Radico

SPIRIT OF EXCELLENCE

ELEVATING SPIRITS. DISTILLING SUCCESS.

ANNUAL REPORT 2022-23

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For more information
https://www.radicokhaitan.com/investor-relations/

FY2023 Highlights

Total IMFL Volume

28.24
Million Cases
7.1% y-o-y growth

Prestige & Above Volume

9.35
Million Cases
19.8% y-o-y growth

Net Revenue from Operations

₹3,142.8
Crore
9.6% y-o-y growth

EBITDA

₹358.2
Crore
(**11.4%** EBITDA margin)

Excise Duty

₹9,601.1
Crore

FY2023 was a year of many milestone achievements for Radico Khaitan. It was a year of overcoming all challenges to move resiliently forward. A year of setting higher benchmarks, with the launch of exciting new products and addition of more millionaire brands. Enhancement in our global brand equity and scale-up of our capacities further adds to our future growth potential.

It was a year of bringing more innovation, distinctiveness, and brand excellence into our value proposition, as we prepared to take the next big leap in our growth journey. A year of creating more touchpoints to deepen the consumer connect, uplift the spirits of our consumers, and stay ahead of the curve.

Today, as we move forward towards the next phase of our odyssey, we look back with a sense of deep satisfaction at our success in distilling our core strengths to drive sustained performance and operational excellence. We feel pride over the new layers of excitement which we added to our premium portfolio through exceptional innovation. And we see the promise of a more spirited journey ahead, with many new milestones waiting to be crossed and new vistas of growth ready to be unveiled.

Come, join us in this journey of elevating the spirits and celebrating the special moments!

Elevating spirits... all through FY2023

Here's a look at some of the key milestone moments that powered Radico Khaitan's journey of success during FY2023.

NEW PRODUCT LAUNCHES ▶

Sangam World Malt Whisky

Sangam, a name derived from the Hindi word for "confluence", evokes the image of two powerful rivers merging to form something greater than the sum of their parts.

Rampur Indian Single Malt Jugalbandi

A series of eight Indian single malt cask strength whiskies, matured in American bourbon barrels.

1965 Lemon Dash Rum

A premium variant of 1965 Spirit of Victory rum, currently available in three states – Uttar Pradesh, Jharkhand and Odisha.

Magic Moments Vodka Cocktail

Launched in three flavours - Cosmopolitan, Cola, and Mojito, in cans packaging, and made with a vodka base with 4.8% alcohol content.

MILLIONAIRE BRANDS INCREASE TO 7, WITH ADDITION OF TWO MORE ▶

Morpheus Super Premium brandy

1965 Spirit of Victory rum

THE MILLIONAIRES' CLUB GLOBAL RANKINGS 2023

8PM Premium Black Whisky
- 2nd Fastest growing whisky
- 4th Fastest growing brand overall

8PM Whisky
- 9th Largest whisky by volume
- 21st Largest brand overall

Magic Moments
- 4th Fastest growing vodka
- 7th Largest vodka by volume

Contessa
- 7th Largest rum by volume

Old Admiral
- 3rd Fastest growing brandy
- 4th Largest brandy by volume

8PM PREMIUM BLACK WHISKY RENOVATED

- A more contemporary packaging
- For enhancement in brand equity & traction

MAGIC MOMENTS VODKA

Crossed 5 million cases sales

COMPLETED KEY PROJECTS

Rampur Dual Feed Plant
- Successful conversion of the 140 KLPD molasses plant at Rampur into dual feed (molasses and grain feed stock).
- Will help in debottlenecking and efficiency improvement of the existing facilities.
- Rampur campus will be self-sufficient on its power requirement.

Sitapur Bottling Plant
- Commenced bottling operations at Sitapur to support the growth of our IMFL, Country Liquor and UPML business in Uttar Pradesh.
- Will help leverage the future growth opportunities in the branded business.
- Commercial operations of the distillery expected to start from Q2 FY24.
- Availability of additional grain-based ENA will further drive our premiumisation journey.

RADICO KHAITAN – CORPORATE SNAPSHOT

Distilling success… to power ahead!

Brands are built on a vision, and powered by excellence. They are designed to resonate with the deepest aspirations of the most discerning of consumers. They are crafted to deliver to the ever transforming needs of a diverse consumer base.

At Radico Khaitan, our brand strength is embedded with an ethos that goes beyond the evolving market and consumer trends. It is this ethos that marks every celebration in our consumers' lives. It is the essence of the spirit that steers our excellence journey. It is what helps us distill our past successes to drive greater future growth and value creation.

Branded in Success

Radico Khaitan stands out in the Indian Made Foreign Liquor (IMFL) industry as a brand of distinction, catering to the taste of discerning consumers in the domestic and global markets. The success of the Company is driven by the robustness of its brands, which are distinguished by our strong premiumisation and innovation focus.

With seven millionaire brands and key global rankings, Radico Khaitan has emerged as an industry frontrunner. Its niche offerings are designed to provide an extraordinary differentiation to the consumer experience. Its large portfolio of the choicest brands is crafted to give an differentiated experience to a growing and wide consumer base. Radico Khaitan is one of the largest providers of branded IMFL to the Canteen Stores Department (CSD), which has significant business barriers to entry. We are also one of the oldest and largest malt distillers in India.

Brands of Differentiation

Our bouquet of distinguished brands comprise some of the industry's most notable and biggest selling names. These include After Dark Blue Whisky, Contessa Rum, Jaisalmer Indian Craft Gin, Magic Moments Vodka, Magic Moments Dazzle Vodka (Gold & Silver), Magic Moments Verve Vodka, Morpheus Brandy and Morpheus Blue Brandy, Old Admiral Brandy, Rampur Indian Single Malt Whisky, Royal Ranthambore Heritage Collection-Royal Crafted Whisky, 1965 The Spirit of Victory Rum, 1965 The Spirit of Victory Lemon Dash Premium Rum, 8PM Premium Black Whisky and 8PM Whisky.

