across categories and price points, which gives consumer a wide range of choice. Another important aspect is the pricing and positioning. We never under-price our brands due to the competitive market dynamics.

Q. Lastly, what are the future products in the pipeline?

A. It is a very dynamic world and we continue to evolve as an organisation. We continue to assess the market and consumer dynamics to identify gaps in our portfolio and consumer desires. Strong premiumisation trend is likely to continue, given the rising income levels, and a young and more aspirational consumer profile. Whisky remains the largest segment of the IMFL industry in India and our core focus area for growth. White spirit is not only the fastest growing segment in India but also has strong prospects globally. Our latest offerings, including Royal Ranthambore Heritage Collection Whisky and Magic Moments Dazzle, have been yielding encouraging responses. We are also working on scaling up our existing brands like Rampur Indian Single Malt, Jaisalmer Indian Craft Gin. Going forward, you will see a host of products in the premium range from the House of Radico Khaitan.

Board of Directors

Dr. LALIT KHAITAN
Chairman and Managing Director

ABHISHEK KHAITAN
Managing Director

KRISHAN PAL SINGH
Whole Time Director

Dr. RAGHUPATI SINGHANIA
Independent Director

SARVESH SRIVASTAVA
Independent Director

SHARAD JAIPURIA
Independent Director

SUSHMITA SINGHA
Independent Director

TUSHAR JAIN
Independent Director

Leadership Team

Dr. LALIT KHAITAN
Chairman and Managing Director

ABHISHEK KHAITAN
Managing Director

KRISHAN PAL SINGH
Whole Time Director

AMAR SINHA
Chief Operating Officer

DILIP BANTHIYA
Chief Financial Officer

SANJEEV BANGA
President – International Business

ANKUR SACHDEVA
President – Operations, Sales

SUBODH SHARMA
President – Manufacturing Operations, Sitapur

AMAR SINGH
EVP – Manufacturing Operations, Rampur

SAKET SOMANI
Vice President – Finance & Strategy

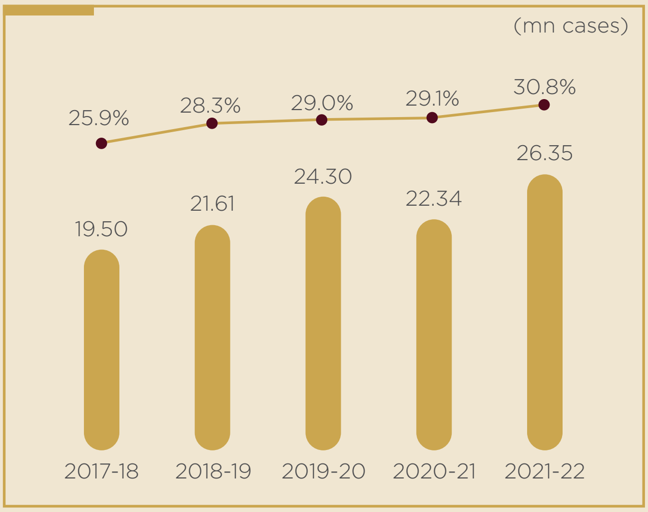
DINESH KUMAR GUPTA
Vice President – Legal & Company Secretary

ATUL BHATIA
Chief Information Officer

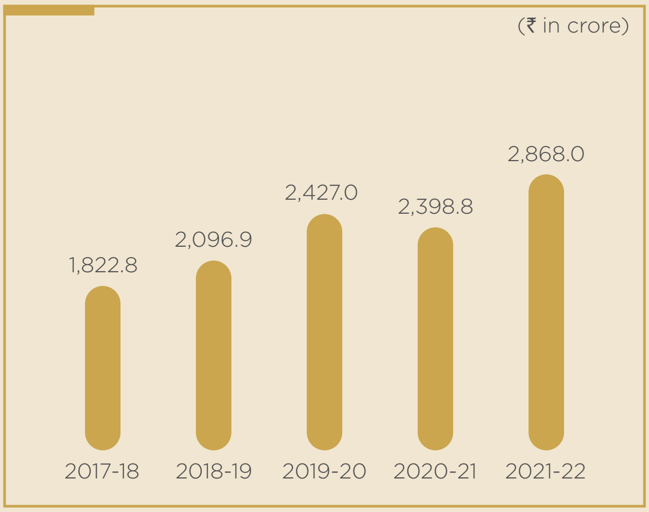
VINAY PADROO
Chief Human Resources Officer

Financial Highlights

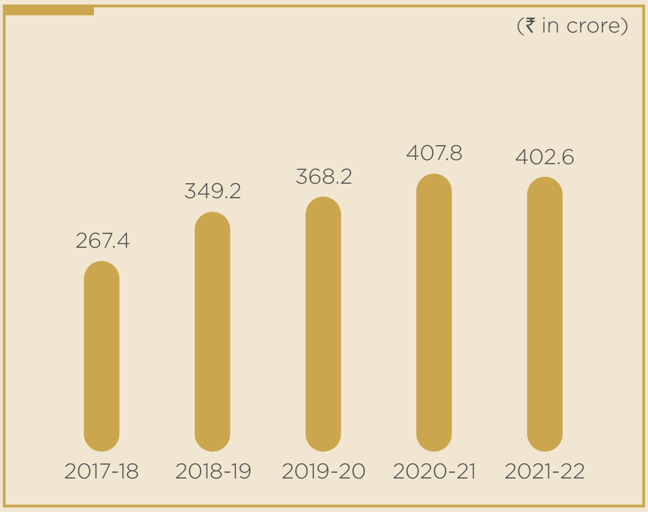
PRESTIGE AND ABOVE BRANDS AS % TO TOTAL VOLUME



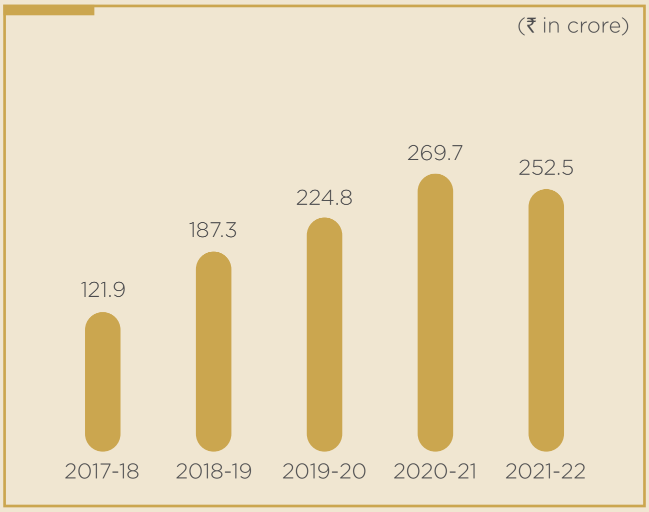
NET REVENUE FROM OPERATIONS



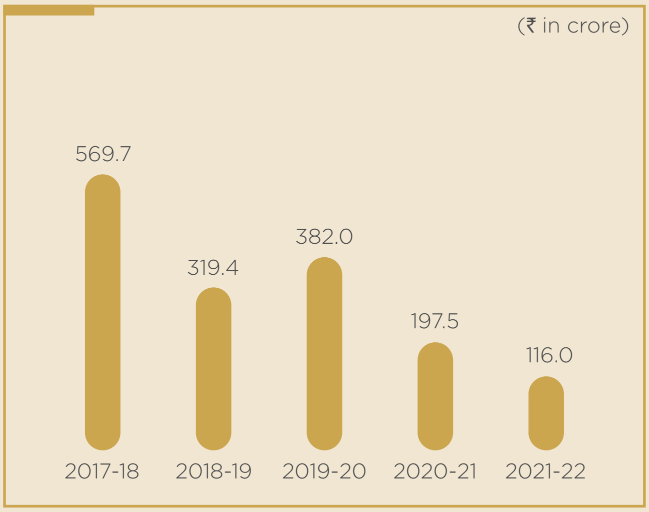
EBITDA



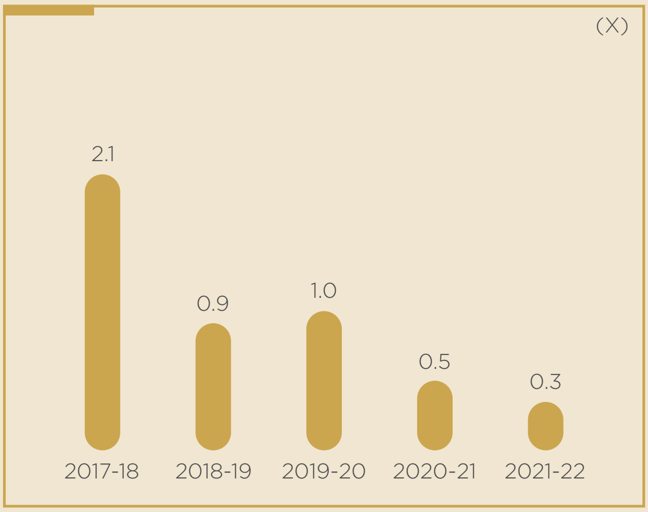
NET PROFIT



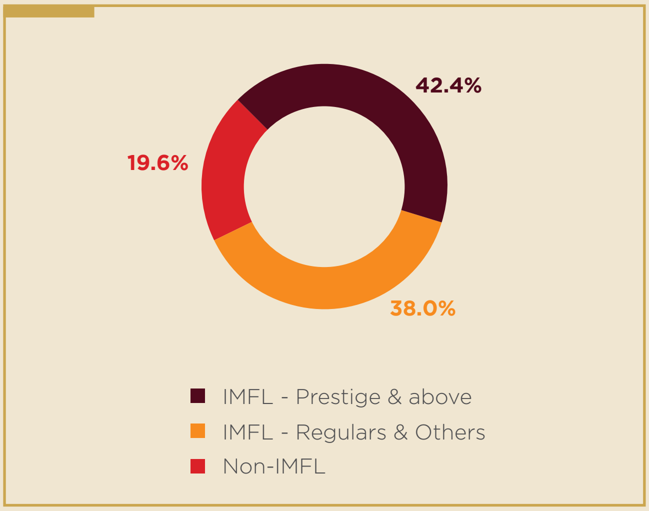
NET DEBT



NET DEBT / EBITDA

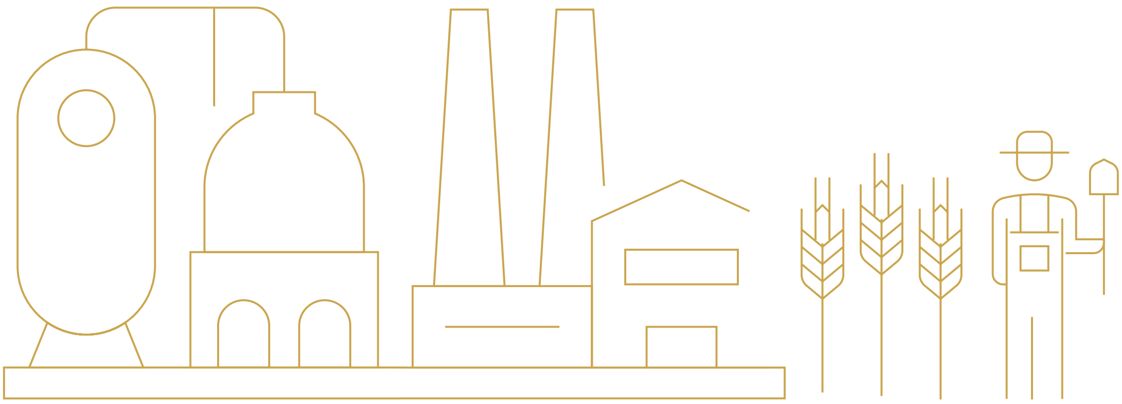


REVENUE BREAKUP (FY2021-22)



Augmenting Capabilities

FOR LONG-TERM GROWTH



AS A FORWARD-LOOKING ORGANISATION FOCUSSED ON DELIVERING SUSTAINABLE LONG-TERM GROWTH, RADICO KHAITAN CONTINUES TO INVEST STRATEGICALLY IN EXPANDING ITS BUSINESS SCALE. IT IS OUR ENDEAVOUR TO PUSH THE BAR OF OUR EFFORTS TO CAPITALISE EFFECTIVELY ON FUTURE GROWTH OPPORTUNITIES IN THE BRANDED ALCOBEV BUSINESS. WE FOLLOW A MULTI-PRONGED APPROACH, PILLARED ON SCALING OUR CAPABILITIES ACROSS FUNCTIONS, SYSTEMS AND PROCESSES. CAPACITY EXPANSION AND SECURING THE RAW MATERIAL SUPPLY CHAIN ARE KEY FACETS OF THIS APPROACH.

Given the ethanol blending programme of the central government, we announced two key capex investments during FY2022 for ensuring uninterrupted supply of quality Extra Neural Alcohol (ENA) for our branded business. With increased diversion of molasses to ethanol blending, the alcobev industry is witnessing a sharp shift towards manufacturing of grain-based alcohol. The recent excise policy of Uttar Pradesh, where our distilleries are located, also promotes the use of grain-based alcohol, both in Indian Made Foreign Liquor (IMFL) and Country Liquor (CL). The policy requires that all IMFL, except Rum, should be produced from grain ENA. Further, all CL with 42.8% strength (25% of the industry) is also mandated by this policy to be produced from grain ENA.

SITAPUR: PREPARING FOR TOMORROW'S GROWTH

Our new greenfield grain-based distillery in Sitapur, UP, with production capacity of 330 KLPD, will be operational by Q1 FY2024. We also plan to set up bottling capacity of 10 million cases each of IMFL and CL, in a phased manner, at this campus. The Sitapur distillery complex will be 100% self-sufficient on its power requirements, since inception.

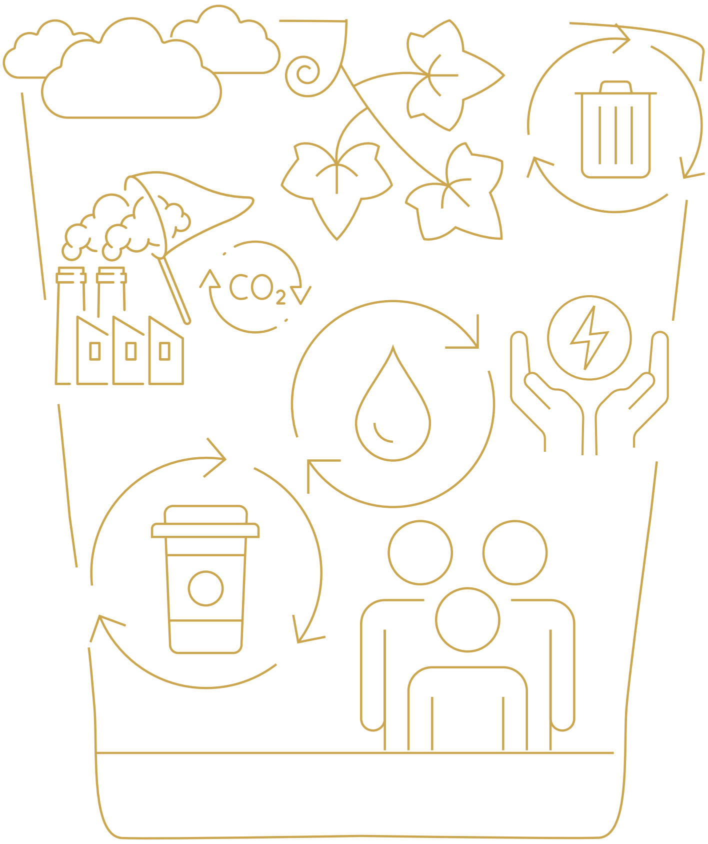
Keeping in view the future growth potential of Rampur Indian Single Malt, this complex will also have a Malt maturation hall. The ample land provision makes the campus ideally positioned to double its capacity in the future, including additional malt distillation and craft gin plant. This facility will also help in de-bottlenecking our Rampur facility.

Spread over 100 acres, the new greenfield distillery will not only accelerate the growth of our branded business but also secure ENA supplies for local manufacturing and to the contract bottling units. It will be based on state-of-the-art technologies and sustainable manufacturing practices.

RAMPUR: DRIVING ENHANCED PRODUCTIVITY

Taking our growth strategy forward, we have also invested in conversion of our existing 140 KLPD molasses plant at Rampur into a dual feed facility, besides installing a DDGS dryer for the existing 100 KLPD grain plant. Post conversion, the grain ENA production at the Rampur campus will increase from 100 KLPD to ~260 KLPD. The move will also help in efficiency improvement of the existing facilities, while making the entire Rampur campus 100% self-sufficient on its power requirements (from 73% currently).

Nurturing an Ecologically Sustainable Future



CREATING SUSTAINED VALUE IS PIVOTAL TO FOSTERING THE LONG-TERM GROWTH OF ANY ORGANISATION. LED BY THIS BELIEF, RADICO KHAITAN HAS FOCUSSED ITS STRATEGIC APPROACH TOWARDS BUILDING A SUSTAINABLE BUSINESS THAT NURTURES AN ENVIRONMENT IN WHICH ITS BUSINESS CAN THRIVE, NOT JUST FOR TODAY BUT IN THE FUTURE TOO. AS A SOCIALLY RESPONSIBLE AND ENVIRONMENTALLY AWARE BUSINESS, WE CONSIDER OUR IMPACT ON THE SOCIETY AND THE ENVIRONMENT IN ALL OUR BUSINESS DECISIONS. WE FIRMLY BELIEVE THAT ONLY BY NURTURING SUSTAINABILITY CAN WE FULFIL OUR RESPONSIBILITY TOWARDS THE PLANET IN WHICH WE LIVE AND GROW. WE BELIEVE IN CREATING VALUE THAT IS SUSTAINABLE, AND IN A MANNER THAT IS ECONOMICAL, ENVIRONMENT-FRIENDLY AND SOCIALLY ACCEPTABLE.

We have aligned our strategy towards crafting a business ethos that is not only designed to ensure total compliance with the regulatory requirements but also fulfils the expectations of the society at large. We are cognisant of the need to be responsible towards resource consumption, which is continuously increasing in tandem with growth in business. We are strategically focussed on using renewable energy sources, and also using fewer resources per unit of production.

USING RECYCLED GLASS BOTTLES

The nature of our business necessitates high usage of glass bottles. We are continuously striving to increase the consumption of recycled glass bottles in our business. In line with this focus, we have enhanced the usage of recycled glass bottles from 4.5% in FY2019 to 19.3% in FY2022 for key large brands.

FY2019	FY2020	FY2021	FY2022
4.5%	7.4%	14.1%	19.3%

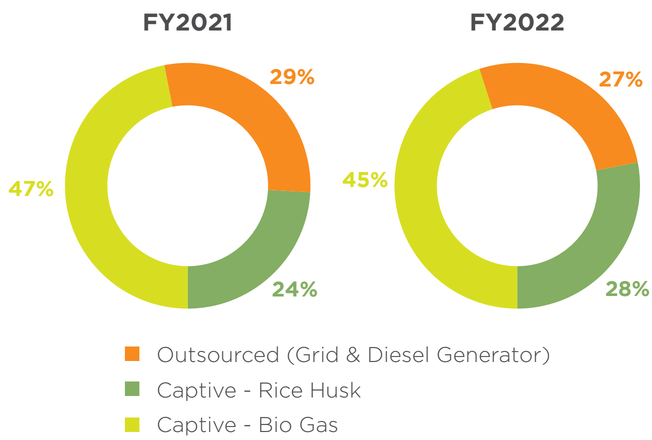
% Recycled Bottles

UN SDGs

LOWERING CARBON FOOTPRINT

Our growing thrust on lowering our energy footprint is manifest in the fact that of the total power consumption at the Rampur plant in FY2022, we generated 73% through captive power plants using renewable energy/bio fuels. This has helped us significantly reduce our carbon footprint. By the end of FY2023, Rampur plant will be 100% self-sufficient on power generated through its captive power plants.

UN SDGs



RECYCLING PLASTIC WASTE

During FY2022, as part of its Extended Producers Responsibility, Radico Khaitan recycled 7,195 MT of post-consumer used plastic waste, resulting in significant sustainability impact.

UN SDGs

Saved

Water
419.1 Million Litres

Energy
41.5 Million KWh

Eliminated

CO_2 Emissions
12.2 Million KG

Land Fill
1.9 Million Cubic Feet

OPTIMISING BOTTLE WEIGHTS

On an average, reduced about 10% of the bottle weight across all SKUs over the last two years resulting in significant savings of glass and plastic (PET).

UN SDGs

REJUVENATING THE ENVIRONMENT

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

UN SDGs

REDUCING WATER CONSUMPTION

We realise how critical water is for socio-economic development and to the creation of a healthy ecosystems. This, in turn, is imperative for human survival itself. We believe that water is at the heart of the world's adaptation to climate change, serving as a crucial link between the climate system, human society and the environment.

We are continuously upgrading our technology to boost water efficiencies throughout our manufacturing process. Water consumption at the Company's plants is one of the lowest in the Alcobev industry. We have reduced water consumption by 52% in case of our Molasses-based distillery and 49% in case of the Grain-based distillery since FY2018.

	Molasses-based	
Year	**FY2018**	**FY2022**
% Recycled	39%	71%
Fresh water consumption (litre/BL)	12.3	5.9

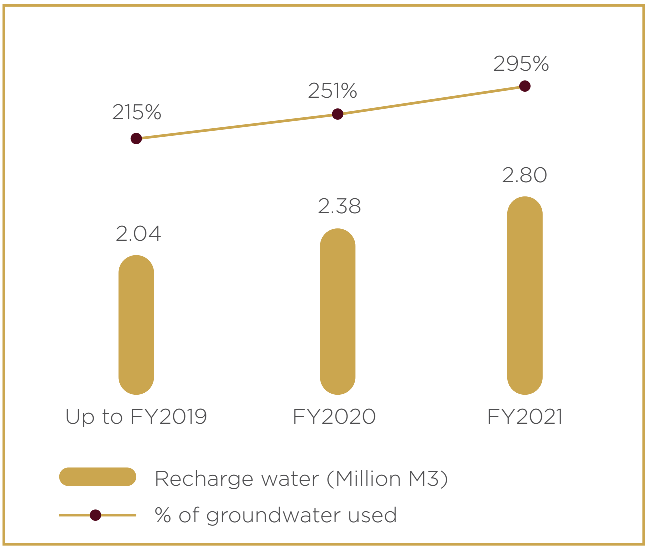
	Grain-based	
Year	**FY2018**	**FY2022**
% Recycled	32%	66%
Fresh water consumption (litre/BL)	10.5	5.4

UN SDGs

CONSERVING AND PRESERVING WATER

Besides efficient use of water, we are also strengthening our efforts to conserve water through rainwater harvesting and groundwater recharge measures, both inside and outside the plant premises. Within our plants, we have installed 27 recharging structures. We have also set up 129 recharging structures across 38 villages in Chamraua Block of District Rampur. We undertake regular maintenance of these structures at the onset of each monsoon season.

We currently have the capacity to recharge ~300% of total water we draw from the ground, thus effectively balancing the ecosystem around our operations. During FY2022, there was no increase in the number water recharging pits. The Company is undertaking maintenance of all the existing systems and preserving the required parameters.



UN SDGs

RADICO – ART OF LIVING'S BHUJAL SHAKTI PROJECT

We have joined hands with 'Vyakti Vikas Kendra India' (Art of Living) and the Government to replicate the success of our water conservation initiative in other areas of Rampur. This project will cover three blocks of Rampur district, encompassing 451 villages of the total 1,163 villages. We plan to cover 831 sq km area of the 2,298 sq km area of Rampur district. The project will benefit over 40% of the 23.3 lakh total population of Rampur district.

Besides supporting the upliftment of the water level in the Rampur district, the project will help generate employment for a large number of the local youth. It will train and prepare individuals to create awareness about the area's water resources, rainfall patterns, hydrological cycle, and water accounting and budgeting. It will enable the youth to also prepare water security plans for the area and maintain recharge structures.

As part of the project, water literacy training programmes 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 utilising efficient irrigation techniques shall be incentivised and rewarded.

During the year, technical review of Rampur and the surrounding areas was conducted for assessing the requirement of water recharging activities. Based on the findings, an action plan has been prepared to create awareness ("Jal Chetna") regarding the usage of water and water regeneration through water recharging and water conservation.

UN SDGs

RADICO – ART OF LIVING SKILL DEVELOPMENT CENTRE

Joining hands with Art of Living, Radico Khaitan has started a skill development centre focussed on providing necessary skills to youth who have not been able to successfully pass 10th or 12th grade and are unemployed. The centre provides training to individuals on soft skills, communication including English speaking, computer training, web and mobile app development, etc. During FY2023, the centre will target training of around 100 students in four batches, and thereafter provide them support in getting employment.

UN SDGs

Directors' Report

Dear Members,

The Board of Directors of Radico Khaitan Limited ("Radico Khaitan" or the "Company") is pleased to present the Thirty-Eight Annual Report on the business and operations together with the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2022.

RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

(₹ in Crore)

	Standalone			Consolidated		
	FY2022	FY2021	Change (%)	FY2022	FY2021	Change (%)
Revenue from Operations (Gross)	12,470.5	10,504.0	18.7%	12,470.5	10,504.0	18.7%
Revenue from Operations (Net)	**2,868.0**	**2,398.8**	**19.6%**	**2,868.0**	**2,398.8**	**19.6%**
Other Income	11.0	20.1	(45.1)%	7.4	14.0	(46.8)%
Income from Operations	**2,879.0**	**2,418.9**	**19.0%**	**2,875.4**	**2,412.8**	**19.2%**
Raw Materials Consumed	1,577.4	1,202.4	31.2%	1,577.4	1,202.4	31.2%
Employee Benefit Expenses	141.3	124.0	13.9%	141.3	124.0	13.9%
Selling & Distribution Expenses	313.7	297.2	5.6%	313.7	297.2	5.6%
Depreciation	64.9	53.9	20.4%	64.9	53.9	20.4%
Finance Cost	13.1	22.0	(40.5)%	13.1	22.0	(40.5)%
Other Operating Expenses	433.4	366.2	18.4%	433.4	366.2	18.4%
Total Expenses	**2,543.8**	**2,065.8**	**23.1%**	**2,543.8**	**2,065.8**	**23.1%**
Profit Before Tax	335.3	353.1	(5.1)%	331.6	347.0	(4.4)%
Current Tax	87.2	84.4	3.4%	87.2	84.4	3.4%
Previous Year Adjustments	(0.6)	(3.9)	(83.4)%	(0.6)	(3.9)	(83.4)%
Deferred Tax	(3.5)	2.1	(266.7)%	(3.5)	2.1	(266.7)%
Net Profit	**252.2**	**270.6**	**(6.8)%**	**248.5**	**264.5**	**(6.0)%**
Net Income Margin (%)	8.8%	11.3%		8.7%	11.0%	
Share in profit of Joint Venture				14.7	12.7	15.6%
Other Comprehensive Expenses / (Income)	(0.3)	0.9	(138.0)%	(0.3)	0.9	(138.2)%
Total Comprehensive Income	**252.5**	**269.7**	**(6.4)%**	**263.6**	**276.3**	**(4.6)%**
Total Comprehensive Income Margin (%)	8.8%	11.2%		9.2%	11.5%	
Basic EPS (₹)	18.9	20.3	(6.9)%	19.7	20.8	(5.1)%
Gross Profit	**1,290.6**	**1,196.4**	**7.9%**	**1,290.6**	**1,196.4**	**7.9%**
Gross Margin (%)	45.0%	49.9%		45.0%	49.9%	
EBITDA	**402.6**	**407.8**	**(1.3)%**	**402.6**	**407.8**	**(1.3)%**
EBITDA Margin (%)	14.0%	17.0%		14.0%	17.0%	
Paid-up Equity Share Capital (Face Value of ₹ 2 each)	26.7	26.7	0.1%	26.7	26.7	0.1%
Reserves & Surplus	1,960.1	1,737.2	12.8%	1971.1	1,766.2	11.6%
Transfer to General Reserve	-	-		-	-	
Proposed Dividend	40.1	32.1	25.1%	40.1	32.1	25.1%

PERFORMANCE REVIEW (STANDALONE)

Revenue from Operations

Volume (Million Cases)	FY2022	FY2021	Change (%)
Prestige & Above	8.11	6.51	24.5%
Regular & Others	18.25	15.83	15.3%
Total Volume	**26.35**	**22.34**	**17.9%**
Prestige & Above as % of Total	*30.8%*	*29.1%*	

Revenue Break up (₹ Crore)	FY2022	FY2021	Change (%)
IMFL (A)	2,306.9	1,893.7	21.8%
Prestige & Above	1,214.7	957.4	26.9%
Regular & Others	1,092.1	936.3	16.6%
Non IMFL (B)	561.1	505.1	11.1%
Revenue from Operations (Net) (A+B)	**2,868.0**	**2,398.8**	**19.6%**
Prestige & Above as % of Total IMFL Revenue	*52.7%*	*50.6%*	
IMFL as % of Total Revenue	*80.4%*	*78.9%*	

The strong performance of the Prestige & Above category has supported Radico Khaitan's double-digit IMFL volume growth during the year. This highlights the strength of our brands, consumer resonance and the resilient business model. In seven of the top eleven markets, Radico Khaitan has outperformed the industry. The Company has continued to strengthen its core brands through targeted marketing investments and has also launched selected new premium brands. This strategy has not only allowed achieving the desired growth profile, but it has also enabled the Company to diversify and strengthen its brand portfolio for the future.

The Company has continued to outperform the industry for the sixth consecutive year. With total volumes of 26.4 million cases in FY2022, Radico Khaitan reported a 17.9% y-o-y growth vs. industry growth of 13.3%. Revenue from Operations (Net) grew by 19.6%. Against IMFL volume growth of 17.9% during the year, IMFL sales value increased by 21.8%.

Gross Profit

Gross Margin declined from 49.9% in FY2021 to 45.0% in FY2022. Continued commodity inflation had a strong bearing on our gross margins, particularly in the non-IMFL business. Given a favourable product mix change, gross margin of the IMFL business was less impacted.

EBITDA

EBITDA decreased by 1.3% Y-O-Y with margins of 14.0%. Despite a 490 bps decline in Gross Margin, EBITDA margin compression was 300 bps due to the benefits of scale and operating leverage.

Finance Cost

Finance Cost for FY2022 decreased by 40.5% Y-O-Y from ₹ 22.0 Crore to ₹ 13.1 Crore.

Total Comprehensive Income

Total Comprehensive Income decreased by 6.4% compared to last year to ₹ 252.5 Crore.

New Launches

During the year, Radico Khaitan announced the launch of two super premium brands - Royal Ranthambore Heritage Collection-Royal Crafted Whisky and two variants of Magic Moments Dazzle Vodka. Both these brands have been developed after a comprehensive two-year consumer/market research on the blend, packaging, as well as the positioning.

- Royal Ranthambore is one of the finest blends ever created in India at this premium positioning where no other Indian company has ever launched its brand. It is a unique whisky, with six Blended Malt Scotches, one Scotch Grain from Malted Barley and Oak Infused Grain Neutral Spirit, reserved for a specific time to assimilate the blend.

- Magic Moments Dazzle is aimed at capturing the global trend of the premium, natural flavoured vodkas. It undergoes 7-stage filtration process and is available in two variants – Gold and Silver. Gold is an ultra-premium vodka whereas Silver is creamy-vanilla flavoured which is first of its kind in India.

These brands are now available across 7 states in India and continue to gain consumer confidence. We are focusing on placement and expanding the width of distribution for these brands.

Capital Expenditure

During FY2022, the Company has undertaken two capex projects: ₹ 185 Crore for the conversion of the existing 140 KLPD molasses plant in Rampur to dual-feed and a greenfield project of ₹ 555 Crore spread over 100 acres to establish a 330 KLPD grain based distillery along with bottling facilities for IMFL and country liquor and a malt maturation facility. This will be funded 50% through internal accrual and rest from borrowing.

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 ₹ 14.7 Crore in FY2022 compared with ₹ 12.7 Crore in FY2021.

COVID-19 AND ITS IMPACT

The second wave of the COVID-19 pandemic, which was more severe than the first wave, posed extreme challenges in terms of handling the operations and the workforce. COVID protocols set up in FY2021 were further strengthened and operations were streamlined with a high focus on the health and well-being of the employees.

Even with the restrictions imposed by local authorities, and disruption in supply chain for certain raw materials, we managed to continue our operations efficiently. After peaking in May 2021, COVID cases started receding in June 2021 and situation started to normalise to a large extent by the second half of the month. In July, as restrictions were lifted and normalcy resumed, month-on-month sales volumes started to improve significantly.

The business has adequate liquidity and product demand to sustain operations. As determined by management, the COVID-19 pandemic and lockdown had no substantial impact.

DIVIDEND

The Board of Directors has recommended a final dividend of 150% i.e. ₹ 3 per equity share of ₹ 2 each fully paid up Capital of the Company (last year ₹ 2.40 per equity share of ₹ 2 each). The payment of dividend is subject to approval of the members at the forthcoming Annual General Meeting ("AGM") 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 the same can be accessed at https://www.radicokhaitan.com/wp-content/uploads/2019/03/Dividend-Distribution-Policy.pdf.

CAPITAL STRUCTURE

Share Capital

As on March 31, 2022, the Company has authorized share capital of ₹ 94 Crore consisting of ₹ 34 Crores Equity Share Capital comprising 17,00,00,000 equity shares of ₹ 2 each and ₹ 60 Crores Preference Share Capital comprising 60,00,000 preference shares of ₹ 100 each. The Issued, Subscribed and Paid-up Share Capital of the Company is ₹ 26.73 Crores divided into 13,36,73,765 fully paid up equity shares of ₹ 2 each.

During the year, 105,500 equity shares were issued and allotted upon exercise of Stock Options by the eligible employees.

Employees' Stock Option Scheme

The Company has an Employees' Stock Option Scheme, 2006 ("Scheme 2006"). During the year, there was no material change in the Scheme. The Scheme 2006 is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 (the 'SEBI ESOP Regulations).

During the year under review, the Company has allotted 105,500 equity shares upon exercise of Stock Options by the eligible employees, as per the Scheme 2006. Each Option entitles the holder to acquire one equity share of ₹ 2 each of the Company.

A total of 220,000 Stock Options were granted during the year to the eligible employees of the Company as per the Scheme 2006. Out of these 220,000 Stock Options, 180,000 Stock Options were granted on November 2, 2021 at an Exercise price of ₹ 928.05 and 40,000 Stock Options were granted on March 8, 2022 at an Exercise price of ₹ 723.14.

The particulars of the Scheme as required by SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI ESOP Regulations 2021"), have been placed on the website of the Company and web link of the same is https://www.radicokhaitan.com/wp-content/uploads/2022/09/ESOP-Disclosure-Annual-Report-2022.pdf.

In terms of Regulation 13 of SEBI ESOP Regulations 2021, a Certificate received from M/s. TVA & Co. LLP, Company Secretaries, Secretarial Auditors, would be placed before the shareholders at the ensuing AGM.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Subsidiaries

During the year, the Company has acquired 100% equity shares in Radico Spiritzs India Private Limited ("Radico Spiritzs") and by virtue of the same Radico Spiritzs has become a wholly-owned Subsidiary of the Company. Radico Spiritzs has further acquired 100% Equity Shares of the following companies and thereby they become step down wholly-owned subsidiaries of the Company:

1. Accomreal Builders Private Limited
2. Compaqt Era Builders Private Limited
3. Destihomz Buildwell Private Limited
4. Equibuild Realtors Private Limited
5. Proprent Era Estates Private Limited
6. Binayah Builders Private Limited
7. Firstcode Reality Private Limited

Joint Venture

The Company has only one joint venture, namely, Radico NV Distilleries Maharashtra Limited ("RNV"). The Company holds 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 and wholly-owned subsidiaries are consolidated with the accounts of the Company and the salient features of the financial statements of RNV and wholly-owned subsidiaries are set out in the prescribed form AOC-1 and the same 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 ("Listing Regulations") 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 Statements form part of this Annual Report.

CREDIT RATING

The Company's long-term bank facilities are rated as CARE AA- (Double A Minus) with a positive outlook and short-term bank facilities are rated CARE A1+ (A One Plus).

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

AUDITORS AND AUDITORS' REPORT

Statutory Auditor

In terms of the provisions of Section 139 of the Act and the Rules made thereunder, the Shareholders of the Company have at the 37th AGM, approved the appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants, as Statutory Auditors of the Company for a term of 5 years i.e. from conclusion of the 37th AGM till the conclusion of the 42nd AGM of the Company to be held in the year 2026.

Audit Report

The report of the Statutory Auditors for the FY2022 along with notes and Schedules thereto 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, 2023. In accordance with the provisions of Section 148 of the Act 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 AGM.

Cost Records

The Company has maintained the Cost Records as specified by the Central Government under section 148(1) of the Act.

Secretarial Auditor

The Board had, at its meeting held on June 01, 2021, appointed M/s TVA & Co. LLP, Company Secretaries, to conduct its Secretarial Audit for the financial year ended March 31, 2022. 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 this report. The Board, on the recommendation of Audit Committee, has re-appointed M/s. TVA & Co. LLP, Company Secretaries, as Secretarial Auditors of the Company for financial year ended March 31, 2023.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Sarvesh Srivastava as Chairman, Dr. Raghupati Singhania and Mr. Tushar Jain as members. Brief terms of reference, meetings and attendance of the Audit Committee are included in the Corporate Governance Report forming part of this Annual Report. All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.

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. Krishan Pal Singh (DIN: 00178560), Whole-time Director of the Company, is liable to retire by rotation at the ensuing AGM and being eligible, offered himself for re-appointment. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee (NRC), has recommended the re-appointment of Mr. Krishan Pal Singh at the ensuing AGM.

The members had, at the 33rd AGM of the Company held on September 29, 2017, approved the re-appointments and payment of remunerations to Dr. Lalit Khaitan as Chairman & Managing Director, Mr. Abhishek Khaitan as Managing Director and Mr. Krishan Pal Singh as Whole-time Director, for a period of five years effective from February 20, 2018. The tenure of these appointments will be expiring on February 19, 2023. The Board recommends the re-appointments of Dr. Lalit Khaitan as Chairman & Managing Director and Mr. Abhishek Khaitan as Managing Director for a term of five years effective from February 20, 2023 and Mr. Krishan Pal Singh as Whole-time Director for a term of three years effective from February 20, 2023, for the approval of the members at the ensuing AGM. Brief resumes of the Directors seeking re-appointments along with the disclosures specified under Regulation 36 (3) of the Listing Regulations are provided in the Corporate Governance Report forming part to this Annual Report.

During the year under review, except as stated above, there was no change in the Directors or Key Managerial Personnel 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 Company's Independent Directors met once during the FY2022 on June 01, 2021 without the presence of the Non-Independent Directors and the members of management. The meeting was conducted 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 Listing Obligations, 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; and
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 and are not disqualified from continuing as Independent Directors. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct and that they have registered themselves as an Independent Director in the data bank maintained with the Indian Institute of Corporate Affairs. Based on the disclosures received, the Board is of the opinion that all the Independent Directors fulfill the conditions specified in the Act and Listing Regulations and are independent of the management.

The Company follows 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 fees, no other remuneration was paid to any of the Independent Director.

In the opinion of the Board, the Independent Directors hold the 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 Personnels and Senior Management of the Company and the Board's diversity. 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 directors, independent directors and woman director. The details of the policy is explained in the Corporate Governance Report and full policy is also available on the Company's website at the link: https://www.radicokhaitan.com/wp-content/uploads/2019/03/RKL-Policy-on-Nomination-Remuneration-and-Diversity-2020.pdf.

Performance Evaluation

The Board is committed to transparency in assessing the performance of Directors. In accordance with the Act 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 Individual directors and 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 Act and the Listing Regulations is provided in the Report on Corporate Governance forming part of this 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, Dr. Lalit Khaitan; a Managing Director, 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 and Schedule IV of the 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 38th 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, Sustainability and Corporate Social Responsibility (CSR) 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 2021-22 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** forming 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, digitized 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, 2022. 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's risk management framework supports an efficient and risk-conscious business strategy, delivering minimum disruption to business and creating value for our stakeholders. 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 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, 302,964 shares constituting 0.23% of the issued and subscribed Share Capital of the Company, were dematerialised. As on March 31, 2022, 99.19% 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 and thereby facilitate trading of their shares.

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 material 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 stored as per the Company's policy on preservation of documents.

SAFETY & WELLBEING OF WOMEN

The Company is promoting a work environment that ensures every employee is treated with dignity and afforded equitable treatment irrespective of their gender, race, social class, caste, religion, place of origin, disability or economic status. 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 it has adopted a policy for the 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 (POSH Act) and the Rules thereunder. The Company is committed to provide a safe and conducive work environment to all of its employees and associates that is free from any discrimination. During the year under review, no cases were reported to the Internal Complaint Committee (ICC).

As per the requirement of the POSH Act and Rules made thereunder, the Company has an ICC to redress the complaints received regarding sexual harassment. Composition of the ICC as on March 31, 2022 is given as below.

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
7.	Ms. Tara Sharma (Social Activist)	Member

VIGIL MECHANISM

Pursuant to the requirement of Section 177(9) and (10) of the Act and Regulation 22 of Listing Regulation, 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 actions taken has been 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 https://www.radicokhaitan.com/wp-content/uploads/2019/03/Whistle-Blower-Policy-Vigil-Mechanism.pdf.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company believes in the long term sustainability by creating value for its stakeholders and for society. The Company is committed to pursue responsible growth and recognizes its responsibility towards the society as a whole where it operates as a good corporate citizen. 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, women empowerment, enhancing livelihood, promoting education and health care including preventive health care and ensuring environmental sustainability. As a 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 various campaigns, taking preventative actions, 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 Sustainability and CSR Committee as on March 31, 2022 is given as below.

1.	Dr. Lalit Khaitan	Chairman
2.	Mr. Abhishek Khaitan	Member
3.	Mr. Krishan Pal Singh	Member
4.	Ms. Sushmita Singha	Member

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

Radico Khaitan had a CSR obligation to spend ₹ 536.5 Lakhs in FY2022. However, the Company had spent ₹ 416.2 Lakhs during the year. Provision of ₹ 120.2 Lakhs has been created for an ongoing project, Radico - Art of Living Bhujal Shakti Project.