3

Distilleries in Rampur, Uttar Pradesh

41

Bottling units (5 owned, 8 Royalty & 28 contracted) **spread across India**

1

Upcoming distillery in Sitapur, Uttar Pradesh

75,000+

Retail outlets

3

Distilleries in Aurangabad, Maharashtra
(a 36% joint venture)

8,000

On-premise outlets

217 Million Litres

Total distillation capacity

From the launch of our own label (8PM Whisky) in 1998 to our flagship brand (Magic Moments Vodka) in 2006, followed by luxury brands in 2016 (Rampur Indian Single Malt Whisky), we have always been part of our consumers' journey of many happy beginnings and celebrations.

Our Journey of Evolution

Our progressive evolution into India's most preferred, admired and reputed liquor brands is a testimony to our deep-rooted strengths. From small beginnings in 1943, as a distiller of spirits and bottler for others, the Company has grown into one of the largest manufacturers of IMFL in India.

Our profound insights into the transforming consumer taste, and our strong ability to grow and expand in alignment with the market's emerging needs and trends, are continuously helping us raise the bar of our brand excellence. Our robust manufacturing and distribution strengths help us deliver many milestone moments that create magic in the lives of the consumers.

Expanding Global Frontiers

Radico Khaitan today is a leading player in the beverage alcohol industry with a global presence. The Company's international footprint extends to over 100 countries across six continents, including Global Travel Retail, showcasing our ability to effectively penetrate diverse markets. Our products are recognised for our superior quality, innovation and world-class packaging, contributing to the Company's strong global brand presence.

An understanding of the consumer preferences in different regions combined with our desire to share the mysticism and flavours of India with the world drives us to innovate and offer unique products to our global audience. Innovation is critical in today's competitive global market, where consumers seek experiences that are authentic, distinct, and reflective of different cultures.

Rampur Indian Single Malt Whisky's success in gaining accolades from Malt connoisseurs and whisky experts showcases the Company's commitment to producing high-quality malt whisky that is appreciated by those who truly understand and appreciate the nuances of whisky. The fact that some of these expressions are exclusive to the international markets further underlines the Company's dedication to catering to the tastes and preferences of global whisky enthusiasts. Similarly, the strong equity built by Jaisalmer Indian Craft Gin amongst Gin aficionados is a testament to the brand's ability to capture the essence of the craft gin trend and resonate with the consumers internationally.

Our newest offering - Sangam World Malt Whisky, where East meets West, is also an endeavour to offer an experience to consumers that is not only unique but also culturally enriching. Overall, the strategy of combining consumer understanding, innovation, and cultural bonding has allowed us to establish a significant global presence and win hearts of consumers around the world.

Nurturing the brand spirit

A powerful brand equity can only be built around strong foundations. Excellence in manufacturing, a strong value chain presence, and an exceptional innovative ability are what create an exceptional brand.

At Radico Khaitan, we continue to nurture our brand through the integration of our core strengths.

Premium brand portfolio with product across categories

Deep consumer understanding & insights

Popular products in various categories and segments of IMFL industry in India

Leadership in luxury segment with Indian Single Malt and Indian Craft Gin

Technological prowess enabling innovation-led R&D

Manufacturing excellence driven by strategically located units

Well-entrenched distribution network, enabling domestic & global scale

Competent leadership & dedicated teams

Sustained profitable growth, led by cost efficiencies & robust cash flows

Backward Integration

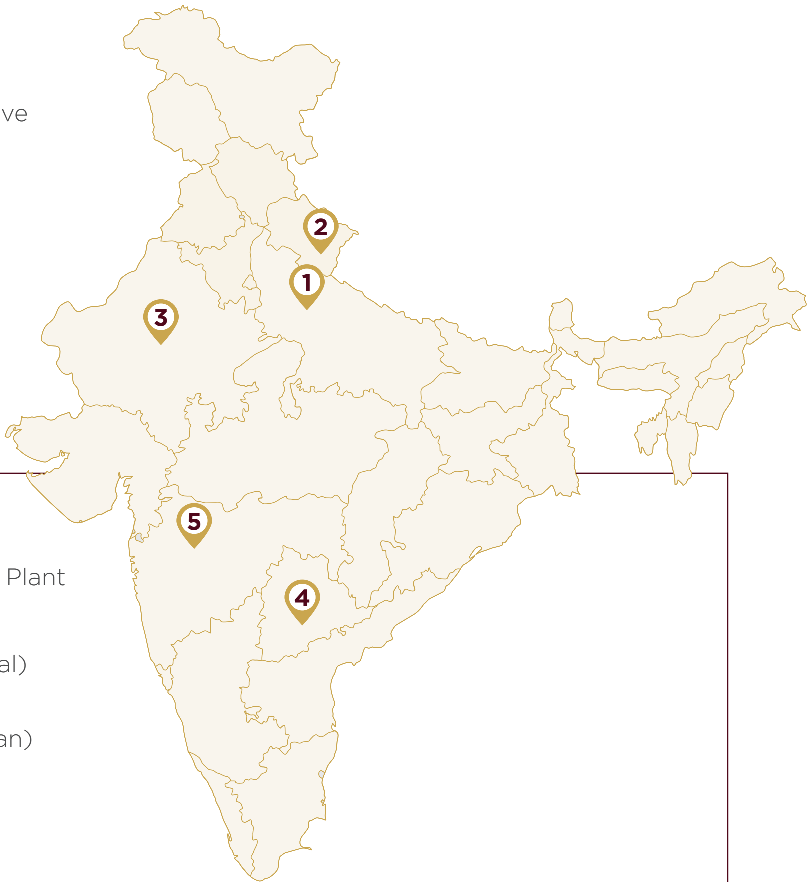
Radico Khaitan is present across the value chain of the IMFL industry. Its presence extends from analysis of the evolving consumer aspirations and market trends, to research-led innovation of new products and sourcing of quality raw material. It also covers the stage of final manufacturing, bottling and distribution. It is our continuous endeavour to strengthen every aspect of this value chain through strong quality focus.