The Board has approved the unspent amount allocated towards ongoing project and same has been transferred to unspent CSR account within 30 days of the end of the financial year for use within a period of three financial years for the above mentioned ongoing project from the date of such transfer.

REPORTING OF FRAUDS

There was no instance of a fraud during the year under review which was required to be reported by the Statutory Auditors to the Audit Committee or the Board under Section 143(12) of the Act and rules made thereunder.

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 FY2022.

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 Act:

(i) In the preparation of the Annual Accounts for the year ended March 31, 2022, 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, 2022 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 Act, the Company has placed a copy of the Annual Return as at March 31, 2022 on its website and the same can be accessed at https://www.radicokhaitan.com/wp-content/uploads/2022/09/Form_MGT-7-Annual-Return-2022.pdf

(ii) Public Deposits

During the year under review, the Company has neither invited nor accepted any fixed deposits from the public within the meaning of Section 73 of the Act, 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 Act are given in the notes to Financial Statements.

(iv) Particulars of Contract or Arrangements with Related Parties

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 were approved by the Audit Committee. Further, during the year, the Company had not entered into any material Related Party Transactions. Accordingly, the disclosure of Related Party Transactions under Section 188(1) of the Act in Form AOC-2 is not applicable.

The Board of Directors of the Company had laid down the criteria for granting the omnibus approval by the Audit Committee for the transactions which are repetitive in nature, in line with the Policy on Materiality of and dealing with Related Party Transactions ("RPT Policy") adopted by the Company. Omnibus approval was obtained for the Related Party Transactions which are of repetitive nature. A statement giving details of all Related Party Transactions are placed before the Audit Committee for review on a quarterly basis. All Related Party Transactions are placed before the Audit Committee for approval.

The RPT Policy 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

During the year, no significant and material orders passed by the Regulators/Courts/Tribunals which may impact the going concern status and Company's operations in future.

(vi) Secretarial Standards

The Company has followed applicable Secretarial Standards issued by the Institute of Company Secretaries of India, i.e. SS-1 and SS-2, on 'Meetings of the Board of Directors' and 'General Meetings', respectively.

(vii) Corporate Governance Report

The Company is in compliace with the requirements of Corporate Governance as stipulated in the Listing Regulations. In terms of Regulation 27 of Listing Regulations, the Corporate Governance Report including a certificate from M/s. TVA & Co. LLP, Company Secretaries, regarding compliance of the conditions of Corporate Governance is annexed herewith and forming 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, 2022 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 FY2022, as stipulated under Regulation 34(2)(f) of the Listing Regulations, detailing various initiatives taken by the Company on the Environmental, Social and Governance front is annexed as 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 end of FY2022

There have been no material changes and commitment, affecting the financial position of the Company which occurred between the end of the FY2022 till the date of this Report, other than those already mentioned in this Report.

(xiii) Dispatch of Annual Report through electronic mode

In compliance with the MCA Circular No. 20/2020 dated May 05, 2020 issued by the Ministry of Corporate Affairs ("MCA") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("SEBI") and all other Circulars issued by MCA and SEBI in this regard, the notice of the AGM along with the Annual Report for FY2022 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 for FY2022 will also be available on the Company's website (http://www.radicokhaitan.com/investor-relations/), 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 Limited at https://evoting.kfintech.com/.

Acknowledgements

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

The Board would like to convey their sincere gratitude to the investors and bankers for their continued support during the year. Your Directors further take this opportunity to acknowledge the support and assistance extended by the Regulatory Authorities such as SEBI, Stock Exchanges and other Central & State Government authorities and agencies, and Registrars. The Board also appreciates the support and co-operation your Company has been receiving from its supply chain partners and others associated with the Company as its business partners. 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: August 10, 2022

ANNEXURE-A

FORM NO. AOC-1

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

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures

Part A – Subsidiaries

Information in respect of each subsidiary to be presented (Amount is ₹)

Sl. no	Name of the subsidiary	Radico Spiritzs India Private Limited	Accomreal Builders Private Limited	Compaqt Era Builders Private Limited	Destihomz Buildwell Private Limited	Equibuild Realtors Private Limited	Proprent Era Estates Private Limited	Binayah Builders Private Limited	Firstcode Reality Private Limited
1	Date of acquisition of subsidiary	19.08.2021	03.02.2022	03.02.2022	03.02.2022	03.02.2022	03.02.2022	03.02.2022	03.02.2022
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as ultimate holding Company, Radico Khaitan Limited							
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable							
4	Share capital	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000
5	Reserves & surplus	-2,92,246	-13,239	-15,708	-18,077	-27,066	-18,216	-18,481	-18,254
6	Total assets	-	14,76,340	12,84,961	6,56,612	30,36,224	12,96,674	14,82,108	7,28,935
7	Total Liabilities	-	1,46,00,000	3,67,00,000	1,39,00,000	1,75,00,000	3,46,00,000	2,25,00,000	1,30,00,000
8	Investments	7,00,000	0	0	0	0	0	0	0
9	Turnover	0	0	0	0	0	0	0	0
10	Profit before taxation	-77,616	-13,239	-15,708	-18,077	-27,066	-18,216	-18,481	-18,254
11	Provision for taxation	0	0	0	0	0	0	0	0
12	Profit after taxation	-77,616	-13,239	-15,708	-18,077	-27,066	-18,216	-18,481	-18,254
13	Proposed Dividend	0		0	0	0	0	0	0
14	Percentage of shareholding	100%	100%*	100%*	100%*	100%*	100%*	100%*	100%*

**100% holding through Wholly-owned Subsidiary, Radico Spiritzs India Private Limited*

Names of subsidiaries which are yet to commence operations	None
Names of subsidiaries which have been liquidated or sold during the year	None

Part B - Associates and Joint Ventures

(Amount in lakhs)

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

Sl. No.	Name of Associates or Joint Ventures	Radico NV Distilleries Maharashtra Ltd.	
1.	Latest audited Balance Sheet Date	31.03.2022	
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 at the year end	Equity shares	Preference Shares
	i. Number of shares	13,58,503	-
	ii. Amount of Investment in Associates or Joint Venture	₹ 18,439.43	-
	iii. 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	₹ 10,172.10	
7.	Profit or Loss for the year:		
	i. Considered in Consolidation	₹ 1,468.50	
	ii. Not Considered in Consolidation	-	
8.	Names of associates or joint ventures which are yet to commence operations	N.A.	
9.	Names of associates or joint ventures which have been liquidated or sold during the year	N.A.	

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Regn. No. 001076N/N500013

For and on behalf of the Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director
DIN: 00238222

Dinesh Kumar Gupta
Vice President - Legal & Company Secretary

Abhishek Khaitan
Managing Director
DIN: 00772865

Ashish Gupta
Partner
Membership No. 504662

Alok Agarwal
Sr. Vice President
(Finance & Accounts)

Place: New Delhi
Date: May 30, 2022

ANNEXURE-B

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

[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, 2022 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, 2022 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 and Sweat Equity) Regulations, 2021;

(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, 2021;

(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: -

(a) Food Safety and Standards Act, 2006 and Rules and Regulations made thereunder;

(b) 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, 2021; 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. No change in the composition of the Board of Directors took place during the period under review. However, the re-appointment of Directors made 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 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) Declaration and Payment of Final Dividend

The Board in its meeting held on 1st June, 2021 had proposed to recommend the final dividend of ₹ 2.40 (Rupees Two and Forty Paise Only) per equity share of face value of ₹ 2/- each, which shall be paid out of the profits of the Company for the financial year 2020-21 and the dividend as recommended by the board was also approved by the shareholder of the company in the Annual General Meeting held on 28th September, 2021. The Company has duly made the payment of such final dividend to its shareholders in compliance with the provisions of the Companies Act, 2013.

(ii) Appointment of Statutory Auditor

The Board has appointed M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as Statutory Auditor of the Company to conduct the statutory audit of the Company for a term of five years from the conclusion of 37th (Thirty-Seventh) Annual General Meeting till the conclusion of 42nd (Forty-Second) Annual General Meeting. The said appointment of Statutory Auditor was made in its Board Meeting held on 28th July, 2021 as recommended by the Audit Committee in its meeting held on 28th July, 2021 and such appointment and remuneration was also approved by the shareholders of the Company in the Annual General Meeting held on 28th September, 2021.

(iii) Re-appointment of Cost Auditor

The Board has re-appointed Mr. R. Krishnan, Cost Accountant as the Cost Auditor of the Company to conduct the audit of the Cost Records of the Company for the Financial Year 2021-22. The said re-appointment of Cost Auditors was made in its Board Meeting held on 1st June, 2021 as recommended by the Audit Committee in its meeting held on 1st June, 2021 and such appointment and remuneration was also approved by the shareholders of the Company in the Annual General Meeting held on 28th September, 2021.

For TVA & Co. LLP
Company Secretaries

Tanuj Vohra
Partner
M. No.: F5621, C.P. No.: 5253
UDIN: F005621D000773113
RP L2015UP000900

Delhi, 10.08.2022

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

Annexure-A

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(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

A. (i) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021-22 and the percentage increase in remuneration of each Director, Chief Financial Officer, and Company Secretary, in the Financial Year 2021-22 compared to 2020-21 are as under:

Sl. No.	Name and Designation of Director/ Key Managerial Personnel	% increase in Remuneration	Ratio of Remuneration of each Director to Median Remuneration of Employees
1	Dr. Lalit Khaitan, Chairman and Managing Director	9.8%	155.9:1
2	Mr. Abhishek Khaitan, Managing Director	9.8%	156.1:1
3	Mr. Krishan Pal Singh, Whole-time Director	7.0%	31.1:1
4	Dr. Raghupati Singhania, Non-Executive Independent Director*	N.A.	-
5	Mr. Sarvesh Srivastava, Non-Executive Independent Director*	N.A.	-
6	Ms. Sushmita Singha, Non-Executive Independent Director*	N.A.	-
7	Mr. Sharad Jaipuria, Non-Executive Independent Director*	N.A.	-
8	Mr. Tushar Jain, Non-Executive Independent Director*	N.A.	-
9	Mr. Dilip K. Banthiya, Chief Financial Officer	7.0%	38.9:1
10	Mr. Dinesh Kumar Gupta, Company Secretary#	N.A.	-

Notes:

** Independent Directors are only receiving sitting fees from the Company*

 # Mr. Dinesh Kumar Gupta was appointed as Vice President – Legal & Company Secretary effective from January 28, 2021. Hence, % increase in remuneration for FY 2022 is not applicable.

(ii)	Percentage increase in the median remuneration of employees in the financial year 2021-22 compared to 2020-21	9%	
(iii)	Number of permanent employees on the rolls of the Company	As on March 31, 2022	As on March 31, 2021
		1,196	1,179
(iv)	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 2021-22, 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.	During 2020-21, the percentage increase is 3% which is based on remuneration policy of the Company and external market competitiveness.
(v)	The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.		

For & on behalf of the Board

Dr. Lalit Khaitan
Chairman & Managing Director
DIN – 00238222

Place: New Delhi
Date: August 10, 2022

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 March 31, 2022 is given below and forms part of the Directors Report.

(A) CONSERVATION OF ENERGY:

Steps taken or impact on conservation of energy	1. Optimization of the process parameter of heat integration in 100 KLPD GSP Distillation, flash steam of steam condensate utilization in Simmering re boiler and Degasifying vapor directly taken in aldehyde column, Recovery column lees use to pre heat recovery feed. These measures helped in saving of ₹ 13 lakh per annum. 2. Replacement of old SV/MH light fittings at FI-3 / Tetra section with new LED 45watt lights resulted in collective saving of ₹ 0.33 Lakhs. 3. Replacement of RDL section weighbridge High mast 400W MH fittings with New LED 200W fittings resulted in collective saving of ₹ 0.44 Lakhs. 4. Replacement of Digester area 150 watt fittings with new High mast led fittings resulted in collective saving of ₹ 0.13 Lakhs.
The steps taken by the company for utilizing alternate sources of energy	Power saving through replacement of old SV light fittings and metal halide lights with new LED fittings.
The capital investment on energy conservation equipments	1. 0.80 lakhs for LED 45 watt lights 2. 0.54 lakhs for LED 200 watt lights 3. 0.95 lakhs for LED 200 watt high mast 16M height

(B) TECHNOLOGY ABSORPTION:

Efforts made towards technology absorption and process improvement.	1. Improvisation of overall efficiency of whole milling system with technical support of Buhler and optimized process efficiency through enhanced productivity decreased electrical power consumption from 0.322 KWH/BL to 0.300 KWH/BL caused saving of ₹ 51.54 Lakh /annum. 2. Upgradation /modification in Liquefaction & Fermentation process like increase in retention time of Liquefaction by using existing PPSF tank, adding retention pressure vessel & jet cooking, use of new advance efficient dry yeast and optimize the process parameter with advance enzymes and improvement in the overall efficiency & recovery to starch ratio from 659 BL /Ton of starch to 689 BL/Ton of starch resulted in saving about ₹ 175 Lakhs / annum. 3. Usage of 2000 new oak wood casks for fresh malt spirit maturation to enhance the maturation facility to produce single malt whisky.
Benefits derived like product improvement, cost reduction, product development or import substitution	1. Market Research and Development of new product is one of the important tasks, taken care by team of professionals. 2. New products like Royal Ranthambore Heritage Collection Royal Crafted Whisky and two variants of Magic Moments Dazzle vodka were launched during the year.
Imported technology (imported during the last three years reckoned from the beginning of the financial year)-	None

(a) Detail of technology imported	Not Applicable
(b) Year of Import	Not Applicable
(c) Whether the technology been fully absorbed	Not Applicable
(d) If not fully absorbed, areas, where this has not taken place, reasons thereof	Not Applicable
Expenses incurred on Research and Development	Nil

(C) FOREIGN EXCHANGE EARNING AND OUTGO:

Particulars of earnings and outgo of foreign exchange are given in schedule 51 in Notes to Standalone Financial Statements.

(D) ENVIRONMENT PROTECTION:

i) Reduction in the water consumption on year on year basis

Water Consumption	Molasses based		Grain based	
Year	**FY2021**	**FY 2022**	**FY2021**	**FY 2022**
Capacity (KLPD)	210.00	210.00	100.00	100.00
Water requirement per day (M^3)	4460.00	4308.00	1665.00	1575.00
Recycled streams (M^3)	3135.00	3078.00	1050.00	1036.00
% Recycled	0.70	0.71	0.63	0.66
Fresh water consumption (M^3)	1325.00	1230.00	615.00	539.00
Fresh water consumption (liter/BL)	6.30	5.86	6.20	5.39

ii) Maintenance of the water recharging measures adopted in recent past years

Month	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Rain Fall in mm	878.91	1106.96	980.74	812.00	1064.00
Recharging Water (Million M3)	-	2.04	2.38	2.8	2.82

iii) The Company is strictly following the norms for stack emission and effluent control as set by State & Central Pollution Boards. Continuous Emission Monitoring System is in place for 24x7 monitoring of emission and effluent data by Central & State Pollution boards. It is being maintained thoroughly.

iv) Organic Manure production has improved that will go to replace chemical fertilizer in crops.

v) Non-Conventional Energy source that is Bio-Gas calorific value has improved and it gives more inhouse steam and power production resulting reduction in alternate fuel consumption in the Company.

vi) Near about 10,000 green plants has been planted with the help of Uttar Pradesh Pollution Control Board in a year in campus, road side and near by villages.

For & on behalf of the Board

Dr. Lalit Khaitan
Chairman & Managing Director
DIN-00238222

Place: New Delhi
Date: August 10, 2022

ANNEXURE-E

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2021-22

1. Brief outline on CSR Policy of the Company

The Company has constituted a Sustainability and Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended. Pursuant to provisions of Section 135 of the Companies Act, 2013, the Company has also formulated a Corporate Social Responsibility Policy which is available on the website of the Company i.e. https://www.radicokhaitan.com/wp-content/uploads/2019/03/CSR-Policy.pdf

2. The Composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Lalit Khaitan (Chairman of the Committee)	Chairman and Managing Director	1	1
2	Mr. Abhishek Khaitan	Managing Director	1	1
3	Mr. Krishan Pal Singh	Whole Time Director	1	1
4	Ms. Sushmita Singha	Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Web-link for the CSR Committee: https://www.radicokhaitan.com/wp-content/uploads/2022/07/Composition-of-Committees-of-Board-of-Directors-1.pdf

Web-link for the CSR Policy and Projects: https://www.radicokhaitan.com/wp-content/uploads/2019/03/CSR-Policy.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable. Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Lakhs)	Amount required to be set-off for the financial year, if any (in Lakhs)
1	2020-21	71.06	71.06
	Total	**71.06**	**71.06**

6. Average net profit of the Company as per section 135(5).

₹ 30376.33 Lakhs

7. (a) Two percent of average net profit of the Company as per section 135(5)

₹ 607.53 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Nil

(c) Amount required to be set off for the financial year, if any

₹ 71.06 Lakhs (excess spent)

(d) Total CSR obligation for the financial year (7a+7b-7c).

₹ 536.46 Lakhs

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (₹ in Lakhs)	Date of transfer	Name of the Fund	Amount	Date of transfer
416.25	120.21	30.04.2022	----	Nil	----

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (₹ in Lakhs)	Amount spent in the current financial Year (₹ in lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in lakhs)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Radico-Art of Living Bhujal Shakti Project	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].	Yes	Uttar -Pradesh	Rampur	2 years	204.00*	83.79	120.21	Yes	-	-
	Total						**204.00**	**83.79**	**120.21**			

** Total project amount approved for the FY2021-22 and FY2022-23 is ₹ 408.00 lakhs out of which ₹ 204.00 lakhs was allocated for financial year 2021-22.*

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration number
1.	Covid Support – setting up of Medical Grade Oxygen Generating Plant	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health and sanitation [including contribution to the Swatch Bharat Kosh setup by the Central Government for the promotion of sanitation] and making available safe drinking water.	Yes	Uttar Pradesh	Rampur	220.21	Yes	----	----
	Contribution to Ratnatraya Foundation for distribution of food during Covid		Yes	Delhi	Delhi	2.00	No	Ratnatraya Foundation	CSR00006670
	Covid Support- Medical Oxygen Cylinder		Yes	Uttar Pradesh	Rampur	4.56	Yes	---	---
			No	Delhi	Delhi	19.23	Yes	---	---
	Medical Support through KD Dalmia Eye Hospital and others		Yes	Uttar Pradesh	Rampur	2.00	Yes	----	----
	Contribution to Kishinchand P Belani Trust for distribution of Sanitary Napkins		Yes	Delhi	Delhi	1.00	No	Kishinchand P Belani Trust	CSR00027331
	Contribution to India Vision Foundation to feed families in Covid		Yes	Delhi	Delhi	0.50	No	India Vision Foundation	CSR0005843
	Contribution to Kiran Devi Trust		Yes	Uttar Pradesh	Rampur	5.50	Yes	----	----
	Other Health care support		Yes	Uttar Pradesh	Rampur	23.83	Yes	----	----
2.	Women empowerment	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Yes	Uttar Pradesh	Rampur	0.94	Yes	----	----
3	Promoting Education	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Yes	Uttar-Pradesh	Rampur	7.80	Yes		
	Shri Dudhia Baba Kanya Chhatrwas		No	Delhi	Delhi	7.80	Yes		
	Contribution to Saint Hardayal Educational and Orphans for education		Yes	Delhi	Delhi	1.00	No	Saint Hardyal Educational and Orphans Welfare Society	CSR00000665

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration number
4	Environmental Sustainability, Planation and Animal Welfare	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].	Yes	Uttar Pradesh	Rampur	9.77	Yes	-----	----
			Yes	Delhi	Delhi	5.00	Yes	----	-----
	Conservation of Natural Resources		Yes	Uttar Pradesh	Rampur	10.57	Yes	----	-----
5.	Contribution to Rudrani Bundeli Kala Gram Avam Shodh Sansthan for Cultural Activities	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.	No	Delhi	Delhi	7.00	No	Rudrani Bundeli Kala Gram Avam Shodh Sansthan	CSR00017586
	Contribution to Sports and Cultural activities		Yes	Uttar-Pradesh	Rampur	2.52	Yes	----	----
6.	Distribution of food packets during flood	Disaster management, including relief, rehabilitation and reconstruction activities.	Yes	Uttar-Pradesh	Rampur	1.23	Yes	-----	-----

(d)	Amount spent in Administrative Overheads	NIL
(e)	Amount spent on Impact Assessment, if applicable	NIL
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	₹ 416.25 Lakhs Provision of ₹ 120.2 Lakhs has been created for an ongoing project, Radico - Art of Living Bhujal Shakti Project
(g)	Excess amount for set off, if any	Not Applicable

Sl. No.	Particular	Amount (in Lakh)
(i)	Two percent of average net profit of the Company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years: NA

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in lakhs)	Amount spent in the reporting Financial Year (₹ in lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in lakhs)
				Name of the Fund	Amount (₹ in lakhs)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA

(1) Sl. No.	(2) Project ID.	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (₹ in lakhs)	(7) Amount spent on the project in the reporting Financial Year (₹ in lakhs)	(8) Cumulative amount spent at the end of reporting Financial Year (₹ in lakhs)	(9) Status of the project - Completed / Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. Not Applicable

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Radico Khaitan had CSR obligation to spend ₹ 536.5 Lakhs in FY2022. However, the Company had spent ₹ 416.25 Lakhs during the year. Provision of ₹ 120.2 Lakhs has been created for an ongoing project, Radico - Art of Living Bhujal Shakti Project. The Board has approved the unspent amount allocated towards ongoing project and same has been transferred to unspent CSR account within 30 days of the end of the financial year 2021-22.

For & on behalf of the Board

Abhishek Khaitan
Managing Director
DIN- 00772865

Dr. Lalit Khaitan
Chairman & Managing Director
Chairman - Sustainability & CSR Committee
DIN: 00238222

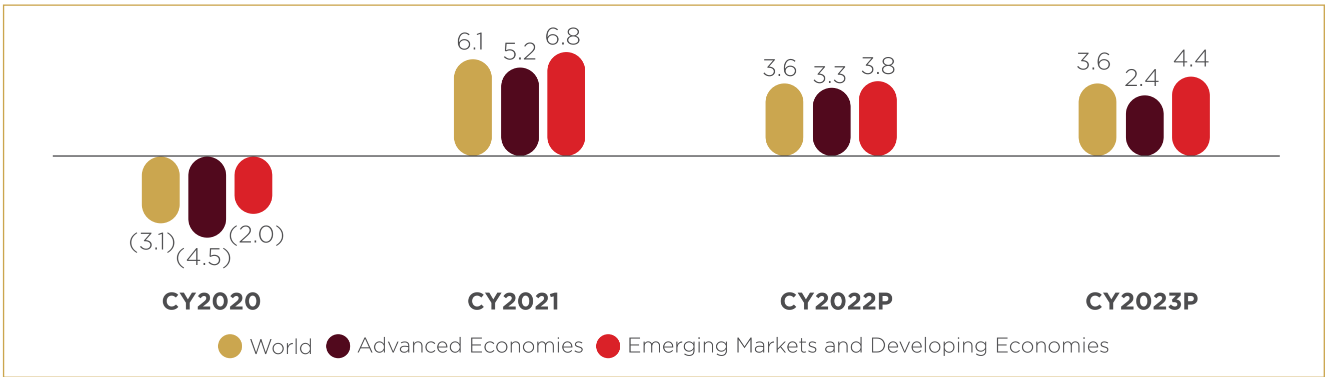
Management Discussion and Analysis

ECONOMY OVERVIEW

GLOBAL ECONOMY

The outbreak of the COVID-19 pandemic, which severely affected the global economy in CY2020 and 2021, began to show signs of abating in the last quarter of CY2021. The International Monetary Fund (IMF) pegged global economic growth at 6.1% in CY2021 in its World Economic Outlook report. Even as the world economy was in recovery mode from the pandemic, the Russia-Ukraine crisis broke out and added to its woes. Major disruptions in global value chains, supply-demand imbalances and government aid during the pandemic led to inflation, and necessitated tightening of the monetary policy across multiple nations.

WORLD GDP GROWTH (%)



P=Projected

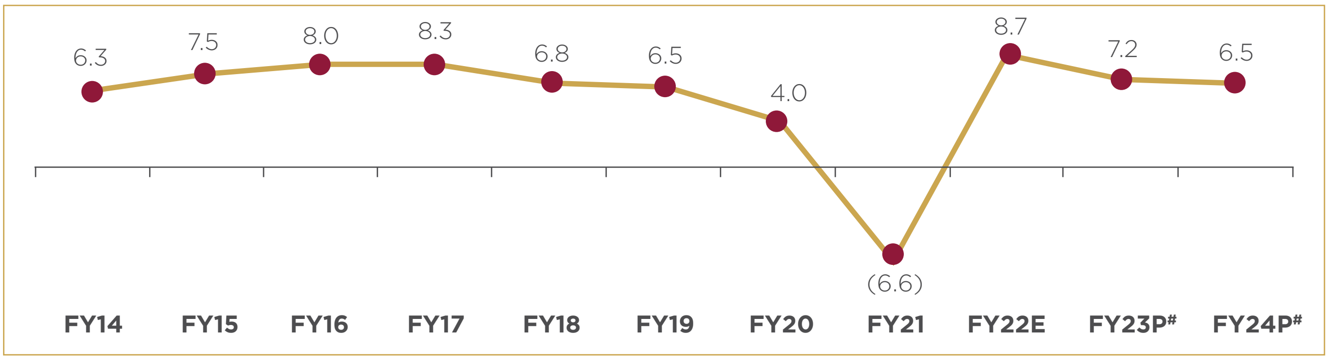
Source: IMF World Economic Outlook April 2022

The future of the global economy remains uncertain. As geopolitical tensions persist, commodity prices are expected to stay elevated, even as the move towards withdrawal of monetary accommodation gains momentum among nations. Both capital outflows and rising commodity prices exacerbated inflationary pressures in emerging nations. Inflation is expected to be 5.7% for developed nations and 8.7% for emerging and developing economies in CY2022. Global growth is projected to slow down from an estimated 6.1% in CY2021 to 3.6% in CY2022 and CY2023 mainly due to the Russia-Ukraine conflict which has caused inflationary pressure and disruptions in the supply chain worldwide. On the brighter side, production levels and income levels in advanced economies are predicted to revert to pre-pandemic levels in CY2023. Emerging Markets and Developing Economies (EMDEs) may be able to gain markets vacated by Russia and Ukraine following the geopolitical crisis. Consequently, as per IMF forecasts, EMDE's GDP is expected to grow by 3.8% in CY2022 and 4.4% in CY2023. To wade through the challenging scenario, global cooperation needs to be strengthened to foster rapid and equitable vaccine distribution, calibrate health and economic policies, enhance debt sustainability in developing countries, tackle rising inflation and the mounting costs of climate change.

INDIAN ECONOMY OVERVIEW

Most market segments in India have surpassed their pre-pandemic activity levels, underpinning the recovery. India effectively managed the challenges of the third wave of COVID-19 while simultaneously pursuing economic recovery on the back of rapid vaccination drives and increased government spending. The country continues to remain the fastest growing economy in the world in FY2022. Indian GDP growth is estimated to be 8.7% for FY2022 as against a GDP contraction of 6.6% recorded in FY2021.

INDIAN GDP GROWTH (%)



E=Estimates **P**=Projections

Source: National Statistics Office 2nd Advance Estimates dated May 31, 2022,

RBI Survey of Professional Forecasters (SPF) report as on June 8, 2022

By the fourth quarter of fiscal year 2022, high frequency indicators of economic activity such as energy, fuel, retail sales, transport, and tax collection indicated a mixed recovery. In March 2022, inflation touched 7%, surpassing the maximum acceptable level, largely due to a substantial increase in food and energy prices. To combat inflation, the Reserve Bank of India (RBI) increased the policy repo rates in quick succession, first by 40 basis points in May 2022 and by another 50 basis points in June 2022 to take it to 4.90%.

India's fundamental growth drivers remain intact and the current global turmoil is not expected to significantly impact its long-term prospects. Consumption and demand are expected to pick up once the uncertainty and anxiety due to the pandemic and the Russia-Ukraine conflict recede. Despite near term challenges owing to conflict-induced inflationary pressures, the Indian economy is expected to grow by 7.2% in FY2023 and 6.5% in FY2024. The government's emphasis on capital expenditure and initiatives such as the Production Linked Incentive (PLI) scheme shall stimulate private investment activity in the context of improved capacity utilisation, deleveraged corporate balance sheets, increased bank credit consumption, and favourable financial conditions.

CONSUMER SECTOR

India's economy is based on domestic consumption and has a favourable demographic composition. Rising income and expansion of the middle-income segment are the key drivers of future consumption growth. Revival in demand, following the opening up of the country, is expected to be significantly impacted by changes in consumption habits. The pandemic has altered consumption behaviour across consumer categories, and certain trends are likely to be more sustainable than others. Even though the rural sector performed better than urban in terms of consumption demand in FY2020 and FY2021, it significantly lagged behind the urban sector in FY2022. However, in FY2023, rural consumption is expected to outperform urban consumption as the monsoon is anticipated to be normal and commodity prices including agricultural products have peaked, which should assist farm income growth. Furthermore, consumption demand is expected to get a boost due to the strong pace of ongoing urbanisation diminishing the rural-urban gap.

Smart consumer companies are shifting their focus to use of disruptive technologies, data analytics and a more dynamic supply chain, to cater to evolving consumer preferences. Consumers today are more aspirational. Their choices reflect a priority demand for lifestyle products in addition to necessities, health, and leisure. Technology advancements are connecting people and businesses in multiple ways and enabling better information discovery and seamless transactions. Changing business models and dynamic market players are transforming the way people shop, what they buy and how they live.

SPIRITS INDUSTRY IN INDIA

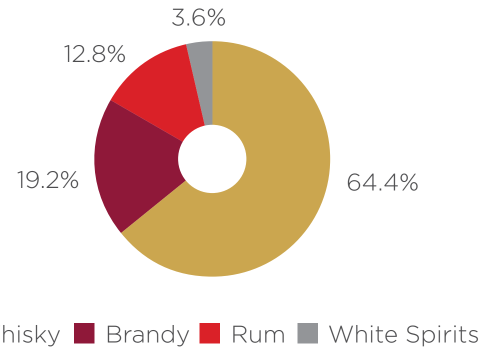
The imposition of lockdown and higher excise duties and cess by various state governments, severely impacted the spirits industry during the first half of FY2021. However, since the easing of restrictions and roll back of the higher duties and cess by most states, industry operations largely normalised during the second half of the year.

Industry recovery suffered a setback with the onset of a more severe second wave of COVID-19 between April and June 2021, with re-imposition of lockdown and restrictions as the government tried to contain the virus. However, due to partial lockdown in different states amidst various relaxations, the impact on the industry was limited. Consumer spending on affordable luxuries and premium products increased due to savings garnered during the lockdown over the previous two years. Drinking at home became increasingly acceptable and widespread due to restrictions on the food services industry and people's reluctance to venture out in crowded places during the pandemic.

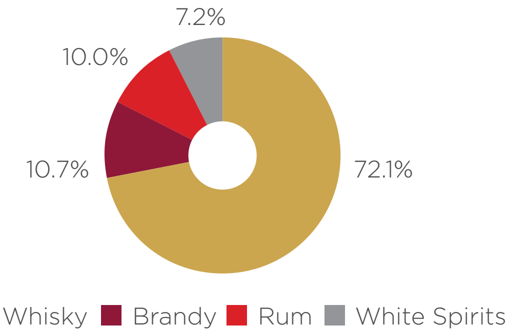
Indian consumers particularly the younger generation is more aspirational and experimental in their shopping habits. Strong premiumisation trends is expected to continue due to rapid urbanisation, rising income levels, and a young and more aware consumer profile.

According to Euromonitor International, during CY2021, overall Indian Made Foreign Liquor (IMFL) sales volumes increased by 7.2% YoY to 294 million cases. Traditionally, brown spirits which include whisky, brandy, and dark rum, have been major contributors, accounting for more than 90% of overall IMFL sales volume. During CY2021, whisky constituted the largest segment with 64.4% of the sales volume and 72.1% of value. White spirits such as vodka and gin accounted for 3.6% of the total IMFL volume and 7.2% of value in CY2021 indicating a strong trend towards premiumisation.

Sales of Spirits by Category (Volume): 2021
Total Volume - 294 Million Cases



Sales of Spirits by Category (Value): 2021
Total Value - ₹ 2,011 billion



Source: Euromonitor International

While most Indian consumers still prefer relatively inexpensive whisky and rum, Indian companies have shifted focus on the super-premium/luxury whisky segment. As the largest whisky market in the world and the second-largest importer of Scotch, India has a ready audience of consumers aspiring to become premium Scotch drinkers. After experiencing widespread up-trading of Indian whisky in CY2019, sales remain muted during CY2020 as the largest and most widely distributed brands faced challenges relating to availability, production, distribution and higher excise duties. Indian whisky sales witnessed strong recovery in CY2021 and this segment will continue to be an important strategic focus for companies, both domestic and international.

White spirits registered stronger growth of 11% YoY in sales value mainly driven by significant bounce back in demand for vodka along with white rum and gin. The industry is expected to see continued buoyancy of craft gin with a strong likelihood of more brands and increased investment by both small and large players. Locally produced craft gins have enjoyed considerable success and gathered momentum in the last two years in line with global trends.

Vodka is a more popular choice among younger consumers compared with other IMFL categories, as the cocktail culture becomes more popular across the country and home liquor consumption rises. The market for vodka has registered growth in India following the development of flavoured varieties, which have made it a trendy drink among both men and women. The continued rise in home consumption and re-opening of on-premises sale will support vodka's ongoing recovery.

INDIAN SPIRITS INDUSTRY OUTLOOK

Indian consumers have steadily become more willing to spend on higher-value products, especially premium brands and experiences. On the demand side, factors such as rapid urbanisation, changing consumer preferences and a sizeable and growing middle-class with increased purchasing power have contributed towards growth in demand for spirits in India. The Indian alcoholic beverages (alcobev) industry is experiencing a series of innovations. Indian craft gin had taken the fancy of consumers two years ago and now the Ready to Drink (RTD) segment is witnessing brand launches with diversified offerings. Consumers are experimenting with experiences beyond the functional social benefits of alcohol. This trend likely to accelerate social acceptance of alcoholic beverages besides adding new consumers.

Driven by the proliferation of cocktail culture, RTD beverages have continued to gain popularity in India over the years. The innovative flavours and ease of drinking straight out of the container has made RTD beverages popular among youth. Further, as the alcohol content in RTDs is comparatively lower than the other spirits, it makes a perfect daytime drink. The RTD trend is expected to continue in the years to come.

Even as the size of brick-and-mortar showrooms in several segments is shrinking, liquor retail in India is getting a premium makeover with large-format, specialist stores opening in major cities. More of these shops have emerged to fulfil the rising demand for premium spirits and to serve a youthful, affluent customer who likes experiential shopping.

State governments have become more aware of the importance of excise revenue in state budgets. This understanding is reflected in policy changes over the last couple of years, which have broadly been positive for the industry. Industry profitability in the second half of FY2022, impacted due to significant raw material cost inflation, led to various qualitative product changes. Brand owners have accelerated value engineering, including more sustainable alternative packaging options, in addition to seeking price increases in various states. Companies, however, are facing more margin pressure in the regular category brands.

Many states in India have already allowed online delivery of alcoholic beverages through ecommerce players. Online sales of alcoholic beverages represent another experimental arena for liquor brands in India, which is still at a nascent stage and requires keen efforts from both state governments and brand owners to make it successful.

According to Euromonitor International, IMFL volumes are expected to touch 369 million cases in CY2026. During the CY2022-2026 period, IMFL sales volume is expected to grow at a CAGR of 5.3%. During the same period, the IMFL industry value is expected to grow by 6.3%. The white spirits industry is expected to perform better during the same period with volume growth of 6.5% and value growth of 13.0%.

GROWTH DRIVERS

FAVOURABLE DEMOGRAPHICS, GROWING INCOME LEVELS AND RAPID URBANISATION

As the fastest growing economy in the world, India's favourable demographics, growing middle class, rising levels of disposable income, increased preference for upscale food and drink experiences, and rising acceptance of alcoholic beverages in social gatherings, will contribute to an increase in alcohol consumption. Another significant factor for market expansion will be drinking amongst women and increased consumption of alcohol in rural areas.

NEW OPTIONS FOR ONLINE ORDERING AND HOME DELIVERY

To enable revenues amidst the social and movement restrictions imposed during the pandemic, many state governments permitted home delivery of alcohol. Today, liquor can be delivered to homes directly by retailers as well as through services like food

RADICO KHAITAN IS ONE OF THE FEW COMPANIES IN INDIA TO HAVE DEVELOPED ITS ENTIRE BRAND PORTFOLIO ORGANICALLY. THIS IS A TRUE REFLECTION OF THE COMPANY'S FOCUS ON INNOVATION, R&D PROWESS, AND INSIGHT INTO CUSTOMER PREFERENCES.

aggregators and common technology platforms. Over the longer term, this may help the industry generate more income because many customers, especially women, are hesitant to go out and purchase liquor from stores.

PREMIUMISATION

The trend of premiumisation is pervasive along the entire value chain, including the introduction of new products, branding of shelf space in retail establishments, and customer outreach initiatives undertaken by businesses. Additionally, as disposable income rises, customers will likely improve their preferences, fuelling demand for spirits in the premium and luxury segments. Rapid urbanisation and increased overseas travels have raised people's aspirations, which is driving demand for luxury alcohol brands. The trend is further accelerated by millennials' rising aspirations and increased reliance on social media.

RISE OF IN-HOME CONSUMPTION

The COVID-19 pandemic has influenced a change in consumer drinking behaviour, with drinks being more frequently consumed at home. Opposed to drinking in restaurants, hotels, pubs, and bars, consumers spend less money but consume more expensive alcoholic beverages when they drink at home. Consumers' social lives, which included alcoholic beverages, were significantly interrupted by lockdowns and food services sector restrictions. Therefore, after COVID-19, house parties and small social events have become more prevalent.

FAVOURABLE EXCISE POLICIES COULD FUEL MARKET EXPANSION FOR ALCOHOLIC BEVERAGES IN INDIA

Favourable excise policies being developed by several states are expected to improve customer satisfaction. Attractive retail establishments for liquor sales can be built in prominent locations like malls and airports. Several states have also taken steps to simplify their tax system and increase sales to drive organic growth.

COMPANY OVERVIEW

Radico Khaitan Limited (Radico Khaitan or the Company) is one of India's oldest and largest producers of Indian Made Foreign Liquor (IMFL). Previously known as 'Rampur Distillery Company', it started operations in 1943. Over the years, Radico Khaitan has transformed itself from being a leading bulk spirits supplier and bottler for other manufacturers to one of India's most esteemed liquor brands.

In 1998, with the introduction of 8PM Whisky, the Company initiated the process of developing its own brand portfolio. During the first decade (1998-2006) the Company focussed on building a solid manufacturing base and to establish a robust pan-India distribution network, and reached a sales volume of over 10 million cases. The next decade, i.e. from 2006, was the period of premiumisation, that began with the launch of Magic Moments vodka, which became the most successful brand introduction in the domestic spirits industry. It became the best-selling vodka in India and one of the largest in the world.

Radico Khaitan has effectively expanded its premium brand portfolio over the past 15 years. The Company has introduced fourteen new brands, thirteen of which have been in the Prestige & Above category. Radico Khaitan is one of the few companies in India to have developed its entire brand portfolio organically. This is a true reflection of the Company's focus on innovation, R&D prowess, and insight into customer preferences.

DIVERSE PRODUCT OFFERINGS

Over the years, the Company has created a strong brand portfolio across the IMFL category consisting of whisky, brandy, rum, and white spirits including Rampur Indian Single Malt Whisky, Jaisalmer Indian Craft Gin, Royal Ranthambore Heritage Collection-Royal Crafted Whisky, Magic Moments, Magic Moments Verve and the newly added Magic Moments Dazzle Vodka, Morpheus and Morpheus Blue Brandy, 8PM and 8PM Premium Black Whisky, After Dark Whisky, 1965–The Spirit of Victory Rum, Contessa Rum, Old Admiral Brandy, Pluton Bay Rum and Regal Talon Whisky. Currently, the Company's portfolio consists of five millionionaire brands: 8PM Whisky, Contessa Rum, Old Admiral Brandy, Magic Moments Vodka, and 8PM Premium Black Whisky.

In FY2022, despite the impact of COVID-19 variants and inflationary pressures, the 8PM family of brands maintained its growth trajectory and achieved a sales volume of 12.4 million cases. 8PM Premium Black Whisky crossed the two million cases sales mark during the year.

Radico Khaitan is one of the largest suppliers of branded IMFL to Canteen Stores Department (CSD) under the Ministry of Defence. There are stringent conditions for brand registration with CSD implying significant entry barriers for new players. Recent restrictions on the availability of Bottled in Origin (BIO) products in the CSD opens opportunities for Radico Khaitan's luxury products, like Rampur Indian Single Malt and Jaisalmer Indian Craft Gin. Currently, the Company exports its products to more than 85 countries, where it has effectively established its brand equity. Radico Khaitan has been able to carve out its own niche in the spirits market worldwide.

SIGNIFICANT BACKWARD INTEGRATION

The Company operates three distilleries in Rampur (Uttar Pradesh) and two units in the joint venture, Radico NV Distilleries Maharashtra Ltd. (RNV) in Aurangabad (Maharashtra), in which Radico Khaitan holds a 36% stake with a combined capacity of 160 million litres. The Company operates five of its own bottling plants and 28 contract bottling plants. Its manufacturing facilities and distribution centres at multiple locations provide easy access to key markets. Apart from a nationwide presence, its strategic locations help the Company to avoid the high taxes levied on interstate movement of finished and in-process liquor. Radico Khaitan remains focussed on high productivity levels and product excellence across its manufacturing platform.

The Company has undertaken two capex projects including conversion of the existing 140 KLPD molasses plant in Rampur to dual-feed and a greenfield project over 100 acres to establish a 330 KLPD grain-based distillery along with bottling facilities for IMFL and country liquor and a malt maturation facility.