Innovation Edge

Our robust in-house research and development (R&D) capabilities empower us to chart new vistas in innovation. Our R&D centre at Rampur (UP) is a fully integrated facility, having experts with extensive domain knowledge and experience. We also have regional quality laboratories benchmarked to the highest global standards. We further work with external accredited organisations to create premium ground-breaking products. We are one of the few companies in India that has developed its entire brand portfolio organically.

Manufacturing Excellence

Our three distilleries in Rampur, Uttar Pradesh, along with the Radico NV Distilleries Maharashtra Limited - a joint venture in Aurangabad (Maharashtra), provide state-of-the-art infrastructure for the manufacturing of high-quality products. Our manufacturing capacities are all set to be scaled up further in FY2024 with the commissioning of a new integrated distillery facility in Sitapur (UP). With 41 bottling units and an extensive distribution network spread pan India, we are well-equipped to cater effectively to the growing consumer demand for best-in-class spirits across regions. Besides wholesalers, our distribution strength is further driven by a network of 300 personnel, organised into four zones with each zone being led by a regional profit centre head.



Company Owned Units

1. Rampur Distillery, Grain and Malt Spirit Plant (Rampur, Uttar Pradesh)
2. Radico Khaitan Ltd. (Bajpur, Uttaranchal)
3. Radico Khaitan Ltd. (Reengus, Rajasthan)
4. Radico Khaitan Ltd. (Hyderabad, Telangana)
5. Radico NV Distilleries Maharashtra Ltd. – Joint Venture (Aurangabad, Maharashtra)

OUR BRAND SHOWCASE

Spirits crafted to elevate the spirit

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 and top 5-star properties in India.

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 since its launch in FY2017, with expressions priced between US$ 100 and US$ 2000. Its success is an affirmation of our R&D expertise. Some years ago, we invested in malt distillation and maturation capacity expansion to cater to the growing 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, this is a unique expression with an impeccable balance.

Awards

- Grand Gold for two consecutive years at the Monde Selection, 2022 and 2023
- Rampur Indian Single Malt featured in Jim Murray's Whisky Bible 2022
- Rampur Asava featured in Ian Buxton's "101 Craft and World Whiskies to Try Before you Die"
- 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 Double Gold Medal Winner in Fifty Best World Whisky 2022
- Rampur Double Cask Ranked #3 in Bartenders Brand Award in World Whisky Category 2022
- Rampur Double Cask won Jury Prize in the Spirits and Liqueurs category, Monde Selection 2022

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. It is a triple-distilled neutral grain spirit, which 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, it retains the classic gin flavour of juniper berries, with a refreshing twist added with hand-picked Indian botanicals. Of the 11 botanicals used in the distillation, 7 have been sourced from all four corners of India. Coriander and Vetiver - complex spices 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. The brand is now available in 60 ml, 180 ml and 750 ml pack sizes.

Awards

- Grand Gold at the Monde Selection for the four consecutive years, 2023, 2022, 2021 and 2020, and International High-Quality Trophy
- Best Indian Craft Gin at Zee Zest Unlimit Awards 2023
- Gold at San Francisco Award 2023
- Gold Medal at the Spirits Selection by Concours Mondial 2022
- Gold Medal for the Best Gin by The Fifty Best New York 2022
- 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 Award

OUR BRAND SHOWCASE

ROYAL RANTHAMBORE HERITAGE COLLECTION ROYAL CRAFTED WHISKY

INDIA'S FINEST YET

True to its name, this is all about the royal heritage of Rajasthan and machismo of the magnificent tiger. It is the liquid for those who adore the sophistication, fineness, refinement and valour of true royalty. The brand Royal Ranthambore represents new-age royalty and valour.

It is truly "India's Finest Yet" as the blend is made by using the rare imported malts and grain whiskies from 100% malted barley, carefully crafted with oak-infused Indian grain neutral spirit to harmonise this royal blend. Pour it, hold it up, have a good whiff, take a sip that lingers in the mouth for a few seconds and then go on to swallow royalty. A feeling that leaves you yearning for more.

The bottle exudes a premium feel with brand insignia. The woody coloured cap-on-cap closure, along with a unique blue tube, resembles a cork and adds to the exuberance of the overall packaging. The leather texture finish on the canister gives an elegant and premium feel. It holds the whisky bottle snugly in place, sealed by a metal cap. It is available in 3 SKUs (750 ml, 375 ml and 180 ml) with family shape pack.

Awards

- Grand Gold for two consecutive years at the Monde Selection, 2022 and 2023

HAPPINESS IN A BOTTLE

A HAPPILY CRAFTED GIN

The collection features three enchanting variants: Joy of Citrus, Joy of Juniper and Joy of Pink. At the heart of these variants lies a carefully curated selection of 15 botanicals, including Juniper, Angelica, and Coriander, chosen meticulously to create a harmonious fusion of flavours and aromas. A standout ingredient across all the variants is Ashwagandha, a renowned herb celebrated for its vitality and mood-enhancing properties.

The bottle design itself is a testament to artistic excellence, exuding a visual allure that captivates the eye. It is adorned with a visually striking design, embellished with unique crystals, enhanced by a canvas textured brush paint designed label, and crowned with a diamond-shaped cap. Moreover, each bottle is elegantly accessorised with a neck tag, conveying information about the variants and adding an element of sophistication.

It is available in 180 ml and 750 ml SKUs.

OUR BRAND SHOWCASE

MAGIC MOMENTS DAZZLE VODKA

RAZZLE WITH THE MAGIC OF DAZZLE

Dazzle Gold

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 for two consecutive years at the Monde Selection, 2022 and 2023

Dazzle 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 for two consecutive years at the Monde Selection, 2022 and 2023

OUR BRAND SHOWCASE

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 ten calendar years - 2013, 2014, 2015, 2016, 2017, 2019, 2020, 2021, 2022 and 2023 at the Global Monde Selection Awards
- Verve Lemon Lush won Gold for the three consecutive years at the Monde Selection, 2021, 2022 and 2023, and International High-Quality Trophy

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.

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 7th largest and 4th fastest growing vodka globally by the Millionaires' Club, 2023
- Magic Moments Premium Grain Vodka won Gold award for the three consecutive years at the Monde Selection, 2021, 2022 and 2023, and International High Quality Trophy
- Lemongrass & Ginger Vodka won Gold award at the Monde Selection, 2022

OUR BRAND SHOWCASE

MAGIC MOMENTS VODKA COCKTAILS

MIXED MATCHED MAGIC

Introducing the all-new Magic Moments Vodka Cocktails - an exhilarating experience that takes your cocktail game to a whole new level! We've gone above and beyond to create three tantalising avatars, each packaged in 330 ml cans, that will ignite your taste buds and leave you craving for more.

Cosmopolitan

A perfect balance of sweet and tangy notes from cranberry, perfectly complemented by the distinct taste of vodka, this unique blend is like nothing you've ever experienced before, making it an ultimate must-try for the adventurous at heart.

Cola

A delightful fusion of sweetness and fizz, blended with the smoothness of vodka, this refreshing concoction will take your taste buds on a joyride, delivering a new and exciting buzz that you won't be able to resist.

Mojito

A zesty blend of lime and lemon with a dash of mint, harmoniously combined with the subtle finish of vodka, it's a lip-smacking mood lifter that will instantly transport you to a tropical paradise with every sip.

Awards

- Magic Moment Cocktails (all the three flavours) won the debut title (Silver) at the Monde Selection Awards 2023

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 and 2023

OUR BRAND SHOWCASE

MORPHEUS BLUE XO BRANDY

DARE TO DREAM

Named after the Greek God of Dreams, the enriched XO blended premium brandy is for indulgence. The sublime allure of Morpheus Blue is to be experienced. A true embodiment of understated perfection, its intense flavour leaves one with an epic aroma and a rich aftertaste.

Morpheus Blue is a celebration of what we can accomplish when we "Dare To Dream". Its premium packaging is designed to mesmerise. Quart bottles come with a unique over cap resembling an inverted goblet, in a premium hard canister packaging.

Awards

- Monde Selection Grand Gold Award, 2023
- Monde Selection Gold Award for four consecutive years – 2019, 2020, 2021 and 2022
- Ambrosia Award for Best Blend and Packaging in 2019, 2021 and 2022
- Spiritz Selection Grand Gold Award for Best Blend and Packaging in 2018, 2020 and 2022

MORPHEUS XO BRANDY

DARE TO DREAM

Crafted with imported aged Eau-de-Vie from grapes, this richly layered sterling XO blended brandy is redolent of an alluring, mythic world with its exceptional aroma and aftertaste. Created by our master blender with care and finesse, Morpheus redefines benchmarks and traditional brandy tenets.

Staying true to its name 'Morpheus – The Greek God of Dreams', the brand has taken the role of an inspirer. It is the courage liquid for those who want to answer their inner calling and makes them "Dare To Dream". With a legacy of more than a decade, Morpheus has conquered the hearts of millions to become India's largest selling premium brandy.

Awards

- Eight time winner of the Monde Selection Gold Award (2011, 2015, 2016, 2017, 2018, 2021, 2022 and 2023)
- Ranked 10th among the fastest growing spirits brand by The Spiritz Business, 2023
- Spiritz Selection Grand Gold Award for Best Packaging, 2022
- Spiritz Achievers' Gold Award for Digital Brand Promotion of the year, 2022

OUR BRAND SHOWCASE

8PM PREMIUM BLACK WHISKY

AT 8PM, RIVALS BECOME FRIENDS

With an astounding track record of consistently adding a million cases for three consecutive years, this remarkable brand has swiftly ascended to multi-millionaire status in a remarkably short period. This notable achievement firmly establishes 8PM Premium Black Whisky as the epitome of opulence and superior drinking.

The inclusion of the word Black sets this variant apart from its renowned mother brand, 8PM whisky, bestowing upon it a well-deserved distinction. The meticulously crafted packaging proudly showcases 8 Rare Notes and the Monde Selection Award story on its side panel, serving as a compelling testament to the whisky's individuality and unwavering commitment to exceptional quality. 8 Rare Notes story is an exquisite fusion of flavours that transport connoisseurs on a sensory journey like no other. This exquisite medley of flavours amplifies the allure of 8PM Premium Black Whisky, bestowing upon consumers a truly extraordinary drinking experience. With its captivating new packaging, 8PM Premium Black Whisky further solidifies its position as a venerated brand in the Indian whisky market, beautifully showcasing its resounding success, distinctive characteristics, and unwavering dedication to delivering an unparalleled drinking experience.

Awards

- Ranked as the 4th fastest-growing brand (across categories) and the 2nd fastest-growing whisky globally by The Millionaires' Club, 2023
- Won the Gold award (for the fifth consecutive year) at the Monde Selection, 2023

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, 2023
- Ranked 5th Top Indian Whisky by The Millionaires' Club, 2023
- Ranked 5th Best-selling Indian Whisky by The Spirits Business Brand Champions, 2023

OUR BRAND SHOWCASE

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 for consecutive six years 2018, 2019, 2020, 2021, 2022 and 2023

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

OUR BRAND SHOWCASE

OLD ADMIRAL BRANDY

FOR REAL MEN ONLY

Crafted 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 4th largest selling and 3rd fastest growing brandy by the Millionaires' Club, 2023
- Ranked 2nd best-selling Brandy globally by The Spirits Business Brand Champions, 2023

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 7th largest Rum globally by The Millionaires' Club, 2023
- Ranked 8th best-selling Rum by the Spirits Business Brand Champions, 2023

Letter to the Shareholders

Dear Shareholders,

The macro environment in FY2023 was marked by raw material volatility and inflationary pressures triggered largely by the continuing geopolitical tensions. Amid these challenges, the Indian alcohol beverages industry showed remarkable resilience to post strong growth. The easing Covid situation led to a significant demand revival during the year. Further aided by the growing premiumisation trend, this boosted industry performance.