ROBUST DISTRIBUTION NETWORK

Radico Khaitan has a robust sales and distribution network, with over 75,000 retail and 8,000 on-premises shops in key alcohol categories throughout India. In addition to wholesalers, around 300 personnel, organised into four zones with each zone being led by a regional profit centre head, helps to maintain an efficient sales and distribution presence across the nation. The Company can thus ensure product availability across channels and geographies due to its sophisticated and efficient distribution system.

PERFORMANCE OVERVIEW

FINANCIAL SNAPSHOT (₹ Crore)

Year	FY2022	FY2021	YoY Change
Gross Sales	12,470.5	10,504.0	18.7%
Net Sales	2,868.0	2,398.8	19.6%
Gross Profit	1,290.6	1,196.4	7.9%
EBITDA	402.6	407.8	(1.3)%
Profit Before Tax (PBT)	335.3	353.1	(5.1)%
Total Comprehensive Income	252.5	269.7	(6.4)%

Note: The numbers mentioned above are on standalone basis

KEY FINANCIAL RATIOS

Year	FY2022	FY2021	YoY Change
Debtors Turnover (days) (on Gross Sales basis)	21	26	(19.5)%
Inventory Turnover (days) (on COGS plus Excise duty)	17	17	(1.1)%
Creditor Turnover (days) (on COGS)	65	77	(15.8)%
Interest Coverage Ratio (x)	26.6	17.0	56.0%
Current Ratio (x)	2.46	2.11	16.8%
Debt Equity Ratio (x)	0.10	0.15	(38.3)%
EBITDA Margin (%)	14.0%	17.0%	(296) bps
Total Comprehensive Income Margin (%)	8.8%	11.2%	(244) bps
Return on Average Equity (%)	13.4%	16.5%	(303) bps
Return on Average Capital Employed (%)	15.5%	17.8%	(228) bps

During FY2022, the Company continued to focus on working capital improvement and strong cash flow generation. However, commodity inflation had a strong bearing on the Company's profitability, particularly in the non-IMFL business. The adverse economic situation resulted in a decline of profitability and return ratios.

RISK AND MITIGATION

Risk Description	Mitigation Strategy
Macroeconomic Instability	
Slowdown in global economic growth due to the pandemic and ongoing geopolitical tensions may lead to reduction in disposable income of the consumer and slowdown in the IMFL industry which may affect the Company's financial performance adversely. **Risk Trend:** ↑	Radico Khaitan has a resilient business model, strong premium product portfolio and a pan-India distribution network that coupled with a robust cash-flow, optimally positions the Company to overcome any short-term macroeconomic challenges. The Company is confident that it will continue to outperform the industry and strengthen its market position over the coming years. Even during the COVID-19 period, the Company was able to quickly adapt to evolving industry dynamics such that the impact of the pandemic on its business was minimised. Over the years, Radico Khaitan has experienced several macroeconomic cycles and gained the experience of wading through challenging times.
Rising Inflation	
Prolonged and accentuated inflationary pressure and disruption in supply chain could adversely impact operations and thereby the profitability of the Company. **Risk Trend:** ↑	Radico Khaitan has a diversified base of suppliers with whom the Company shares a long-standing relationship. The Company is continually tracking global and regional commodity prices and take necessary actions after reviewing the impact with the industry experts on a monthly basis. As the Company moves up the premiumisation ladder, margins are less susceptible to commodity price increases. Radico Khaitan has also undertaken a company-wide, product-wide value engineering exercise to add value and make its offerings more sustainable. Furthermore, the Company has received IMFL price increases in a few states which will largely help to alleviate the cost pressure. Representations are being made to other states as well.
Regulatory Environment	
As a state subject, the Indian spirit industry in India 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 differential duties on manufacturing setup and state-wise compliance norms and taxation besides restrictions on direct advertising, and licensing terms to produce, store and distribute products. Any change in rules and regulations by state governments and non-compliance with laws and regulations can adversely impact the business. **Risk Trend:** ↔	With more than 75 years of experience in manufacturing liquor 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 a code of business conduct and supporting policies to comply with all applicable laws and regulations in the country. Its legal and compliance team closely monitors and reviews practices and policies to provide reasonable assurance that the Company's operations are in line with all relevant laws and legal obligations.

Risk Description	Mitigation Strategy
Competition	
The Company might face competition from international peers as the lucrative growth prospects of the spirits industry in India due to low per capital liquor consumption, continually attracts new players into the market. **Risk Trend:** ↔	Given the strong entry barriers into this industry, it is difficult for new foreign players to establish a footprint in India. Radico Khaitan has a competitive edge with its strong brand loyalty among consumers and offers better-quality products across price points with a value for money proposition.
Consumer Preference	
Any change in consumer preferences towards consumption of alcoholic beverages may significantly impact demand for the Company's products. **Risk Trend:** ↔	Radico Khaitan has a track record of offering unique products to cater to evolving consumer preferences. The Company continues to engage with its consumers through various online and offline platforms to gain better insight into their behaviour and preferences. This practice has enabled Radico Khaitan to track consumption patterns and changing preferences which drives product innovation. Any new brand launch undergoes a rigorous 15-18 months' exercise of consumer and industry research on the type of blend, packaging, market positioning, and other important aspects that may impact consumer demand.
Information and Cyber Security	
Increased reliance on systems and technologies raises the importance of information and cyber security. Any breach may result in loss of sensitive information, business interruptions, potential fines, reputational damage, etc. **Risk Trend:** ↑	With growing cyber security threats, Radico Khaitan is cognisant that sensitive data must be protected from unauthorised access and leakage. Its efforts on data protection stand vindicated as the Company was able to keep its data secured during the year. To further strengthen cyber security, the Company is planning to implement DLP tool to ensure 360° data leakage protection.
People	
Attracting and retaining talent impacts succession planning and business growth. **Risk Trend:** ↑	Radico Khaitan has developed a culture of continual learning, innovation, and collaboration across the organisation. The Company's HR agenda is focussed on progressive human resource management policies, creating an inclusive work culture, building a robust and diverse talent pipeline, and driving greater employee engagement.
Climate Change	
Climate change and regulatory actions to reduce the impact of environmental changes may disrupt the Company's operations. **Risk Trend:** ↑	As part of the environmental strategy, the Company has undertaken numerous initiatives to ensure that operations and products are more sustainable. The Company is consciously reducing its carbon footprint. More details available on pages 28-31 of the annual report.

Risk change compared with last year: Increased ↑, No Change ↔

HUMAN RESOURCES

Radico Khaitan has become more resilient from confronting the difficulties posed by the COVID-19 pandemic, which is entirely attributable to the tenacity and adaptability displayed by its dedicated team.

The Company's conviction that human capital is the primary factor in driving strategic growth has been strengthened. The Company has developed a work culture that emphasises the creation of an organisation prepared for the future. The following are some of the pillars that support this culture:

- Respect for people by recognising human capital and rewarding individual and team efforts
- Continual innovation to exceed consumer expectations
- Customer-centricity to maintain a connection with existing customers for a superior experience
- Working for excellence defined by the desire to do things better every time and to establish new standards of excellence

Human resource management at Radico Khaitan focusses on enabling each employee to realise his or her potential and utilise it to achieve organisational objectives. This journey is made easier by having an inclusive work culture, which continually presents new challenges and consequently aids the learning process. The resource value is increased by employee training and retraining along organised learning routes and by skill upgradation. Talent development focusses on identifying prospective employees as new generation managers and preparing them to assume new positions in the future through capsuled learning plans.

The Company believes in equal participation of all genders at work. This approach has helped Radico Khaitan to focus on gender equality and practices to make work-life balance practically possible. Some of the practices like same level of pay for any gender for same grade of work, same terms of employment and flexi work timings, etc. make Radico Khaitan an employer of choice. In this journey, Radico Khaitan has also been awarded one of the "Best Organizations for Women" by the Economic Times. Radico Khaitan's CSR outreach is promoting the concept of "Employability Enhancement Program" which is a skill development initiative undertaken along with the well known Art of Living Foundation.

Digitalising employee life cycle processes and employee interaction on an intranet platform strengthens the work culture and sense of community among employees. Digitalisation of HR processes is changing people's experience in Radico Khaitan right from recruitment to onboarding and the complete life cycle processes. All staff have performance plans and evaluation criteria that are well defined. This objective evaluation assures outcomes-based compensation, thus bolstering the Company's performance management system and culture of accountability. The Human Resources (HR) function focusses on establishing and developing a platform for employees to have greater impact by being recognised and appreciated for their meaningful work.

The cornerstone of the HR agenda, which was widely acknowledged throughout the pandemic, is employees' holistic growth, welfare, and well-being. HR professionals proactively mobilised resources to prevent medical emergencies and medical aid shortages for employees and their families. Financial support along with education for the children was provided to a bereaved family, following death of an employee due to the pandemic. Further, term insurance coverage of employees ensured a strong sense of security.

INFORMATION TECHNOLOGY (IT)

At Radico Khaitan, Information Technology has always played an important role in the growth of the Company. By investing in cutting-edge technologies, Radico Khaitan's IT team has been able to provide diverse information and analytics to the management team and has worked to embrace technologies to synergise operations and to provide seamless integration across all business functions. This year, the focus has been on appropriate use of data analytics, which will provide the foundation for the next level of growth.

Dashboards: While capitalising on real-time information that is continually flowing within the organisation, the Company is enhancing its IT framework to unleash valuable insights, greater agility, better economics and long-term success through reporting and dashboards.

Analytical and operational dashboards have been built to review consolidated, fact-based, key performance indicators and strategic data across multiple dimensions. Descriptive and predictive dashboards will enable managers to make informed decisions based on collected business intelligence, thus aligning strategies and organisational goals. Dashboards will increase data transparency, interactivity, and provide on-demand access to data. The depth and breadth of dashboards is not just limited to executives and senior leaders; but across all levels, thus enabling online monthly reviews using dashboards.

IT Infrastructure Transformation: A dynamic business environment demands a robust and secure infrastructure to compete and succeed. During the year, the Company has taken substantial strides in transforming technology and systems, including some pioneering initiatives. Placing the highest priority on functionality and disaster recovery, achieved a remarkable 99.999% availability of all the infrastructure and systems for the year. The key highlights of the Company's IT infrastructure include:

- Increased uptime of systems by implementing resilient network infrastructure with complete redundancy
- The Company adopted cloud-first strategy and established its presence on both Amazon and Microsoft Azure public cloud networks

Industry 4.0: Computer-integrated manufacturing (CIM) is the future of manufacturing with ability to yield significant efficiencies. The Company has been exploring the potential of this futuristic technology in its plant operations to reduce downtime and improve productivity through further automation and digitalisation. The Company is currently planning a pilot stage across a couple of facilities which will expand the scale of CIM based on the results obtained.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has an effective and reliable internal control system. In line with its business operations, Radico Khaitan has a 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, 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 system is validated by internal auditors and re-examined by the management.

A CEO and CFO Certificate, forming part of the Company's Corporate Governance Report, confirms the existence and effectiveness of internal controls and reiterates its responsibility to report deficiencies to the Audit Committee and rectify the same. The Company has appointed SCV & Co. LLP as its internal auditor, which submits quarterly reports to the Audit Committee that monitors and provides an effective supervision of the financial reporting process. The Company thus ensures 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 improvements as required.

SUPPLY CHAIN MANAGEMENT

Radico Khaitan's supply chain management strategy revolves around customer service, cost efficiency, operational excellence, and sustainability. Radico Khaitan continually strives to build flexibility and competitiveness in its supply chain by developing more suppliers in the system across all materials and logistics to ensure reliable volume deliveries at the right place in a timely and cost-effective manner.

Tracking Commodity Pricing: A key part of the Company's procurement strategy is to continually deepen its understanding of global commodity trends. It periodically monitors commodity pricing trends to derive analytics to support purchase decisions. These efforts have yielded a better understanding of the commodity and pricing index, which has not only helped to widen the supplier base but led to an improvement in the quality and timing of purchase decisions. The Company shall continue to leverage on the same.

Value Engineering and Sustainability: Radico Khaitan has set-up a cross-functional team to identify various value engineering opportunities to optimise raw material cost without compromising on product quality. Enhanced common use of corrugated boxes to transport empty bottles and finished goods is a testimony to this approach. Our supply chain strategy is based on three key principles of Recycle, Reduce and Reuse. We have maximised sourcing of glass bottles from the region where suppliers use natural gas as fuel instead of fossil fuels as used in other regions. Leveraging improved glass technology to produce glass bottles at lower weight is another example which has not only helped to optimise raw material cost but will also reduce pressure on depleting of natural resources used in the manufacture of glass bottles. Weight optimisation is being done with polyethylene terephthalate (PET) bottles wherever the opportunity exists.

Collaboration and Supplier Partnerships: Radico Khaitan is working to identify key business partners and establish alliances across all key raw materials to create a collaborative approach to increase supply chain efficiency. We have also focussed on sourcing from domestic suppliers and develop a more robust local supplier base.

CAUTIONARY STATEMENT

The narrative in this Management Discussion and Analysis contains 'forward-looking statements' including, but not limited to, statements relating to implementation of strategic initiatives, future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, numerous risks, uncertainties and other unknown factors could cause actual 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 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 (the "Listing Regulations"), and the report contains the details of Corporate Governance Systems and processes at Radico Khaitan Limited (the "Company" or "Radico Khaitan").

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 Listing Regulations and listed below the status with regard to the same.

BOARD OF DIRECTORS

Composition

The Board of Radico Khaitan is constituted in compliance with the provisions of the Companies Act, 2013 (the "Act"), Listing Regulations 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 composition of the Board is in conformity with the Listing Regulations and represents the optimum combination of professionalism, knowledge, experience and consists of eminent individuals.

The Chairman plays a key role in promoting and building integrity within the 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.

As on March 31, 2022, the Board of the Company is comprising eight members, consisting of one executive Chairman, two executive directors (Managing Director and Whole-time Director), and five independent directors including an Independent Woman Director.

An independent director is the chairperson of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

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

Number of Board Meetings

During the financial year ended March 31, 2022, four meetings of the Board of Directors were held i.e. on June 1, 2021, July 28, 2021, November 2, 2021 and February 3, 2022. The maximum time gap between two meetings did not exceed 120 days.

The Board meets at least once in every quarter to review the quarterly financial results and operations of the Company. In addition to the above, the Board 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 annually and periodically about their Directorship and Membership on the Board / Committees of other companies. As per disclosures received from directors, none of the Director on the Board:

- holds directorships in more than ten public companies;
- serves as Director or as independent directors in more than seven listed entities;
- who are the Executive Directors serves as independent directors in more than three listed entities;
- holds membership in more than ten Committees; and
- holds chairmanship in more than five Committees.

Composition of the Board of Directors as on March 31, 2022, attendance at the Board meetings held during the Financial Year ended March 31, 2022, attendance at the last AGM and details of other directorships and committee positions are given below:

Name	Category	Attendance at Meetings		Last AGM attended	No. of Directorships in Other Bodies Corporate	No. of Chairmanships/ Memberships of Committees		Directorships and Category of Directorships in other listed companies
		Board meetings held during the tenure	Board meetings attended			Chairmanship	Membership	
Dr. Lalit Khaitan	Promoter, Chairman & Managing Director	4	4	Leave sought	1	-	-	-
Mr. Abhishek Khaitan	Promoter and Managing Director	4	4	Leave sought	1	-	-	-
Mr. Krishan Pal Singh	Whole- time Director	4	4	Yes	2	-	1	-
Dr. Raghupati Singhania	Non-Executive Independent Director	4	3	No	14	2	2	1. JK Tyre & Industries Limited – Chairman & Managing Director 2. JK Lakshmi Cement Limited – Non-Executive Non Independent Director 3. Bengal & Assam Company Limited – Non-Executive Non Independent Director 4. JK Agri Genetics Limited – Non-Executive Non Independent Director
Mr. Sarvesh Srivastava	Non-Executive Independent Director	4	4	Yes	-	1	1	-
Ms. Sushmita Singha	Non-Executive Independent Director	4	4	No	4	1	1	Kajaria Ceramics Limited – Non-Executive Independent Director Green Panel Industries Limited - Non-Executive Independent Director
Mr. Sharad Jaipuria	Non-Executive Independent Director	4	4	No	6	1	-	-
Mr. Tushar Jain	Non-Executive Independent Director	4	3	No	3	-	1	-

Notes:

1. *Mr. Abhishek Khaitan is son of Dr. Lalit Khaitan.*
2. *Pursuant to Regulation 26 of the Listing Regulations, Chairmanship/ Membership of the Audit Committee and the Stakeholders Relationship Committee of Indian Public Companies (excluding Section 8 companies), whether listed or not, have been considered. Chairmanship/Membership of the Audit Committee and Stakeholders Relationship Committee held by the Directors in Radico Khaitan are also included.*
3. *Directorships include directorships in Private Limited Companies and companies under Section 8 of the Act.*

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 reappointment

Board Procedures

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

The Board and its Committees' meetings are governed by a structured and detailed agenda. The agenda along with comprehensive notes and background material are circulated atleast 7 days in advance before each meeting to all the Directors to facilitate effective discussion and decision making. The Board members may bring up any other matter for consideration of the Board, in consultation with the Chairman. The information as specified in Part A of Schedule II of the Listing Regulations is regularly made available to the Board.

Presentations are made by the Chairman and Managing Director, Managing Director and the Senior Management Personnel 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/ respective Committee members for perusal within the stipulated period mentioned under the Act and Secretarial Standard-1 issued by the Institute of Company Secretaries of India. The important decisions taken at the Board and its Committee meetings are communicated to the concerned departments / divisions for necessary actions.

The Board has complete access to any information within the Company which as specified in Part A of Schedule II of the Listing Regulations.

Independent Directors

In the opinion of the Board, the Non-Executive Independent Directors fulfill the conditions of independence as specified in Section 149(6) of the Act, read with Rules made thereunder and Regulation 16(1)(b) of the Listing Regulations and are independent from the management of the Company. A formal letter of appointment has been issued to the Independent Directors pursuant to the provisions of the Act and the Listing Regulations and the same is available on the website of the Company https://www.radicokhaitan.com/wp-content/uploads/2019/10/RKL-Terms-and-Conditions-of-Appointment-of-Independent-Directors.pdf

Further, Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

During FY 2022, one meeting of the Independent Directors was held on June 1, 2021. All Independent Directors were present at the said meeting. In the said meeting the Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

Familiarisation Programme for Independent Directors

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the role, functions, 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 Act 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 details of familiarisation programme as attended by the Independent Directors is available on the website of the Company at https://www.radicokhaitan.com/wp-content/uploads/2022/07/Independent-Directors-FamiliarisationProgramme-FY2021-22.pdf.

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 of 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 ensure that the Radico Khaitan's Board follows 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; and
- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mind-set.

The table presented 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 that the member does not possess the corresponding qualification or skill.

Key Board qualifications/expertise/competencies:

Director	Skills and 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. Krishan Pal 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 planning to ensure orderly succession in appointments to the Board and Senior Management Personnels. The Company strives to maintain an appropriate balance of skills and experience within the organisation and the Board endeavours 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 management skills 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 in which they have concern or interest.

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

The Non-executive directors, except receiving sitting fees, had no pecuniary relationship or transactions with the Company in their personal capacity during the financial year 2021-22.

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, Sustainability and Corporate Social Responsibility ("Sustainability and CSR") Committee, Risk Management Committee, Committee of Independent Directors and Committee of Directors. The Board has decided the terms of reference for these Committees. These Committees meet as often as required, statutorily or otherwise. The minutes of the meetings of the Committees are placed before the Board for discussions and noting. Recommendations made by these Committees have been accepted by the Board. The Company Secretary officiates as the Secretary of these Committees.

Terms of reference, composition, quorum, meetings, attendance and other relevant details of the Board Committees are as under:

Audit Committee

Composition:

As on March 31, 2022, the Audit Committee comprises of three Non-executive Independent 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 and risk management.

The Audit Committee invites Chief Financial Officer, Statutory Auditors, Internal Auditors and Cost Auditors to attend the meetings. Company Secretary acts as Secretary to the Audit Committee.

Meetings and Attendance:

During the year, the Audit Committee met four times i.e. on June 1, 2021, July 28, 2021, November 2, 2021 and February 3, 2022.

The table below provides the attendance of the Audit Committee Members:

Name	Position	Category	Meeting details	
			Held	Attended
Mr. Sarvesh Srivastava	Chairman	Non-Executive Independent Director	4	4
Dr. Raghupati Singhania	Member	Non-Executive Independent Director	4	3
Mr. Tushar Jain	Member	Non-Executive Independent Director	4	3

Terms of Reference:

The terms of reference of the Audit Committee is in accordance with the Regulation 18 read with Part C of Schedule II of the Listing Regulations and Section 177 of the Act.

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 statement is correct, sufficient and credible;

(2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

    (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;

    (b) changes, if any, in accounting policies and practices and reasons for the same;

    (c) major accounting entries involving estimates based on the exercise of judgment by management;

    (d) significant adjustments made in the financial statements arising out of audit findings;

    (e) compliance with listing and other legal requirements relating to financial statements;

    (f) disclosure of any related party transactions;

    (g) modified opinion(s) in the draft audit report;

(5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

(7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) approval or any subsequent modification of transactions of the listed entity with related parties;

(9) scrutiny of inter-corporate loans and investments;

(10) valuation of undertakings or assets of the listed entity, wherever it is necessary;

(11) evaluation of internal financial controls and risk management systems;

(12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) discussion with internal auditors of any significant findings and follow up there on;

(15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(16) discussion with 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;

(17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) to review the functioning of the whistle blower mechanism;

(19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(20) carrying out any other function as is mentioned in the terms of reference of the audit committee;

(21) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances /investments existing as on the date of coming into force of this provision;

(22) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

(23) to review the following documents:

    (a) management discussion and analysis of financial condition and results of operations;

    (b) management letters / letters of internal control weaknesses issued by the statutory auditors;

(c) internal audit reports relating to internal control weaknesses;

(d) appointment, removal and terms of remuneration of the chief internal auditor; and

(e) statement of deviations for the following-

(i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations.

(ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of Listing Regulations.

(24) Undertake any other matters as may be prescribed under law or as the Board may decide from time to time.

Apart from the above, the Company has an internal audit team, headed by senior person, 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, 2022, the Nomination and Remuneration Committee comprises of three comprises of three Non-executive Independent Directors, viz., Dr. Raghupati Singhania (Chairman of the Committee), Mr. Tushar Jain and Mr. Sharad Jaipuria.

Meetings and Attendance:

During the year, the Nomination and Remuneration Committee met twice i.e. on June 1, 2021 and February 3, 2022.

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 Director	2	1
2	Mr. Tushar Jain	Member	Non-Executive Independent Director	2	1
3	Mr. Sharad Jaipuria	Member	Non-Executive Independent Director	2	2

Terms of reference:

During the year under review, terms of reference of the Nomination and Remuneration Committee was revised in order to align the same with amendments in Listing Regulations. The terms of reference of the Committee is in accordance with the Regulation 19 and part D of Schedule II of the Listing Regulations and Section 178 of the Act.

The role of the Nomination and Remuneration Committee, inter alia, includes the following:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. To evaluate the balance of skills, knowledge and experience on the Board for appointment of Independent Director and on the basis of such evaluation, preparation of a description of the role and capabilities required of an independent director;
3. To formulate the criteria for evaluation of performance of independent directors and the board of directors and to provide necessary reports to the chairman after the evaluation process is completed by the Directors;
4. To devise a policy on diversity of board of directors;
5. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
6. To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. to help in determining the appropriate size, diversity and composition of the Board;
8. to recommend to the Board appointment / re-appointment and removal of Directors;
9. to assist in developing a succession plan for the Board;
10. To recommend to the board, all remuneration, in whatever form, payable to senior management; and
11. To undertake any other matters as may be prescribed under law or as the Board may decide from time to time.

REMUNERATION OF DIRECTORS

The details of remuneration paid to Executive and Non-Executive Directors during the Financial Year 2021-22 are given below:

(i) Remuneration to Managing/ Whole-time Directors

(₹ in Lakhs)

Sl. No.	Particulars	Dr. Lalit Khaitan, Chairman and Managing Director	Mr. Abhishek Khaitan, Managing Director	Mr. Krishan Pal Singh, Whole-time Director
1	Salary	551.60	551.60	69.85
2	Commission Payable (as a % of profit)	125.00	125.00	-
3	House Rent Allowance	-	-	29.91
4	Contribution to Provident Fund and Superannuation Fund	63.57	64.57	8.05
5	Perquisite Value of Stock Options	-	-	-
6	Allowances/ Perquisites	357.64	352.33	78.04
7	Variable Pay	-	-	44.17
	Total	**1,097.81**	**1,093.50**	**230.02**

Service Contracts, Notice Period and Severance Fees

Appointments of Chairman and Managing Director, Managing Director and Whole-time Director are contractual. Their appointments are terminable on 3 calendar months' notice of a sum equivalent to remuneration for the notice period or part thereof in case of shorter notice. No severance fee is payable to Chairman and Managing Director, Managing Director and Whole-time Director.

(ii) Remuneration to Non-Executive Independent Directors

The Company considers the time and efforts put in by the Non-Executive Independent Directors in deliberations at the Board and Committee meetings. They are remunerated by way of sitting fees of ₹ 40,000 for attending each Board meeting and ₹ 15,000 for attending respective Committee meetings in which they are member.

Details of Equity Shares held and sitting fees of the Non-Executive Independent Directors for the Financial Year ended March 31, 2022 are presented below:

Sl. No.	Name	No. of Equity Shares of ₹ 2 held	No. of Stock Options	Sitting Fees (in ₹)
1	Dr. Raghupati Singhania	Nil	Nil	1,80,000
2	Mr. Sarvesh Srivastava	Nil	Nil	2,80,000
3	Ms. Sushmita Singha	Nil	Nil	1,75,000
4	Mr. Tushar Jain	1,000	Nil	1,80,000
5	Mr. Sharad Jaipuria	6,000	Nil	2,50,000

Other than holding Shares and sitting fees indicated above, the Non-Executive Directors did not have any pecuniary relationship or transactions with the Company during the year under review. The Company has adopted remuneration criteria for Non-executive Directors in compliance with the Listing Regulations. Criteria for making payment to Non-executive Directors is available on the website of the Company i.e. www.radicokhaitan.com as a part of Nomination and Remuneration Policy.

Performance Evaluation and its Criteria

Pursuant to the provisions of the Act, the Listing Regulations and Performance Evaluation Policy of the Company, the Board has carried out the annual evaluation of its own performance, evaluation of the performance of the Directors individually and evaluation of the working of Board Committees. A structured questionnaire has been prepared covering various aspects of the Board's functioning such as adequacy of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance of the Board as a whole was evaluated by each Director. Board committees were evaluated by the respective committee members. Directors were evaluated individually by the Board of Directors (excepting the Director himself). Independent Directors were additionally evaluated for their performance and fulfilment of criteria of independence and their independence from the Management. Further, the performance evaluation of the Chairman and Managing Director and the Non-independent Directors was carried out by the Independent Directors. The Directors have expressed their satisfaction with the evaluation process.

Outcome of the evaluation was submitted to the Chairman of the Company. The Chairman briefed the outcome of the performance evaluation to the Board.

Risk Management Committee

Composition:

As on March 31, 2022, the Risk Management Committee comprises of four Directors, Dr. Lalit Khaitan (Chairman of the Committee), Mr. Abhishek Khaitan, Mr. Sharad Jaipuria and Mr. Dilip K. Banthiya.

Meeting and Attendance:

During the year, Risk Management Committee met three times i.e. on June 1, 2021, November 2, 2021 and February 3, 2022.

The table below provides the attendance of Risk management Committee Members:

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

** Mr. Sharad Jaipuria was appointed as Member of the Committee effective from June 1, 2021.*

Terms of Reference:

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 which includes risk identification, risk quantification and risk evaluation etc.

The role of the Risk Management Committee, inter alia, includes the following:

1. To formulate a detailed risk management policy which shall include:
   a) framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   (c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity; and
5. To undertake any other matters as may be prescribed under law or as the Board may decide from time to time.

The Risk Management Committee shall coordinate its activities with other committees, where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

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

Stakeholder's Relationship Committee

Composition:

As on March 31, 2022, the Stakeholder's Relationship Committee comprises of three Directors, viz., Mr. Sharad Jaipuria (Chairman of the Committee), Mr. Sarvesh Srivastava and Mr. Krishan Pal Singh.

Meeting and Attendance:

During the year, Stakeholder's Relationship Committee met four times i.e. on June 1, 2021, July 28, 2021, November 2, 2021 and February 3, 2022.

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 Director	4	4
Mr. Sarvesh Srivastava	Member	Non-Executive Independent Director	4	4
Mr. Krishan Pal Singh	Member	Executive Director	4	4

Terms of Reference:

The terms of reference of the Stakeholder's Relationship Committee include the following:

(1) To resolve the grievances of the security holders of the Company including addressing the complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;

(2) To review measures taken for effective exercise of voting rights by shareholders;

(3) To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

(4) To review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Details of the Compliance Officer:

Name	Mr. Dinesh Kumar Gupta
Designation	Vice President - Legal & Company Secretary
Address	**Radico Khaitan Limited** Plot No. J-1, Block B-1, Mohan Co-operative Industrial Area, Mathura Road, New Delhi – 110 044. Tel. Nos.: +91 11 4097 5444/ 555 Fax Nos: 41678841-42 Email: investor@radico.co.in

Shareholders' complaints/queries

During the year, the Company received 403 complaints, which were duly resolved to the satisfaction of the shareholders. No complaint was pending as on March 31, 2022. The same has been filed with the stock exchanges on quarterly basis pursuant to the provisions of the Listing Regulations.

In addition, the Company also receives various queries from the shareholders from time to time. Details pertaining to the nature of queries received during the financial year ended March 31, 2022 are given below:

Nature of queries	Pending at the beginning of the year	Received during the year	Disposed-off during the year	Pending at the end of the year
Non-receipt of Dividend warrants	0	341	341	0
Clarification regarding Shares	0	1,118	1,118	0
Request/ Inquiry for transmission of shares and name deletion	0	205	205	0
Others/ Miscellaneous	0	2,364	2,364	0
Total	**0**	**4,028**	**4,028**	**0**

All the requests, queries and complaints received during the financial year ended March 31, 2022, were duly addressed and no queries are pending for resolution on that date.

The Company provides 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
4	General queries	2 days

Sustainability and Corporate Social Responsibility Committee

Composition:

During the year, name of the Committee has been changed to Sustainability and Corporate Social Responsibility ("Sustainability and CSR Committee") Committee. As on March 31, 2022, the Sustainability and CSR Committee comprises of four Directors, viz., Dr. Lalit Khaitan (Chairman of the Committee), Mr. Abhishek Khaitan, Mr. Krishan Pal Singh and Ms. Sushmita Singha.

Meeting and Attendance:

During the year, the Sustainability and CSR Committee met once on June 1, 2021.

The table below provides the attendance of Sustainability and CSR Committee Members:

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

Terms of Reference:

The terms of reference of the Sustainability and CSR Committee includes the following:

i. Sustainability:
   - To take all steps and decide all matters relating to triple bottom line indicators viz. Economic, Environmental and Social factors; and
   - To take all necessary steps related to Environmental, Social and Governance ("ESG") Reporting, if any.

ii. CSR:
   - To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company;
   - To recommend the Annual Action Plan including amount of expenditure to be incurred on the activities referred to in the CSR Policy and review of the same; and
   - To monitor the CSR Policy including CSR projects/ programmes of the Company.

iii. Business Responsibility Policies:
   - To review and implement Business Responsibility policies; and
   - To monitor the implementation of the aforesaid policies.

iv. Any other role as mentioned in the CSR Policy and as may be decided by the Board from time to time.

CEO / CFO CERTIFICATION:

As stipulated under Regulation 17(8) and Part B of Schedule II of the Listing Regulations, the CEO / CFO Certificate for the financial year 2021-22, signed by Mr. Abhishek Khaitan, Managing Director as CEO and Mr. Dilip Kumar 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.

Details of key codes and policies are given below:

- **Code of Conduct for Board of Directors and Senior Management**

  The Company has adopted a Code of Conduct for Board of Directors and Senior Management Personnel of the Company in accordance with the requirements of the Listing Regulations. The Code of Conduct is available 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, 2022.

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, 2022.

Abhishek Khaitan
Managing Director
DIN: 00772865

New Delhi
Date: August 10, 2022

- **Code of Conduct for Prohibition of Insider Trading**

  The Company has adopted a Code of Conduct for Prohibition of Insider Trading with a view to regulate trading in securities of the Company by the Insiders. During the year, the Company has revised the Code of Conduct for Prohibition of Insider Trading to align the same with the amendments in the SEBI Insider Trading Regulations. The Company has also implemented the Policy and Procedure for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information ("UPSI").

  Pursuant to the SEBI Insider Trading Regulations, the Company has established a Structured Digital Database with adequate internal controls and checks such as time stamp and audit trails. The Company has also established effective internal controls to ensure compliance with the SEBI Insider Trading Regulations. These internal controls are reviewed annually by the Audit committee and the Board of Directors to ensure effectiveness of such controls. Dealing in the shares of the Company by the Designated Persons is effectively monitored for ensuring compliance with the Code. Report on dealing in the shares of the Company by the Designated Persons is placed before the Chairman of the Audit Committee and the Board on a quarterly basis.

- **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

  The Company has adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information with a view to facilitate prompt, uniform and universal dissemination of unpublished price sensitive information. The Code also includes the Policy for Determination of Legitimate Purposes. The Code is posted on the Company's website and the same is availale at the weblink https://www.radicokhaitan.com/wp-content/uploads/2019/09/CODE-of-Conduct-for-Prohibition-of-Insider-Trading.pdf.

- **Vigil Mechanism and Whistle-blower Policy**

  Pursuant to Section 177(9) and (10) of the Act and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism to facilitate Directors and employees to report 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. https://www.radicokhaitan.com/wp-content/uploads/2019/03/Whistle-Blower-Policy-Vigil-Mechanism.pdf.

- **Policy on Nomination and Remuneration for Directors, Key Managerial Personnel and other employees**

  The Company has a Policy on Nomination and Remuneration for Directors, Key Managerial Personnel ("KMP") and Senior Management Personnel of the Company. The Policy aims to ensure that the persons appointed as Directors, KMPs and Senior Management Personnel possess the requisite qualifications, experience, expertise and attributes commensurate to their positions and level and that the remuneration of such persons is fair, reasonable and sufficient to attract, retain and motivate the personnel to manage the Company successfully. The Policy contains, inter alia, provisions pertaining to their appointment and removal as well as remuneration. The Policy is displayed on the Company's website and web-link for the same is https://www.radicokhaitan.com/wp-content/uploads/2019/03/RKL-Policy-on-Nomination-Remuneration-and-Diversity-2020.pdf

- **Dividend Distribution Policy**

  The Company has formulated and implemented the Dividend Distribution Policy in accordance with the Listing Regulations. The Policy is displayed on the Company's website and the web-link for the same is: https://www.radicokhaitan.com/wp-content/uploads/2019/03/Dividend-Distribution-Policy.pdf.

- **Policy for determining Material Subsidiaries**

  Pursuant to Regulation 16(1)(c) of the Listing Regulations, the Company has formulated a Policy for Determining Material Subsidiary. The Policy is available on the Company's website and web-link for the same is https://www.radicokhaitan.com/wp-content/uploads/2022/05/Policy-for-Determining-Material-Subsidiaries.pdf.

- **Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions**

  During the year, the Company has revised the Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions to align the same with the amendments in the Listing Regulations. The Policy is displayed on the Company's website and the web-link for the same is https://www.radicokhaitan.com/wp-content/uploads/2019/09/Related-Party-Transaction-Policy.pdf.

- **Policy on Determination and Disclosure of Materiality of Events and Information**

  The Company has adopted the Policy for Determination and Disclosure of Materiality of Events and Information. This policy aims to ensure timely and adequate disclosure of all material and price sensitive events and information to the Stock Exchanges and on the website of the Company. The Policy is displayed on the Company's website and weblink of the same is https://www.radicokhaitan.com/wp-content/uploads/2022/07/Policy-on-Determination-of-Materiality-for-Disclosure-of-events-or-information.pdf.

- **Corporate Social Responsibility Policy**

  Policy on CSR is displayed on the Company's website and weblink for the same is https://www.radicokhaitan.com/wp-content/uploads/2019/03/CSR-Policy.pdf.

- **Archival Policy**

  Archival Policy is displayed on the Company's website and weblink for the same is https://www.radicokhaitan.com/wp-content/uploads/2019/03/Archival-Policy.pdf.

- Policy for Preservation of Documents
- Policy on Board Diversity
- Succession Plan for Board Members and Senior Management
- Performance Evaluation Policy
- Health, Safety and Environment (HSE) Policy
- Risk Management Policy
- Foreign Exchange and Derivatives Risk Management Policy
- Data & Cyber Security Policy
- **Prevention of Sexual Harassment Policy**

  Your Company has adopted a Policy on Prevention of Sexual Harassment of women at workplace 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. Radico Khaitan has formed Internal Complaint Committee which meets at regular intervals.

  Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

Sl. No.	Particulars	Details
1	Number of complaints filed during the Financial Year 2021-22	Nil
2	Number of complaints disposed of during the Financial Year 2021-22	Nil
3	Number of complaints pending as at March 31, 2022	Nil

- **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 a Anti- Corruption and Bribery Policy to set out responsibilities to comply with the laws of Bribery and Corruption.

GENERAL BODY MEETINGS

Date, time and location of the last three Annual General Meetings of the Company are given below:

Year	Location	Meeting Date	Time	No. of special resolutions set out at the AGM
2020-2021	Rampur Distillery, Bareilly Road Rampur – 244 901 (U.P.)	September 28, 2021	01:00 P.M.	1
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

All special resolutions set out in the notices for these 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' and regional newspaper, 'Hindustan', Moradabad edition, in compliance with the Listing Regulations.

   The Financial Results of the Company are also posted up on the Company's corporate website: https://www.radicokhaitan.com/investor-relations/. The presentations on performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders immediately after the conclusion of investors call for the financial results. The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company. These calls are attended by the Chairman and Managing Director, Managing Director and CEO, CFO, Company Secretary and Head - investor relations. The Company promptly uploads on its website transcript and audio recordings of such calls. Management Discussions and Analysis forms part of this Annual Report, which is also being mailed to all the members of the Company.

B. The Company diligently works towards excellence in stakeholder and investor communication. It believes in sharing all material information that may directly or indirectly affect the financial and operational performance of the Company and consequently the share price.

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

D. Online feedback form is placed on the website of the Company to enable the shareholders to provide feedback about shareholder services.

E. For the Financial Year ending March 31, 2023, quarterly financial results will be announced as per the tentative schedule detailed below:

Not later than August 15, 2022	First Quarter
Not later than November 15, 2022	Second Quarter and Half Yearly
Not later than February 15, 2023	Third Quarter and Nine Months
Not later than May 30, 2023	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 38th Annual General Meeting:

Thursday, September 29, 2022 at 1.00 p.m. at Rampur Distillery, Bareilly Road, Rampur – 244 901, Uttar Pradesh.

C. Financial Year:

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

D. Book closure and Dividend payment details:

The Book closure will start from Friday, September 23, 2022 and end on Thursday, September 29, 2022 (both day inclusive) and Dividend shall be paid on or before October 28, 2022.

E. Listing on Stock Exchanges:

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

Name of Stock Exchange	Address	Stock Code
BSE 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 to the stock exchanges and custodian fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the Financial Year 2022-23. The International Security Identification Number (ISIN) allocated to the Company by NSDL and CDSL is INE944F01028.

F. Registered Office:

Rampur Distillery, 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 the material correspondence, publications and communications to the shareholders at large.