Radico Khaitan was quick to harness the emerging demand to post a robust performance. Our strong premiumisation focus, coupled with our deep consumer understanding and centricity, helped us in posting performance excellence. We successfully delivered a broad-based, premium volume growth across our product portfolio and geographies, despite the overall challenging operating environment.

Our sustained investment behind our core brands, agile supply chain, and robust distribution network helped us drive growth in the Prestige & Above category volumes, which registered 17% year-on-year growth on a very high base. Our strong premiumisation focus led to a growth of over 150% compared to the pre-pandemic levels in the Prestige & Above brands, resulting in sustainable improvement in the realisation per case. The complexities and challenges of the external environment failed to dampen our spirits and we continued to move actively forward towards the accomplishment of our targets.

I would like to take a moment here to thank all of you for your sustained confidence and support in our onward journey. As a mark of our gratefulness and in line with our strategy of maintaining a balance between delivering returns to shareholders and preserving funds for growth capital, we propose a consistent dividend of ₹3.00 per share.

I am also grateful to our dedicated teams, without whose commitment and hard work we would not have succeeded in staying on course with our growth and expansion plans. I assure all of you that we shall continue to keep your best interests at heart going forward.

Celebrating our Premiumisation Journey

Our performance for FY2023 was not an one-off achievement but the cumulative demonstration of our deep-rooted strengths and strategic focus, coupled with a sharp agility which helped us capitalise on our brand equity. It is a testimony of our sustained focus on innovation and our deepening consumer connect. The launch of new products and the fact that two more of our brands achieved a million case sales stand out as some of the landmark feats during the year in our quest to drive greater premiumisation in the IMFL industry.

I am happy to share that the alcobev business, both in the domestic and international markets, is seeing a marked shift towards premium products, thus driving greater demand for luxury brands. Our strong, industry-leading position in the premium and luxury categories lends us a powerful edge, and is helping us make huge strides in our premiumisation journey. Our premium brands growth is very strong, particularly in luxury brands such as Jaisalmer Indian Craft Gin and Rampur Indian Single Malt.

Scaling to Grow

Keeping pace with the evolving macro trends, we, at Radico Khaitan, centred our efforts on augmenting our capacities and capabilities during the year. Our focus was on adding scale to our brand and value proposition through strategic investments in the key areas driving future growth.

Besides the conversion of the Rampur distillery into a dual-feed plant, we have also expanded our bottling capacities by commencing bottling operations at Sitapur. The commercial operations of the distillery will start in FY2024, and will push the growth of our IMFL, Country Liquor and UPML business in Uttar Pradesh. The availability of additional grain-based ENA, post the successful completion of our Sitapur distillery, will further help us to effectively harness the future growth opportunities in the branded business. We have also expanded our craft gin production capacity to three times.

Expansion of our premium brand portfolio, investments in technology and automation, and enhancement of operational excellence, along with dynamic financial management, will be the key areas of our focus to steer long-term sustained business growth.

Focussing on Sustainability

We are strong proponents of the idea that sustainable business growth necessitates an unwavering commitment to sustainability. Our programmes are carefully designed to drive social and economic progress within the society. Our primary focus is on enhancing community development, improving livelihoods, promoting education and healthcare, including preventive healthcare measures, and safeguarding environmental sustainability.

Our strong focus on water conservation is manifest in the rainwater harvesting and ground level recharging initiatives undertaken at our plants. We have integrated sustainability into our future roadmap and will continue to work closely with the communities around our units to ensure the realisation of our sustainability targets.

Way forward

With the long-term dynamics in the Indian IMFL industry showing attractive growth opportunities, we are confident that we have the right strategies to deliver a balanced growth and value creation in the coming years. We remain committed to our long-term strategy of focussing on premiumisation, managing our business with agility, and driving backward integration efficiencies. While the raw material scenario still remains volatile, we have seen early signs of stability in certain commodities. Furthermore, we have recently received price increases in the non-IMFL business in the state of UP, which will hold us in good stead in the next fiscal year.

We shall continue to focus on strengthening our premium brand portfolio through robust go-to-market strategies. Our aim is to target premium growth, proactively execute our new projects, and work towards making Radico Khaitan a future-ready organisation.

Warm regards,

Lalit Khaitan

Chairman & Managing Director

In Conversation with Abhishek Khaitan, Managing Director

Experiential premiumisation has been the mantra for Radico Khaitan's successful transition from a distiller of alcohol to a global brand. In fiscal 2023, the Company took this evolution to the next level with a series of new launches and development of key capex projects.

Radico Khaitan's sustained performance excellence during the year is an affirmation of its strategic focus on premiumisation, investment in core brands, consumer-centric approach and robust distribution network. The Company's Managing Director, Abhishek Khaitan, shares his thoughts on this performance and the overall strategy for continued growth.

Q

The premiumisation story is playing out well for Radico Khaitan, with the number of millionaire brands going up to seven. Do you see the growth momentum continuing in this category, going forward?

Yes, it's a matter of pride for us to see two more brands - Morpheus brandy and 1965 Spirit of Victory rum, join the prestigious millionaire club in FY2023. Premiumisation is a journey we had consciously embarked on a few years ago and it has catalysed excellent growth in both volume and value terms for the Company. Our long-term strategies of a premium product portfolio focussed on innovation are driving and sustaining the strong momentum in our premium brands.