I. Stock price data:

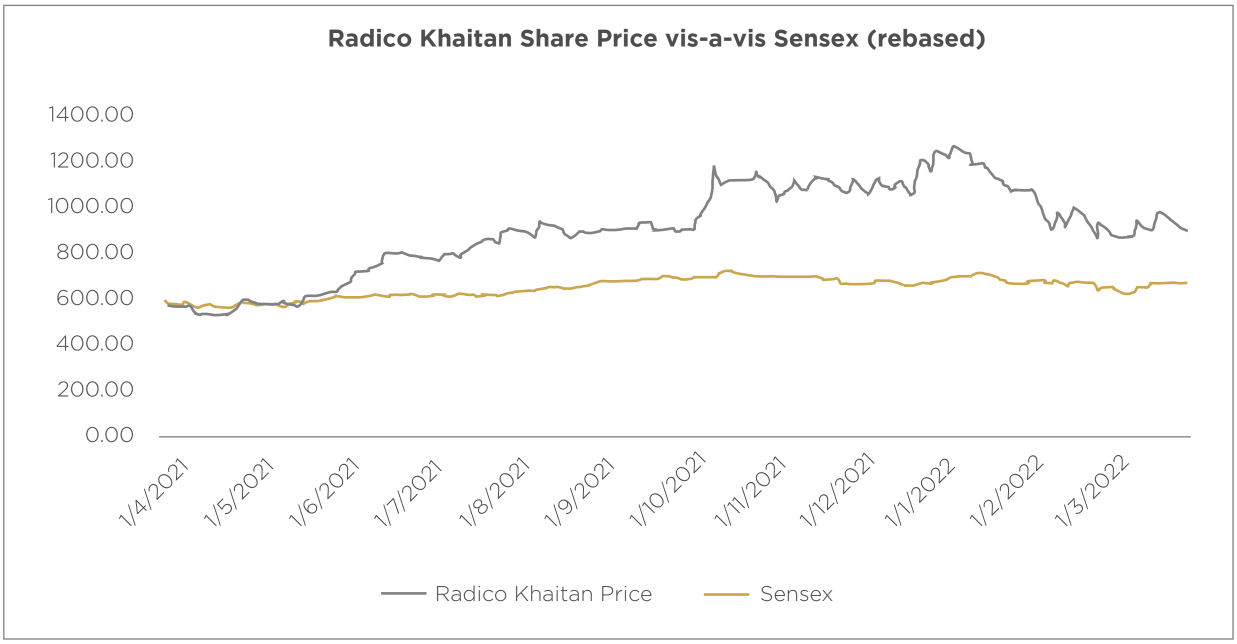
The monthly high and low prices and volumes of your Company's shares traded on BSE and NSE during the year 2021-22 are given below:

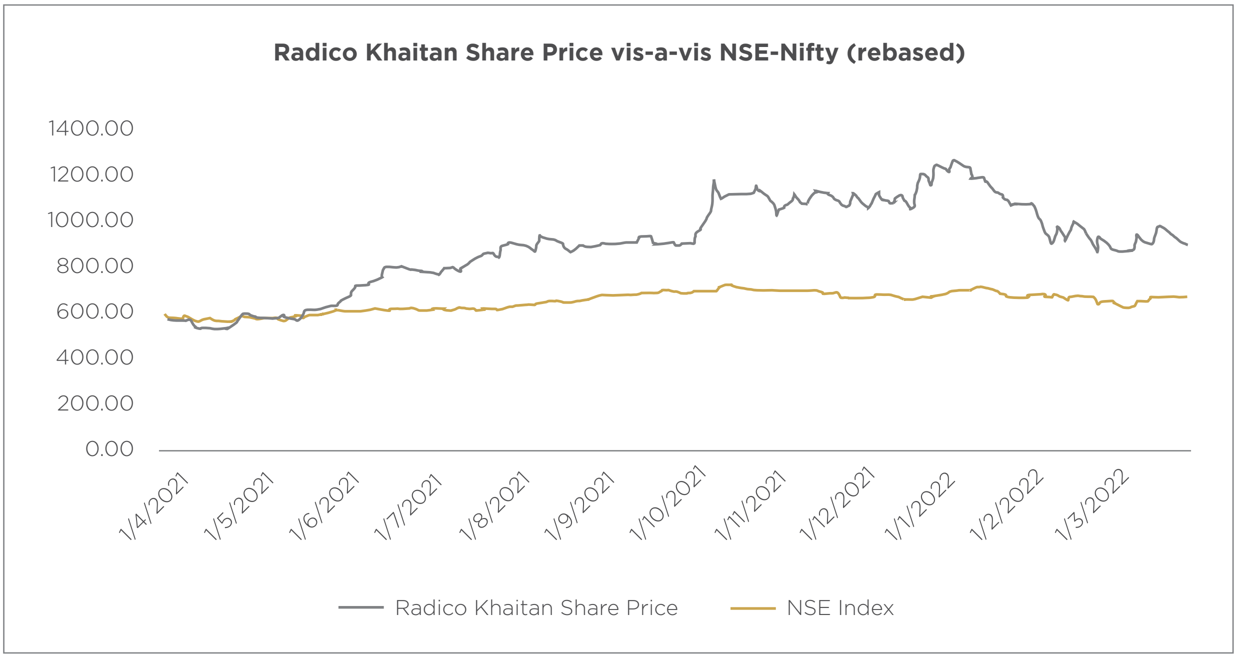
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
April 2021	582.55	494.75	7,76,492	582.95	494.00	38,37,785
May 2021	642.05	535.00	6,55,352	643.00	537.10	86,85,383
June 2021	824.30	606.70	35,33,965	825.00	607.00	2,73,09,600
July 2021	917.00	733.80	14,53,873	917.90	736.50	1,38,76,435
August 2021	944.75	833.50	7,26,699	945.00	833.00	1,06,57,019
September 2021	964.35	859.80	8,67,401	965.00	859.75	1,33,41,400
October 2021	1,215.00	862.80	13,05,859	1,214.80	864.05	1,93,45,406
November 2021	1,157.80	993.00	5,39,181	1,158.00	990.20	78,70,919
December 2021	1,284.70	1,021.55	7,40,524	1,285.00	1,020.00	1,33,36,873
January 2022	1,299.85	1,027.00	5,07,226	1,294.00	1,027.10	74,76,729
February 2022	1,104.20	840.00	9,19,634	1,104.90	840.00	1,51,14,580
March 2022	983.50	810.00	6,15,454	983.95	809.65	95,31,862

Note: Volume is the total monthly volume of trade in Radico Khaitan's shares on BSE and NSE, respectively.

The Chart below shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex and vis - a vis - NSE Nifty for the year 2021 -22. The shares of the Company are traded in the A 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:





J. Share transfer system:

Trading in equity shares of the Company is permitted only in dematerialised form. The dematerialised shares are directly transferred by the depositories to the beneficiaries. Members holding shares in physical form are, therefore, advised to convert their shares in dematerialised form.

K. Distribution of Shareholdings:

The Category wise Distribution of shareholding of the Company as on March 31, 2022 is given below:

Sl. No.	Category of Shareholders	Total No. of Shares	% of total no. of Shares
1	Promoters	5,38,29,818	40.27
2	Mutual Funds	2,39,36,624	17.91
3	Banks and Indian Financial Institution	3,958	0.00
4	FIIs/FPIs	2,57,66,314	19.28
5	Private Corporate Bodies	23,33,471	1.75
6	Indian Public	2,67,71,211	20.02
7	NRIs/OCBs	10,32,369	0.77
8	State Government	0	0
	Total	**13,36,73,765**	**100.00**

The value wise Distribution of Shareholding as on March 31, 2022 is given below:

Sl. No.	Category (Amount)	No. of Holders	% To Holders	Physical (Shares)	Electronic (Shares)	Total Shares	Amount (₹)	% To Equity
1	up to 5000	1,45,295	99.25	9,27,263	1,20,46,193	1,29,73,456	2,59,46,912	9.71
2	5001 - 10000	569	0.39	1,08,205	19,02,096	20,10,301	40,20,602	1.50
3	10001-20000	240	0.16	25,420	16,76,741	17,02,161	34,04,322	1.27
4	20001-30000	70	0.05	10,850	8,46,865	8,57,715	17,15,430	0.64
5	30001-40000	41	0.03	15,500	7,00,874	7,16,374	14,32,748	0.54
6	40001-50000	21	0.01	0	4,79,979	4,79,979	9,59,958	0.36
7	50001-60000	17	0.01	0	4,71,469	4,71,469	9,42,938	0.35
8	60001-100000	32	0.02	0	12,41,823	12,41,823	24,83,646	0.93
9	100001 and above	105	0.07	0	11,32,20,487	11,32,20,487	22,64,40,974	84.70
	Total	**1,46,390**	**100.00**	**10,87,238**	**13,25,86,527**	**13,36,73,765**	**26,73,47,530**	**100.00**

L. Dematerialization of shares and liquidity:

The Company's shares are tradable in the electronic form only. The Company has established connectivity with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through KFin Technologies Limited, Registrar and Transfer Agents (RTA).

As on March 31, 2022, 13,25,86,527 shares (99.19% of the total paid-up share capital) were held in dematerialize form and the rest in physical form.

In terms of Regulation 40(1) of Listing Regulations, as amended, securities can be transferred only in dematerialised form with effect from April 01, 2019. Further, with effect from January 24, 2022, SEBI has mandated listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/ sub-division/ splitting/consolidation of securities, transmission/ transposition of securities. SEBI vide its Circular dated January 25, 2022 clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request. We request the shareholders, who are holding shares in physical mode to dematerialize their shares.

M. Unclaimed Dividend/Shares:

Dividends remaining unclaimed for seven years from the date of transfer to the unpaid dividend account shall be transferred alongwith the underlying shares to the Investor Education and Protection Fund (the "Fund"). Dividends pertaining to the Financial Years 1994-95 to 2013-14 remaining unpaid and shares pertaining to unpaid dividends upto the Financial Year 2013-14 have been transferred to the Fund.

Shareholders who have not encashed their warrants relating to the dividends from the Financial Years 2014-15 to 2020-21 are requested to immediately approach the Registrar and Transfer Agent for claiming the dividend. The details of unclaimed / unpaid dividend are available on the website of the Company at www.radicokhaitan.com.

Dividend alongwith underlying shares which were transferred to the Fund can be claimed back by the shareholders by following the procedure mentioned in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Circulars/ Notifications issued by the Ministry of Corporate Affairs, from time to time, in this regard.

The Company has sent out individual communication to the concerned Members whose shares are liable to be transferred to the Fund on June 21, 2022 to take immediate action in the matter. The Company has also published a Notice in the newspapers 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 the Fund.

Details of Unclaimed Dividend transferred to the Fund are given below:

Financial Year	Date of Declaration of Dividend	Total Dividend	Unclaimed Dividend as on 31-3-2022	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
FY 2008	30.09.2008	51,231,109.50	1,065,509.00	16.10.2015
FY 2009	15.09.2009	30,738,665.70	699,978.00	07.10.2016
FY 2010	09.09.2010	79,300,632.60	1,620,668.00	26.10.2017
FY 2011	09.09.2011	92,853,567.80	1,630,738.00	24.09.2018
FY 2012	24.09.2012	106,195,503.20	2,312,827.00	11.10.2019
FY 2013	30.09.2013	106,356,544.00	2,349,982.00	21.10.2020
FY 2014	30.09.2014	106,431,012.00	2,625,925.00	21.10.2021

N. Details regarding shares in the Suspense Account pursuant to Schedule V(F) of the Listing Regulations are given below:

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, 2021	Nil	Nil
Shareholders who approached the Company for transfer of shares from suspense account during the year 2021-22	Nil	Nil
Shareholders to whom shares were transferred from the suspense account during the year 2021-22	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying as at March 31, 2022	Nil	Nil
Number of shares transferred to Investors Education and Protection Fund during 2021-22	216	134260

The voting rights on the shares outstanding in the suspense account as on March 31, 2022 shall remain frozen till the righful owner of such shares claims the shares.

O. Plant locations:

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

P. Green initiative:

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 Limited, by sending a letter signed by the shareholders on addresses given below or through e-mail and intimate changes in the email address from time to time.

Q. Address for Correspondence:

Radico Khaitan Limited
Plot No.J-1, Block B-1
Mohan Co-operative Industrial Area, Mathura Road, New Delhi – 110 044.

Tel: +91 11 4097 5444/ 555
Fax:+91 11 41678841-42
Email: investor@radico.co.in

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

R. Credit Ratings and any revisions thereto for debt instruments or any Fixed Deposit Programme or any scheme or proposal involving mobilisation of funds, whether in India or Abroad

The Company has not issued any debt instruments and did not have any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad during the financial year ended March 31, 2022.

The Company's long-term bank facilities are rated as CARE AA- (Double A Minus) with a positive outlook and short-term bank facilities are rated CARE A1+ (A One Plus). There was no revision in the said ratings during the year under review.

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 Act and Regulation 23 of the Listing Regulations, during the Financial Year, were in the ordinary course of business and on an arm's length basis. There were no materially significant transactions with Related Parties during the financial year that may have a potential conflict with the interests of the Company at large. 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 of transactions with Related Parties is periodically placed before the Audit committee for review and approval.

The Audit Committee reviews at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to the omnibus approval granted.

The Audit Committee, during the financial year 2021-22, has approved related party transactions by granting omnibus approval in line with the Policy on dealing with and materiality of related party transactions and the applicable provisions of the Act read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force).

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. Consequently, there were no strictures or penalties imposed on the Company by SEBI or Stock Exchanges or any statutory authority on any matter related to the capital markets during the last three financial years.

D. Disclosure of Accounting Treatment:

The Company follows Accounting Standards prescribed by the Companies Accounting Standard Rules, 2021 (as amended) and relevant provisions of the Act. 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 Act.

E. Audit Qualifications:

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

F. 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, disclosure in terms of SEBI circular no. SEBI/HO/ CFD/CMD1/ CIR/P/2018/0000000141 dated November 15, 2018 is not required.

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

H. 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 is annexed herewith as a part of the report as **Annexure-C**.

I. The Company and its subsidiaries have paid aggregate fees of ₹ 84.05 Lakhs to the Statutory Auditors and its network firms/ entities for audit and non-audit services availed during the Financial Year 2021-22.

J. During the Financial Year 2022, no loans/advances in the nature of debt was given by the Company and its subsidiaries to firms/companies in which directors are interested.

K. 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 Listing Regulations.

L. Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity

As on March 31, 2022, no FCCBs/GDRs/ADRs/ Warrants or convertible instruments were outstanding.

EXTENT TO WHICH NON-MANDATORY (DISCRETIONARY) REQUIREMENTS HAVE BEEN ADOPTED

The status of adoption of non-mandatory requirements as specified in Regulation 27(1) read with Part E of Schedule II to the Listing Regulations is given below:

- The requirement relating to maintenance of office by Non-Executive Chairman is voluntary. 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 Act, 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.
- Separate posts of Chairman and CEO - The Chairman of the Board is a Executive Director. His position is separate from that of the Managing Director and CEO.

For and on behalf of the Board

Dr. Lalit Khaitan
Chairman & Managing Director
DIN-00238222

Place: New Delhi
Date: August 10, 2022

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, 2022 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: August 10, 2022

ANNEXURE-B

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 31st March, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) 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: F005621D000773190
RP L2015UP000900

Place: New Delhi
Delhi, 10.08.2022

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 and 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 31st March, 2022, have been debarred or disqualified from being appointed or continuing as Director of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sl. No.	Name of Director	DIN	Date of appointment in Company
1	Dr. Lalit Kumar Khaitan	00238222	28/01/2003
2	Mr. Abhishek Khaitan	00772865	28/01/2003
3	Mr. Krishan Pal Singh	00178560	28/01/2003
4	Dr. Raghupati Singhania	00036129	28/01/2003
5	Mr. Sarvesh Srivastava	06869261	30/05/2014
6	Mr. Sharad Jaipuria	00017049	08/08/2019
7	Mr. Tushar Jain	00053023	08/08/2019
8	Ms. 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 for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company and our responsibility is to express an opinion 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.

TVA & Co. LLP
Company Secretaries

Tanuj Vohra
Partner
M. No.: F5621, C.P. No.: 5253
UDIN: F005621D000773135
RP L2015UP000900

Place: New Delhi
August 10, 2022

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 the Company's Annual Report for the 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, 2022.

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	Rampur Distillery, Bareilly Road, Rampur, Uttar Pradesh – 244901
4	Website	www.radicokhaitan.com
5	Email ID	info@radico.co.in
6	Financial Year Reported	April 01, 2021 to March 31, 2022
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	43
	a. Number of International Locations (Provide details of major 5)	Nil
	b. Number of National Locations	43
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 (INR)	₹ 26.73 Crore
2	Total Turnover (INR)	₹ 12,470.5 Crore (Gross)
		₹ 2,868 Crore (Net of Excise Duty)
3	Total profit after taxes (INR)	₹ 252.2 Crore
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Radico has spent an amount of ₹ 536.5 lakhs on its CSR activities. Please refer to the **Annexure E** to the Director's Report forming part of this Annual Report.
5	List of activities in which expenditure in 4 above has been incurred	Refer to the **Annexure E** to the Director's Report.

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes
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 the Director/Director responsible for implementation of the BR policy/policies

No.	Particulars	Details
1	DIN Number (if applicable)	00772865
2	Name	Mr. Abhishek Khaitan
3	Designation	Managing Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00772865
2	Name	Mr. Abhishek Khaitan
3	Designation	Managing Director
4	Telephone number	+91 11 4097 5500
5	e-mail 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 marginalized.

5. Principle

Businesses should respect and promote human rights.

6. Principle

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

7. Principle

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

8. Principle

Businesses should support inclusive growth and equitable development.

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)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a 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?	https://www.radicokhaitan.com/investor-relations/.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy has been posted on the Company's website for information of all the internal and external stakeholders of the Company.								
8	Does the Company have in-house structure to implement the policy /policies?	Yes, the Company have necessary structure in place to implement the policy.								
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes, the Company have necessary grievance redressal 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 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)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	The Company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	It is planned to be done within next 6 months.	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6.	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. **Governance related to BR:**

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

Yes, the BR Report is published on annual basis. The report for the financial year 2021-2022 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 Radico 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. 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 Stakeholder's Relationship Committee. The Company did not have any significant external stakeholder compliant in the reporting 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. Radico generates over 70% of its power requirement through its own turbines and Bio-gas based generators. There are two steam turbines that are attached to the boilers. The cogeneration plant of Radico Rampur Distillery consists of 26 MT capacity India's first standalone biogas-fired steam boiler and 2 MW turbine generator and 30 MT capacity biogas 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. In addition, there are two Biogas-based generators of 1200 KWH (1.2 MW) each for power generation from biogas. 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)? 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 Kilometers of the manufacturing units of the Company which helps to minimise transportation. Radico have also focused on sourcing from domestic suppliers and develop a more robust local supplier base.
2. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? 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 (as on March 31, 2022)	
1. Please indicate the Total number of employees.	1196	
2. Please indicate the Total number of employees hired on temporary/ contractual / casual basis.	1687	
3. Please indicate the Number of permanent women employees.	21	
4. Please indicate the Number of permanent employees with disabilities	03	
5. Do you have an employee association that is recognized by Management?	Yes. There are recognized trade unions constituted as per the terms of the Trade Unions Act at the Company's manufacturing units.	
6. What percentage of your permanent employees is members of this recognized employee association?	13%	
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 during the financial year**	**No. of complaints pending as 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/.

No complaint received during the year regarding sexual harassment of women at workplace.

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 marginalized

Description	Response
1. Has the Company mapped its internal and external stakeholders? Yes/No	Yes. The Company has mapped its internal stakeholders as well as external stakeholders. The Company believes that an effective stakeholder engagement process is necessary for achieving its sustainability and growth.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	The Company had 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.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	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 Company's all the locations. 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 got short-term and long-term targets in this regard. All these targets are aimed are: • Reduction in water use through improvement in water use efficiency. • Continuous focus on reduction of thermal and electrical energy consumption. • Installation of Waste Recovery System. • Utilization of waste products from its thermal power plants like fly ash to improve the environment. • Development of ponds and afforestation of the mined area to ensure greener environment. • Installation of high efficiency bag filters in place of ESPs to ensure emissions are well within the permissible limits.
3. Does the Company identify and assess potential environmental risks? Y / N	Yes
4. Does the Company have any project related to Clean Development Mechanism ? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed ?	No
5. Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for webpage etc.	Yes, the Company produces powers in its own plants through use of turbine and waste. The details are provided in **Annexure - D** of Director's Report forming part of this Annual Report. 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's 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 2021-22.
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 compliant 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) 4. Uttar Pradesh Distillers Association (UPDA)
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. The Radico has joined with VYAKTI VIKAS KENDRA INDIA (VVKI), a registered public charitable Trust, to address the water scarcity issue under the Project "RADICO-ART OF LIVING'S Bhujal Shakti Project", thereby ensuring the sustainability of adequate ground water levels in the nearby villages and areas around Rampur District in Uttar Pradesh covering around 451 villages.

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.
2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?	The Company's CSR projects are implemented through an In-House CSR Team. Some of the water conservation, healthcare and welfare activities are also being undertaken through governmental agencies/ NGO.
3. Have you done any impact assessment of your initiative?	Not Applicable
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 2021-22 forming part of this Annual Report.
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 is no complaint pending regarding unfair trade practices, irresponsible advertising and / or anticompetitive behaviour as on March 31, 2022.
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.

For and on behalf of the Board

Dr. Lalit Khaitan
Chairman & Managing Director
DIN - 00238222

Place: New Delhi
Date: August 10, 2022

Independent Auditor's Report

To the Members of Radico Khaitan Limited

Report on the Audit of the Standalone Financial Statements

OPINION

1. We have audited the accompanying standalone financial statements of Radico Khaitan Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial statements under the provisions of the Act and the 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 MATTER

4. 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition and trade receivables Refer to note 1.05 to the accompanying standalone financial statements for the Company's significant accounting policies relating to revenue recognition and note 29 for the details of revenue recognised during the year. The Company derives its revenue from sale of liquor products to a wide range of customers through a network of distributors and state government corporations. Owing to the multiplicity of the Company's products, volume of sales transactions, size of distribution network, nature of customers and varied terms of contracts with different customers, revenue is determined to be an area involving significant risk in line with the requirements of the Standards on Auditing and hence required significant auditor attention.	Our audit procedures related to revenue recognition included, but were not limited, to the following: a) Understood the nature of revenue transactions and evaluated the appropriateness of the accounting policy adopted by the management in accordance with Ind AS 115; b) Evaluated the design and tested the operating effectiveness of Company's internal controls around revenue recognition including relating to determination of variable consideration and satisfaction of performance obligations;

Key audit matter	How our audit addressed the key audit matter
Further, Ind AS 115, "Revenue from Contracts with Customers" ('Ind AS 115'), requires management to make certain key judgements, such as, identification of performance obligations in contracts with customers, determination of transaction price for the contract including variable consideration in the form of rebates, discounts and pay-outs to distributors under various promotional schemes of the Company, and assessment of satisfaction of the performance obligations under each contract representing the transfer of control of the products sold to the customers including state government corporations. Evaluation is also required to be made in respect of principal versus agent relationship of the Company with its 'tie-up units' and 'royalty units' as explained in the significant accounting policy disclosures referred above. Further, the Company has significant balance of trade receivables amounting to ₹ 75,575.90 Lakhs as at 31 March 2022 as disclosed under note 8 to the accompanying standalone financial statements. These receivables include dues from state government corporations and private distributors. The Company provides for expected credit loss on such trade receivables based on past experience which is adjusted to reflect current and estimated future economic conditions. Due to the extent of industry knowledge and skills needed to design and execute audit procedures to address the risks of material misstatements in revenue recognition and related trade receivables, significance of the amounts and judgments involved in assessing appropriate revenue recognition, and existence and recoverability of trade receivables, these matters are considered key audit matters in the current year audit.	c) On a sample basis, tested revenue transactions recorded during the year, and transactions recorded before and after year end basis inspection of supporting documents such as customer contracts, purchase orders, price lists, proof of dispatch and delivery including regulatory documents used for movement of liquor as per applicable regulations, invoices, etc. For such samples tested, reviewed the terms of the contracts with customers to assess the appropriateness of Company's identification of performance obligations, its determination of transaction price, including allocation thereof to performance obligations and identification of the point of revenue recognition, in order to ensure revenue is recorded with the correct amount and in the correct period; d) Tested the adequacy of accruals made for various rebates and discounts committed to the distributors of the company basis the promotion schemes active as at the year-end; e) Performed substantive analytical procedures including review of price, quantity and product mix variances and analysis of discounts; f) Evaluated adequacy of the disclosures made in the accompanying financial statements in respect of revenue recognition in accordance with financial reporting framework. Further, our audit procedures pertaining to related trade receivables included, but were not limited, to the following: a) Circularised requests for direct balance confirmations to a sample of customers for outstanding balances as at year-end and evaluated the responses received; b) Performed other alternate procedures which included testing of invoices, proof of supply and subsequent collection of invoices for the confirmations not received; c) Evaluated the appropriateness of the model used by the management in determination of expected credit losses, including inputs and assumptions such as classes of customers, past trends of recovery and default rates as adjusted for future expectations, basis our understanding of the business and relevant market conditions; d) Recomputed the ageing of trade receivables for a sample of invoices and tested mathematical accuracy of the workings prepared by the management; e) Evaluated the disclosures made in accompanying standalone financial statements in respect of trade receivables in accordance with applicable financial reporting framework.

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

6. The Company's Board of Directors are 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, etc., but does not include the standalone financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

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

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

   When we read these reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, the Board of Directors are 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those 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

10. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company 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 Board of Directors' 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

12. 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.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 MATTER

15. The standalone financial statements of the Company for the year ended 31 March 2021 were audited by the predecessor auditor, BGJC & Associates LLP, who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 1 June 2021.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

18. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    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 standalone financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and

g) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company, as detailed in note 39(b) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;

iv. a. The management has represented that, to the best of its knowledge and belief as disclosed in note 67(h) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief as disclosed in note 67(i) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The final dividend paid by the Company during the year ended 31 March 2022 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. Further as stated in note 42 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 22504662AJVQWL1762

Place: New Delhi
Date: 30 May 2022

Annexure A

REFERRED TO IN PARAGRAPH 17 OF THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF RADICO KHAITAN LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified in a phased manner over a period of three year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following properties, for which the Company's management is in the process of getting the registration done in the name of the Company:

Description of property	Gross carrying value (₹ in Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of the Company
Land in the state of Telangana	769.00	Anab-e-Shahi Wines and Distilleries Private Limited	No	2004-05	Held in the name of erstwhile transferor companies which were amalgamated with the Company through approved Court Schemes.
Land in the state of-Madhya Pradesh	21.44	Abhishek Cement Limited	No	2003-04	Held in the name of erstwhile transferor companies which were amalgamated with the Company through approved Court Schemes.

(d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

(b) The Company has a working capital limit in excess of ₹ 5 crore sanctioned by banks financial institutions based on the security of current assets during the year. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are in agreement with the books of account of the Company for the respective periods, which were subject to review.

(iii) (a) The Company has not provided any loans or provided any advances in the nature of loans, or guarantee, or security to any other entity during the year. Accordingly, reporting under clauses 3(iii)(a) of the Order is not applicable to the Company.

(b) The Company has not provided any guarantee or given any security or granted any loans or advances in the nature of loans during the year. However, the Company has made investment in an entity amounting to ₹ 1.00 Lakh and in our opinion, and according to the information and explanations given to us, such investments made are, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.

(d) There is no overdue amount in respect of loans granted to such companies, firms, LLPs or other parties.

(e) The Company has granted loans which had fallen due during the year and were repaid on or before the due date. Further, no fresh loans were granted to any party to settle the overdue loans.

(f) The Company has not granted any loans which are repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments and loans, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of guarantees and security.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

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

(vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof 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 explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of Statue	Nature of dues	Gross Amount (₹ in Lakhs)	Amount paid under protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Andra Pradesh VAT Act, 2005	Value added tax	42.24	19.00	2012-13	Hon'ble Andhra Pradesh Court	
Kerala VAT Act, 2003	Value added tax	84.13	-	2014-15	Hon'ble Kerala High Court	
Finance Act 1994	Service tax	49.91	-	2016-17 & 2017-18	Assistance Commissioner (CGST Division)	
Uttar Pradesh Excise Act, 1910	Excise duty	102.32	31.90	1995 to 2005	Hon'ble Allahabad High Court	
		245.88	245.88	1995 to 2006		
		21.99	4.63	1997-98		
		181.25	-	2016-17	Hon'ble Supreme Court	
		1,822.77	455.69	2020-21	Commissioner of Excise, UP	
Bihar Prohibition and Excise Amendment Act 2018	Excise duty	333.46	333.46	2021-22	Hon'ble High Court, Patna, Bihar	
Kerala Excise Act, 1910	Excise duty	6.03	-	2011-12	Hon'ble Supreme Court	
Karnataka Excise Act, 1965	Excise duty	35.11	-	2021-22	Joint Commissioner of Custom, Bengaluru	
The Custom Act, 1962	Custom duty	10.73	-	2014-15	Commissioner of Customs (Appeals) Delhi	
Employees' State Insurance Act 1948	Employee's State Insurance Scheme	0.89	0.23	May 1975- May 1981	Hon'ble Civil Court, Kanpur	
Employee Provident Fund Act 1952	Provident Fund	24.35	-	April, 1992 to August, 1993 and September, 1993 to August, 1996	Hon'ble High Court, Allahabad	
Rajasthan Excise Act, 1950	Excise duty	41.58	41.58	2015-16	Excise Commissioner, Rajasthan	

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been temporarily kept in the bank account.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint venture.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or joint venture.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the {financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) (a) According to the information and explanations given to us, there is no unspent amount pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

(b) The Company has transferred the remaining unspent amount under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act,

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 22504662AJVQWL1762

Place: New Delhi
Date: 30 May 2022

Annexure B

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT')

1. In conjunction with our audit of the standalone financial statements of Radico Khaitan Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 ('Guidance Note') 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.

5. 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 with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 22504662AJVQWL1762

Place: New Delhi
Date: 30 May 2022

Standalone Balance Sheet

as at March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	81,119.95	79,838.87
Capital work-in-progress	2A	2,898.45	3,778.48
Intangible assets	3	939.91	1,151.13
Intangible assets under development	3A	129.80	-
Financial assets			
Investment	4	13,540.13	15,539.13
Other financial assets	5	5,851.20	4,131.94
Other non-current assets	6	8,591.15	1,624.21
Total non-current assets		**113,070.59**	**106,063.76**
Current Assets			
Inventories	7	53,685.29	48,906.57
Financial assets			
Trade receivables	8	75,575.90	69,745.74
Cash and cash equivalents	9	9,999.43	12,110.36
Bank balances other than above	10	889.60	887.71
Loans	11	2,437.43	2,704.29
Other financial assets	12	3,841.27	6,161.81
Current tax assets (net)	13	565.07	97.47
Other current assets	14	14,045.85	12,633.88
Total current assets		**161,039.84**	**153,247.83**
Total assets		**274,110.43**	**259,311.59**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	2,673.48	2,671.37
Other equity	16	196,007.09	173,719.31
		198,680.57	**176,390.68**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	502.19	26.91
Lease liabilities	18	745.07	1,070.85
Other financial liabilities	19	8.90	72.45
Provisions	20	1,110.98	1,028.74
Deferred tax liabilities (net)	21	7,690.39	8,024.78
Other non current liabilities	22	-	16.58
Total non-current liabilities		**10,057.53**	**10,240.31**
Current liabilities			
Financial liabilities			
Borrowings	23	18,488.23	27,309.04
Lease liabilities	24	421.70	413.39
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	25	4,316.81	3,073.83
Total outstanding dues of creditors other than micro enterprises and small enterprises	25	26,109.38	23,116.94
Other financial liabilities	26	3,680.07	3,582.25
Other current liabilities	27	11,792.09	14,504.14
Provisions	28	564.05	681.01
Total current liabilities		**65,372.33**	**72,680.60**
Total equity and liabilities		**274,110.43**	**259,311.59**
Summary of significant accounting policies	1		

The summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Regn. No. 001076N/N500013

Ashish Gupta
Partner
Membership No. 504662

Place: New Delhi
Date: May 30, 2022

For and on behalf of the Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director
DIN: 00238222

Dinesh Kumar Gupta
Vice President - Legal & Company Secretary

Abhishek Khaitan
Managing Director
DIN: 00772865

Alok Agarwal
Sr. Vice President
(Finance & Accounts)

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from operations	29	1,247,050.21	1,050,404.06
Other income	30	1,102.75	2,007.37
Total income		**1,248,152.96**	**1,052,411.43**
EXPENSES			
Cost of materials consumed	31	157,926.36	123,883.30
Purchase of stock-in-trade	32	212.32	177.00
Change in inventories of finished goods, stock-in-trade and work-in-progress	33	(395.16)	(3,818.04)
Excise duty		960,248.83	810,524.48
Employee benefits expense	34	14,126.04	12,403.09
Finance costs	35	1,310.21	2,201.65
Depreciation and amortisation expense	36	6,487.70	5,389.91
Other expenses	37	74,711.58	66,339.88
Total expenses		**1,214,627.88**	**1,017,101.27**
Profit before tax		**33,525.08**	**35,310.16**
Tax expense	44		
Current tax		8,718.96	8,435.85
Current tax relating to earlier year		(64.77)	(389.24)
Deferred tax (credit)/charge		(345.42)	207.19
Profit for the year		**25,216.31**	**27,056.36**
Other comprehensive income/(loss)	38		
Items that will not be reclassified to profit or loss		43.78	(115.25)
Income tax relating to items that will not be reclassified to profit or loss		(11.02)	29.01
Total other comprehensive income/(loss)		**32.76**	**(86.24)**
Total comprehensive income for the year		**25,249.07**	**26,970.12**
Earnings per equity share of face value of ₹ 2 each	43		
Basic (in ₹)		18.87	20.26
Diluted (in ₹)		18.87	20.25
Summary of significant accounting policies	1		

The summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Regn. No. 001076N/N500013

Ashish Gupta
Partner
Membership No. 504662

Place: New Delhi
Date: May 30, 2022

For and on behalf of the Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director
DIN: 00238222

Dinesh Kumar Gupta
Vice President - Legal &
Company Secretary

Abhishek Khaitan
Managing Director
DIN: 00772865

Alok Agarwal
Sr. Vice President
(Finance & Accounts)

Standalone Statement of Changes in Equity

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Note	Amount
Balance as at April 01, 2020		**2,670.69**
Changes in equity share capital	15	0.68
Balance as at March 31, 2021		**2,671.37**
Changes in equity share capital	15	2.11
Balance as at March 31, 2022		**2,673.48**

B. OTHER EQUITY

Particulars	Reserves and surplus				Total
	Securities premium	General reserves	Share option outstanding account	Retained earnings	
Balance as at April 01, 2020	38,081.58	40,000.00	24.99	71,275.61	**149,382.18**
Profit for the year	-	-	-	27,056.36	**27,056.36**
Other comprehensive loss	-	-	-	(86.24)	**(86.24)**
Total comprehensive income for the year	**-**	**-**	**-**	**26,970.12**	**26,970.12**
Transfer from share option outstanding account on exercise of options	6.48	-	(6.48)	-	**-**
Issue of equity shares	36.07	-	-	-	**36.07**
Recognition of share based payment expenses	-	-	1.79	-	**1.79**
Transactions with owners in their capacity as owners:					
Dividends (refer note 42)	-	-	-	(2,670.85)	**(2,670.85)**
Balance as at March 31, 2021	**38,124.13**	**40,000.00**	**20.30**	**95,574.88**	**173,719.31**
Profit for the year	-	-	-	25,216.31	**25,216.31**
Other comprehensive income	-	-	-	32.76	**32.76**
Total comprehensive income for the year	**-**	**-**	**-**	**25,249.07**	**25,249.07**
Transfer from share option outstanding account on exercise of options	20.30	-	(20.30)	-	**-**
Issue of equity shares	112.93		-	-	**112.93**
Recognition of share based payment expenses	-	-	133.95	-	**133.95**
Transactions with owners in their capacity as owners:					
Dividends (refer note 42)	-	-	-	(3,208.17)	**(3,208.17)**
Balance as at March 31, 2022	**38,257.36**	**40,000.00**	**133.95**	**117,615.78**	**196,007.09**
Summary of significant accounting policies		1			

The summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Regn. No. 001076N/N500013

Ashish Gupta
Partner
Membership No. 504662

Place: New Delhi
Date: May 30, 2022

For and on behalf of the Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director
DIN: 00238222

Dinesh Kumar Gupta
Vice President - Legal & Company Secretary

Abhishek Khaitan
Managing Director
DIN: 00772865

Alok Agarwal
Sr. Vice President
(Finance & Accounts)

Standalone Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A.	**Cash flow from operating activities**		
	Profit for the year before tax	33,525.08	35,310.16
	Adjustments for		
	Depreciation and amortisation expense	6,487.70	5,389.91
	Profit on sale of property, plant and equipment	(2.96)	(2.41)
	Loss on sale / write off assets	65.46	61.07
	Finance costs	1,310.21	2,201.65
	Interest income	(404.23)	(653.56)
	Provision for Expected credit loss and bad debt	526.24	140.03
	Provision for Non-moving/ obsolete Inventory	49.21	155.26
	Employees stock option scheme	133.95	1.79
	Dividend income on investments	(393.14)	(811.30)
	Cash flows from operating activities before changes in following assets and liabilities	**41,297.52**	**41,792.60**
	Inventories	(4,827.93)	(11,644.29)
	Trade receivables	(6,356.40)	12,419.67
	Current financial assets (loans)	266.86	196.28
	Current financial assets (others)	2,220.73	(2,249.76)
	Other current assets	(1,411.97)	395.47
	Non-current financial assets (others)	(1,650.00)	(3,091.10)
	Other non-current assets	(124.80)	5,693.80
	Non-current financial liabilities (others)	(63.55)	(80.42)
	Other non-current liabilities	(16.58)	-
	Long term provisions	82.24	(81.61)
	Short term provisions	(73.18)	(302.81)
	Current trade payables	4,235.42	(233.01)
	Current financial liabilities (others)	249.84	588.69
	Other current liabilities	(2,712.05)	1,008.66
	Cash generated from operating activities before taxes	**31,116.15**	**44,412.17**
	Net Income tax paid (net)	(9,121.79)	(7,393.90)
	Net Cash flow from operating activities (A)	**21,994.36**	**37,018.27**
B.	**Cash flow from investing activities**		
	Acquisition of property, plant & equipment, capital work in progress, intangible assets and intangible under development	(6,744.09)	(12,876.95)
	Capital advances	(6,842.14)	2,987.94
	Proceeds from sale of Property, plant & equipment	44.47	(1.65)
	Proceeds from redemption of preference shares by joint venture	2,000.00	-
	Acquisition of subsidiary	(1.00)	-
	Interest received	498.55	721.18
	Dividend received	393.14	811.30
	Fixed deposits matured/(made) during the year	(73.95)	720.93
	Net Cash flow from investing activities (B)	**(10,725.02)**	**(7,637.25)**

Standalone Statement of Cash Flows (contd.)

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
C.	**Cash flow from financing activities**		
	Proceeds from Issue of equity shares under ESOP scheme (including securities premium)	115.04	36.74
	Leased payments	(595.48)	(692.52)
	Repayment of long term borrowings (excluding current maturities of long term borrowing) (net)	(138.82)	(137.05)
	Proceeds of long term borrowings	500.00	-
	Repayment of short term borrowings (including current maturities of long term borrowing) (net)	(8,820.81)	(12,565.18)
	Dividend paid (including dividend distribution tax)	(3,208.17)	(2,670.85)
	Interest paid	(1,232.03)	(2,252.24)
	Net Cash flow from financing activities (C)	**(13,380.27)**	**(18,281.10)**
	Cash and cash equivalents (A+B+C)	**(2,110.93)**	**11,099.93**
	Cash and cash equivalents at the beginning of the year	**12,110.36**	**1,010.43**
	Cash and cash equivalents at the end of the year	**9,999.43**	**12,110.36**
	Reconciliation of cash and cash equivalents		
	Cash in hand	13.24	22.54
	Bank balance		
	In Current account	9,986.19	12,087.82
		9,999.43	**12,110.36**
Summary of significant accounting policies		1	

The summary of significant accounting policies and other explanatory information are an integral part of the standalone financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Regn. No. 001076N/N500013

Ashish Gupta
Partner
Membership No. 504662

Place: New Delhi
Date: May 30, 2022

For and on behalf of the Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director
DIN: 00238222

Dinesh Kumar Gupta
Vice President - Legal &
Company Secretary

Abhishek Khaitan
Managing Director
DIN: 00772865

Alok Agarwal
Sr. Vice President
(Finance & Accounts)

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

BACKGROUND

Radico Khaitan Limited (the Company) is a public company limited by shares, incorporated and domiciled in India, having its equity shares listed at the National Stock Exchange and the Bombay Stock Exchange. The registered office of the Company is at Bareilly Road, Rampur, Uttar Pradesh. The Company is engaged in the manufacturing and trading of Alcoholic products such as Indian Made Foreign Liquor (IMFL) and Country Liquor. The Company has its presence in India as well as various other global markets.

These standalone financial statements are approved for issue by the Company's Board of Directors on 30 May 2022.

1 SIGNIFICANT ACCOUNTING POLICIES

1.01 Basis of preparation

These standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provisions of the Act.

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set-out in the Act. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

1.03 Fair value measurement

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

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

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

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

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

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

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

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 financial statements are presented in Indian Rupee (INR), which is company's functional and presentation currency.

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the day of transaction. Exchange differences arising on settlement of such transaction or translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of profit and loss.

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.

Current and deferred tax is recognised in Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

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 are recognised on accrual basis. if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ 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

Income tax expense is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current and deferred tax is recognised in Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

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

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).

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Depreciation

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

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.

Depreciation is calculated using the straight-line method as per the estimated useful lives of assets as below:

Assets Category	Useful life in Years
Buildings	3 to 90 years
Plant & Machinery	
- Plant & Machinery	1 to 25 years
- Computers	3 year to 10 year
Office Equipments	1 to 10 years
Software	3 to 5 years
Furniture & Fixtures	1 to 10 years
Vehicles	5 to 10 years

Useful lives of asset classes determined by management estimate, which are different than those prescribed under Schedule II of the Act are supported by internal technical assessment of the useful lives. Estimated useful lives based on technical evaluation considers the impact of additional depreciation for working extra shifts.

Disposals

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts. These are accounted in Statement of profit and loss within Other income/ Other expenses, on a net basis.

1.10 Intangible assets

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

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

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

Intangible assets under development

Asset development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use the asset and the costs can be measured reliably.

Amortisation

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

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of profit and loss over the

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

period of the borrowings using the effective interest method. Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit and loss as other gains/(losses). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

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, stock in trade 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.

In case of manufactured finished goods and work-in-progress, fixed production overheads are allocated on the basis of normal capacity of production facilities. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis. Adequate allowance is made for obsolete and slow moving items.

Maturing inventories and raw materials which are retained for more than one year are classified as current assets, as they are expected to be realised in the normal operating cycle.

Physical verification of all major Inventory items is carried out atleast once a year. The variance if any identified are appropriately adjusted. This is in accordance with Ind AS 23, as they are manufactured of large quantity on the repetitive basis.

1.14 Leases

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 Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

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, 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- makes adjustments specific to the lease, e.g. term and security

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 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.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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 recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

outflow of resources will be required to settle the obligation and the amount can be reliably estimated. A provision is made in respect of onerous contracts, i.e., contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contracts. Provisions are not recognised for other future operating losses. The carrying amounts of provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.The increase in the provision due to the passage of time is recognised as interest expense. A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent liability and Contingent Assets

Contingent liabilities are not recognised 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 recognised 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 recognised in the Statement of Profit and Loss.

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 recognised 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 present value of the defined benefit obligation is determined by discounting the estimated future cashoutflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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 recognised 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 recognised immediately in statement of profit or loss as past service cost.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

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 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 recognised 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 recognised 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 recognises 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 recognised 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

- 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 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 recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised 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 recognised in the Statement of Profit and Loss.

Derecognition

The Company derecognises 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 recognised 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

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.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

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 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

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 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. 54.

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 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.25 All amounts disclosed in the financial statements and notes have been rounded off to the nearest

Notes to the Standalone Financial Statements

Lakhs as per the requirement of Schedule III (Division II) to the Act, unless otherwise stated. The sign '0' in these financial statements indicates that the amounts involved are below ₹ fifty thousand and the sign '-' indicates that amounts are nil.