We have seen 150% volume growth in the Prestige & Above category over the pre-pandemic levels and this category now accounts for 37.5% of the total IMFL volumes. I am happy to share that the P&A growth story during the year was led by all our core brands, such as Magic Moments Vodka which crossed 5 million cases sales, along with the two brands that crossed the million-case mark.

It has been our continuous endeavour to build on this growth momentum through new product launches and capex investment. During FY2023, we launched a number of new premium products, namely Rampur Indian Single Malt Trigun cask whisky, Rampur Indian Single Malt Jugalbandi, Sangam World Malt whisky, Magic Moment Vodka Cocktail and After Dark Blue whisky. All these have received excellent response from the perceptive consumers in the evolving market. We have also renovated the 8PM Premium Black Whisky to capitalise on the traction we have seen in this brand. We have launched the renovated edition in a more contemporary packaging to make the brand more aspirational and appealing. The new packaging is focussed on differentiating the product by highlighting the eight rare notes.

Clearly, the premium category has emerged as the biggest growth opportunity for Radico Khaitan, with more and more consumers seeking superior-quality products, especially in the post-Covid world. Rising income levels and evolving aspirations are pushing the demand for premium products, and we see this trend sharpening further in the coming years.

Q

One noticeable trend seen in recent years has been the marked shift in western audiences towards Indian liquor brands. What has contributed to this transition and how is Radico Khaitan benefiting from it?

The dynamics of the global alcohol industry have changed significantly over the last few years. The new urban affluents have catalysed the emergence of non-traditional luxury categories. New entrants among the consumers are driving a novel consumption pattern, with alcohol intake becoming a lifestyle and societal norm. Global consumers, especially the Gen Z and the millennials, are more open to experimenting with their drinks. They like to try out new things and are not tied down by conventions when it comes to alcohol, especially best-in-class spirits.

As far as Radico Khaitan is concerned, I would say we are not just a beneficiary of this trend but in fact a major catalyst of the same. Our brands have changed the way consumers look at liquor. They have created a sense of excitement among the global audiences. Our innovations, our diversified offerings, the new varieties of flavours we have been bringing to the market – these have together played a very big role in attracting global consumers to our brands.

And this has been the story since we launched Rampur Indian Single Malt in 2016. The response it got was amazing. Today, we have seven expressions of Rampur, and each of them is receiving extraordinary appreciation. The consumers across the globe are liking the unique character and taste of each of them. Even the pricing they are getting is premium. It's a matter of real pride for us to see an Indian brand receiving that kind of attention.

In fact, all our premium products are witnessing a similar excellent response in the international markets. Jaisalmer has been rated among the top 100 spirits of world, and the best Asian gin. Jaisalmer and Rampur are available in over 40 countries and 20+ duty-free shops. That's the kind of buzz our brands have created, and the kind of growth we are aiming, as we prepare to take the next leap in our journey.

Q

Given the growing demand for your brands, do you think you have adequate capacities to serve the consumers? What are your plans to meet the demand scale-up happening around the world?

We are currently witnessing a very strong demand for our luxury brands. In fact, the demand is really outstripping the supply. Both in the domestic and international markets, we are seeing a marked consumer preference for our brands. To keep pace with this demand uptick, we are strategically investing in new capacities. A few years ago, we had invested in malt distillation and maturation capacities, etc., and in FY2024 our single malt volumes will triple. We have already tripled our gin distillation capacity to cater to the growing demand for Jaisalmer Indian Craft Gin. The greenfield plant we are putting up in Sitapur is in line with our strategy to focus on maintaining the high quality of our products through in-house production.

The Indian edge is what defines Radico Khaitan products and we aim to continue to enhance the same. We believe in innovation and take pride in being the only Indian company with organic, home-grown brand portfolio. It is our passion to create brands with a unique standing and character, and we shall continue to invest in creating newer segments and brands with a differentiation. That's our USP and we shall continue to enhance it.

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Q

What is the strategic roadmap you have drawn for the future? Where do you see the Company going from here?

Our focus will remain on premiumisation where we see the maximum opportunity for growth in the coming years. Premiumisation is a trend that is sharply manifest in both the domestic and global markets, and we intend to make the most of it. As far as the new launches are concerned, it will be luxury and super-premium brands. Our innovation strength, industry-leading brands, in-house manufacturing and quality excellence give us a strong competitive edge that will enable us to stay ahead of the curve in the coming years.

As a pioneer in the premium product market, we see this segment being the main platform for our future growth. Our aim is to scale up our P&A volume to 40-45% and value contribution to 65-70% in the next 3-5 years. More premiumisation will also assist in our EBITDA margin expansion. We also plan to strengthen our luxury brands portfolio, which we see contributing majorly to our profitability going forward. We already have a good luxury portfolio in Rampur and Jaisalmer, with more products in the pipeline.

Notwithstanding the short-term inflationary pressures and other challenges, the India story is dynamic and vibrant, and we strongly believe in it. Our aim and passion is to build brands with India roots (all our luxury brand names reflect Indian ethnicity) which the world can be proud of. We will continue to create brands that the world will acknowledge, appreciate and accept with open arms.

We plan to launch new brands in both white and brown spirits. We will also continue to focus on our long-term plans of expanding our premium IMFL portfolio expansion and leveraging the benefits of our capital investments. Where needed, we will go for cost rationalisation, but without any compromise on the quality. Both product quality and packaging are non-negotiable aspects of our strategy. They are the key pivots of our premium brand proposition and we shall continue to strengthen our quality proposition and invest in attractive and sustainable packaging. Also, we will continue to follow a price-positioning strategy, which is aligned with our belief that there is a consumer at every price. And where there's a consumer, Radico Khaitan aims to be present too!