1.26 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The

Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

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, 2022

(₹ in Lakhs unless otherwise stated)

2 PROPERTY, PLANT AND EQUIPMENT

Particulars	Owned assets							Right-of-use assets#			Total
	Freehold land	Buildings	Plant & equipments	Furniture & fixtures	Vehicles	Leasehold improvements	Office equipments	Leasehold land	Building	Plant & Machinery	
Gross carrying amount											
As at April 01, 2020	11,512.26	10,068.39	61,103.28	489.28	935.95	288.40	199.88	4,820.78	1,057.87	242.58	90,718.67
Additions	-	1,127.94	4,271.40	1,023.42	415.94	1,886.16	181.90	-	3,187.61	-	12,094.37
Disposals	-	-	194.20	0.08	75.31	-	7.69	-	-	-	277.28
As at March 31, 2021	**11,512.26**	**11,196.33**	**65,180.48**	**1,512.62**	**1,276.58**	**2,174.56**	**374.09**	**4,820.78**	**4,245.48**	**242.58**	**102,535.76**
Additions	-	1,096.89	5,242.60	452.63	212.21	101.86	74.14	292.99	165.07	-	7,638.39
Disposals	-	-	455.85	96.23	62.50	-	37.27	-	-	-	651.85
As at March 31, 2022	**11,512.26**	**12,293.22**	**69,967.23**	**1,869.02**	**1,426.29**	**2,276.42**	**410.96**	**5,113.77**	**4,410.55**	**242.58**	**109,522.30**
Accumulated depreciation											
As at April 01, 2020	-	1,719.80	14,548.69	177.60	291.39	136.49	101.08	229.65	415.72	144.65	17,765.07
Charge for the year	-	450.91	3,839.18	94.94	131.42	39.73	50.52	45.93	450.94	48.52	5,152.09
Disposals	-	-	161.34	0.08	51.99	-	6.86	-	-	-	220.27
As at March 31, 2021	**-**	**2,170.71**	**18,226.53**	**272.46**	**370.82**	**176.22**	**144.74**	**275.58**	**866.66**	**193.17**	**22,696.89**
Charge for the year	-	490.17	4,265.73	280.06	173.51	417.78	70.39	47.40	455.91	49.40	6,250.35
Disposals	-	-	390.50	96.23	24.03	-	34.13	-	-	-	544.89
As at March 31, 2022	**-**	**2,660.88**	**22,101.76**	**456.29**	**520.30**	**594.00**	**181.00**	**322.98**	**1,322.57**	**242.57**	**28,402.35**
Net carrying amount											
As at March 31, 2021	**11,512.26**	**9,025.62**	**46,953.95**	**1,240.16**	**905.76**	**1,998.34**	**229.35**	**4,545.20**	**3,378.82**	**49.41**	**79,838.87**
As at March 31, 2022	**11,512.26**	**9,632.34**	**47,865.47**	**1,412.73**	**905.99**	**1,682.42**	**229.96**	**4,790.79**	**3,087.98**	**0.01**	**81,119.95**

 # Refer note 40 for disclosure pertaining to leases.

Refer note 39(a) for disclosures of contractual commitments for the acquisition of property, plant and equipment.

Refer note 17 and note 23 for information on property, plant and equipment pledged as security by the Group.

2A Capital work-in-progress

Particulars	Total
Gross carrying amount	
As at April 01, 2020	1,808.29
Additions	1,970.19
Transferred to property, plant & equipment	-
Disposals	-
As at March 31, 2021	**3,778.48**
Additions	5,830.24
Transferred to property, plant & equipment	6,710.27
Disposals	-
As at March 31, 2022	**2,898.45**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

3 INTANGIBLE ASSETS

Particulars	Brands & trade marks	Software	Total
Gross carrying amount			
As at April 01, 2020	2,552.26	393.91	2,946.17
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2021	**2,552.26**	**393.91**	**2,946.17**
Additions	-	26.13	26.13
Disposals	-	8.99	8.99
As at March 31, 2022	**2,552.26**	**411.05**	**2,963.31**
Accumulated amortisation			
As at April 01, 2020	1,220.53	336.69	1,557.22
Charge for the year	215.49	22.33	237.82
Disposals	-	-	-
As at March 31, 2021	**1,436.02**	**359.02**	**1,795.04**
Charge for the year	215.49	21.86	237.35
Disposals	-	8.99	8.99
As at March 31, 2022	**1,651.51**	**371.89**	**2,023.40**
Net carrying amount			
As at March 31, 2021	**1,116.24**	**34.89**	**1,151.13**
As at March 31, 2022	**900.75**	**39.16**	**939.91**

3A Intangible assets under development

Particulars	Total
Gross carrying amount	
As at April 01, 2020	-
Additions	-
Transferred to property, plant & equipment	-
Disposals	-
As at March 31, 2021	**-**
Additions	129.80
Transferred to property, plant & equipment	-
Disposals	-
As at March 31, 2022	**129.80**

4 NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2022	As at March 31, 2021
i. Investments in Subsidiary (Unquoted)		
a. Equity shares - carried at cost		
Radico Spiritz India Private Limited -10,000 (previous year Nil) equity shares of ₹ 10 each, fully paid up	1.00	-
ii. Investments in Joint venture (Unquoted)		
a. Equity Shares - carried at cost		
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

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
b. Preference Shares - carried at cost		
Radico NV Distilleries Maharashtra Limited - Nil (previous 'year: 20,00,000) 10% cumulative, non-convertible preference shares of ₹ 100 each, fully paid up	-	2,000.00
iii. Other investment - carried at fair value through profit or loss (FVTPL)"		
New Urban Cooperative Bank Ltd. - 2,388 (previous year: 2,388) equity shares of ₹ 25 each, fully paid up	0.60	0.60
	13,540.13	**15,539.13**
Aggregate amount of unquoted investments	13,540.13	15,539.13
Aggregate amount of impairment in value of investments.	-	-

5 OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued on term deposits	16.22	10.72
Deposits with more than 12 months maturity (refer note 10)	154.26	55.89
Security deposits	938.72	973.33
Advances recoverable in cash	4,742.00	3,092.00
	5,851.20	**4,131.94**

6 OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances		
Unsecured, considered good (also refer note 47)	8,374.57	1,532.43
Prepaid expense	216.58	91.78
	8,591.15	**1,624.21**

7 INVENTORIES

Particulars	As at March 31, 2022	As at March 31, 2021
(Lower of cost and net realisable value)		
Raw materials (refer note (a) below)	9,146.05	8,849.26
Work-in-progress	3,644.70	3,724.71
Finished goods (refer note (b) below)	27,919.27	25,949.54
Stock-in-trade	331.71	192.53
Stores & spares (including promotional material)	5,520.09	4,451.06
Packing materials	7,362.93	5,929.72
	53,924.75	**49,096.82**
Less: Allowance for obsolete and non-moving inventories	(239.46)	(190.25)
	53,685.29	**48,906.57**

Notes:

a. Allowance for obsolete and non-moving inventories amounting to ₹ 49.21 Lakhs (previous year: ₹ 155.26 Lakhs) has been recognised as an expense in the Statement of Profit and Loss.

b. Includes provision for excise duty and Custom duty ₹ 8,569.86 Lakhs (previous year ₹ 9,356.87 Lakhs)

c. Stock of raw material includes Goods-in-transit amounting to ₹ Nil (Previous Year ₹ 2.75 Lakhs)

d. Inventories include inventory held by tie up manufacturing units amounting to ₹ 5,295.36 Lakhs (previous year ₹ 3,937.46 Lakhs).

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

8 TRADE RECEIVABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good - Unsecured	75,575.90	69,745.74
Trade receivables - Credit impaired	3,004.16	2,525.80
	78,580.06	**72,271.54**
Less: Allowance for expected credit losses	(3,004.16)	(2,525.80)
	75,575.90	**69,745.74**

Notes:

a. Trade receivables includes receivables from related parties, refer note 47.

b. The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in note 53.

c. Also refer note 62 for additional disclosure related to trade receivables.

9 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In current accounts	9,986.19	12,087.82
Cash on hand	13.24	22.54
	9,999.43	**12,110.36**

10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In unpaid dividend accounts	144.19	152.49
Bank deposits#	899.67	791.11
Bank deposits with maturity more than 12 months from the reporting date (refer note 5)	(154.26)	(55.89)
	889.60	**887.71**

#Includes Bank deposits amounting to ₹ 456.78 Lakhs (previous year ₹ 791.11 Lakhs) under lien in respect of bank gurantees provided to tax authorities.

11 CURRENT LOANS

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured- considered good, unless otherwise stated)		
Others		
Employee advances	11.09	15.61
Loans to parties other than related parties (refer note 55)	2,426.34	2,688.68
Loans to parties other than related parties-Credit impaired	-	-
	2,437.43	**2,704.29**
Less: Allowance for expected credit losses	-	-
	2,437.43	**2,704.29**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

12 OTHERS CURRENT FINANCIAL ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured- considered good, unless otherwise stated)		
Export benefit receivables	736.61	598.15
Security deposits	1,342.92	1,435.10
Receivables from tie up units	1,615.50	3,908.56
Interest accrued on bank deposits and loans	120.19	220.00
Others	26.05	-
Considered doubtful, unsecured		
Interest accrued on bank deposits and loans	112.31	112.31
Less: Allowance for expected credit losses	(112.31)	(112.31)
	3,841.27	**6,161.81**

13 CURRENT TAX ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax (net of provisions: ₹ 24,269.45 Lakhs (Previous year ₹ 15,549.95 Lakhs)	565.07	97.47
	565.07	**97.47**

14 OTHER CURRENT ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
(Considered good, unsecured)		
Advances to suppliers and others	2,312.12	1,637.93
Balances with government authorities*	7,603.92	7,760.59
Prepaid assets	4,129.81	3,235.36
	14,045.85	**12,633.88**

** Includes amounts paid under protest amounting to ₹ 1,334.54 Lakhs (Previous year: ₹ 807.14 Lakhs) in respect of disputed indirect tax matters.*

15 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
170,000,000 (Previous year 170,000,000) equity shares of ₹ 2/- each	3,400.00	3,400.00
6,000,000 (Previous year 6,000,000) preference shares of ₹ 100/- each	6,000.00	6,000.00
	9,400.00	**9,400.00**
Issued, subscribed and fully paid		
133,673,765 (Previous Year 133,568,265) equity shares of ₹ 2/- each	2,673.48	2,671.37
	2,673.48	**2,671.37**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

a. Rights, Preferences & Restrictions attached to equity shares of the Company

The Company has 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 and amount outstanding at the beginning and at the end of the year

Particulars	Number	Amount
As at April 01, 2020	133,534,265	2,670.69
Add: Shares issued on exercise of employee stock option plan (ESOP)	34,000	0.68
As at March 31, 2021	**133,568,265**	**2,671.37**
Add: Shares issued on exercise of employee stock option plan (ESOP)	105,500	2.11
As at March 31, 2022	**133,673,765**	**2,673.48**

c. Details of shareholders holding more than 5% of total equity shares of the Company#

Name	March 31, 2022		March 31, 2021	
	No. of equity shares	Percentage of Holding	No. of equity shares	Percentage of Holding
Sapphire Intrex Limited	45,379,098	33.95%	45,379,098	33.97%
TIMF Holdings	7,345,129	5.49%	7,781,575	5.83%

#As per the records of the Company including its register of member.

d) Aggregate number of shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the year end:

i) Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the financial year 2017-18 to 2021-22:

Nil (during FY 2016-17 to 2020-21: Nil) equity shares allotted without payment being received in cash.

ii) Shares issued in aggregate number and class of shares allotted by way of bonus shares:

The Company has issued total Nil equity shares (during FY 2016-17 to 2020-21: Nil equity shares) during the period of five years immediately preceding March 31, 2022 as fully paid up bonus shares including shares issued under ESOP scheme for which entire consideration not received in cash.

iii) Shares bought back during the financial year 2017-18 to 2021-22:

Nil (during FY 2016-17 to 2020-21: Nil) equity shares bought back pursuant to section 68, 69 and 70 of the Companies Act, 2013.

iv) Shares issued under employee stock option plan (ESOP) during the financial year 2017-18 to 2021-22:

The Company has issued total 6,35,000 equity shares of ₹ 2.00 each (during FY 2016-17 to 2020-21: 5,29,500 equity shares) during the period of five years immediately preceding March 31, 2022 on exercise of options granted under the employee stock option plan (ESOP).

v) Disclosures required pursuant to Ind AS 102 - Share Based Payment

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 4,500,000 equity options up to March 31, 2022 with vesting period over 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, 2022

(₹ in Lakhs unless otherwise stated)

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 amortised on a straight line basis over the period between the date of grant of options and eligible dates for conversion into equity shares.

During the current year, on November 2, 2021 and March 8, 2022, the Company has granted 180,000 and 40,000 stock options to the eligible employees of the Company as per ESOP Scheme 2006. Each option shall entitle the holder to one equity shares of ₹ 2/- at an exercise price of ₹ 928.05 and ₹ 723.14 respectively.

Measurement of fair values

The fair values are measured based on the Black-Scholes-Merton model. The fair value of the options and inputs used in the measurement of the grant date fair values of the equity -settled share based payments are as follows:

A) The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the year:

Particulars	Weighted Average Exercie price per option (₹)	Number of Options
Outstanding as at April 01, 2020	108.81	139,500.00
Options granted during the year	-	-
Options forfeited/lapsed/expired during the year	-	-
Options exercised during the year*	108.07	(34,000.00)
Options outstanding as at March 31, 2021#	**109.04**	**105,500.00**
Exercisable at the end of the year	**109.04**	**105,500.00**
Outstanding as at April 01, 2021	109.04	105,500.00
Options granted during the year	890.79	220,000.00
Options forfeited/lapsed/expired during the year	-	-
Options exercised during the year*	109.04	(105,500.00)
Options outstanding as at March 31, 2022#	**890.79**	**220,000.00**
Exercisable at the end of the year	**890.79**	**220,000.00**

**1,05,500 (March 31, 2021 : 34,000) share options were exercised on a regular basis throughout the year. The weighted average share price during the year was ₹ 908.94 respectively (March 31, 2021 : 403.30).*

#The options outstanding as at March 31, 2022 are with the exercise price of ₹ 928.05 & ₹ 723.14 respectively (March 31, 2021: ₹ 104.72 & ₹ 110.42). The weighted average of the remaining contractual life is 2.03 years respectively (March 31, 2021: Nil years).

B) Fair value of the options has been calculated using Black Scholes Pricing Model. The following inputs were used to determine the fair value for options granted during the year ended March 31, 2022.

Option granted 1:	Vest 1	Vest 2	Vest 3	Vest 4
Grant date	November 2, 2021			
Market price (₹)	1,091.80	1,091.80	1,091.80	1,091.80
Expected life (in years)	2.5	3.5	4.5	5.5
Volatility	15.21%	15.21%	15.21%	15.21%
Risk free rate	5.42%	5.42%	5.42%	5.42%
Exercise price (₹)	928.05	928.05	928.05	928.05
Dividend yield	0.47%	0.47%	0.47%	0.47%
Fair value per vest (₹)	281.36	321.23	357.69	391.31
Vest (%)	32.90%	22.40%	22.40%	22.30%
Weighted average fair value of option (₹)	331.90	331.90	331.90	331.90
Fair value per Option at grant date (in ₹)	331.91	-	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Option Granted 2:	Vest 1	Vest 2	Vest 3	Vest 4
Grant date	March 8, 2022			
Market price (₹)	850.80	850.80	850.80	850.80
Expected life (in years)	2.5	3.5	4.5	5.5
Volatility	22.4%	22.4%	22.4%	22.4%
Risk free rate	5.89%	5.89%	5.89%	5.89%
Exercise price (₹)	723.14	723.14	723.14	723.14
Dividend yield	0.47%	0.47%	0.47%	0.47%
Fair value per vest (₹)	245.08	280.91	312.75	341.46
Vest (%)	25.00%	25.00%	25.00%	25.00%
Weighted average fair value of option (₹)	295.05	295.05	295.05	295.05
Fair value per Option at grant date (in ₹)	295.05	-	-	-

The measure of volatility used is the annualised standard deviation of the continuously compounded rates of return of stock over the expected lives of different vests, prior to grant date. Volatility has been calculated based on the daily closing market price of the Company's stock on NSE over these years.

16 OTHER EQUITY

Particulars	As at March 31, 2022	As at March 31, 2021
Reserves & surplus		
Securities premium	38,257.36	38,124.13
Share option outstanding account	133.95	20.30
General reserve	40,000.00	40,000.00
Retained earnings	117,615.78	95,574.88
	196,007.09	**173,719.31**

Description of nature and purpose of each reserve

Securities premium: Securities premium is used to record the premium on issue of shares, which will be utilised in accordance with provisions of the Act.

Share option outstanding account: The reserve is used to recognise the grant date fair value of options issued to employees under employee stock option schemes and is adjusted on exercise/ forfeiture of options.

General reserve: General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. It is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Retained earnings: Retained earnings are created from the profit / loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

17 NON CURRENT BORROWINGS

Particulars	As at March 31, 2022	As at March 31, 2021
Term loans (secured) from banks		
Vehicle loan (refer note (a) below)	14.69	153.51
Rupee loans from banks (refer note (b) below)	500.00	-
	514.69	**153.51**
Less : Current maturities of long-term borrowing (also refer note 23)	(12.50)	(126.60)
	502.19	**26.91**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Notes

a. The loans are secured by a pari-passu first charge on Vehicles procured.

b. The loan is secured by:

   i. A first pari passu mortgage and charge on all borrower's immovable properties (owned/leased), pertaining to the project.

   ii. A first charge by way of hypothecation on all tangible assets and

   iii. A first charge by way of hypothecation on all rights, title, interest, benefits, claims, etc.

c. Terms of repayment are as follows:

Name	Year of Maturity	Rate of Interest	As at March 31, 2022	As at March 31, 2021
HDFC Bank Limited*	Jan 2022	7.98%	-	106.20
HDFC Bank Limited*	June 2023	8.51%	-	21.11
HDFC Bank Limited**	March 2027	6.30%	500.00	-
YES Bank Limited*	May 2023	8.35%	14.69	26.20
			514.69	**153.51**

**Monthly installment*

***Quarterly installment*

18 NON-CURRENT LEASE LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Leased liabilities (refer note 40)	745.07	1,070.85
	745.07	**1,070.85**

19 OTHER NON-CURRENT FINANCIAL LIABILITES

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits payable	8.90	72.45
	8.90	**72.45**

20 NON-CURRENT PROVISIONS

Particulars	As at March 31, 2022	As at March 31, 2021
Compensated absences	1,110.98	1,028.74
	1,110.98	**1,028.74**

21 DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities	9,560.99	9,825.07
Deferred tax assets	(1,870.60)	(1,800.29)
Deferred tax liabilities (net)	**7,690.39**	**8,024.78**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

22 OTHER NON-CURRENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Other payables	-	16.58
	-	**16.58**

23 CURRENT BORROWINGS

Particulars	As at March 31, 2022	As at March 31, 2021
Secured#		
Cash credit facilities from banks (secured) (repayable on demand)	4,275.74	682.45
Unsecured		
Loan from banks	14,199.99	26,499.99
Current maturity of long-term borrowings (refer note 17)	12.50	126.60
	18,488.23	**27,309.04**

 # 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
- The Company has been sanctioned working capital limits in excess of 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. The quarterly returns filed by the Company with such banks or financial institutions are in agreement with the Books of Account of the Company of the respective quarters

24 CURRENT LEASE LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Leased liabilities (refer note 40)	421.70	413.39
	421.70	**413.39**

25 TRADE PAYABLES#

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (also refer note 58)	4,316.81	3,073.83
Total outstanding dues of creditors other than micro enterprises and small enterprises	26,109.38	23,116.94
	30,426.19	**26,190.77**

 # Also refer note 63 for additional disclosure related to trade payables

26 OTHERS FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	28.80	53.63
Employee related payables	796.03	779.66
Security deposits payable	2,705.18	2,585.85
Unclaimed dividends#	144.19	152.49
Others	5.87	10.62
	3,680.07	**3,582.25**

#This does not include any fund lying due to be transfered to the Investor Education and Protection Fund.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

27 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Capital creditors	298.85	391.32
Advances from customers	6,799.08	8,072.51
Statutory dues		
Custom duty on closing stock	75.58	58.16
Other statutory dues	4,618.58	5,982.15
	11,792.09	**14,504.14**

28 CURRENT PROVISIONS

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity (refer note 54)	-	170.77
Compensated absences	564.05	510.24
	564.05	**681.01**

29 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of manufactured products (includes excise duty)		
Alcohol and other alcoholic products	1,238,135.97	1,043,136.62
Pet bottles and caps	3,280.40	2,719.53
Jaivik khad	416.61	393.62
Others	413.41	654.48
	1,242,246.39	**1,046,904.25**
Trading of products		
Indian made foreign liquor	318.23	-
Imported liquor	350.80	241.94
	669.03	**241.94**
Royalty Income	**1,010.20**	**779.39**
	1,243,925.62	**1,047,925.58**
Other operating revenue		
Export incentives	404.81	264.33
Scrap sales	2,719.78	2,214.15
	3,124.59	**2,478.48**
Total revenue from operations	**1,247,050.21**	**1,050,404.06**

30 OTHER INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on		
Bank deposits	43.53	53.39
Loans (including inter corporate deposits)	311.93	421.12
Other financial assets carried at amortised cost	24.65	25.59
Interest on income tax refunds	24.12	153.46
Dividend income on non-current investments	393.14	811.30
Profit on sale of current investments	7.63	0.57
Gain on disposal of property, plant and equipment (net)	2.96	2.41
Liabilities no longer required written back	123.74	80.68
Miscellaneous income	171.05	458.85
	1,102.75	**2,007.37**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

31 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw materials		
Opening inventory	8,849.26	7,691.42
Add: Purchases	84,589.37	68,066.21
	93,438.63	**75,757.63**
Less: Closing inventory	(9,146.05)	(8,849.26)
Raw materials consumed	84,292.58	66,908.37
Packing materials consumed	73,633.78	56,974.93
	157,926.36	**123,883.30**

32 PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Imported liquor	212.32	177.00
	212.32	**177.00**

33 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening inventory		
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**
Closing inventory		
Stock-in-trade	331.71	192.53
Finished goods	27,919.27	25,949.54
Work-in-progress	3,644.70	3,724.71
	31,895.68	**29,866.78**
Increase / (Decrease) of excise duty country liquor depot stock	2,438.18	(22.98)
Increase / (Decrease) of excise duty on Finished Goods	(804.44)	4,927.50
	(395.16)	**(3,818.04)**

34 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	12,364.24	10,915.20
Contribution to provident and other funds (refer note 54)	813.15	743.26
Defined benefit plans (refer note 54)	218.87	229.27
Share based payment expense (refer note 16)	133.95	1.79
Staff welfare expenses	595.83	513.57
	14,126.04	**12,403.09**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

35 FINANCE COSTS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expenses	1,120.80	2,005.19
Interest expenses on lease liabilities (refer note 40)	107.76	124.67
Other borrowing cost	81.65	71.79
	1,310.21	**2,201.65**

36 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment - owned assets	5,697.64	4,606.70
Depreciation on Right on use of Assets	552.71	545.39
Amortisation of intangible assets	237.35	237.82
	6,487.70	**5,389.91**

37 OTHER EXPENSES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Power and fuel	5,489.67	4,687.87
Consumption of stores, spares and other consumables	2,583.49	2,070.08
Repairs and maintenance		
Building	145.10	133.58
Plant and equipment	2,158.17	2,081.38
Others	1,417.31	1,072.14
Machinery and other hire charges	5.79	5.14
Insurance	989.35	797.82
Rent	131.57	148.95
Rates and taxes	14,229.65	12,326.95
Travel and conveyance		
Directors	192.46	55.20
Others	1,211.83	945.32
Directors' fee	19.32	20.97
Foreign exchange fluctuations (net)	(546.60)	(65.88)
Miscellaneous expenses	1,007.97	931.67
Charity and donation	16.85	26.78
Expense towards corporate social responsibility (refer note 49)	536.46	528.08
Provision for expected credit losses	478.36	177.36
Bio composting expenses	254.02	241.84
Statutory auditor's remuneration (refer note 48)	83.06	53.65
Professional Fee and consultation expenses	921.14	705.18
Communication expenses	292.72	194.26
Sundry balances written off	171.62	43.35
Loss on sale / write off of assets	65.46	61.07
Bank charges	24.91	31.11
Bottling Charges	10,669.35	8,581.13
Printing Stationery & Subsriction	214.16	184.98
Watch & ward expenses	311.32	285.70
Breakerage & wastage	268.22	296.80

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Selling and distribution:		
Freight outwards	13,298.23	10,738.47
Supervision charges after sales	1,367.77	773.37
Supervision charges to supervisors	3,437.77	2,792.33
Rebate discount and allowance	872.75	2,471.16
Advertisement & sales promotion	12,392.33	12,942.07
	74,711.58	**66,339.88**

38 OTHER COMPREHENSIVE INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Items that will not be reclassified to profit or loss		
Actuarial gain / (loss) on employee benefits	43.78	(115.25)
Income tax relating to items that will not be reclassified to profit or loss	(11.02)	29.01
	32.76	**(86.24)**

39 CONTINGENT LIABILITIES, COMMITMENTS AND OTHER CLAIMS

a Capital commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	36,851.47	879.64
	36,851.47	**879.64**

b Contingent liabilities and other claims

i) Claims against the Company, not acknowledged as debts

	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	Disputed liability relating to Employees' State Insurance (ESI) contribution	0.89	0.89
(b)	Disputed liability relating to Provident fund 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	176.27	186.15
(e)	Disputed excise matters	967.62	551.75
(f)	Disputed Stamp duty claim arising out of amalgamation, being contested	80.00	80.00
(g)	Disputed customs duty	10.73	10.73
		1,414.86	**1,008.87**

ii) Madhya Pradesh State Industrial Development Corporation Ltd. in February 2007 demanded a sum of ₹ 168.09 Lakhs besides unspecified expenses arising out of the alleged non compliance of conditions relating to its holding of shares in Abhishek Cement Ltd, prior to its merger with Radico Khaitan Ltd. in the financial

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

year 2002-03. The writ petition filed by Company before Madhya Pradesh high court has been partly allowed by confirming the recovery of ₹ 167.32 Lakhs against the Company. Further, ₹ 52.8 Lakhs has been waived off order dated April 03, 2007. However, the division bench of Madhya Pradesh High Court has stayed the recovery proceedings initiated by local collector office. The court has ordered to maintain ₹ 100 Lakhs in State Bank of India till the final adjudication of the matter. The matter is since sub-judice.

iii) (a) The applicability of Goods and Service Tax Act 2017 on Extra Neutral Alcohol (ENA) was kept on hold by the GST council vide their minutes of meeting dated August 05, 2017, December 22, 2018, September 20, 2019 and May 28, 2021 wherein the ENA which is meant for the potable purpose kept under the control of respective State Government, and accordingly the Company was paying the state taxes on ENA supplies.

(b) The Deputy Commissioner (Commercial Tax), Sector I, Rampur had issued notices on November 14, 2019, November 15, 2019 and November 16, 2019 for leviability of GST on ENA w.e.f. July 2017. The Company filed a writ petition before Hon'ble High Court of Allahabad, challenging these notices, with the plea that potable ENA is kept away from GST by the Council. The Company got the stay on the proceedings under GST from Hon'ble Court on January 10, 2020 and advised the department for filing the counter. Later on the department withdrew their notices and the petition became infructuous.

(c) The Deputy Commissioner proceed with Ex-Party Assessment order treating the VAT @32.5% on ENA for A.Y. 2017-18. The Company filed writ petition before the High Court contesting VAT to be 14.5%. Meanwhile various distilleries and UPSMA filed their writs before the High Court challenging the notification of VAT @5% issued by the State Government w.e.f. December 9, 2019, they also challenged the power of state to issue notification on ENA.

(d) Hon'ble Allahabad High Court decided the writs on September 28, 2021 and declare that ENA, undisputedly should fall under GST regime and the State lost its Legislative competence to enact laws, to impose tax on sales of ENA and have quashed the notification of VAT @ 5%. Thereafter the State Government filed the SLP before the Hon'ble Supreme Court, even CIABAC and ISWAI also filed the SLP against the order of High Court. All the SLPs are tagged, which are likely to be heard by the Hon'ble Supreme Court on July 25, 2022.

iv) A fire occurred at our Rampur Plant, U.P. on March 6,2021 involving two 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 plant's other areas. There was no loss of life.

This accident resulted in loss of Extra Neutral Alcohol to the tune of 1.81 Lakh Alcoholic liters stored in these two tanks resulting into financial loss of ₹ 270 Lakhs including the replacement cost of damaged tanks. Since same are duly covered under insurance policy, the insurance company had been intimated. As an interim measure claim of ₹ 100 Lakhs has already been received.

Beside this, the U. P. State Excise Department has issued a show cause notice(SCN) to us claiming Excise Duty amounting to ₹ 1,822.77 Lakhs on the lost Alcohol (out of which ₹ 455.69 Lakhs has been paid under protest). Based on the opinion of 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 the relief from above claim by way of setting aside the above mentioned SCN, considering this loss of alcohol as an unavoidable accident of fire.

40 INFORMATION ON LEASE TRANSACTIONS PURSUANT TO IND AS 116 - LEASES

Assets taken on lease

The Company has leases for lease land, offices, warehouses, plant and equipment and office equipment. With the exception of short term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. Further the lease contracts have been reassessed in case of reduction of lease payment due to impact of Covid 19.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

i. Lease payments not included in measurement of lease liability

The expenses related to payments not included in the measurement of the lease liability is as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short term leases	72.77	93.94
Lease of low value assets	-	-
Variable lease payments	58.80	55.01
Total	**131.57**	**148.95**

ii. Total cash outflow for leases for the year ended March 31, 2022 was ₹ 631.36 Lakhs (March 31, 2021 : ₹ 692.84 Lakhs).

iii. Following are the changes in the carrying value of right of use assets :

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	7,973.43	5,331.21
Additions	458.06	3,187.61
Deletion	-	-
Depreciation	(552.71)	(545.39)
Balance at end of the year	**7,878.78**	**7,973.43**

iv. The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	421.70	413.39
Non current lease liabilities	745.07	1,070.85
Total	**1,166.77**	**1,484.24**

v. The following is the movement in lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	1,484.24	865.05
Additions	206.13	1,187.36
Finance cost accrued during the year	107.76	124.67
Payment of lease liabilities (total cash outflow)	(631.36)	(692.84)
Balance at end of the year	**1,166.77**	**1,484.24**

vi. Amounts recognised in the Statement of Profit and Loss

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Depreciation charge on right-of-use assets		
Leasehold land	47.40	45.93
Buildings	455.91	450.94
Plant and equipment	49.40	48.52
Total	**552.71**	**545.39**
(b) Interest expenses (included in finance cost)	**107.76**	**124.67**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

vii. Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments as at March 31, 2022 are as follows:

Particulars	Lease Payments	Interest Expense	Net Present Value
Not later than 1 year	421.54	75.19	346.35
Later than 1 year but not later than 5 year	897.75	83.56	814.19
Later than 5 year	31.33	25.10	6.23
Total	**1,350.62**	**183.85**	**1,166.77**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments as at March 31, 2021 are as follows:

Particulars	Lease Payments	Interest Expense	Net Present Value
Not later than 1 year	505.99	86.35	419.64
Later than 1 year but not later than 5 year	1,190.35	125.75	1,064.60
Later than 5 year	-	-	-
Total	**1,696.34**	**212.10**	**1,484.24**

The Company has lease contracts for plant and equipment that contain variable payments. Variable lease payments that depend on production volumes are recognised in the statement of profit and loss in the period in which the condition that triggers those payments occurs and hence are not consider in determining the lease liability. Any changes in production under contracts which includes variable lease payments, would have a proportionate impact on the variable lease payments.

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.

41 In the opinion of the Management and to the best of their knowledge and belief, the value on realisation of current/non current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the financial statements.

42 DIVIDEND

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividend paid		
Dividend for the financial year 2020-21 (₹ 2.40 per share of ₹ 2 each)	3,208.17	-
Dividend for the financial year 2019-20 (₹ 2.00 per share of ₹ 2 each)	-	2,670.85
	3,208.17	**2,670.85**
Proposed dividend		
Dividend for the financial year 2021-22 (₹ 3.00 per share of ₹ 2 each)#	4,010.21	-
Dividend for the financial year 2020-21 (₹ 2.40 per share of ₹ 2 each)^	-	3,205.64
	4,010.21	**3,205.64**

#The Board of Directors at its meeting held on May 30, 2022 have recommended a payment of final dividend of ₹ 3.00 per equity share with value of ₹ 2.00 each for the financial year ended March 31, 2022. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

^ Paid to shareholders during the financial year 2021-22.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

43 EARNINGS PER EQUITY SHARE (EPS)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net profit attributable to equity shareholders		
Net profit for the year (BEPS)	25,216.31	27,056.36
Add: Effect of Dilution, Share options (ESOP)	-	1.79
Net profit attributable to equity holders adjusted for the effect of dilution (DEPS)	25,216.31	27,058.15
Nominal value per equity share (₹)	**2.00**	**2.00**
Total number of equity shares outstanding at the beginning of the year	133,568,265	133,534,265
Total number of equity shares outstanding at the end of the year	133,673,765	133,568,265
Weighted average number of equity shares for calculating basic earning per share	**133,646,928**	**133,544,276**
Basic earning per share (₹)	**18.87**	**20.26**
Weighted average number of Equity shares adjusted for the effect of dilution	**133,645,910**	**133,649,776**
Diluted earning per share (₹)	**18.87**	**20.25**

44 INCOME TAX

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
The major components of Income tax expense		
Profit and Loss statement		
Current income tax charge	8,718.96	8,435.85
Adjustments for current tax of prior periods	64.77	389.24
Total (A)	**8,654.19**	**8,046.61**
Deferred tax:		
Relating to origination and reversal of temporary differences	(345.42)	207.19
Total (B)	**(345.42)**	**207.19**
Total (A+B)	**8,308.77**	**8,253.80**
Other Comprehensive Income (OCI)		
Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on re-measurements of defined benefit plans	11.02	(29.01)
Income tax charged to OCI	**11.02**	**(29.01)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for:-

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/loss for the year	33,525.08	35,310.16
Statutory income tax rate	25.17%	25.17%
Tax expense at statutory income tax rate	**8,437.59**	**8,886.86**
Adjustments for current tax of prior periods	(64.77)	(389.24)
Tax impact of income which will never be taxable	(98.95)	(204.19)
Others	34.89	(39.63)
Total Tax	**8,308.77**	**8,253.80**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Deferred tax assets/(liabilities) (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liability arising on account of:		
Property, plant and equipment	9,006.28	9,215.68
Sub total	**9,006.28**	**9,215.68**
Deferred tax asset arising on account of:		
Expenses allowed on payment/actual basis	453.18	465.58
Lease assets (net of lease liabilties)	18.55	14.10
Provision for expected credit loss	751.09	635.69
Provision for obsolete and non-moving inventory	88.54	47.88
Others	4.55	27.65
Sub total	**1,315.91**	**1,190.90**
Net deferred tax assets/(liabilities)	**(7,690.38)**	**(8,024.78)**

Movement in deferred tax assets/(liabilities) for the year ended March 31, 2022

Particulars	As at March 31, 2021	Credited/(charged) Profit and loss	Credited/(charged) OCI	As at March 31, 2022
Tax effect of items constituting deferred tax assets:				
Expenses allowed on payment/actual basis	465.57	(1.36)	(11.02)	453.18
Lease assets (net of lease liabilities)	14.10	4.45	-	18.55
Provision for expected credit loss	635.69	115.39	-	751.09
Provision for obsolete and non-moving inventory	47.89	40.65	-	88.54
Others	27.65	(23.10)	-	4.55
Deferred tax assets	**1,190.90**	**136.03**	**(11.02)**	**1,315.91**
Tax effect of items constituting deferred tax liabilities:				
Property, plant and equipment exceeds its tax base	9,215.68	(209.40)	-	9,006.28
Deferred tax liabilities	**9,215.68**	**(209.40)**	**-**	**9,006.28**
Net deferred tax assets/(liabilities)	**(8,024.78)**	**345.42**	**(11.02)**	**(7,690.38)**

Movement in deferred tax assets/(liabilities) for the year ended March 31, 2021

Particulars	As at March 31 2020	Credited/(charged) Profit and loss	Credited/(charged) OCI	As at March 31, 2021
Tax effect of items constituting deferred tax assets:				
Expenses allowed on payment/actual basis	532.58	(96.02)	29.01	465.57
Lease assets (net of lease liabilities)	31.45	(17.35)	-	14.10
Provision for expected credit loss	551.64	84.05	-	635.69
Provision for obsolete and non-moving inventory	249.03	(201.14)	-	47.89
Others	31.98	(4.33)	-	27.65
Deferred tax assets	**1,396.68**	**(234.79)**	**29.01**	**1,190.90**
Tax effect of items constituting deferred tax liabilities:				
Property, plant and equipment exceeds its tax base	9,243.28	(27.60)	-	9,215.68
Deferred tax liabilities	**9,243.28**	**(27.60)**	**-**	**9,215.68**
Net deferred tax assets/(liabilities)	**(7,846.60)**	**(207.19)**	**29.01**	**(8,024.78)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

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.

45 INTEREST IN OTHER ENTITIES

Particulars	% of ownership interest		Country of incorporation	Principle business or activity
	As at March 31, 2022	As at March 31, 2021		
Subsidiary				
Radico Spiritz India Private Limited	100%	NA	India	Ancillary Services
Step down Subsidiary				
Accomreal Builders Private Limited	100%	NA	India	Ancillary Services
Compaqt Era Builders Private Limited	100%	NA	India	Ancillary Services
Destihomz Buildwell Private Limited	100%	NA	India	Ancillary Services
Equibuild Realtors Private Limited	100%	NA	India	Ancillary Services
Proprent Era Estates Private Limited	100%	NA	India	Ancillary Services
Binayah Builders Private Limited	100%	NA	India	Ancillary Services
Firstcode Reality Private Limited	100%	NA	India	Ancillary Services
Interest in Joint Venture				
Radico NV Distilleries Maharashtra Limited	36%	36%	India	Manufacture & sale of spirit

46 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. The Company is engaged in the business of manufacture, purchase and sale of beverage alcohol and other allied spirits, including through tieup manufacturing units. 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.

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.

Revenue from Operation (excluding excise duty)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Domestic	268,789.81	221,718.23
Overseas	18,011.57	18,161.35
	286,801.38	**239,879.58**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Note

(i) There are no non-current assets located outside India.

(ii) No single external customer amounts to 10% or more of the Company's revenue.

47 RELATED PARTY TRANSACTIONS AND DISCLOSURES

(1) List of related parties and their relationships :

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. Dinesh Kumar Gupta, Company Secretary

(6) Dr. Raghupati Singhania, Independent Director

(7) Mr. Sarvesh Srivastava, Independent Director

(8) Ms. Sushmita Singha, Independent Director

(9) Mr. Tushar Jain, Independent Director

(10) Mr. Sharad Jaipuria, Independent Director

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 :

Sapphire Intrex Limited

IV Post employment benefit plan entities:

(1) The Rampur Distillery & Chemical Company Limited (Employees P. F. Trust)

(2) The Rampur Distillery & Chemical Company Limited (Employees Group Gratuity Trust)

(3) The Rampur Distillery & Chemical Company Limited (Employees Superannuation Scheme)

V Joint Ventures:

(1) Radico NV Distilleries Maharashtra Limited

VI Subsidiaries

(1) Radico Spiritzs India Private Limited

VII Step-down Subsidiaries

(1) Accomreal Builders Private Limited

(2) Compaqt Era Builders Private Limited

(3) Destihomz Buildwell Private Limited

(4) Equibuild Realtors Private Limited

(5) Proprent Era Estates Private Limited

(6) Binayah Builders Private Limited

(7) Firstcode Reality Private Limited

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

(2) Summary of transaction with related parties

The following transactions were carried out with related parties in the ordinary course of business:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Key Management Personnel :		
Dr. Lalit Khaitan, Chairman & Managing Director		
Remuneration		
Salary and Allowances	994.46	871.77
Contribution to Provident and other Funds	63.57	56.01
Value of benefits, calculated as per Income Tax Rules	39.77	36.31
Director's Sitting fee	2.05	2.05
Mr. Abhishek Khaitan, Managing Director		
Remuneration		
Salary and Allowances	994.46	871.77
Contribution to Provident and other Funds	64.57	57.01
Value of benefits, calculated as per Income Tax Rules	34.46	28.86
Director's Sitting fee	2.05	2.05
Mr. K.P.Singh, Whole Time Director		
Remuneration		
Salary and Allowances	219.70	191.83
Contribution to Provident and other Funds	8.05	7.48
Value of benefits, calculated as per Income Tax Rules	2.27	1.75
Director's Sitting fee	2.65	2.65
Dr. Raghupati Singhania, Independent Director		
Director's Sitting fee	1.80	2.50
Mr. Sarvesh Srivastava, Independent Director		
Director's Sitting fee	2.80	2.80
Ms. Sushmita Singha, Independent Director		
Director's Sitting fee	1.75	1.75
Mr. Tushar Jain, Independent Director		
Director's Sitting fee	1.80	2.50
Mr. Sharad Jaipuria, Independent Director		
Director's Sitting fee	2.50	2.50

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Mr. Dilip K Banthiya, Chief Financial Officer		
Remuneration		
Salary and Allowances	246.61	204.08
Contribution to Provident and other Funds	10.92	10.21
Value of benefits, calculated as per Income Tax Rules	2.72	3.70
Mr. Amit Manchanda, Company secretary		
Remuneration		
Salary and Allowances	-	44.14
Contribution to Provident and other Funds	-	2.82
Value of benefits, calculated as per Income Tax Rules	-	0.82
Mr. Dinesh Kumar Gupta, Company secretary		
Remuneration		
Salary and Allowances	55.32	14.85
Contribution to Provident and other Funds	3.20	0.65
Value of benefits, calculated as per Income Tax Rules	0.89	0.34
Share based payment expense	7.24	-

Note: As the employee benefits obligations such as gratuity, compensated absences and bonuses are provided for the Company as a whole, the amounts pertaining to individual Key Management Personnel are not included above on an accrual basis. Such, amounts are included on payment basis.

Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise :

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sapphire Intrex Limited		
Rent Paid	69.48	69.48
Contribution paid (Employer's contribution only)		
The Rampur Distillery & Chemical Company Limited (Employees P. F. Trust)	614.21	563.26
The Rampur Distillery & Chemical Company Limited (Employees Group Gratuity Trust)	175.08	344.52
The Rampur Distillery & Chemical Company Limited (Employees Superannuation Scheme)	112.99	102.79
Subsidiary		
Radico Spiritzs India Private Limited		
Capital Advance	1,940.00	-
Joint Venture		
Radico NV Distilleries Maharashtra Limited		

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Commission Income (Including GST)	104.17	428.19
Lease rent paid	7.08	7.08
Bottling Charges Paid *	933.66	716.62
Tie-up operation income	7.27	4.00
Dividend on Preference Shares	33.15	200.00
Dividend on Equity Shares	359.99	611.30
Redemption of Preference Shares	2,000.00	-
Purchase of material	5,137.56	3,580.49
Sale of material	-	2.89

** Excluding GST refundable on export consignment bottling ₹ 43.58 Lakhs (previous year ₹ 15.32 Lakhs).*

3 **Summary of closing balances with related parties**

Particulars	As at March 31, 2022	As at March 31, 2021
Joint Venture		
Radico NV Distilleries Maharashtra Limited		
Payable	155.03	142.26
Investment in equity share	13,538.53	13,538.53
Investment in preference share	-	2,000.00
Subsidiaries		
Radico Spiritzs India Private Limited		
Capital advances	1,940.00	-
Investment in equity share	1.00	-
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 Limited		
Security Receivable	60.00	60.00

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, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: ₹ 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.

4 **Disclosure requirements pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

There are no loans / advances in nature of loan given by the Company to related parties, accordingly the disclosure requirements pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

48 PAYMENT TO AUDITORS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i) Audit fee	37.50	31.50
ii) Limited review fee	29.50	13.50
iii) GST on (i) and (ii) above	12.06	8.10
iv) Out of pocket expenses (including taxes)	4.00	0.55
Total	**83.06**	**53.65**

49(A) EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

In accordance with the provisions of section 135 of the Act, the Board of Directors of the Company had constituted a CSR committee. The details for CSR activities are as follows:

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i)	Gross amount required to be spent by the Company during the year	536.46	457.02
ii)	Amount spent during the year on the following:		
	(a) For construction / acquisition of any assets	-	-
	(b) For purposes other than (a) above	416.25	528.08
iii)	Amount unspent/(overspent) during the year and deposited in a scheduled bank (in case of unspent)	120.21	(71.06)
iv)	Amount spent during the year pertaining to previous year	-	-
v)	Shortfall/(Excess) at the end of the year	-	(71.06)
vi)	Reason of Shortfall	NA	NA
vii)	Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-
	Total	**536.46**	**457.02**

49 (B) NATURE OF CSR ACTIVITIES FOR THE FINANCIAL YEAR

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health and sanitation [including contribution to the Swatch Bharat Kosh setup by the Central Government for the promotion of sanitation] and making available safe drinking water.	278.82	311.19
(ii)	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	0.94	5.91
(iii)	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	16.60	34.71

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(iv)	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].	109.13	81.99
(v)	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.	9.52	7.30
(vi)	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;	-	24.74
(vii)	Disaster management, including relief, rehabilitation and reconstruction activities.	1.23	62.24
	Total	**416.25**	**528.08**

The Company does not carry any provisions for corporate social responsibility expenses for the current year and previous year.

50 REMITTANCE IN FOREIGN CURRENCY / OR TO THE MANDATE BANKS ON ACCOUNT OF DIVIDENDS TO NON RESIDENTS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Number of non resident shareholders	16	16
(ii) Number of shares held by them	14,880	14,880
(iii) Dividend per share	2.40	2.00
(iv) Financial year to which the dividend relates	2020-21	2019-20

51 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.

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Foreign Currency	INR	Foreign Currency	INR
Other foreign currency exposures:				
Export receivables				
USD	87.94	6,666.59	87.00	6,394.64
EURO	0.23	19.08	0.14	12.05
GBP	-	-	0.02	2.49
Overseas creditors				
USD	1.30	98.18	1.79	131.56
EURO	0.05	4.65	0.02	1.66
GBP	0.13	13.17	0.00	0.08

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Foreign Currency	INR	Foreign Currency	INR
Advances to overseas supplier				
USD	2.77	210.35	0.13	9.80
EURO	1.95	164.77	1.46	125.64
GBP	1.47	146.32	0.62	62.90
Advance from overseas customer				
USD	0.47	35.35	0.71	52.23
EURO	0.00	0.05	-	-
GBP	0.01	0.62	-	-
Balance with banks				
USD	5.95	450.87	1.59	116.69

Foreign currency sensitivity

Change in foreign exchange rates	As at March 31, 2022		As at March 31, 2021	
	5% increase	5% decrease	5% increase	5% decrease
USD	359.71	(359.71)	316.87	(316.87)
EURO	8.96	(8.96)	6.80	(6.80)
GBP	6.63	(6.63)	3.27	(3.27)

52 FINANCIAL INSTRUMENTS

A- Category wise classification of Financial Instruments

Particulars	As at March 31, 2022			As at March 31, 2021		
	FVTPL	Amortised cost	FVTOCI	FVTPL	Amortised cost	FVTOCI
Financial assets						
Investment						
Equity Instrument	0.60	13,539.53	-	0.60	13,538.53	-
Preference Shares	-	-	-	-	2,000.00	-
Trade receivables	-	75,575.90	-	-	69,745.74	-
Cash and cash equivalents	-	9,999.43	-	-	12,110.36	-
Bank balances other than above	-	889.60	-	-	887.71	-
Loans	-	2,437.43	-	-	2,704.29	-
Other financial assets	-	9,692.47	-	-	10,293.75	-
Total	**0.60**	**112,134.36**	**-**	**0.60**	**111,280.38**	**-**
Financial liabilities						
Borrowings	-	18,990.42	-	-	27,335.95	-
Lease liabilities	-	1,166.77	-	-	1,484.24	-
Trade payables	-	30,426.19	-	-	26,190.77	-
Other financial liabilities	-	3,688.97	-	-	3,654.70	-
Total	**-**	**54,272.35**	**-**	**-**	**58,665.66**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

B- Fair values

The carrying amount of financial assets and liabilities except for certain financial assets i.e. "instrument carried at fair value" appearing in the financial statement are reasonable approximation of fair value. Such investments of those financial instruments carried at fair value are disclosed below:-

Particulars	Fair Value		Carrying value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
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**

C- Fair value hierarchy

The following table provides fair value management hierarchy of the company`s assets:

Particulars	Level 1	Level 2	Level 3
March 31, 2022			
Investment			
Equity share	-	-	0.60
Total	**-**	**-**	**0.60**
March 31, 2021			
Investment			
Equity share	-	-	0.60
Total	**-**	**-**	**0.60**

There have been no transfer between level 1, level 2 and level 3 during the year.

D- 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.

E- Valuation inputs and relationships to fair value

Significant unobservable inputs used in Level 3 fair value measurement:-

Non current investment - Unquoted

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Fair Value	0.60	0.60
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.*

F- Reconciliation of financial instruments categorised under level 3

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
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

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

53 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities exposes it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash quivalents, deposits with banks, trade receivables, loans and other financial assets measured at amortised cost	Review of receivables	Diversification of bank deposits, monitoring of credit limits and assessment of recoverability of loan and advances from related party & other counter party
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk-Interest rate	Short-term borrowings at floating rates	Sensitivity analysis of interest rates	Monitoring of changes in interest rates

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 includes loans, investment in preference shares & equity shares, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company's business activities are exposed to a variety of financial risks, namely market risks, credit risk and liquidity risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk and equity price risk. Financial instruments affected by market risk include loans and borrowings.

The sensitivity analysis in the following sections relate to the position as at March 31, 2022 and March 31, 2021.

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, 2022 and March 31, 2021.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

(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.

In order to balance the Company's position with regards to interest income and interest expense and to manage the interest rate risk, treasury performs comprehensive interest rate risk management. As the Company does not have any significant amount of debt, the exposure to interest rate risk from the perspective of Financial Liabilities is negligible. Further, treasury activities, focused on managing investments in debt instruments, are centralised and administered under a set of approved policies and procedures guided by the tenets of safety, liquidity and returns. This ensures that investments are made within acceptable risk parameters after due evaluation.

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:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Fixed rate borrowings	514.69	153.51
Variable rate borrowings	18,475.73	27,182.44
Total borrowing	**18,990.42**	**27,335.95**

Fair value sensitivity analysis for fixed rate instruments

The Company does not have any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss and neither would it affect the equity.

A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
Increase/ (decrease) in basis points	100	(100)	100	(100)
Effect on profit before tax (increase)/ decrease	189.90	(189.90)	273.36	(273.36)

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 hedged some of its receivable, since they have short recovery cycle and act as natural hedging reducing the foreign currency risk. Refer note 51 above.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

(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 and Subsidiaries at cost of ₹ 13,539.53 Lakhs

(iv) Price risk

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

Sensitivity analysis

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Company's profit for the year:

Particulars	As at March 31, 2022	As at March 31, 2021
Price sensitivity		
Price increase by (5%) - FVTPL	0.03	0.03
Price decrease by (5%) - FVTPL	(0.03)	(0.03)

(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.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

The Company's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2022 and March 31, 2021 is the carrying amounts as illustrated in note below.

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets for which loss allowance is measured using 12 months expected credit losses (ECL)		
Non current financial assets		
Investment in joint venture	13,538.53	15,538.53
Investment in subsidiary	1.00	-
Investment in others	0.60	0.60
Others	5,851.20	4,131.94
Total	**19,391.33**	**19,671.07**
Current financial assets		
Cash and cash equivalents	9,999.43	12,110.36
Bank balances other than above	889.60	887.71
Loans	2,437.43	2,704.29
Others	3,841.27	6,161.81
Total	**17,167.73**	**21,864.17**
Financial assets for which loss allowance is measured using life time expected credit losses (LECL)		
Trade receivables	75,575.90	69,745.74
Total	**75,575.90**	**69,745.74**

Summary of change in loss allowances measured using LECL

Particulars	As at March 31, 2022	As at March 31, 2021
Opening allowance	**2,525.80**	**2,420.83**
Provided during the year	478.36	177.36
Amounts written-off	-	72.39
Closing allowance	**3,004.16**	**2,525.80**

(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 after one year and before five years	Payable after 5 years	Total
As at March 31, 2022:				
Term loans from banks	12.50	502.19	-	514.69
Short term loan	18,475.73	-	-	18,475.73
Trade payables	30,426.19	-	-	30,426.19
Lease liability	346.35	814.19	6.23	1,166.77
Other financial liabilities	3,680.07	8.90	-	3,688.97
Total	**52,940.84**	**1,325.28**	**6.23**	**54,272.35**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars	Payable within one year	Payable after one year and before five years	Payable after 5 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
Lease liability	419.64	1,064.60	-	1,484.24
Other financial liabilities	3,582.25	72.45	-	3,654.70
Total	**57,501.70**	**1,163.96**	**-**	**58,665.66**

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-17 and 23 on Borrowings for details).

54 (I) Defined Benefit Plan

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Provident Fund	614.21	563.26

(II) Post-employment benefit plans

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity (funded)	(26.05)	170.77

The Company 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

The following tables summaries the gratuity 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.

i. Changes in present value of defined benefit obligation:

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obligation as at beginning of the year	3,692.85	3,350.03
Acquisition adjustment	-	-
Interest cost	251.11	227.80
Current service cost	207.26	198.11
Benefits paid	(126.64)	(187.48)
Actuarial (gain)/loss recognised in other comprehensive income	(60.65)	104.39
- changes in financial assumption	(104.09)	-
- experience adjustment	43.45	104.39
Present value of obligation as at end of the year	**3,963.93**	**3,692.85**

ii. Reconciliation of the present value of plan assets :

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	3,522.07	2,961.95
Return on plan assets recognised in total other comprehensive income	222.64	190.55
Contribution paid into the plan	371.91	557.05
Benefits paid	(126.64)	(187.48)
Balance at the end of the year	3,989.98	3,522.07
Net defined benefit liability	**(26.05)**	**170.77**

iii. Net asset / (liability) recognised in the standalone balance sheet

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obligation at the end	3,963.93	3,692.85
Fair value of plan assets	3,989.98	3,522.07
Net assets / (Unfunded liability) in standalone balance sheet	**26.05**	**(170.78)**

iv. Actuarial Assumptions

A. Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes into account inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Discounting rate	7.18	6.80
Future salary increase	5.50	5.50

B. Demographic assumptions

Particulars	As at March 31, 2022	As at March 31, 2021
i) Retirement age	58/60/80	58/80
ii) Mortality table	100% OF IALM (2012-14)	100% OF IALM (2012-14)
iii) Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 years (Store employees/Back office employees)	3.00	3.00
From 31 to 44 years (Store employees/Back office employees)	2.00	2.00
Above 44 years (Store employees/Back office employees)	1.00	1.00

Assumption regarding future mortality have been based on published statistics and mortality tables

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

C. Actuarial Method

i) Projected unit credit (PUC) actuarial method has been used to assess the plan's liabilities allowing for retirement, death-in-service and withdrawal and also compensated absence while in service.

ii) Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan accrual formula and upon service as at the beginning and end of the period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation for active members.

V(a). Expense recognised in the standalone statement of profit or loss:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employee benefit expenses:		
(a) Current service cost	207.26	198.11
(b) Interest cost	251.12	232.57
(c) Interest income on plan assets	(239.50)	(201.41)
	218.88	**229.27**

v(b). Remeasurements recognised in other comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial gain/(loss) on defined benefit obligation	60.65	(104.39)
Actuarial gain/(loss) on plan assets	(16.87)	(10.86)
	43.78	**(115.25)**
Expense recognised in the standalone statement of profit and loss	**175.09**	**344.52**

vi. Reconciliation of statement of expense in the standalone statement of profit and loss

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Present value of obligation as at the end of the year	3,963.93	3,692.85
Present value of obligation as at the beginning of the year	(3,692.85)	(3,350.03)
Benefits paid	126.64	192.25
Actual return on plan assets	(222.63)	(190.55)
Acquisition adjustment	-	-
Expense recognised in the standalone statement of profit and loss	**175.09**	**344.52**

vii. Change in fair value of plan assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening fair value of plan assets	3,522.07	2,961.95
Actual return on plan assets	222.64	190.55
Fund charges	-	-
Contribution by employer	371.91	557.05
Benefits paid	(126.64)	(187.48)
Fair value of plan assets as at year end	**3,989.98**	**3,522.07**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

viii. The expected maturity analysis of undiscounted defined benefit liability is as follows

Particulars	Less than a year	Between one to two years	Between two to five years	Over five years
March 31, 2022	549.79	158.20	368.29	2,887.65
March 31, 2021	511.76	117.49	314.16	2,749.45

ix. Bifurcation of closing net liability at the end of year

Particulars	As at March 31, 2022	As at March 31, 2021
Current liability (amount due within one year)	549.79	511.76
Non-current liability (amount due over one year)	3,414.14	3,181.09
Total	**3,963.93**	**3,692.85**

x. Investment details of plan assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Insurance products	**100%**	**100%**

xi. Expected contribution for the next Annual reporting period

Particulars	As at March 31, 2022	As at March 31, 2021
Service cost	186.97	204.80
Net Service cost	(1.87)	11.61
Expected expense for the next Annual reporting period	185.09	216.41

xii. Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions is as shown below:

Impact of the change in discount rate on defined benefit obligation

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obliation at the end of the year		
a) Impact due to increase of .50%	(126.33)	(106.54)
b) Impact due to decrease of .50%	138.99	113.21

Impact of the change in salary on defined benefit obligation

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obliation at the end of the year		
a) Impact due to increase of .50%	140.61	114.09
b) Impact due to decrease of .50%	(128.83)	(108.31)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated. Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied when calculating the provision for defined benefit plan recognised in the Standalone Balance Sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Risk exposure:

The defined benefit plan is exposed to a number of risks, the most significant of which are detailed below:

a) **Salary increases -** Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability

b) **Investment risk -** If plan is funded then assets/liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

c) **Discount rate -** Reduction in discount rate in subsequent valuations can increase the plan's liability.

d) **Mortality and disability -** Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities

e) **Withdrawals -** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability

C. **Code of social security**

The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment received Presidential assent in September 2020. Subsequently, the Ministry of Labour and Employment had released the draft rules on the aforementioned Code. However, the same is yet to be notified. The Company will evaluate the impact and make necessary adjustments to the financial statements in the period when the Code will be notified and will come into effect.

55 INFORMATION UNDER 186(4) OF THE COMPANIES ACT, 2013

Particulars	As at March 31, 2022	As at March 31, 2021
Movement of loans and advances:		
i) In the form of unsecured short-term Inter corporate deposits*		
Opening balance	**2,688.68**	**3,159.21**
Given during the year	-	600.00
Received / adjusted during the year	(262.34)	(1,070.53)
Closing balances	**2,426.34**	**2,688.68**

** All loans are given to unrelated entities at interest rates ranging from 10% to 12% per annum for different tenure. All the loans are provided for business purposes of respective entities. Further, the Company has not invested, granted a loan, or issued a guarantee covered under Section 186(3) of the Company Act, 2013.*

56 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 debt equity ratio was as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings	18,990.42	27,335.95
Equity capital	2,673.48	2,671.37
Other equity	196,007.09	173,719.31
Total equity	**198,680.57**	**176,390.68**
Debt equity ratio	9.56%	15.50%

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current financial year. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022.

57 The Second and third wave of the pandemic impacted the economy during the nine months ended December 31, 2021. However, the Company's business and operations continued with certain restrictions in line with the guidelines laid down by the Government.

Radico Khaitan has evaluated the impact of the 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 position as of March 31, 2022.

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.

58 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER MSMED ACT 2006

Particulars		As at March 31, 2022	As at March 31, 2021
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-Principal	4,316.81	3,073.83
	-Interest	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;		-	-
(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;		-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and		-	-
(e) the amount of further interest remaining due and payable even in the succeeding year, 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 MSMED Act, 2006.		-	-

The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

59 DISCLOSURES ON REVENUE PURSUANT TO IND AS 115 - REVENUE FROM CONTRACTS WITH CUSTOMERS

A. Reconciliation of revenue from sale of products with the contracted price

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contracted Price	303,020.37	252,056.21
Add: Excise duty	960,248.83	810,524.48
Less: Discount and rebates, etc.	(19,343.58)	(14,655.11)
Sale of products	**1,243,925.62**	**1,047,925.58**

B. Disaggregation of revenue

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Revenue from contracts with customers

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i) Revenue from operations		
Alcohol and other alcoholic products	277,887.14	232,612.14
Pet bottles and caps	3,280.40	2,719.53
Jaivik khad	416.61	393.62
Printed bottles	413.41	654.48
Trading of products	669.03	241.94
Royalty Income	1,010.20	779.39
Add: Excise duty collected from customer	960,248.83	810,524.48
Operating revenue	**1,243,925.62**	**1,047,925.58**
ii) Other operating income	3,124.59	2,478.48
Total revenue covered under Ind AS 115	**1,247,050.21**	**1,050,404.06**

C. Contract balances

The following table provides information about receivables and contract liabilities from contract with customers:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contract liabilities		
Advance from consumers	6,799.08	8,072.51
Total	**6,799.08**	**8,072.51**
Receivables		
Trade receivables	78,580.06	72,271.54
Less: Allowances for expected credit loss	(3,004.16)	(2,525.80)
Net receivables	**75,575.90**	**69,745.74**

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer in advance.

D. Significant changes in the contract liabilities balances during the year are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	**8,072.51**	**5,642.88**
Addition during the year	6,799.08	8,072.51
Revenue recognised during the year	(8,072.51)	(5,642.88)
Closing balance	**6,799.08**	**8,072.51**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

60 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES PURSUANT TO IND AS 7 - CASH FLOWS

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Non-current borrowings*	Current borrowings	Lease liabilities	Total
Net debt as at April 01, 2020	**290.56**	**39,874.22**	**865.05**	**41,029.83**
Recognition of lease liabilities (including current)	-	-	1,312.03	1,312.03
Repayment (including current maturities)	(137.05)	(12,565.18)	(692.84)	(13,395.07)
Proceeds from current borrowings (net)	-	-	-	-
Net debt as at March 31, 2021	**153.51**	**27,309.04**	**1,484.24**	**28,946.79**
Recognition of lease liabilities (including current)	-	-	313.89	313.89
Repayment of long term borrowings (excluding current maturities of long term borrowing) (net)	(138.82)	(8,833.31)	(631.36)	(9,603.49)
Proceeds from long term borrowings (net)	500.00	-	-	500.00
Net debt as at March 31, 2022	**514.69**	**18,475.73**	**1,166.77**	**20,157.19**

including current maturities of long term borrowings

61 AGEING SCHEDULE FOR CAPITAL WORK IN PROGRESS

As at March 31, 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	**2,663.44**	**100.41**	**50.19**	**84.41**	**2,898.45**
Projects temporarily suspended	-	-	-	-	-
Total	**2,663.44**	**100.41**	**50.19**	**84.41**	**2,898.45**

As at March 31, 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	**3,685.02**	**89.92**	**3.54**	**-**	**3,778.48**
Projects temporarily suspended	-	-	-	-	-
Total	**3,685.02**	**89.92**	**3.54**	**-**	**3,778.48**

62 AGEING SCHEDULE OF TRADE RECEIVABLES

As at March 31, 2022

Particulars	Outstanding from the due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	72,230.37	1,393.94	556.09	312.76	764.51	75,257.66
Undisputed trade receivables – credit impaired	55.94	153.59	116.75	209.95	1,876.91	2,413.14
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	318.24	318.24
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	591.02	591.02
	72,286.31	**1,547.53**	**672.84**	**522.71**	**3,550.68**	**78,580.06**
Allowance for expected credit losses	55.94	153.59	116.75	209.95	2,467.93	3,004.16
Total	**72,230.37**	**1,393.94**	**556.09**	**312.76**	**1,082.75**	**75,575.90**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

As at March 31, 2021

Particulars	Outstanding from the due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	66,464.49	795.50	1,038.14	142.93	850.85	69,291.91
Undisputed trade receivables – credit impaired	71.95	28.87	225.86	69.84	1,675.44	2,071.96
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	453.84	453.84
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	453.84	453.84
	66,536.44	**824.37**	**1,264.00**	**212.77**	**3,433.96**	**72,271.54**
Allowance for expected credit losses	71.95	28.87	225.86	69.84	2,129.28	2,525.80
Total	**66,464.49**	**795.50**	**1,038.14**	**142.93**	**1,304.68**	**69,745.74**

63 AGEING SCHEDULE OF TRADE PAYABLES

As at March 31, 2022

Particulars	Outstanding from the due date of payment					Total
	Unbilled Payable	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro and small enterprises (MSME)	-	4,316.81	-	-	-	4,316.81
Others than Micro and small enterprises	6,245.22	19,575.69	53.12	94.67	140.67	26,109.38
Disputed Dues (MSME)	-	-	-	-	-	-
Disputed Dues (Others)	-	-	-	-	-	-
Total	**6,245.22**	**23,892.50**	**53.12**	**94.67**	**140.67**	**30,426.19**

As at March 31, 2021

Particulars	Outstanding from the due date of payment					Total
	Unbilled Payable	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro and small enterprises (MSME)	-	3,073.83	-	-	-	3,073.83
Others than Micro and small enterprises	4,202.14	18,939.98	119.23	(271.66)	127.25	23,116.94
Disputed Dues (MSME)	-	-	-	-	-	-
Disputed Dues (Others)	-	-	-	-	-	-
Total	**4,202.14**	**22,013.81**	**119.23**	**(271.66)**	**127.25**	**26,190.77**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

64 DETAILS OF PROMOTER SHAREHOLDING

Name of promoter	As at March 31, 2022			As at March 31, 2021		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
Dr. Lalit Kumar Khaitan	234,295	0.18%	-	234,295	0.18%	-
Lalit Kumar Khaitan Huf	41,850	0.03%	-	41,850	0.03%	-
Abhishek Khaitan	86,065	0.06%	-	86,065	0.06%	-
Deepshikha Khaitan	50,000	0.04%	-	50,000	0.04%	-
Sapphire Intrex Limited	45,379,098	33.95%	-	45,379,098	33.99%	-0.12%
Rampur International Limited	5,254,085	3.93%	-	5,254,085	3.93%	-
Classic Fintrex Private Ltd	2,576,100	1.93%	-	2,576,100	1.93%	-
Abhishek Fiscal Services Private Limited	99,050	0.07%	-	99,050	0.07%	-
Elkay Fiscal Services Private Limited	66,000	0.05%	-	66,000	0.05%	-
Smita Fiscal Private Limited	43,275	0.03%	-	43,275	0.03%	-
Total	**53,829,818**	**40.27%**		**53,829,818**	**40.31%**	

65 TITLE DEEDS OF IMMOVABLE PROPERTY NOT HELD IN NAME OF THE COMPANY

Relevant line item in the balance sheet	Description of item of property	Gross carrying value (₹ Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Land in the state of Madhya Pradesh	21.44	Abhishek Cement Limited	No	2003-04	Held in the name of erstwhile transferor companies which were amalgamated with the Company through approved Court Schemes.
	Land in the state of Telangana	769.00	Anab-e-Shahi Wines and Distilleries Private Limited	No	2004-05	Held in the name of erstwhile transferor companies which were amalgamated with the Company through approved Court Schemes.

66 INTANGIBLE ASSETS UNDER DEVELOPMENT:

a) For Intangible assets under development, following ageing schedule shall be given

Intangible assets under development	Amount				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	129.80	-	-	-	129.80
Projects temporarily suspended	-	-	-	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

67 OTHER STATUTORY INFORMATION

a. The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

b. The Company do not have any transactions with companies struck off.

c. The Company does not hold any Investment property hence not applicable.

d. In Current year, no revaluation has been done for Property, plant and equipment and Intangible assets.

e. The Company has not been declared a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

f. The Company does not have any Benami property and no proceedings have been initiated or pending against the Company for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

g. The Company has not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.

h. The company have not advanced or loaned or invested funds to any other persons or entities, including foreign entities (intermediaries) with the understanding that the intermediary shall:

   (a) Directly and indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company(ultimate beneficiaries) or:

   (b) provide any guarantee, security or the like to or on behalf of ultimate beneficiaries.

i. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

   i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or,

   ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

j. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

k. The Company has ensured compliance with Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017 ('Layering Rules') is not applicable.

l. The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

m. The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were was taken.

68 FINANCIAL RATIOS

Ratio	Numerator	Denominator	March 31, 2022 Ratio	March 31, 2021 Ratio	% Change	Remarks
Current ratio	Current assets	Current liabilities	2.46	2.11	16.83%	NA
Debt-equity ratio	Total debt [non-current borrowings + current borrowings]	Shareholder's quity (total equity)	0.10	0.15	(38.32)%	The Company has partly repaid borrowings during the year and total equity has increased with profitability resulting in reduction in debt to equity ratio.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Ratio	Numerator	Denominator	March 31, 2022 Ratio	March 31, 2021 Ratio	% Change	Remarks
Debt service coverage ratio	Earnings available for debt service*	Debt Service**	17.22	12.48	38.05%	The Company has partly repaid borrowings during the year, which has resulted in a change in Debt service coverage ratio.
Return on equity ratio	Net Profits after taxes – Preference dividend (if any)	Average shareholder's equity	0.13	0.16	(18.39)%	NA
Inventory turnover ratio	Cost of goods sold + Excise duty	Average Inventory	21.79	21.56	1.07%	NA
Trade receivables turnover ratio	Gross credit sales	Avg. accounts receivable	17.16	13.82	24.22%	NA
Trade payables turnover ratio	Net credit purchases	Average trade payables	5.64	4.75	18.78%	NA
Net capital turnover ratio	Gross sales	Working capital	13.04	13.04	(0.02)%	NA
Net profit ratio	Net profit	Net sales	0.09	0.11	(22.05)%	NA
Return on capital employed	Earning before interest and taxes	Capital employed#	0.15	0.18	(12.84)%	NA
Return on investment	Earning before interest and taxes	Average Total Assets	0.13	0.15	(12.06)%	NA

** Earnings available for debt service= (net profit after taxes + non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of fixed assets etc)*

*** Debt Service= (Interest & lease payments + principal repayments)*

 # Capital employed= (Tangible net worth + total debt + deferred tax liability)

69 PREVIOUS YEAR FIGURES HAVE BEEN RE-GROUPED, WHEREVER NECESSARY, TO CORRESPOND TO CURRENT YEAR FIGURES.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Regn. No. 001076N/N500013

Ashish Gupta
Partner
Membership No. 504662

Place: New Delhi
Date: May 30, 2022

For and on behalf of the Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director
DIN: 00238222

Dinesh Kumar Gupta
Vice President - Legal &
Company Secretary

Abhishek Khaitan
Managing Director
DIN: 00772865

Alok Agarwal
Sr. Vice President
(Finance & Accounts)

Independent Auditor's Report

To the Members of Radico Khaitan Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying consolidated financial statements of Radico Khaitan Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and joint venture, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group and joint venture, as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 and joint venture 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 the 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and joint venture, 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.

5. We have determined the matter(s) described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition and trade receivables Refer to note 1.06 to the accompanying consolidated financial statements for the Group's significant accounting policies relating to revenue recognition and note 29 for the details of revenue recognised during the year. The Holding Company derives its revenue from sale of liquor products to a wide range of customers through a network of distributors and state government corporations. Owing to the multiplicity of the Holding Company's products, volume of sales transactions, size	Our audit procedures related to revenue recognition included, but were not limited, to the following: a) Understood the nature of revenue transactions and evaluated the appropriateness of the accounting policy adopted by the management in accordance with Ind AS 115; b) Evaluated the design and tested the operating effectiveness of Holding Company's internal controls around revenue recognition including relating to determination of variable consideration and satisfaction of performance obligations;

Key audit matter	How our audit addressed the key audit matter
of distribution network, nature of customers and varied terms of contracts with different customers, revenue is determined to be an area involving significant risk in line with the requirements of the Standards on Auditing and hence required significant auditor attention. Further Ind AS 115, "Revenue from Contracts with Customers" ('Ind AS 115'), requires management to make certain key judgements, such as, identification of performance obligations in contracts with customers, determination of transaction price for the contract including variable consideration in the form of rebates, discounts and pay-outs to distributors under various promotional schemes of the Holding Company, and assessment of satisfaction of the performance obligations under each contract representing the transfer of control of the products sold to the customers including state government corporations. Evaluation is also required to be made in respect of principal versus agent relationship of the Company with its 'tie-up units' and 'royalty units' as explained in the significant accounting policy disclosures referred above. Further, the Holding Company has significant balance of trade receivables amounting to ₹ 75,575.90 Lakhs as at 31 March 2022 as disclosed under note 8 to the accompanying consolidated financial statements. These receivables include dues from state government corporations and private distributors. The Holding Company provides for expected credit loss on such trade receivables based on past experience which is adjusted to reflect current and estimated future economic conditions. Due to the extent of industry knowledge and skills needed to design and execute audit procedures to address the risks of material misstatements in revenue recognition and related trade receivables, significance of the amounts and judgments involved in assessing appropriate revenue recognition, and existence and recoverability of trade receivables, these matters are considered key audit matters in the current year audit.	c) On a sample basis, tested revenue transactions recorded during the year, and transactions recorded before and after year end basis inspection of supporting documents such as customer contracts, purchase orders, price lists, proof of dispatch and delivery including regulatory documents used for movement of liquor as per applicable regulations, invoices, etc. For such samples tested, reviewed the terms of the contracts with customers to assess the appropriateness of Holding Company's identification of performance obligations, its determination of transaction price, including allocation thereof to performance obligations and identification of the point of revenue recognition, in order to ensure revenue is recorded with the correct amount and in the correct period; d) Tested the adequacy of accruals made for various rebates and discounts committed to the distributors of the company basis the promotion schemes active as at the year-end; e) Performed substantive analytical procedures including review of price, quantity and product mix variances and analysis of discounts; f) Evaluated adequacy of the disclosures made in the accompanying financial statements in respect of revenue recognition in accordance with financial reporting framework. Further, our audit procedures pertaining to related trade receivables included, but were not limited, to the following: a) Circularised requests for direct balance confirmations to a sample of customers for outstanding balances as at year-end and evaluated the responses received; b) Performed other alternate procedures which included testing of invoices, proof of supply and subsequent collection of invoices for the confirmations not received; c) Evaluated the appropriateness of the model used by the management in determination of expected credit losses, including inputs and assumptions such as classes of customers, past trends of recovery and default rates as adjusted for future expectations, basis our understanding of the business and relevant market conditions; d) Recomputed the ageing of trade receivables for a sample of invoices and tested mathematical accuracy of the workings prepared by the management; e) Evaluated the disclosures made in accompanying standalone financial statements in respect of trade receivables in accordance with applicable financial reporting framework.

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

6. The Holding Company's Board of Directors are 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, etc, but does not include the consolidated financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read these reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, 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.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its joint venture.

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

10. 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act 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 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 Holding 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 Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture 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 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 and its joint venture to cease to continue as a going concern; and

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

- Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, and its joint venture, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. 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.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 MATTER

15. We did not audit the financial statements of eight subsidiaries, whose financial statements reflects total assets of ₹ 3,475.43 Lakhs and net assets of ₹ 3.79 Lakhs as at 31 March 2022, total revenues of ₹ Nil and net cash inflows amounting to ₹ 124.70 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 1,468.40 Lakhs for the year ended 31 March 2022, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements has not been audited by us. These financial statements has been audited by other auditors whose reports have

been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint venture, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

16. The consolidated financial statements of the Group for the year ended 31 March 2021 were audited by the predecessor auditor, BGJC & Associates LLP, who have expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 1 June 2021.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

17. As required by section 197(16) of the Act based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 15, on separate financial statements of a joint venture, we report that the Holding Company and a joint venture company incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that eight subsidiary companies incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies.

18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

19. As required by section 143(3) of the Act, based on our audit and on the consideration of the report s of the other auditors on separate financial statements and other financial information of the subsidiaries and joint venture incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 and the reports of the other auditors;

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture company, covered under the Act, none of the directors of the Group companies and its joint venture company, are disqualified as on 31 March 2022 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 Holding Company, and its subsidiary companies and joint venture company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and

g) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries and joint venture incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture as detailed in Notes 39(b) and 55(iv)(b) to the consolidated financial statements;

ii. The Holding Company, its subsidiary companies and joint venture company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and joint venture companies during the year ended 31 March 2022;

a. The respective managements of the Holding Company and its subsidiary companies, and joint venture company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of their knowledge and belief as disclosed in note 66(h) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies or its joint venture company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies or its joint venture company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary companies, and joint venture company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of their knowledge and belief as disclosed in the note 66(i) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies, or its joint venture company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies or its joint venture company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries and joint venture, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

iv. The final dividend paid by the Holding Company and its joint venture company during the year ended 31 March 2022 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. Further, as stated in note 42 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

Further, the subsidiary companies have not declared or paid any dividend during the year ended 31 March 2022.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 22504662AJVQXE4605

Place: New Delhi
Date: 30 May 2022

ANNEXURE 1

List of entities included in the Statement

S. No.	Name of entity	Relation
1	Radico NV Distilleries Maharastra Limited	Joint venture
2	Radico Spiritzs India Private Limited	Subsidiary (w.e.f. 19 August 2021)
3	Accomreal Builders Private Limited	Step down subsidiary (w.e.f. 03 February 2022)
4	Compaqt Era Builders Private Limited	Step down subsidiary (w.e.f. 03 February 2022)
5	Destihomz Buildwell Private Limited	Step down subsidiary (w.e.f. 03 February 2022)
6	Equibuild Realtors Private Limited	Step down subsidiary (w.e.f. 03 February 2022)
7	Proprent Era Estates Private Limited	Step down subsidiary (w.e.f. 03 February 2022)
8	Binayah Builders Private Limited	Step down subsidiary (w.e.f. 03 February 2022)
9	Firstcode Reality Private Limited	Step down subsidiary (w.e.f. 03 February 2022)

Annexure A

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT')

1. In conjunction with our audit of the consolidated financial statements of Radico Khaitan Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its joint venture as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture company, which are companies covered under the Act, as at that date.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Holding Company, its subsidiary companies and joint venture company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 ('Guidance Note') 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture company as aforesaid.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies and joint venture company, the Holding Company, its subsidiary companies and joint venture company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTER

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to eight subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 3,475.43 Lakhs and net assets of ₹ 3.79 Lakhs as at 31 March 2022, total revenues of ₹ Nil and net cash inflows amounting to ₹ 124.70 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 1,468.40 Lakhs for the year ended 31 March 2022, in respect of a joint venture company, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies and joint venture company have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and joint venture company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and joint venture company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 22504662AJVQXE4605

Place: New Delhi
Date: 30 May 2022

Consolidated Balance Sheet

as at March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	81,119.95	79,838.87
Capital work-in-progress	2A	2,898.45	3,778.48
Intangible assets	3	939.91	1,151.13
Intangible assets under development	3A	129.80	-
Investments accounted for using equity method	4	17,547.85	18,439.44
Financial assets			
Investments (other than investment accounted using equity method)	4A	0.60	0.60
Other financial assets	5	5,851.20	4,131.94
Other non-current assets	6	8,462.59	1,624.21
Total non-current assets		**116,950.35**	**108,964.67**
Current Assets			
Inventories	7	53,685.29	48,906.57
Financial assets			
Trade receivables	8	75,575.90	69,745.74
Cash and cash equivalents	9	10,124.13	12,110.36
Bank balances other than above	10	889.60	887.71
Loans	11	2,437.43	2,704.29
Other financial assets	12	3,841.27	6,161.81
Current tax assets (net)	13	565.07	97.47
Other current assets	14	14,050.14	12,633.88
Total current assets		**161,168.83**	**153,247.83**
Total assets		**278,119.18**	**262,212.50**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	2,673.48	2,671.37
Other equity	16	200,012.20	176,620.22
		202,685.68	**179,291.59**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	502.19	26.91
Lease liabilities	18	745.07	1,070.85
Other financial liabilities	19	8.90	72.45
Provisions	20	1,110.98	1,028.74
Deferred tax liabilities (net)	21	7,690.39	8,024.78
Other non current liabilities	22	-	16.58
Total non-current liabilities		**10,057.53**	**10,240.31**
Current liabilities			
Financial liabilities			
Borrowings	23	18,488.23	27,309.04
Lease liabilities	24	421.70	413.39
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	25	4,316.81	3,073.83
Total outstanding dues of creditors other than micro enterprises and small enterprises	25	26,109.38	23,116.94
Other financial liabilities	26	3,681.76	3,582.25
Other current liabilities	27	11,792.09	14,504.14
Provisions	28	566.00	681.01
Total current liabilities		**65,375.97**	**72,680.60**
Total equity and liabilities		**278,119.18**	**262,212.50**
Summary of significant accounting policies	1		

The summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Regn. No. 001076N/N500013

Ashish Gupta
Partner
Membership No. 504662

Place: New Delhi
Date: May 30, 2022

For and on behalf of the Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director
DIN: 00238222

Dinesh Kumar Gupta
Vice President - Legal & Company Secretary

Abhishek Khaitan
Managing Director
DIN: 00772865

Alok Agarwal
Sr. Vice President
(Finance & Accounts)

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from operations	29	1,247,050.21	1,050,404.06
Other income	30	742.76	1,396.07
Total income		**1,247,792.97**	**1,051,800.13**
EXPENSES			
Cost of materials consumed	31	157,926.36	123,883.30
Purchase of stock-in-trade	32	212.32	177.00
Change in inventories of finished goods, stock-in-trade and work-in-progress	33	(395.16)	(3,818.04)
Excise duty		960,248.83	810,524.48
Employee benefits expense	34	14,126.04	12,403.09
Finance costs	35	1,310.25	2,201.65
Depreciation and amortisation expense	36	6,487.70	5,389.91
Other expenses	37	74,713.61	66,339.88
Total expenses		**1,214,629.95**	**1,017,101.27**
Profit before tax		**33,163.02**	**34,698.86**
Tax expense	44		
Current tax		8,718.96	8,435.85
Current tax relating to earlier year		(64.77)	(389.24)
Deferred tax (credit)/charge		(345.42)	207.19
Net profit after tax but before share in profit of Joint Venture		**24,854.25**	**26,445.06**
Add: Share in profit of Joint venture		1,468.50	1,270.74
Net profit for the year from continous operations		**26,322.75**	**27,715.79**
Other comprehensive income/(loss)	38		
Items that will not be reclassified to profit or loss		43.78	(115.25)
Income tax relating to items that will not be reclassified to profit or loss		(11.02)	29.01
Share in Other Comprehensive income/(loss) of joint venture		(0.10)	0.65
Total other comprehensive income/(loss)		**32.66**	**(85.59)**
Total comprehensive income for the year		**26,355.41**	**27,630.20**
Earnings per equity share of face value of ₹ 2 each	43		
Basic (in ₹)		19.70	20.75
Diluted (in ₹)		19.70	20.74
Summary of significant accounting policies	1		

The summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Regn. No. 001076N/N500013

Ashish Gupta
Partner
Membership No. 504662

Place: New Delhi
Date: May 30, 2022

For and on behalf of the Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director
DIN: 00238222

Dinesh Kumar Gupta
Vice President - Legal & Company Secretary

Abhishek Khaitan
Managing Director
DIN: 00772865

Alok Agarwal
Sr. Vice President
(Finance & Accounts)

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Note	Amount
Balance as at April 01, 2020		**2,670.69**
Changes in equity share capital	15	0.68
Balance as at March 31, 2021		**2,671.37**
Changes in equity share capital	15	2.11
Balance as at March 31, 2022		**2,673.48**

B. OTHER EQUITY

Particulars	Reserves and surplus				Total
	Securities premium	General reserves	Share option outstanding account	Retained earnings	
Balance as at April 1, 2020	38,081.58	40,000.00	24.99	73,516.44	**151,623.01**
Profit for the year	-	-	-	27,715.79	**27,715.79**
Other comprehensive loss	-	-	-	(85.59)	**(85.59)**
Total comprehensive income for the year	**-**	**-**	**-**	**27,630.20**	**27,630.20**
Transfer from share option outstanding account on exercise of options	6.48	-	(6.48)	-	**-**
Issue of equity shares	36.07	-	-	-	**36.07**
Recognition of share based payment expenses	-	-	1.79	-	**1.79**
Transactions with owners in their capacity as owners:					
Dividends (refer note 42)	-	-	-	(2,670.85)	**(2,670.85)**
Balance as at March 31, 2021	**38,124.13**	**40,000.00**	**20.30**	**98,475.79**	**176,620.22**
Profit for the year	-	-	-	26,322.75	**26,322.75**
Other comprehensive income	-	-	-	32.66	**32.66**
Total comprehensive income for the year	**-**	**-**	**-**	**26,355.41**	**26,355.41**
Transfer from share option outstanding account on exercise of options	20.30	-	(20.30)	-	**-**
Issue of equity shares	112.93		-	-	**112.93**
Recognition of share based payment expenses	-	-	133.95	-	**133.95**
Other adjustment	-	-	-	(2.14)	**(2.14)**
Transactions with owners in their capacity as owners:					
Dividends (refer note 42)	-	-	-	(3,208.17)	**(3,208.17)**
Balance as at March 31, 2022	**38,257.36**	**40,000.00**	**133.95**	**121,620.89**	**200,012.20**
Summary of significant accounting policies	1				

The summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Regn. No. 001076N/N500013

Ashish Gupta
Partner
Membership No. 504662

Place: New Delhi
Date: May 30, 2022

For and on behalf of the Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director
DIN: 00238222

Dinesh Kumar Gupta
Vice President - Legal & Company Secretary

Abhishek Khaitan
Managing Director
DIN: 00772865

Alok Agarwal
Sr. Vice President
(Finance & Accounts)

Consolidated Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
A.	**Cash flow from operating activities**		
	Profit for the year before tax	**33,163.02**	**34,698.86**
	Adjustments for		
	Depreciation and amortisation expense	6,487.70	5,389.91
	Profit on sale of property, plant and equipment	(2.96)	(2.41)
	Loss on sale/write off assets	65.46	61.07
	Finance costs	1,310.21	2,201.65
	Interest income	(404.23)	(653.56)
	Provision for Expected credit loss and bad debt	526.24	140.03
	Provision for Non-moving/obsolete Inventory	49.21	155.26
	Employees stock option scheme	133.95	1.79
	Dividend income on investments	(33.15)	(200.00)
	Operation profit before working capital change	**41,295.45**	**41,792.60**
	Change In working Capital		
	Inventories	(4,827.93)	(11,644.29)
	Trade receivables	(6,356.40)	12,419.67
	Current financial assets (loans)	266.86	196.28
	Current financial assets (others)	2,220.73	(2,249.76)
	Other current assets	(1,416.26)	395.47
	Non-current financial assets (others)	(1,523.59)	(3,091.10)
	Other non-current assets	(124.80)	5,693.80
	Non-current financial liabilities (others)	(63.55)	(80.42)
	Other non-current liabilities	(16.58)	-
	Long term provisions	82.24	(81.61)
	Short term provisions	(73.18)	(302.81)
	Current trade payables	4,235.42	(233.01)
	Current financial liabilities (others)	249.84	588.69
	Other current liabilities	(2,708.40)	1,008.66
	Cash generated from operating activities before taxes	**31,239.85**	**44,412.18**
	Net Income tax paid (net)	(9,121.79)	(7,393.90)
	Net Cash flow from operating activities (A)	**22,118.06**	**37,018.28**
B.	**Cash flow from investing activities**		
	Acquisition of property, plant & equipment, capital work in progress, intangible assets and intangible under development	(6,744.09)	(12,876.95)
	Capital advances	(6,842.14)	2,987.94
	Proceeds from sale of Property, plant & equipment	44.47	(1.65)
	Proceeds from redemption of preference shares by joint venture	2,000.00	-
	Interest received	498.55	721.18
	Dividend received	393.14	811.30
	Fixed deposits matured/(made) during the year	(73.95)	720.93
	Net Cash flow from investing activities (B)	**(10,724.02)**	**(7,637.25)**

Consolidated Statement of Cash Flows (contd.)