RAMPUR
INDIAN SINGLE MALT WHISKY
NON-CHILL FILTERED
American BOURBON BARRELS
ASĀVA
Classic Indian RED WINE CASKS
CABERNET SAUVIGNON
Matured in American Bourbon barrels and meticulously perfected in Indian Cabernet Sauvignon casks for the first time in History resulting in a unique expression with an impeccable balance
45% alc/vol
product of india
750ml

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

Amar Singh
EVP – Manufacturing Operations, Rampur

Hari Shankar Shukla
EVP – Manufacturing Operations, Sitapur

Saket Somani
Vice President – Finance & Strategy

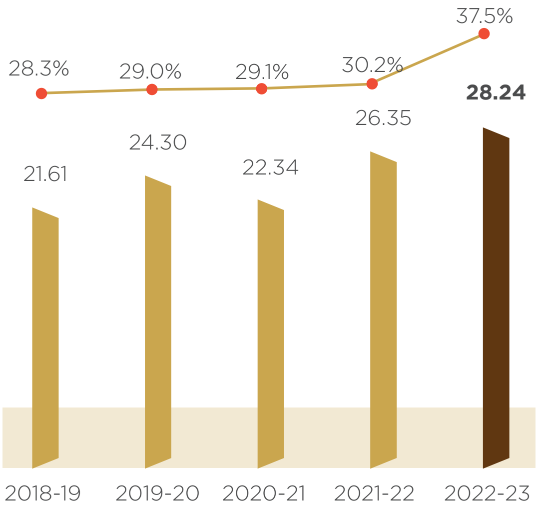
Dinesh Kumar Gupta
Vice President – Legal & Company Secretary

Vinay Padroo
Chief Human Resources Officer

Financial Highlights

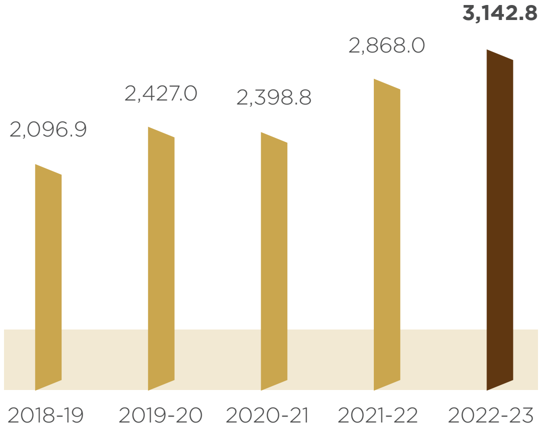
Prestige and above brands as % to total Volume

(mn cases)



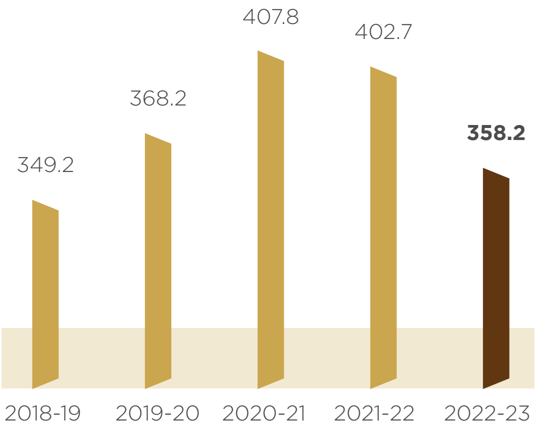
Net Revenue from Operations

(₹ in crore)



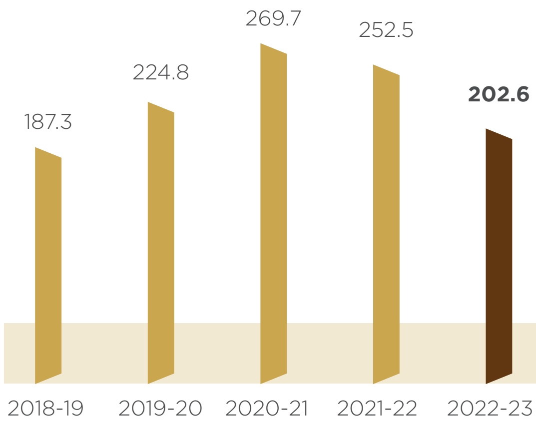
EBITDA

(₹ in crore)

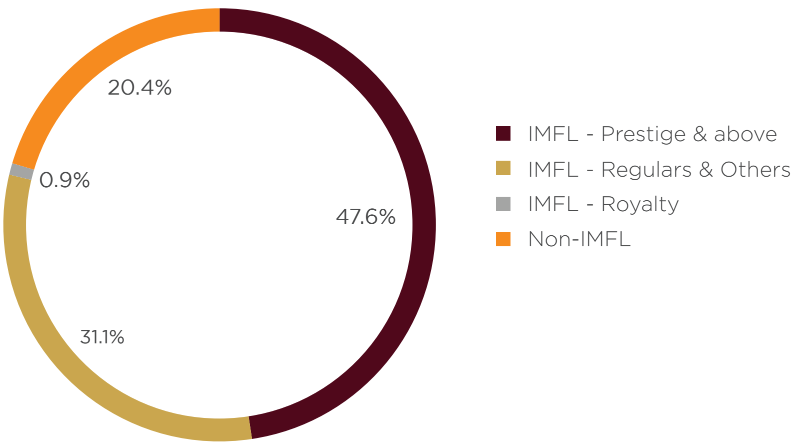


Net Profit

(₹ in crore)



Revenue Breakup (FY2022-23)



Fostering a Sustainable Future

At Radico Khaitan, sustainability lies at the core of our business strategy. It is our endeavour to pursue sustainable business strategies to ensure regulatory compliances while meeting the societal obligations and expectations. We have adopted policies that are designed to deliver environment-friendly, economical and socially acceptable growth, in line with our strong sustainability-led business ethos.