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
C. Cash flow from financing activities		
Proceeds from Issue of equity shares under ESOP scheme (including securities premium)	115.04	36.74
Leased payments	(595.48)	(692.52)
Proceeds/(Repayment) of long term borrowings (excluding current maturities of long term borrowing) (net)	(138.82)	(137.05)
Proceeds of long term borrowings	500.00	
Repayment of short term borrowings (including current maturities of long term borrowing) (net)	(8,820.81)	(12,565.18)
Dividend paid (including dividend distribution tax)	(3,208.17)	(2,670.85)
Interest paid	(1,232.03)	(2,252.24)
Net Cash flow from financing activities (C)	**(13,380.27)**	**(18,281.10)**
Cash and cash equivalents (A+B+C)	**(1,986.23)**	**11,099.93**
Cash and cash equivalents at the beginning of the year	**12,110.36**	**1,010.43**
Cash and cash equivalents at the end of the year	**10,124.13**	**12,110.36**
Reconciliation of cash and cash equivalents		
Cash in hand	18.24	22.54
Bank balance		
In Current account	10,105.89	12,087.82
	10,124.13	**12,110.36**
Summary of significant accounting policies	1	

The summary of significant accounting policies and other explanatory information are an integral part of the consolidated financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Regn. No. 001076N/N500013

Ashish Gupta
Partner
Membership No. 504662

Place: New Delhi
Date: May 30, 2022

For and on behalf of the Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director
DIN: 00238222

Dinesh Kumar Gupta
Vice President - Legal & Company Secretary

Abhishek Khaitan
Managing Director
DIN: 00772865

Alok Agarwal
Sr. Vice President
(Finance & Accounts)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

BACKGROUND

Radico Khaitan Limited (the Company) is a public company limited by shares, incorporated and domiciled in India, having its equity shares listed at the National Stock Exchange and the Bombay Stock Exchange. The registered office of the Company is at Bareilly Road, Rampur, Uttar Pradesh. The Company is engaged in the manufacturing and trading of Alcoholic products such as Indian Made Foreign Liquor (IMFL) and Country Liquor. The Company has its presence in India as well as various other global markets.

These consolidated financial statements are approved for issue by the Group's Board of Directors on 30 May 2022.

SIGNIFICANT ACCOUNTING POLICIES

1.01 Basis of preparation

These consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provisions of the Act.

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 Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group except for common control transactions.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

Joint ventures

Interest in joint venture are accounted for using the equity method, after initially being recognised at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in these entities.

When the Group's share of losses in an equityaccounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

1.03 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set-out in the Act. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

1.04 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 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.

1.05 Foreign Currency Transactions

The financial statements are presented in Indian Rupee (INR), which is Group's functional and presentation currency.

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the day of transaction. Exchange differences arising on settlement of such transaction or translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of profit and loss.

1.06 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

up units, revenue is recognised at gross value with corresponding cost being recognised under cost of production.

Current and deferred tax is recognised in Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

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 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 Group 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 are recognised on accrual basis. if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

Dividend Income

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

1.07 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.

1.08 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

1.09 Taxes

Current Income tax

Income tax expense is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current and deferred tax is recognised in Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

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.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

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

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

1.10 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 1.24 regarding significant accounting judgements, estimates and assumptions).

Depreciation

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

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.

Depreciation is calculated using the straight-line method as per the estimated useful lives of assets as below:

Assets Category	Useful life in Years
Buildings	3 to 90 years
Plant & Machinery	
- Plant & Machinery	1 to 25 years
- Computers	3 year to 10 year
Office Equipments	1 to 10 years
Software	3 to 5 years
Furniture & Fixtures	1 to 10 years
Vehicles	5 to 10 years

Useful lives of asset classes determined by management estimate, which are different than those prescribed under Schedule II of the Act are supported by internal technical assessment of the useful lives. Estimated useful lives based on technical evaluation considers the impact of additional depreciation for working extra shifts.

Disposals

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts. These are accounted in Statement of profit and loss within Other income/ Other expenses, on a net basis.

1.11 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

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.

Intangible assets under development

Asset development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use the asset and the costs can be measured reliably.

Amortisation

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.

1.12 Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of profit and loss over the period of the borrowings using the effective interest method. Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit and loss as other gains/(losses). Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

1.13 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.

1.14 Inventories

Finished goods, stock in trade 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.

In case of manufactured finished goods and work-in-progress, fixed production overheads are allocated on the basis of normal capacity of production facilities. Costs of purchased inventory are determined after deducting rebates and

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis. Adequate allowance is made for obsolete and slow moving items.

Maturing inventories and raw materials which are retained for more than one year are classified as current assets, as they are expected to be realised in the normal operating cycle.

Physical verification of all major Inventory items is carried out atleast once a year. The variance if any identified are appropriately adjusted. This is in accordance with Ind AS 23, as they are manufactured of large quantity on the repetitive basis.

1.15 Leases

Entity 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 Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

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, 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.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- makes adjustments specific to the lease, e.g. term and security.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

1.16 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 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.

1.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. A provision is made in respect of onerous contracts, i.e., contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contracts. Provisions are not recognised for other future operating losses. The carrying amounts of provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.The increase in the provision due to the passage of time is recognised as interest expense. A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent liability and Contingent Assets

Contingent liabilities are not recognised 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.

1.18 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 recognised 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

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 recognised in the Statement of Profit and Loss.

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 recognised 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 present value of the defined benefit obligation is determined by discounting the estimated future cashoutflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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 recognised 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 recognised immediately in statement of profit or loss as past service cost.

Provident Fund Obligation

The Group makes contribution to the recognised provident fund - " The Rampur Distillery & Chemical Group Limited Employee Provident Fund Trust", which is a defined benefit plan to the extent that the Group 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 Group'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.

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

1.19 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 recognised 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 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 recognised 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 recognises the impact of the revision to original estimates, if any, in statement of profit or loss, with a corresponding adjustment to equity.

1.20 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.

1.21 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 recognised 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:

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 recognised in the other

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised 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 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 recognised in the Statement of Profit and Loss.

Derecognition

The Group derecognises 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 recognised 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 entity's operations.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

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 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 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.

1.22 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.

1.23 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.

1.24 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 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 entity assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The entity has generally concluded that it is acting as a principal in all its revenue arrangements.

When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the entity and its business partners are reviewed to determine each party's respective role in the transaction.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

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 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

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. 54.

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.

1.25 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.26 All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III (Division II) to the Act, unless otherwise stated. The sign '0' in these financial statements indicates that the amounts involved are below ₹ fifty thousand and the sign '-' indicates that amounts are nil.

1.27 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The

Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

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, 2022

(₹ in Lakhs unless otherwise stated)

2 PROPERTY, PLANT AND EQUIPMENT

Particulars	Owned assets							Right-of-use assets#			Total
	Freehold land	Buildings	Plant & equipments	Furniture & fixtures	Vehicles	Leasehold improvements	Office equipments	Leasehold land	Building	Plant & Machinery	
Gross carrying amount											
As at April 01, 2020	11,512.26	10,068.39	61,103.28	489.28	935.95	288.40	199.88	4,820.78	1,057.87	242.58	90,718.67
Additions	-	1,127.94	4,271.40	1,023.42	415.94	1,886.16	181.90	-	3,187.61	-	12,094.37
Disposals	-	-	194.20	0.08	75.31	-	7.69	-	-	-	277.28
As at March 31, 2021	**11,512.26**	**11,196.33**	**65,180.48**	**1,512.62**	**1,276.58**	**2,174.56**	**374.09**	**4,820.78**	**4,245.48**	**242.58**	**102,535.76**
Additions	-	1,096.89	5,242.60	452.63	212.21	101.86	74.14	292.99	165.07	-	7,638.39
Disposals	-	-	455.85	96.23	62.50	-	37.27	-	-	-	651.85
As at March 31, 2022	**11,512.26**	**12,293.22**	**69,967.23**	**1,869.02**	**1,426.29**	**2,276.42**	**410.96**	**5,113.77**	**4,410.55**	**242.58**	**109,522.30**
Accumulated depreciation											
As at April 01, 2020	-	1,719.80	14,548.69	177.60	291.39	136.49	101.08	229.65	415.72	144.65	17,765.07
Charge for the year	-	450.91	3,839.18	94.94	131.42	39.73	50.52	45.93	450.94	48.52	5,152.09
Disposals	-	-	161.34	0.08	51.99	-	6.86	-	-	-	220.27
As at March 31, 2021	**-**	**2,170.71**	**18,226.53**	**272.46**	**370.82**	**176.22**	**144.74**	**275.58**	**866.66**	**193.17**	**22,696.89**
Charge for the year	-	490.17	4,265.73	280.06	173.51	417.78	70.39	47.40	455.91	49.40	6,250.35
Disposals	-	-	390.50	96.23	24.03	-	34.13	-	-	-	544.89
As at March 31, 2022	**-**	**2,660.88**	**22,101.76**	**456.29**	**520.30**	**594.00**	**181.00**	**322.98**	**1,322.57**	**242.57**	**28,402.35**
Net carrying amount											
As at March 31, 2021	**11,512.26**	**9,025.62**	**46,953.95**	**1,240.16**	**905.76**	**1,998.34**	**229.35**	**4,545.20**	**3,378.82**	**49.41**	**79,838.87**
As at March 31, 2022	**11,512.26**	**9,632.34**	**47,865.47**	**1,412.73**	**905.99**	**1,682.42**	**229.96**	**4,790.79**	**3,087.98**	**0.01**	**81,119.95**

 # Refer note 40 for disclosure pertaining to leases.

Refer note 39(a) for disclosures of contractual commitments for the acquisition of property, plant and equipment.

Refer note 17 and note 23 for information on property, plant and equipment pledged as security by the Group.

2A Capital work-in-progress

Particulars	Total
Gross carrying amount	
As at April 01, 2020	1,808.29
Additions	1,970.19
Transferred to property, plant & equipment	-
Disposals	-
As at March 31, 2021	**3,778.48**
Additions	5,830.24
Transferred to property, plant & equipment	6,710.27
Disposals	-
As at March 31, 2022	**2,898.45**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

3 INTANGIBLE ASSETS

Particulars	Brands & trade marks	Software	Total
Gross carrying amount			
As at April 01, 2020	2,552.26	393.91	2,946.17
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2021	**2,552.26**	**393.91**	**2,946.17**
Additions	-	26.13	26.13
Disposals	-	8.99	8.99
As at March 31, 2022	**2,552.26**	**411.05**	**2,963.31**
Accumulated amortisation			
As at April 01, 2020	1,220.53	336.69	1,557.22
Charge for the year	215.49	22.33	237.82
Disposals	-	-	-
As at March 31, 2021	**1,436.02**	**359.02**	**1,795.04**
Charge for the year	215.48	21.87	237.35
Disposals	-	8.99	8.99
As at March 31, 2022	**1,651.50**	**371.90**	**2,023.40**
Net carrying amount			
As at March 31, 2021	**1,116.24**	**34.89**	**1,151.13**
As at March 31, 2022	**900.76**	**39.15**	**939.91**

3A Intangible assets under development

Particulars	Total
Gross carrying amount	
As at April 01, 2020	-
Additions	-
Transferred to property, plant & equipment	-
Disposals	-
As at March 31, 2021	**-**
Additions	129.80
Transferred to property, plant & equipment	-
Disposals	-
As at March 31, 2022	**129.80**

4 NON-CURRENT INVESTMENTS

Particulars		As at March 31, 2022	As at March 31, 2021
i.	**Investments in Joint venture (Unquoted)**		
a.	**Equity Shares - carried at cost**		
	Radico NV Distilleries Maharashtra Limited - 13,58,503 (previous year: 13,58,503) equity shares of ₹ 100 each, fully paid up	17,547.85	16,439.44
b.	**Preference Shares - carried at cost**		
	Radico NV Distilleries Maharashtra Limited - Nil (previous 'year: 20,00,000) 10% cumulative, non-convertible preference shares of ₹ 100 each, fully paid up	-	2,000.00
		17,547.85	**18,439.44**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

4A INVESTMENTS (OTHER THAN INVESTMENT ACCOUNTED USING EQUITY METHOD)

Particulars	As at March 31, 2022	As at March 31, 2021
ii. Other investment - carried at fair value through profit or loss (FVTPL)		
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	17,548.45	18,440.04
Aggregate amount of impairment in value of investments.	-	-

5 OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued on term deposits	16.22	10.72
Deposits with more than 12 months maturity (refer note 10)	154.26	55.89
Security deposits	938.72	973.33
Advances recoverable in cash	4,742.00	3,092.00
	5,851.20	**4,131.94**

6 OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances		
Unsecured, considered good (also refer note 47)	8,246.01	1,532.43
Prepaid expense	216.58	91.78
	8,462.59	**1,624.21**

7 INVENTORIES

Particulars	As at March 31, 2022	As at March 31, 2021
(Lower of cost and net realisable value)		
Raw materials (refer note (a) below)	9,146.05	8,849.26
Work-in-progress	3,644.70	3,724.71
Finished goods (refer note (b) below)	27,919.27	25,949.54
Stock-in-trade	331.71	192.53
Stores & spares (including promotional material)	5,520.09	4,451.06
Packing materials	7,362.93	5,929.72
	53,924.75	**49,096.82**
Less: Allowance for obsolete and non-moving inventories	(239.46)	(190.25)
	53,685.29	**48,906.57**

Notes:

a. Allowance for obsolete and non-moving inventories amounting to ₹ 49.21 Lakhs (previous year: ₹ 155.26 Lakhs) has been recognised as an expense in the Statement of Profit and Loss.

b. Includes provision for excise duty and Custom duty ₹ 8,569.86 lakhs (previous year ₹ 9,356.87 Lakhs)

c. Stock of raw material includes Goods-in-transit amounting to ₹ Nil (Previous Year ₹ 2.75 Lakhs)

d. Inventories include inventory held by tie up manufacturing units amounting to ₹ 5,295.36 Lakhs (previous year ₹ 3,937.46 Lakhs).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

8 TRADE RECEIVABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good - Unsecured	75,575.90	69,745.74
Trade receivables - Credit impaired	3,004.16	2,525.80
	78,580.06	**72,271.54**
Less: Allowance for expected credit losses	(3,004.16)	(2,525.80)
	75,575.90	**69,745.74**

Notes:

a. Trade receivables includes receivables from related parties, refer note 47.

b. The Group's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in note 53.

c. Also refer note 62 for additional disclosure related to trade receivables.

9 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In current accounts	10,105.89	12,087.82
Cash on hand	18.24	22.54
	10,124.13	**12,110.36**

10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In unpaid dividend accounts	144.19	152.49
Bank deposits#	899.67	791.11
Bank deposits with maturity more than 12 months from the reporting date (refer note 5)	(154.26)	(55.89)
	889.60	**887.71**

#Includes Bank deposits amounting to ₹ 456.78 Lakhs (previous year ₹ 791.11 Lakhs) under lien in respect of bank gurantees provided to tax authorities.

11 CURRENT LOANS

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured- considered good, unless otherwise stated)		
Others		
Employee advances	11.09	15.61
Loans to parties other than related parties (refer note 55)	2,426.34	2,688.68
Loans to parties other than related parties-Credit impaired	-	-
	2,437.43	**2,704.29**
Less: Allowance for expected credit losses	-	-
	2,437.43	**2,704.29**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

12 OTHERS CURRENT FINANCIAL ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured- considered good, unless otherwise stated)		
Export benefit receivables	736.61	598.15
Security deposits	1,342.92	1,435.10
Receivables from tie up units	1,615.50	3,908.56
Interest accrued on bank deposits and loans	120.19	220.00
Others	26.05	-
Considered doubtful, unsecured		
Interest accrued on bank deposits and loans	112.31	112.31
Less: Allowance for expected credit losses	(112.31)	(112.31)
	3,841.27	**6,161.81**

13 CURRENT TAX ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax (net of provisions: ₹ 24,269.45 Lakhs (Previous year ₹ 15,549.95 Lakhs)	565.07	97.47
	565.07	**97.47**

14 OTHER CURRENT ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
(Considered good, unsecured)		
Advances to suppliers and others	2,312.12	1,637.93
Balances with government authorities*	7,603.92	7,760.59
Prepaid assets	4,134.10	3,235.36
	14,050.14	**12,633.88**

* *Includes amounts paid under protest amounting to ₹ 1,334.54 Lakhs (Previous year: ₹ 807.14 Lakhs) in respect of disputed indirect tax matters.*

15 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
170,000,000 (Previous year 170,000,000) equity shares of ₹ 2/- each	3,400.00	3,400.00
6,000,000 (Previous year 6,000,000) preference shares of ₹ 100/- each	6,000.00	6,000.00
	9,400.00	**9,400.00**
Issued, subscribed and fully paid		
133,673,765 (Previous Year 133,568,265) equity shares of ₹ 2/- each	2,673.48	2,671.37
	2,673.48	**2,671.37**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

a. Rights, Preferences & Restrictions attached to equity shares of the Holding Company

The Holding Company has 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 Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding 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 and amount outstanding at the beginning and at the end of the year

Particulars	Number	Amount
As at April 01, 2020	133,534,265	2,670.69
Add: Shares issued on exercise of employee stock option plan (ESOP)	34,000	0.68
As at March 31, 2021	**133,568,265**	**2,671.37**
Add: Shares issued on exercise of employee stock option plan (ESOP)	105,500	2.11
As at March 31, 2022	**133,673,765**	**2,673.48**

c. Details of shareholders holding more than 5% of total equity shares of the Holding Company#

Name	March 31, 2022		March 31, 2021	
	No. of equity shares	Percentage of Holding	No. of equity shares	Percentage of Holding
TIMF Holdings	7,345,129	5.49%	7,781,575	5.83%

 # As per the records of the Holding Company including its register of member.

d) Aggregate number of shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the year end:

i) Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the financial year 2017-18 to 2021-22:

Nil (during FY 2016-17 to 2020-21: Nil) equity shares allotted without payment being received in cash.

ii) Shares issued in aggregate number and class of shares allotted by way of bonus shares:

The Holding Company has issued total Nil equity shares (during FY 2016-17 to 2020-21: Nil equity shares) during the period of five years immediately preceding March 31, 2022 as fully paid up bonus shares including shares issued under ESOP scheme for which entire consideration not received in cash.

iii) Shares bought back during the financial year 2017-18 to 2021-22:

Nil (during FY 2016-17 to 2020-21: Nil) equity shares bought back pursuant to section 68, 69 and 70 of the Companies Act, 2013.

iv) Shares issued under employee stock option plan (ESOP) during the financial year 2017-18 to 2021-22:

The Holding Company has issued total 6,35,000 equity shares of ₹ 2.00 each (during FY 2016-17 to 2020-21: 5,29,500 equity shares) during the period of five years immediately preceding March 31, 2022 on exercise of options granted under the employee stock option plan (ESOP).

v) Disclosures required pursuant to Ind AS 102 - Share Based Payment

The Holding 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 Holding Company has granted 4,500,000 equity options up to March 31, 2022 with vesting period over 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 Holding Company using the fair value method.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

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 amortised on a straight line basis over the period between the date of grant of options and eligible dates for conversion into equity shares.

During the current year, on November 2, 2021 and March 8, 2022, the Holding Company has granted 180,000 and 40,000 stock options to the eligible employees of the Holding Company as per ESOP Scheme 2006. Each option shall entitle the holder to one equity shares of ₹ 2/- at an exercise price of ₹ 928.05 and ₹ 723.14 respectively.

Measurement of fair values

The fair values are measured based on the Black-Scholes-Merton model. The fair value of the options and inputs used in the measurement of the grant date fair values of the equity -settled share based payments are as follows:

A) The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the year:

Particulars	Weighted Average Exercie price per option (₹)	Number of Options
Outstanding as at April 01, 2020	108.81	139,500.00
Options granted during the year	-	-
Options forfeited/lapsed/expired during the year	-	-
Options exercised during the year*	108.07	(34,000.00)
Options outstanding as at March 31, 2021#	**109.04**	**105,500.00**
Exercisable at the end of the year	**109.04**	**105,500.00**
Outstanding as at April 01, 2021	109.04	105,500.00
Options granted during the year	890.79	220,000.00
Options forfeited/lapsed/expired during the year	-	-
Options exercised during the year*	109.04	(105,500.00)
Options outstanding as at March 31, 2022#	**890.79**	**220,000.00**
Exercisable at the end of the year	**890.79**	**220,000.00**

**1,05,500 (March 31, 2021 : 34,000) share options were exercised on a regular basis throughout the year. The weighted average share price during the year was ₹ 908.94 respectively (March 31, 2021 : 403.30).*

#The options outstanding as at March 31, 2022 are with the exercise price of ₹ 928.05 & ₹ 723.14 respectively (March 31, 2021: ₹ 104.72 & ₹ 110.42). The weighted average of the remaining contractual life is 2.03 years respectively (March 31, 2021: Nil years).

B) Fair value of the options has been calculated using Black Scholes Pricing Model. The following inputs were used to determine the fair value for options granted during the year ended March 31, 2022.

Option granted 1:	Vest 1	Vest 2	Vest 3	Vest 4
Grant date	November 2, 2021			
Market price (₹)	1,091.80	1,091.80	1,091.80	1,091.80
Expected life (in years)	2.5	3.5	4.5	5.5
Volatility	15.21%	15.21%	15.21%	15.21%
Risk free rate	5.42%	5.42%	5.42%	5.42%
Exercise price (₹)	928.05	928.05	928.05	928.05
Dividend yield	0.47%	0.47%	0.47%	0.47%
Fair value per vest (₹)	281.36	321.23	357.69	391.31
Vest (%)	32.90%	22.40%	22.40%	22.30%
Weighted average fair value of option (₹)	331.90	331.90	331.90	331.90
Fair value per Option at grant date (in ₹)	331.91	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Option Granted 2:	Vest 1	Vest 2	Vest 3	Vest 4
Grant date	March 8, 2022			
Market price (₹)	850.80	850.80	850.80	850.80
Expected life (in years)	2.5	3.5	4.5	5.5
Volatility	22.4%	22.4%	22.4%	22.4%
Risk free rate	5.89%	5.89%	5.89%	5.89%
Exercise price (₹)	723.14	723.14	723.14	723.14
Dividend yield	0.47%	0.47%	0.47%	0.47%
Fair value per vest (₹)	245.08	280.91	312.75	341.46
Vest (%)	25.00%	25.00%	25.00%	25.00%
Weighted average fair value of option (₹)	295.05	295.05	295.05	295.05
Fair value per Option at grant date (in ₹)	295.05	-	-	-

The measure of volatility used is the annualised standard deviation of the continuously compounded rates of return of stock over the expected lives of different vests, prior to grant date. Volatility has been calculated based on the daily closing market price of the Holding Company's stock on NSE over these years.

16 OTHER EQUITY

Particulars	As at March 31, 2022	As at March 31, 2021
Reserves & surplus		
Securities premium	38,257.36	38,124.13
Share option outstanding account	133.95	20.30
General reserve	40,000.00	40,000.00
Retained earnings	121,620.89	98,475.79
	200,012.20	**176,620.22**

Description of nature and purpose of each reserve

Securities premium: Securities premium is used to record the premium on issue of shares, which will be utilised in accordance with provisions of the Act.

Share option outstanding account: The reserve is used to recognise the grant date fair value of options issued to employees under employee stock option schemes and is adjusted on exercise/ forfeiture of options.

General reserve: General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. It is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Retained earnings: Retained earnings are created from the profit / loss of the Group, as adjusted for distributions to owners, transfers to other reserves, etc.

17 NON CURRENT BORROWINGS

Particulars	As at March 31, 2022	As at March 31, 2021
Term loans (secured) from banks		
Vehicle loan (refer note (a) below)	14.69	153.51
Rupee loans from banks (refer note (b) below)	500.00	-
	514.69	**153.51**
Less : Current maturities of long-term borrowing (also refer note 23)	(12.50)	(126.60)
	502.19	**26.91**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Notes

a. The loans are secured by a pari-passu first charge on Vehicles procured.

b. The loan is secured by:

i. A first pari passu mortgage and charge on all borrower's immovable properties (owned/leased), pertaining to the project.

ii. A first charge by way of hypothecation on all tangible assets and

iii. A first charge by way of hypothecation on all rights, title, interest, benefits, claims, etc.

c. Terms of repayment are as follows:

Name	Year of Maturity	Rate of interest	As at March 31, 2022	As at March 31, 2021
HDFC Bank Limited*	Jan 2022	7.98%	-	106.20
HDFC Bank Limited*	June 2023	8.51%	-	21.11
HDFC Bank Limited**	March 2027	6.30%	500.00	-
YES Bank Limited*	May 2023	8.35%	14.69	26.20
			514.69	**153.51**

*Monthly installment

**Quarterly installment

18 NON-CURRENT LEASE LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Leased liabilities (refer note 40)	745.07	1,070.85
	745.07	**1,070.85**

19 OTHER NON-CURRENT FINANCIAL LIABILITES

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits payable	8.90	72.45
	8.90	**72.45**

20 NON-CURRENT PROVISIONS

Particulars	As at March 31, 2022	As at March 31, 2021
Compensated absences	1,110.98	1,028.74
	1,110.98	**1,028.74**

21 DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities	9,560.99	9,825.07
Deferred tax assets	(1,870.60)	(1,800.29)
Deferred tax liabilities (net)	**7,690.39**	**8,024.78**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

22 OTHER NON-CURRENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Other payables	-	16.58
	-	**16.58**

23 CURRENT BORROWINGS

Particulars	As at March 31, 2022	As at March 31, 2021
Secured#		
Cash credit facilities from banks (secured) (repayable on demand)	4,275.74	682.45
Unsecured		
Loan from banks	14,199.99	26,499.99
Current maturity of long-term borrowings (refer note 17)	12.50	126.60
	18,488.23	**27,309.04**

 # Secured by hypothecation of inventories and trade receivables. Further secured by a second charge on fixed assets of the Holding 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 Holding Company.
- The Holding Company has been sanctioned working capital limits in excess of 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. The quarterly returns filed by the Company with such banks or financial institutions are in agreement with the Books of Account of the Holding Company of the respective quarters. Further, Subsidiaries have no borrowings from banks and financial institutions on the basis of security of current assets.

24 CURRENT LEASE LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Leased liabilities (refer note 40)	421.70	413.39
	421.70	**413.39**

25 TRADE PAYABLES#

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (also refer note 58)	4,316.81	3,073.83
Total outstanding dues of creditors other than micro enterprises and small enterprises	26,109.38	23,116.94
	30,426.19	**26,190.77**

 # Also refer note 63 for additional disclosure related to trade payables

26 OTHERS FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	28.80	53.63
Employee related payables	796.03	779.66
Security deposits payable	2,705.18	2,585.85
Unclaimed dividends#	144.19	152.49
Others	7.56	10.62
	3,681.76	**3,582.25**

#This does not include any fund lying due to be transfered to the Investor Education and Protection Fund.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

27 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Capital creditors	298.85	391.32
Advances from customers	6,799.08	8,072.51
Statutory dues		
Custom duty on closing stock	75.58	58.16
Other statutory dues	4,618.58	5,982.15
	11,792.09	**14,504.14**

28 CURRENT PROVISIONS

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity (refer note 54)	-	170.77
Compensated absences	566.00	510.24
	566.00	**681.01**

29 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of manufactured products (includes excise duty)		
Alcohol and other alcoholic products	1,238,135.97	1,043,136.62
Pet bottles and caps	3,280.40	2,719.53
Jaivik khad	416.61	393.62
Others	413.41	654.48
	1,242,246.39	**1,046,904.25**
Trading of products		
Indian made foreign liquor	318.23	-
Imported liquor	350.80	241.94
	669.03	**241.94**
Royalty Income	**1,010.20**	**779.39**
	1,243,925.62	**1,047,925.58**
Other operating revenue		
Export incentives	404.81	264.33
Scrap sales	2,719.78	2,214.15
	3,124.59	**2,478.48**
Total revenue from operations	**1,247,050.21**	**1,050,404.06**

30 OTHER INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on		
Bank deposits	43.53	53.39
Loans (including inter corporate deposits)	311.93	421.12
Other financial assets carried at amortised cost	24.65	25.59
Interest on income tax refunds	24.12	153.46
Dividend income on non-current investments	33.15	200.00
Profit on sale of current investments	7.63	0.57
Gain on disposal of property, plant and equipment (net)	2.96	2.41
Liabilities no longer required written back	123.74	80.68
Miscellaneous income	171.05	458.85
	742.76	**1,396.07**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

31 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw materials		
Opening inventory	8,849.26	7,691.42
Add: Purchases	84,589.37	68,066.21
	93,438.63	**75,757.63**
Less: Closing inventory	(9,146.05)	(8,849.26)
Raw materials consumed	84,292.58	66,908.37
Packing materials consumed	73,633.78	56,974.93
	157,926.36	**123,883.30**

32 PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Imported liquor	212.32	177.00
	212.32	**177.00**

33 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening inventory		
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**
Closing inventory		
Stock-in-trade	331.71	192.53
Finished goods	27,919.27	25,949.54
Work-in-progress	3,644.70	3,724.71
	31,895.68	**29,866.78**
Increase / (Decrease) of excise duty country liquor depot stock	2,438.18	(22.98)
Increase / (Decrease) of excise duty on Finished Goods	(804.44)	4,927.50
	(395.16)	**(3,818.04)**

34 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	12,364.24	10,915.20
Contribution to provident and other funds (refer note 54)	813.15	743.26
Defined benefit plans (refer note 54)	218.87	229.27
Share based payment expense (refer note 16)	133.95	1.79
Staff welfare expenses	595.83	513.57
	14,126.04	**12,403.09**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

35 FINANCE COSTS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expenses	1,120.84	2,005.19
Interest expenses on lease liabilities (refer note 40)	107.76	124.67
Other borrowing cost	81.65	71.79
	1,310.25	**2,201.65**

36 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment - owned assets	5,697.64	4,606.70
Depreciation on Right on use of Assets	552.71	545.39
Amortisation of intangible assets	237.35	237.82
	6,487.70	**5,389.91**

37 OTHER EXPENSES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Power and fuel	5,489.67	4,687.87
Consumption of stores, spares and other consumables	2,583.49	2,070.08
Repairs and maintenance		
Building	145.10	133.58
Plant and equipment	2,158.17	2,081.38
Others	1,417.31	1,072.14
Machinery and other hire charges	5.79	5.14
Insurance	989.35	797.82
Rent	131.57	148.95
Rates and taxes	14,229.73	12,326.95
Travel and conveyance		
Directors	192.46	55.20
Others	1,211.83	945.32
Directors' fee	19.32	20.97
Foreign exchange fluctuations (net)	(546.60)	(65.88)
Miscellaneous expenses	1,007.97	931.67
Charity and donation	16.85	26.78
Expense towards corporate social responsibility (refer note 49)	536.46	528.08
Provision for expected credit losses	478.36	177.36
Bio composting expenses	254.02	241.84
Statutory auditor's remuneration (refer note 48)	83.06	53.65
Professional Fee and consultation expenses	922.75	705.18
Communication expenses	292.72	194.26
Sundry balances written off	171.62	43.35
Loss on sale / write off of assets	65.46	61.07
Bank charges	25.25	31.11
Bottling Charges	10,669.35	8,581.13
Printing Stationery & Subsriction	214.16	184.98
Watch & ward expenses	311.32	285.70
Breakerage & wastage	268.22	296.80

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Selling and distribution:		
Freight outwards	13,298.23	10,738.47
Supervision charges after sales	1,367.77	773.37
Supervision charges to supervisors	3,437.77	2,792.33
Rebate discount and allowance	872.75	2,471.16
Advertisement & sales promotion	12,392.33	12,942.07
	74,713.61	**66,339.88**

38 OTHER COMPREHENSIVE INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Items that will not be reclassified to profit or loss		
Actuarial gain / (loss) on employee benefits	43.78	(115.25)
Income tax relating to items that will not be reclassified to profit or loss	(11.02)	29.01
	32.76	**(86.24)**

39 CONTINGENT LIABILITIES, COMMITMENTS AND OTHER CLAIMS

a Capital commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	36,851.47	879.64
	36,851.47	**879.64**

b Contingent liabilities and other claims

i) Claims against the Group, not acknowledged as debts

	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	Disputed liability relating to Employees' State Insurance (ESI) contribution	0.89	0.89
(b)	Disputed liability relating to Provident fund 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	176.27	186.15
(e)	Disputed excise matters	967.62	551.75
(f)	Disputed Stamp duty claim arising out of amalgamation, being contested	80.00	80.00
(g)	Disputed customs duty	10.73	10.73
		1,414.86	**1,008.87**

ii) Madhya Pradesh State Industrial Development Corporation Ltd. in February 2007 demanded a sum of ₹ 168.09 lakhs besides unspecified expenses arising out of the alleged non compliance of conditions relating to its holding of shares in Abhishek Cement Ltd, prior to its merger with Radico Khaitan Ltd. in the financial year 2002-03. The writ petition filed by Holding Company before Madhya Pradesh High Court has been partly allowed by confirming the recovery of ₹ 167.32 lakhs against the Holding Company. Further, ₹ 52.8 Lakhs has been waived off order dated April 03, 2007. However, the division bench of Madhya Pradesh High Court has stayed the recovery proceedings initiated by local collector office. The court has ordered to maintain ₹ 100 lakhs in State Bank of India till the final adjudication of the matter. The matter is since sub-judice.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

iii) (a) The applicability of Goods and Service Tax Act 2017 on Extra Neutral Alcohol (ENA) was kept on hold by the GST council vide their minutes of meeting dated August 05, 2017, December 22, 2018, September 20, 2019 and May 28, 2021 wherein the ENA which is meant for the potable purpose kept under the control of respective State Government, and accordingly the Holding Company was paying the state taxes on ENA supplies.

(b) The Deputy Commissioner (Commercial Tax), Sector I, Rampur had issued notices on November 14, 2019, November 15, 2019 and November 16, 2019 for leviability of GST on ENA w.e.f. July 2017. The Holding Company filed writ petition before Hon'ble High Court of Allahabad, challenging these notices, with the plea that potable ENA is kept away from GST by the Council. The Holding Company got the stay on the proceedings under GST from Hon'ble Court on January 10, 2020 and advised the department for filing the counter. Later on the department withdrew their notices and the petition became infructuous.

(c) The Deputy Commissioner proceed with Ex-Party Assessment order treating the VAT @32.5% on ENA for A.Y. 2017-18. The Holding Company filed writ petition before the High court contesting VAT to be 14.5%. Meanwhile various distilleries and UPSMA filed their writs before the High Court challenging the notification of VAT @5% issued by the State Government w.e.f. December 9, 2019, they also challenged the power of state to issue notification on ENA.

(d) Hon'ble Allahabad High Court decided the writs on September 28, 2021 and declare that ENA, undisputedly should fall under GST regime and the State lost its Legislative competence to enact laws, to impose tax on sales of ENA and have quashed the notification of VAT @ 5%. Thereafter the State Government filed the SLP before the Hon'ble Supreme Court, even CIABAC and ISWAI also filed the SLP against the order of High Court. All the SLPs are tagged, which are likely to be heard by the Hon'ble Supreme Court on July 25, 2022.

iv) A fire occurred at our Rampur Plant, U.P. of the Holding Company on March 6,2021 involving two alcohol storage tanks. The Holding Company's emergency response team along with the local fire brigades were able to bring the fire under control without further spread to plant's other areas. There was no loss of life.

This accident resulted in loss of Extra Neutral Alcohol to the tune of 1.81 Lakh Alcoholic liters stored in these two tanks resulting into financial loss of ₹ 270 Lakhs including the replacement cost of damaged tanks. Since same are duly covered under insurance policy, the insurance Holding Company had been intimated. As an interim measure claim of ₹ 100 lakhs has already been received.

Beside this, the U. P. State Excise Department has issued a show cause notice(SCN) to us claiming Excise Duty amounting to ₹ 1,822.77 Lakhs on the lost Alcohol (out of which ₹ 455.69 Lakhs has been paid under protest). Based on the opinion of legal counsel, the Holding Company has filed an appeal under Rule 813 of the U.P. Excise Rule before the U.P. Commissioner of Excise seeking the relief from above claim by way of setting aside the above mentioned SCN, considering this loss of alcohol as an unavoidable accident of fire.

40 INFORMATION ON LEASE TRANSACTIONS PURSUANT TO IND AS 116 - LEASES

Assets taken on lease

The Group has leases for lease land, offices, warehouses, plant and equipment and office equipment. With the exception of short term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. Further the lease contracts have been reassesed in case of reduction of lease payment due to impact of Covid 19.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

i. Lease payments not included in measurement of lease liability

The expenses related to payments not included in the measurement of the lease liability is as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short term leases	72.77	93.94
Lease of low value assets	-	-
Variable lease payments	58.80	55.01
Total	**131.57**	**148.95**

ii. Total cash outflow for leases for the year ended March 31, 2022 was ₹ 631.36 Lakhs (March 31, 2021 : ₹ 692.84 Lakhs).

iii. Following are the changes in the carrying value of right of use assets :

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	7,973.43	5,331.21
Additions	458.06	3,187.61
Deletion	-	-
Depreciation	(552.71)	(545.39)
Balance at end of the year	**7,878.78**	**7,973.43**

iv. The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	421.70	413.39
Non current lease liabilities	745.07	1,070.85
Total	**1,166.77**	**1,484.24**

v. The following is the movement in lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	1,484.24	865.05
Additions	206.13	1,187.36
Finance cost accrued during the year	107.76	124.67
Payment of lease liabilities (total cash outflow)	(631.36)	(692.84)
Balance at end of the year	**1,166.77**	**1,484.24**

vi. Amounts recognised in the Statement of Profit and Loss

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Depreciation charge on right-of-use assets		
Leasehold land	47.40	45.93
Buildings	455.91	450.94
Plant and equipment	49.40	48.52
Total	**552.71**	**545.39**
(b) Interest expenses (included in finance cost)	**107.76**	**124.67**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

vii. Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments as at March 31, 2022 are as follows:

Particulars	Lease Payments	Interest Expense	Net Present Value
Not later than 1 year	421.54	75.19	346.35
Later than 1 year but not later than 5 year	897.75	83.56	814.19
Later than 5 year	31.33	25.10	6.23
Total	**1,350.62**	**183.85**	**1,166.77**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments as at March 31, 2021 are as follows:

Particulars	Lease Payments	Interest Expense	Net Present Value
Not later than 1 year	505.99	86.35	419.64
Later than 1 year but not later than 5 year	1,190.35	125.75	1,064.60
Later than 5 year	-	-	-
Total	**1,696.34**	**212.10**	**1,484.24**

The Group has lease contracts for plant and equipment that contain variable payments. Variable lease payments that depend on production volumes are recognised in the statement of profit and loss in the period in which the condition that triggers those payments occurs and hence are not consider in determining the lease liability. Any changes in production under contracts which includes variable lease payments, would have a proportionate impact on the variable lease payments.

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.

41 In the opinion of the Management and to the best of their knowledge and belief, the value on realisation of current/non current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the financial statements.

42 DIVIDEND

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividend paid		
Dividend for the financial year 2020-21 (₹ 2.40 per share of ₹ 2 each)	3,208.17	-
Dividend for the financial year 2019-20 (₹ 2.00 per share of ₹ 2 each)	-	2,670.85
	3,208.17	**2,670.85**
Proposed dividend		
Dividend for the financial year 2021-22 (₹ 3.00 per share of ₹ 2 each)#	4,010.21	-
Dividend for the financial year 2020-21 (₹ 2.40 per share of ₹ 2 each)^	-	3,205.64
	4,010.21	**3,205.64**

 # The Board of Directors at its meeting held on May 30, 2022 have recommended a payment of final dividend of ₹ 3.00 per equity share with face value of ₹ 2.00 each for the financial year ended March 31, 2022. The above is subject to approval at the ensuing Annual General Meeting of the Holding Company and hence is not recognised as a liability.

^ Paid to shareholders during the financial year 2021-22.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

43 EARNINGS PER EQUITY SHARE (EPS)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net profit attributable to equity shareholders		
Net profit for the year (BEPS)	26,322.75	27,715.79
Add: Effect of Dilution, Share options (ESOP)	-	1.79
Net profit attributable to equity holders adjusted for the effect of dilution (DEPS)	26,322.75	27,717.58
Nominal value per equity share (₹)	**2.00**	**2.00**
Total number of equity shares outstanding at the beginning of the year	133,568,265	133,534,265
Total number of equity shares outstanding at the end of the year	133,673,765	133,568,265
Weighted average number of equity shares for calculating basic earning per share	**133,646,928**	**133,544,276**
Basic earning per share (₹)	**19.70**	**20.75**
Weighted average number of Equity shares adjusted for the effect of dilution	**133,645,910**	**133,649,776**
Diluted earning per share (₹)	**19.70**	**20.74**

44 INCOME TAX

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
The major components of Income tax expense		
Profit and Loss statement		
Current income tax charge	8,718.96	8,435.85
Adjustments for current tax of prior periods	64.77	389.24
Total (A)	**8,654.19**	**8,046.61**
Deferred tax:		
Relating to origination and reversal of temporary differences	(345.42)	207.19
Total (B)	**(345.42)**	**207.19**
Total (A+B)	**8,308.77**	**8,253.80**
Other Comprehensive Income (OCI)		
Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on re-measurements of defined benefit plans	11.02	(29.01)
Income tax charged to OCI	**11.02**	**(29.01)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for:-

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/loss for the year (after share of joint venture)	34,631.52	35,969.60
Statutory income tax rate	25.17%	25.17%
Tax expense at statutory income tax rate	**8,716.06**	**9,052.83**
Adjustments for current tax of prior periods	(64.77)	(389.24)
Deferred tax not recognised on share of profit of Joint Venture	(369.59)	(319.82)
Tax impact of income which will never be taxable		
Others	27.07	(89.97)
Total Tax	**8,308.77**	**8,253.80**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Deferred tax assets/(liabilities) (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liability arising on account of:		
Property, plant and equipment	9,006.27	9,215.68
Sub total	**9,006.27**	**9,215.68**
Deferred tax asset arising on account of:		
Expenses allowed on payment/actual basis	453.18	465.58
Lease assets (net of lease liabilities)	18.55	14.10
Provision for expected credit loss	756.09	635.69
Allowance for expected credit loss -interest accrued	28.27	-
Provision for obsolete and non-moving inventory	60.27	47.88
Others	(0.47)	27.65
Sub total	**1,315.89**	**1,190.90**
Net deferred tax assets/(liabilities)	**(7,690.39)**	**(8,024.78)**

Movement in deferred tax assets/(liabilities) for the year ended March 31, 2022

Particulars	As at March 31, 2021	Credited/(charged) Profit and loss	Credited/(charged) OCI	As at March 31, 2022
Tax effect of items constituting deferred tax assets:				
Expenses allowed on payment/actual basis	465.57	(1.36)	(11.02)	453.18
Lease assets (net of lease liabilities)	14.10	4.45	-	18.55
Provision for expected credit loss	635.69	115.39	-	751.09
Provision for obsolete and non-moving inventory	47.89	40.65	-	88.54
Others	27.65	(23.10)	-	4.55
Deferred tax assets	**1,190.90**	**136.03**	**(11.02)**	**1,315.91**
Tax effect of items constituting deferred tax liabilities:				
Property, plant and equipment exceeds its tax base	9,215.68	(209.40)	-	9,006.28
Deferred tax liabilities	**9,215.68**	**(209.40)**	**-**	**9,006.28**
Net deferred tax assets/(liabilities)	**(8,024.78)**	**345.42**	**(11.02)**	**(7,690.38)**

Movement in deferred tax assets/(liabilities) for the year ended March 31, 2021

Particulars	As at March 31 2020	Credited/(charged) Profit and loss	Credited/(charged) OCI	As at March 31, 2021
Tax effect of items constituting deferred tax assets:				
Expenses allowed on payment/actual basis	532.58	(96.02)	29.01	465.57
Lease assets (net of lease liabilities)	31.45	(17.35)	-	14.10
Provision for expected credit loss	551.64	84.05	-	635.69
Provision for obsolete and non-moving inventory	249.03	(201.14)	-	47.89
Others	31.98	(4.33)	-	27.65
Deferred tax assets	**1,396.68**	**(234.79)**	**29.01**	**1,190.90**
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment exceeds its tax base	9,243.28	(27.60)	-	9,215.68
Financial instruments measured at amortised cost				
Deferred tax liabilities	**9,243.28**	**(27.60)**	**-**	**9,215.68**
Net deferred tax assets/(liabilities)	**(7,846.60)**	**(207.19)**	**29.01**	**(8,024.78)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

The group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

45 INTEREST IN OTHER ENTITIES

Particulars	% of ownership interest		Country of incorporation	Principle business or activity
	As at March 31, 2022	As at March 31, 2021		
Subsidiary				
Radico Spiritz India Private Limited	100%	NA	India	Ancillary Services
Step down Subsidiary				
Accomreal Builders Private Limited	100%	NA	India	Ancillary Services
Compaqt Era Builders Private Limited	100%	NA	India	Ancillary Services
Destihomz Buildwell Private Limited	100%	NA	India	Ancillary Services
Equibuild Realtors Private Limited	100%	NA	India	Ancillary Services
Proprent Era Estates Private Limited	100%	NA	India	Ancillary Services
Binayah Builders Private Limited	100%	NA	India	Ancillary Services
Firstcode Reality Private Limited	100%	NA	India	Ancillary Services
Interest in Joint Venture				
Radico NV Distilleries Maharashtra Limited	36%	36%	India	Manufacture & sale of spirit

46 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. The Group is engaged in the business of manufacture, purchase and sale of beverage alcohol and other allied spirits, including through tieup manufacturing units. 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.

Revenue from Operation (excluding excise duty)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Domestic	268,789.81	221,718.23
Overseas	18,011.57	18,161.35
	286,801.38	**239,879.58**

Note

(i) There are no non-current assets located outside India.

(ii) No single external customer amounts to 10% or more of the Group's revenue.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

47 RELATED PARTY TRANSACTIONS AND DISCLOSURES

(1) List of related parties and their relationships :

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. Dinesh Kumar Gupta, Company Secretary

(6) Dr. Raghupati Singhania, Independent Director

(7) Mr. Sarvesh Srivastava, Independent Director

(8) Ms. Sushmita Singha, Independent Director

(9) Mr. Tushar Jain, Independent Director

(10) Mr. Sharad Jaipuria, Independent Director

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 :

Sapphire Intrex Limited

IV Post employment benefit plan entities:

(1) The Rampur Distillery & Chemical Company Limited (Employees P. F. Trust)

(2) The Rampur Distillery & Chemical Company Limited (Employees Group Gratuity Trust)

(3) The Rampur Distillery & Chemical Company Limited (Employees Superannuation Scheme)

V Joint Ventures:

(1) Radico NV Distilleries Maharashtra Limited

(2) Summary of transaction with related parties

The following transactions were carried out with related parties in the ordinary course of business:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Key Management Personnel :		
Dr. Lalit Khaitan, Chairman & Managing Director		
Remuneration		
Salary and Allowances	994.46	871.77
Contribution to Provident and other Funds	63.57	56.01
Value of benefits, calculated as per Income Tax Rules	39.77	36.31
Director's Sitting fee	2.05	2.05
Mr. Abhishek Khaitan, Managing Director		
Remuneration		
Salary and Allowances	994.46	871.77
Contribution to Provident and other Funds	64.57	57.01
Value of benefits, calculated as per Income Tax Rules	34.46	28.86
Director's Sitting fee	2.05	2.05
Mr. K.P. Singh, Whole Time Director		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Remuneration		
Salary and Allowances	219.70	191.83
Contribution to Provident and other Funds	8.05	7.48
Value of benefits, calculated as per Income Tax Rules	2.27	1.75
Director's Sitting fee	2.65	2.65
Dr. Raghupati Singhania, Independent Director		
Director's Sitting fee	1.80	2.50
Mr. Sarvesh Srivastava, Independent Director		
Director's Sitting fee	2.80	2.80
Ms. Sushmita Singha, Independent Director		
Director's Sitting fee	1.75	1.75
Mr. Tushar Jain, Independent Director		
Director's Sitting fee	1.80	2.50
Mr. Sharad Jaipuria, Independent Director		
Director's Sitting fee	2.50	2.50
Mr. Dilip K Banthiya, Chief Financial Officer		
Remuneration		
Salary and Allowances	246.61	204.08
Contribution to Provident and other Funds	10.92	10.21
Value of benefits, calculated as per Income Tax Rules	2.72	3.70
Mr. Amit Manchanda, Company secretary		
Remuneration		
Salary and Allowances	-	44.14
Contribution to Provident and other Funds	-	2.82
Value of benefits, calculated as per Income Tax Rules	-	0.82
Mr. Dinesh Kumar Gupta, Company secretary		
Remuneration		
Salary and Allowances	55.32	14.85
Contribution to Provident and other Funds	3.20	0.65
Value of benefits, calculated as per Income Tax Rules	0.89	0.34
Share based payment expense	7.24	-

Note: As the employee benefits obligations such as gratuity, compensated absences and bonuses are provided for the Group as a whole, the amounts pertaining to individual Key Management Personnel are not included above on an accrual basis. Such, amounts are included on payment basis.

Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise :

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sapphire Intrex Limited		
Rent Paid	69.48	69.48
Contribution paid (Employer's contribution only)		
The Rampur Distillery & Chemical Group Limited (Employees P. F. Trust)	614.21	563.26

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
The Rampur Distillery & Chemical Group Limited (Employees Group Gratuity Trust)	175.08	344.52
The Rampur Distillery & Chemical Group Limited (Employees Superannuation Scheme)	112.99	102.79
Joint Venture		
Radico NV Distilleries Maharashtra Limited		
Commission Income (Including GST)	104.17	428.19
Lease rent paid	7.08	7.08
Bottling Charges Paid *	933.66	716.62
Tie-up operation income	7.27	4.00
Dividend on Preference Shares	33.15	200.00
Dividend on Equity Shares	359.99	611.30
Redemption of Preference Shares	2,000.00	-
Purchase of material	5,137.56	3,580.49
Sale of material	-	2.89

** Excluding GST refundable on export consignment bottling ₹ 43.58 Lakhs (previous year ₹ 15.32 Lakhs).*

3 Summary of closing balances with related parties

Particulars	As at March 31, 2022	As at March 31, 2021
Joint Venture		
Radico NV Distilleries Maharashtra Limited		
Payable	155.03	142.26
Investment in equity share	17,547.85	16,439.44
Investment in preference share	-	2,000.00
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 Limited		
Security Receivable	60.00	60.00

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, 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: ₹ 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.

4 Disclosure requirements pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

There are no loans / advances in nature of loan given by the Group to related parties, accordingly the disclosure requirements pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

48 PAYMENT TO AUDITORS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i) Audit fee	37.50	31.50
ii) Limited review fee	29.50	13.50
iii) GST on (i) and (ii) above	12.06	8.10
iv) Out of pocket expenses (including taxes)	4.00	0.55
Total	**83.06**	**53.65**

49(A) EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

In accordance with the provisions of section 135 of the Act, the Board of Directors of the Holding Company had constituted a CSR committee. The details for CSR activities are as follows:

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i)	Gross amount required to be spent by the Group during the year	536.46	457.02
ii)	Amount spent during the year on the following:		
	(a) For construction / acquisition of any assets	-	-
	(b) For purposes other than (a) above	416.25	528.08
iii)	Amount unspent/(overspent) during the year and deposited in a scheduled bank (in case of unspent)	120.21	(71.06)
iv)	Amount spent during the year pertaining to previous year	-	-
v)	Shortfall/(Excess) at the end of the year	-	(71.06)
vi)	Reason of Shortfall	NA	NA
vii)	Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-
	Total	**536.46**	**457.02**

49 (B) NATURE OF CSR ACTIVITIES FOR THE FINANCIAL YEAR

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health and sanitation [including contribution to the Swatch Bharat Kosh setup by the Central Government for the promotion of sanitation] and making available safe drinking water.	278.82	311.19
(ii)	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	0.94	5.91
(iii)	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	16.60	34.71
(iv)	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].	109.13	81.99

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(v)	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.	9.52	7.30
(vi)	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;	-	24.74
(vii)	Disaster management, including relief, rehabilitation and reconstruction activities.	1.23	62.24
	Total	**416.25**	**528.08**

The Holding Company does not carry any provisions for corporate social responsibility expenses for the current year and previous year.

50 REMITTANCE IN FOREIGN CURRENCY / OR TO THE MANDATE BANKS ON ACCOUNT OF DIVIDENDS TO NON RESIDENTS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Number of non resident shareholders	16	16
(ii) Number of shares held by them	14,880	14,880
(iii) Dividend per share	2.40	2.00
(iv) Financial year to which the dividend relates	2020-21	2019-20

51 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.

The carrying amounts of the Group's foreign currency denominated monetary items are as follows:

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Foreign Currency	INR	Foreign Currency	INR
Other foreign currency exposures:				
Export receivables				
USD	87.94	6,666.59	87.00	6,394.64
EURO	0.23	19.08	0.14	12.05
GBP	-	-	0.02	2.49
Overseas creditors				
USD	1.30	98.18	1.79	131.56
EURO	0.05	4.65	0.02	1.66
GBP	0.13	13.17	0.00	0.08
Advances to overseas supplier				
USD	2.77	210.35	0.13	9.80
EURO	1.95	164.77	1.46	125.64
GBP	1.47	146.32	0.62	62.90
Advance from overseas customer				
USD	0.47	35.35	0.71	52.23
EURO	0.00	0.05	-	-
GBP	0.01	0.62	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Foreign Currency	INR	Foreign Currency	INR
Balance with banks				
USD	5.95	450.87	1.59	116.69

Foreign currency sensitivity

Change in foreign exchange rates	As at March 31, 2022		As at March 31, 2021	
	5% increase	5% decrease	5% increase	5% decrease
USD	359.71	(359.71)	316.87	(316.87)
EURO	8.96	(8.96)	6.80	(6.80)
GBP	6.63	(6.63)	3.27	(3.27)

52 FINANCIAL INSTRUMENTS

A- Category wise classification of Financial Instruments

Particulars	As at March 31, 2022			As at March 31, 2021		
	FVTPL	Amortised cost	FVTOCI	FVTPL	Amortised cost	FVTOCI
Financial assets						
Investment						
Equity Instrument	0.60	17,547.25	-	0.60	16,438.84	-
Preference Shares	-	-	-	-	2,000.00	-
Trade receivables	-	75,575.90	-	-	69,745.74	-
Cash and cash equivalents	-	10,124.13	-	-	12,110.36	-
Bank balances other than above	-	889.60	-	-	887.71	-
Loans	-	2,437.43	-	-	2,704.29	-
Other financial assets	-	9,692.47	-	-	10,293.75	-
Total	**0.60**	**116,266.78**	**-**	**0.60**	**114,180.69**	**-**
Financial liabilities						
Borrowings	-	18,990.42	-	-	27,335.95	-
Lease liabilities	-	1,166.77	-	-	1,484.24	-
Trade payables	-	30,426.19	-	-	26,190.77	-
Other financial liabilities	-	3,690.66	-	-	3,654.70	-
Total	**-**	**54,274.04**	**-**	**-**	**58,665.66**	**-**

B- Fair values

The carrying amount of financial assets and liabilities except for certain financial assets i.e. “instrument carried at fair value” appearing in the financial statement are reasonable approximation of fair value. Such investments of those financial instruments carried at fair value are disclosed below:-

Particulars	Fair Value		Carrying value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
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 Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

C- Fair value hierarchy

The following table provides fair value management hierarchy of the company`s assets:

Particulars	Level 1	Level 2	Level 3
March 31, 2022			
Investment			
Equity share	-	-	0.60
Total	**-**	**-**	**0.60**
March 31, 2021			
Investment			
Equity share	-	-	0.60
Total	**-**	**-**	**0.60**

There have been no transfer between level 1, level 2 and level 3 during the year.

D- 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.

E- Valuation inputs and relationships to fair value

Significant unobservable inputs used in Level 3 fair value measurement:-

Non current investment - Unquoted

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Fair Value	0.60	0.60
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.*

F- Reconciliation of financial instruments categorised under level 3

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
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

53 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities exposes it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash quivalents, deposits with banks, trade receivables, loans and other financial assets measured at amortised cost	Review of receivables	Diversification of bank deposits, monitoring of credit limits and assessment of recoverability of loan and advances from related party & other counter party.
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk-Interest rate	Short-term borrowings at floating rates	Sensitivity analysis of interest rates	Monitoring of changes in interest rates

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

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 includes 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.

(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, 2022 and March 31, 2021.

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, 2022 and March 31, 2021.

(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.

In order to balance the Group's position with regards to interest income and interest expense and to manage the interest rate risk, treasury performs comprehensive interest rate risk management. As the Group does not have any significant amount of debt, the exposure to interest rate risk from the perspective of Financial Liabilities is negligible. Further, treasury activities, focused on managing investments in debt instruments, are centralised and administered under a set of approved policies and procedures guided by the tenets of safety, liquidity and returns. This ensures that investments are made within acceptable risk parameters after due evaluation.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

At the reporting date the interest rate profile of the entity's interest bearing financial instrument is as its fair value:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Fixed rate borrowings	514.69	153.51
Variable rate borrowings	18,475.73	27,182.44
Total borrowing	**18,990.42**	**27,335.95**

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, 2022		As at March 31, 2021	
Increase/ (decrease) in basis points	100	(100)	100	(100)
Effect on profit before tax (increase)/ decrease	189.90	(189.90)	273.36	(273.36)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(ii) Foreign currency risk

The Indian National Rupee is the group's most significant currency. As a consequence, the Group's results are presented in Indian National Rupee and exposures are 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 hedged some of its receivable, since they have short recovery cycle and act as natural hedging reducing the foreign currency risk. Refer note 51 above.

(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 and Subsidiaries at cost of ₹ 13,539.53 Lakhs

(iv) Price risk

The Group's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

Sensitivity analysis

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Group's profit for the year:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Price sensitivity		
Price increase by (5%) - FVTPL	0.03	0.03
Price decrease by (5%) - FVTPL	(0.03)	(0.03)

(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.

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, 2022 and March 31, 2021 is the carrying amounts as illustrated in note below.

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets for which loss allowance is measured using 12 months expected credit losses (ECL)		
Non current financial assets		
Investment in joint venture	17,547.85	18,439.44
Investment in subsidiary	0.60	0.60
Others	5,851.20	4,131.94
Total	**23,399.65**	**22,571.98**
Current financial assets		
Cash and cash equivalents	10,124.13	12,110.36
Bank balances other than above	889.60	887.71
Loans	2,437.43	2,704.29
Others	3,841.27	6,161.81
Total	**17,292.43**	**21,864.17**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets for which loss allowance is measured using life time expected credit losses (LECL)		
Trade receivables	75,575.90	69,745.74
Total	**75,575.90**	**69,745.74**

Summary of change in loss allowances measured using LECL

Particulars	As at March 31, 2022	As at March 31, 2021
Opening allowance	**2,525.80**	**2,420.83**
Provided during the year	478.36	177.36
Amounts written-off	-	72.39
Closing allowance	**3,004.16**	**2,525.80**

(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 after one year and before five years	Payable after 5 years	Total
As at March 31, 2022:				
Term loans from banks	12.50	502.19	-	514.69
Short term loan	18,475.73	-	-	18,475.73
Trade payables	30,426.19	-	-	30,426.19
Lease liability	346.35	814.19	6.23	1,166.77
Other financial liabilities	3,681.76	8.90	-	3,690.66
Total	**52,942.53**	**1,325.28**	**6.23**	**54,274.04**
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
Lease liability	419.64	1,064.60	-	1,484.24
Other financial liabilities	3,582.25	72.45	-	3,654.70
Total	**57,501.70**	**1,163.96**	**-**	**58,665.66**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Excessive risk concentration

"Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Collateral

The Group has created a charge in favour of the lenders for loans and borrowings (Refer note-17 and 23 on Borrowings for details).

54 (I) Defined Benefit Plan

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Provident Fund	614.21	563.26

(II) Post-employment benefit plans

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity (funded)	(26.05)	170.77

The Group 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 gratuity 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.

i. Changes in present value of defined benefit obligation:

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obligation as at beginning of the year	3,692.85	3,350.03
Acquisition adjustment	-	-
Interest cost	251.11	227.80
Current service cost	207.26	198.11
Benefits paid	(126.64)	(187.48)
Actuarial (gain)/loss recognised in other comprehensive income	(60.65)	104.39
- changes in financial assumption	(104.09)	-
- experience adjustment	43.45	104.39
Present value of obligation as at end of the year	**3,963.93**	**3,692.85**

ii. Reconciliation of the present value of plan assets :

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	3,522.07	2,961.95
Return on plan assets recognised in total other comprehensive income	222.64	190.55
Contribution paid into the plan	371.91	557.05
Benefits paid	(126.64)	(187.48)
Balance at the end of the year	3,989.98	3,522.07
Net defined benefit liability	**(26.05)**	**170.77**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

iii. Net asset / (liability) recognised in the standalone balance sheet

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obligation at the end	3,963.93	3,692.85
Fair value of plan assets	3,989.98	3,522.07
Net assets / (Unfunded liability) in standalone balance sheet	**26.05**	**(170.78)**

iv. Actuarial Assumptions

A. Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes into account inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Discounting rate	7.18	6.80
Future salary increase	5.50	5.50

B. Demographic assumptions

Particulars	As at March 31, 2022	As at March 31, 2021
i) Retirement age	58/60/80	58/80
ii) Mortality table	100% OF IALM (2012-14)	100% OF IALM (2012-14)
iii) Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 years (Store employees/Back office employees)	3.00	3.00
From 31 to 44 years (Store employees/Back office employees)	2.00	2.00
Above 44 years (Store employees/Back office employees)	1.00	1.00

Assumption regarding future mortality have been based on published statistics and mortality tables

C. Actuarial Method

i) Projected unit credit (PUC) actuarial method has been used to assess the plan's liabilities allowing for retirement, death-in-service and withdrawal and also compensated absence while in service.

ii) Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan accrual formula and upon service as at the beginning and end of the period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation for active members.

V(a). Expense recognised in the standalone statement of profit or loss:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employee benefit expenses:		
(a) Current service cost	207.26	198.11
(b) Interest cost	251.12	232.57
(c) Interest income on plan assets	(239.50)	(201.41)
	218.88	**229.27**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

v(b). Remeasurements recognised in other comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial gain/(loss) on defined benefit obligation	60.65	(104.39)
Actuarial gain/(loss) on plan assets	(16.87)	(10.86)
	43.78	**(115.25)**
Expense recognised in the Consolidated statement of profit and loss	**175.09**	**344.52**

vi. Reconciliation of statement of expense in the Consolidated statement of profit and loss

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Present value of obligation as at the end of the year	3,963.93	3,692.85
Present value of obligation as at the beginning of the year	(3,692.85)	(3,350.03)
Benefits paid	126.64	192.25
Actual return on plan assets	(222.63)	(190.55)
Acquisition adjustment	-	-
Expense recognised in the Consolidated statement of profit and loss	**175.09**	**344.52**

vii. Change in fair value of plan assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening fair value of plan assets	3522.07	2961.95
Actual return on plan assets	222.64	190.55
Fund charges	-	-
Contribution by employer	371.91	557.05
Benefits paid	-126.64	-187.48
Fair value of plan assets as at year end	**3,989.98**	**3,522.07**

viii. The expected maturity analysis of undiscounted defined benefit liability is as follows

Particulars	Less than a year	Between one to two years	Between two to five years	Over five years
March 31, 2022	549.79	158.20	368.29	2,887.65
March 31, 2021	511.76	117.49	314.16	2,749.45

ix. Bifurcation of closing net liability at the end of year

Particulars	As at March 31, 2022	As at March 31, 2021
Current liability (amount due within one year)	549.79	511.76
Non-current liability (amount due over one year)	3,414.14	3,181.09
	3,963.93	**3,692.85**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

x. Investment details of plan assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Insurance products	**100%**	**100%**

xi. Expected contribution for the next Annual reporting period

Particulars	As at March 31, 2022	As at March 31, 2021
Service cost	186.97	204.80
Net Service cost	(1.87)	11.61
Expected expense for the next Annual reporting period	185.09	216.41

xii. Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions is as shown below:

Impact of the change in discount rate on defined benefit obligation

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obliation at the end of the year		
a) Impact due to increase of .50%	(126.33)	(106.54)
b) Impact due to decrease of .50%	138.99	113.21

Impact of the change in salary on defined benefit obligation

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obliation at the end of the year		
a) Impact due to increase of .50%	140.61	114.09
b) Impact due to decrease of .50%	(128.83)	(108.31)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated. Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied when calculating the provision for defined benefit plan recognised in the Consolidated Balance Sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

Risk exposure:

The defined benefit plan is exposed to a number of risks, the most significant of which are detailed below:

a) Salary increases - Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability

b) Investment risk - If plan is funded then assets/liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

c) **Discount rate -** Reduction in discount rate in subsequent valuations can increase the plan's liability.

d) **Mortality and disability -** Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities

e) **Withdrawals -** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability

C. Code of social security

The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment received Presidential assent in September 2020. Subsequently, the Ministry of Labour and Employment had released the draft rules on the aforementioned Code. However, the same is yet to be notified. The Group will evaluate the impact and make necessary adjustments to the financial statements in the period when the Code will be notified and will come into effect.

55 ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III TO THE COMPANIES ACT, 2013 AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

Summarised financial information of joint venture that is material to the Group:

Particulars	Principal activity	Principal place of business	% of equity	
			As at March 31, 2022	As at March 31, 2021
Radico NV Maharashtra Distilleries Limited	Manufacture & sale of spirit	India	36.00%	36.00%

The above joint venture is accounted for using equity method in the consolidated financial statements. There is no quoted market price for Radico NV Maharashtra Distilleries Limited.

i. Summarised balance sheet

Particulars	As at March 31, 2022	As at March 31, 2021
Non current Asset	37,428.04	34,534.99
Current Assets	19,155.61	19,565.98
Total Asset	**56,583.65**	**54,100.97**
Non current liabilities	5,817.81	6,675.72
Current liabilities	2,556.22	2,294.52
Total Liabilities	**8,374.03**	**8,970.24**
Net Asset	**48,209.62**	**45,130.73**

ii. Summarised statement of profit and loss

Particulars	As at March 31, 2022	As at March 31, 2021
Revenue	35,374.60	37,148.90
Total comprehensive income		
Net profit	4,079.17	3,529.87
Other comprehensive income	(0.28)	1.81
Total	**4,078.89**	**3,531.68**
Dividend received during the year	-	4.71

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

iii. Reconciliation of summarised financial information to the carrying amount of the interest in the associates recognised in the consolidated financial statements

Particulars	As at March 31, 2022	As at March 31, 2021
Opening net assets	45,665.14	43,831.57
Add: shares issued during the year	-	-
Total net asests available to equity holders	**45,665.14**	**43,831.57**
Add: Profit during the year	4,079.17	3,529.87
Add: other comprehensive income/(loss) during the year	(0.28)	1.81
Less: Dividend paid	(1,000.00)	(1,698.11)
Closing net asests available to equity holders	**48,744.03**	**45,665.14**
Group's share in %	36%	36%
Group's share in ₹	17,547.85	16,439.44
Investment in 10% cumulative, non-convertible preference shares	-	2,000.00
Carrying value of investment accounted for using equity method	**17,547.85**	**18,439.44**

iv. Contingent liabilities, commitments and other claims

a Capital commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	4,712.33	31.70
	4,712.33	**31.70**

b Contingent liabilities and other claims

i) Claims against the Joint venture, not acknowledged as debts

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Disputed VAT/MVAT/CST matters under appeal	663.06	167.32
(b) Disputed delayed water charges levied by MIDC (pending before Hon'le Supreme Court of India)	75.94	75.93
(c) Transport/ fee on molasses*	39.13	39.13
	778.13	**282.38**

**During the year 2017-18, Government of Maharashtra had enhanced transport fees from ₹ 1 per MT to ₹ 500 per MT and Import fees from ₹ 50 Per Permit to ₹ 5000 per permit on transport of molasses. The industry has obtained stay on enhancing this fees from Honourable High Court Bombay. In the meantime, the Joint Venture has deposited an amount of ₹ 108.70 Lakhs under protest. Based on legal advise obtained by the Joint Venture, the management is of the view that this liabilities will not arise on the group, hence shown as recoverable.*

ii) 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.

iii) GST demand, on bottling done for various principals, of ₹ 253.61 Lakhs has been received. The Joint venture has contesting the same however, in the event of any confirmation of liability the said amount are recoverable/reimburse from the said principals for whom bottling was done.

56 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

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 debt equity ratio was as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings	18,990.42	27,335.95
Equity capital	2,673.48	2,671.37
Other equity	200,012.20	176,620.22
Total equity	**202,685.68**	**179,291.59**
Debt equity ratio	9.37%	15.25%

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, 2022.

57 The Second and third wave of the pandemic impacted the economy during the nine months ended December 31, 2021. However, the Group's business and operations continued with certain restrictions in line with the guidelines laid down by the Government.

The Group has evaluated the impact of the 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 position as of March 31, 2022.

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.

58 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER MSMED ACT 2006

Particulars		As at March 31, 2022	As at March 31, 2021
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-Principal	4,316.81	3,073.83
	-Interest	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;		-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
(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;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding year, 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 MSMED Act, 2006.	-	-

The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Group.

59 DISCLOSURES ON REVENUE PURSUANT TO IND AS 115 - REVENUE FROM CONTRACTS WITH CUSTOMERS

A. Reconciliation of revenue from sale of products with the contracted price

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contracted Price	303,020.37	252,056.21
Add: Excise duty	960,248.83	810,524.48
Less: Discount and rebates, etc.	(19,343.58)	(14,655.11)
Sale of products	**1,243,925.62**	**1,047,925.58**

B. Disaggregation of revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Revenue from contracts with customers

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i) Revenue from operations		
Alcohol and other alcoholic products	277,887.14	232,612.14
Pet bottles and caps	3,280.40	2,719.53
Jaivik khad	416.61	393.62
Printed bottles	413.41	654.48
Trading of products	669.03	241.94
Royalty Income	1,010.20	779.39
Add: Excise duty collected from customer	960,248.83	810,524.48
Operating revenue	**1,243,925.62**	**1,047,925.58**
ii) Other operating income	3,124.59	2,478.48
Total revenue covered under Ind AS 115	**1,247,050.21**	**1,050,404.06**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

C. Contract balances

The following table provides information about receivables and contract liabilities from contract with customers:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contract liabilities		
Advance from consumers	6,799.08	8,072.51
Total	**6,799.08**	**8,072.51**
Receivables		
Trade receivables	78,580.06	72,271.54
Less: Allowances for expected credit loss	(3,004.16)	(2,525.80)
Net receivables	**75,575.90**	**69,745.74**

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer in advance.

D. Significant changes in the contract liabilities balances during the year are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	**8,072.51**	**5,642.88**
Addition during the year	6,799.08	8,072.51
Revenue recognised during the year	(8,072.51)	(5,642.88)
Closing balance	**6,799.08**	**8,072.51**

60 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES PURSUANT TO IND AS 7 - CASH FLOWS

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Non-current borrowings*	Current borrowings	Lease liabilities	Total
Net debt as at April 01, 2020	**290.56**	**39,874.22**	**865.05**	**41,029.83**
Recognition of lease liabilities (including current)	-	-	1,312.03	1,312.03
Repayment (including current maturities)	(137.05)	(12,565.18)	(692.84)	(13,395.07)
Proceeds from current borrowings (net)	-	-	-	-
Net debt as at March 31, 2021	**153.51**	**27,309.04**	**1,484.24**	**28,946.79**
Recognition of lease liabilities (including current)	-	-	313.89	313.89
Repayment of long term borrowings (excluding current maturities of long term borrowing) (net)	(138.82)	(8,833.31)	(631.36)	(9,603.49)
Proceeds from long term borrowings (net)	500.00	-	-	500.00
Net debt as at March 31, 2022	**514.69**	**18,475.73**	**1,166.77**	**20,157.19**

**including current maturities of long term borrowings*

61 AGEING SCHEDULE FOR CAPITAL WORK IN PROGRESS

As at March 31, 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	**2,663.44**	**100.41**	**50.19**	**84.41**	**2,898.45**
Projects temporarily suspended	-	-	-	-	-
Total	**2,663.44**	**100.41**	**50.19**	**84.41**	**2,898.45**

As at March 31, 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	**3,685.02**	**89.92**	**3.54**	**-**	**3,778.48**
Projects temporarily suspended	-	-	-	-	-
Total	**3,685.02**	**89.92**	**3.54**	**-**	**3,778.48**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

62 AGEING SCHEDULE OF TRADE RECEIVABLES

As at March 31, 2022

Particulars	Outstanding from the due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	72,230.37	1,393.94	556.09	312.76	764.51	75,257.66
Undisputed trade receivables – credit impaired	55.94	153.59	116.75	209.95	1,876.91	2,413.14
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	318.24	318.24
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	591.02	591.02
	72,286.31	**1,547.53**	**672.84**	**522.71**	**3,550.68**	**78,580.06**
Allowance for expected credit losses	55.94	153.59	116.75	209.95	2,467.93	3,004.16
Total	**72,230.37**	**1,393.94**	**556.09**	**312.76**	**1,082.75**	**75,575.90**

As at March 31, 2021

Particulars	Outstanding from the due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	66,464.49	795.50	1,038.14	142.93	850.85	69,291.91
Undisputed trade receivables – credit impaired	71.95	28.87	225.86	69.84	1,675.44	2,071.96
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	453.84	453.84
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired					453.84	453.84
	66,536.44	**824.37**	**1,264.00**	**212.77**	**3,433.97**	**72,271.55**
Allowance for expected credit losses	71.95	28.87	225.86	69.84	2,129.28	2,525.80
Total	**66,464.49**	**795.50**	**1,038.14**	**142.93**	**1,304.69**	**69,745.74**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

63 AGEING SCHEDULE OF TRADE PAYABLES

As at March 31, 2022

Particulars	Outstanding from the due date of payment					Total
	Unbilled Payable	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro and small enterprises (MSME)	-	4,316.81	-	-	-	4,316.81
Others than Micro and small enterprises	6,245.22	19,575.69	53.12	94.67	140.67	26,109.38
Disputed Dues (MSME)	-	-	-	-	-	-
Disputed Dues (Others)	-	-	-	-	-	-
Total	**6,245.22**	**23,892.50**	**53.12**	**94.67**	**140.67**	**30,426.19**

As at March 31, 2021

Particulars	Outstanding from the due date of payment					Total
	Unbilled Payable	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro and small enterprises (MSME)	-	3,073.83	-	-	-	3,073.83
Others than Micro and small enterprises	4,202.14	18,939.98	119.23	(271.66)	127.25	23,116.94
Disputed Dues (MSME)	-	-	-	-	-	-
Disputed Dues (Others)	-	-	-	-	-	-
Total	**4,202.14**	**22,013.81**	**119.23**	**(271.66)**	**127.25**	**26,190.77**

64 DETAILS OF PROMOTER SHAREHOLDING

Name of promoter	As at March 31, 2022			As at March 31, 2021		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
Dr. Lalit Kumar Khaitan	234,295	0.18%	-	234,295	0.18%	-
Lalit Kumar Khaitan Huf	41,850	0.03%	-	41,850	0.03%	-
Abhishek Khaitan	86,065	0.06%	-	86,065	0.06%	-
Deepshikha Khaitan	50,000	0.04%	-	50,000	0.04%	-
Sapphire Intrex Limited	45,379,098	33.95%	-	45,379,098	33.99%	-0.12%
Rampur International Limited	5,254,085	3.93%	-	5,254,085	3.93%	-
Classic Fintrex Private Ltd	2,576,100	1.93%	-	2,576,100	1.93%	-
Abhishek Fiscal Services Private Limited	99,050	0.07%	-	99,050	0.07%	-
Elkay Fiscal Services Private Limited	66,000	0.05%	-	66,000	0.05%	-
Smita Fiscal Private Limited	43,275	0.03%	-	43,275	0.03%	-
Total	**53,829,818**	**40.27%**		**53,829,818**	**40.31%**	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

65 INTANGIBLE ASSETS UNDER DEVELOPMENT:

a) For Intangible assets under development, following ageing schedule shall be given

Intangible assets under development	Amount				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	129.80	-	-	-	129.80
Projects temporarily suspended	-	-	-	-	-

66 OTHER STATUTORY INFORMATION

a. The Group has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

b. The Group do not have any transactions with companies struck off.

c. The Group does not hold any Investment property hence not applicable.

d. In Current year, no revaluation has been done for Property, plant and equipment and Intangible assets.

e. The Group has not been declared a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

f. The Group does not have any Benami property and no proceedings have been initiated or pending against the Group for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

g. The Group has not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.

h. The Group have not advanced or loaned or invested funds to any other persons or entities, including foreign entities (intermediaries) with the understanding that the intermediary shall:

   (a) Directly and indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group(ultimate beneficiaries) or:

   (b) provide any guarantee, security or the like to or on behalf of ultimate beneficiaries.

i. The Group has not received any fund from any person(s) or group(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

   i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or,

   ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs unless otherwise stated)

j. The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

k. The Group has ensured compliance with Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017 ('Layering Rules') is not applicable.

l. The quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

m. The borrowings obtained by the Group from banks have been applied for the purposes for which such loans were was taken.

67 PREVIOUS YEAR FIGURES HAVE BEEN RE-GROUPED, WHEREVER NECESSARY, TO CORRESPOND TO CURRENT YEAR FIGURES.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Regn. No. 001076N/N500013

Ashish Gupta
Partner
Membership No. 504662

Place: New Delhi
Date: May 30, 2022

For and on behalf of the Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director
DIN: 00238222

Dinesh Kumar Gupta
Vice President - Legal & Company Secretary

Abhishek Khaitan
Managing Director
DIN: 00772865

Alok Agarwal
Sr. Vice President
(Finance & Accounts)

Notes

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

Mr. Sharad Jaipuria
Independent Director

Ms. Sushmita Singha
Independent Director

Mr. Tushar Jain
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Dilip K Banthiya

VICE PRESIDENT – LEGAL & COMPANY SECRETARY

Mr. Dinesh Kumar Gupta

AUDIT COMMITTEE

Mr. Sarvesh Srivastava
Chairman

Dr. Raghupati Singhania
Member

Mr. Tushar Jain
Member

NOMINATION AND REMUNERATION COMMITTEE

Dr. Raghupati Singhania
Chairman

Mr. Sharad Jaipuria
Member

Mr. Tushar Jain
Member

STAKEHOLDER'S RELATIONSHIP COMMITTEE

Mr. Sharad Jaipuria
Chairman

Mr. K.P. Singh
Member

Mr. Sarvesh Srivastava
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. Sharad Jaipuria
Member

Mr. Dilip K. Banthiya
Member

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Dr. Lalit Khaitan
Chairman

Mr. Abhishek Khaitan
Member

Mr. K.P. Singh
Member

Ms. Sushmita Singha
Member

STATUTORY AUDITORS

Walker Chandiok & Co LLP
L 41, Connaught Circus
New Delhi - 110001

INTERNAL AUDITORS

SCV & Co. LLP
505, 5th Floor, World Trade Tower
C-1, Sector 16, Noida

COST AUDITORS

Mr. R. Krishnan
Cost Accountants
H-301, Green Valley Apartment
Plot No. 18, Sector-22
Dwarka, New Delhi - 110 077

TRANSFER AGENTS

KFin Technologies Limited
305, New Delhi House
27, Barakhamba Road
Connaught Place
New Delhi - 110 001

BANKERS

Axis Bank
HDFC Bank
ICICI Bank
IDBI Bank
Kotak Mahindra Bank
Punjab National Bank
State Bank of India
The Federal Bank

REGISTERED OFFICE

Rampur Distillery
Bareilly Road
Rampur - 244 901
Uttar Pradesh

CORPORATE OFFICE

J-1, Block B-1, Mohan Co-operative
Industrial Area, Mathura Road
New Delhi - 110 044

WORKS

Rampur Distillery
Bareilly Road, Rampur - 244 901
Uttar Pradesh

Village - Kunduni, Tehsil - Biswan
District - Sitapur - 261 201
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 - 124 501
Haryana

Radico

RADICO KHAITAN LIMITED

Plot No. J-I, Block B-I,
Mohan Co-operative Industrial Area
Mathura Road, New Delhi-110044,
T: +91-11-40975400/5500
Fax: +91-11-41678841/42
CIN: L26941UP1983PLC027278
info@radico.co.in
www.radicokhaitan.com

Concept, Content & Design
WYATTPrism
COMMUNICATIONS
(info@wyatt.co.in)