As businesses grow, consumption of resources continues to increase commensurately. Radico Khaitan is focussed on using renewable energy sources, backed by consumption of lesser resources per unit of production. Our programmes and initiatives are mapped to the relevant United Nations Sustainability Development Goals (UN SDGs) and we remain focussed on integrating this alignment further through targeted investments and interventions.

Boosting Recycled Glass Bottles Usage

Given the nature of our business, the usage of glass bottles at Radico Khaitan is high. It is our continuous effort to increase the consumption of recycled glass bottles in our business. We have progressively increased the usage of recycled glass bottles from 4.5% in FY2019 to 22.6% in FY2023 for our key large brands.

UN SDGs

4.5%
FY2019

7.4%
FY2020

14.1%
FY2021

19.3%
FY2022

22.6%
FY2023

% Recycled Bottles

Investing In Value Engineering

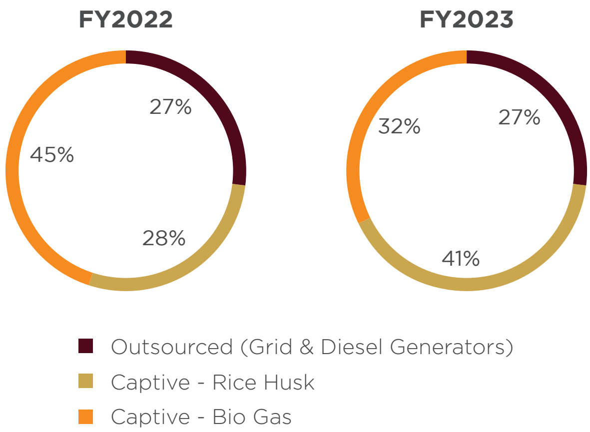
Radico Khaitan has implemented various value engineering opportunities to optimise raw material cost without compromising on product quality. Leveraging improved glass technology to produce glass bottles at lower weight is an example of such opportunity. This has not only helped us in optimising raw material cost but is also reducing depletion of natural resources used in the manufacture of glass bottles. The initiative resulted in savings of about 831.5 MT of glass consumption during the year. Removal of monocarton in certain brands has reduced paper usage by 37.2 MT and further resulted in saving natural resources.

UN SDGs

Reducing Carbon Footprint

We remain committed to minimising the carbon footprint of our business and continue to work towards this. In FY2023, of the total power consumption at the Rampur plant, we generated 73% through captive power plants using renewable energy/bio fuels. By the end of FY2023, our Rampur plant became 100% self-sufficient on power generated through its captive power plants, contributing significantly to our energy footprint reduction efforts.

UN SDGs



Recycling Plastic Waste

During FY2023, Radico Khaitan recycled 7,202 MT of post-consumer used plastic waste, leading to a strong sustainability impact.

UN SDGs

Saved

Water
450.1
million litres

Energy
41.6
million kWh

Eliminated

CO_2
12.2
million KG

Land Fill
5.8
million cubic feet

Undertaking Tree Plantation

We undertook plantation of more than 15,000 trees at various locations in the Rampur district during FY2023.

UN SDGs

Minimising Water Consumption

Water is extremely vital for ensuring socio-economic development and creating healthy ecosystems that are essential for human survival. It is our belief that water is critical to the world's adaptation to climate change. It serves as a crucial link between the climate system, the human society, and the environment, requiring aggressive efforts to ensure efficient water consumption methods.

In line with this belief, we are investing continually in upgrading our technology to boost water efficiencies in our manufacturing process. The water consumption at our plants is one of the lowest in the Alcobev industry. We have reduced water consumption by 56% in the case of our Molasses-based distillery and 50% in case of the Grain-based distillery since FY2018.

	Molasses-based		Grain-based	
Year	**FY2018**	**FY2023**	**FY2018**	**FY2023**
% Recycled	39%	73%	32%	66%
Fresh water consumption (Litre/BL)	12.3	5.5	10.5	5.3

UN SDGs

Ensuring Water Sustenance

Radico Khaitan has adopted several rainwater harvesting and groundwater recharge measures within and outside the plant premises. Within the plants, we have installed 27 recharging structures across the premises. We have also installed 129 recharging structures across 38 villages in Chamraua Block of district Rampur. We undertake the maintenance of these structures at the onset of each monsoon season. Currently, Radico Khaitan is able to recharge ~300% of total water it draws from the ground, thus balancing the ecosystem. The Company is undertaking maintenance of all the existing systems and preserving the required parameters.

UN SDGs

6 CLEAN WATER AND SANITATION | 13 CLIMATE ACTION | 15 LIFE ON LAND

Radico – Art of Living's Bhujal Shakti Project

We have partnered with 'Vyakti Vikas Kendra India' (Art of Living) and the Government to extend our water conservation initiative to other areas of Rampur. This project aims to cover three blocks of Rampur district, benefiting 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.

The project is helping in the upliftment of the water level in the Rampur district and also generating employment for a large number of the local youth. During the year under review, 100 recharge shafts were completed. The impact of recharge shaft construction was also observed in the annual ground water assessment by Central Ground Water Board. The groundwater table in Saidnagar has improved from Semi-Critical to Safe, while Chamraua and Shahabad have improved from Over-Exploited to Semi Critical in just one monsoon season. With the encouraging results in Chamraua, Shahbad and Saidnagar blocks, Radico Khaitan has started the activities in the remaining three blocks of Rampur.

The project also involves training and preparation of individuals to create awareness about the area's water resources, rainfall patterns, hydrological cycle, and water accounting and budgeting. It is facilitating the youth in preparing water security plans for the area and maintaining the recharge structures.

The initiative further includes water literacy training programmes to educate farmers about more effective and sustainable irrigation techniques, such as sprinkler systems or drip irrigation. There is provision for rewarding and incentivising farmers utilising efficient irrigation techniques. Till now, around 5,500 participants have completed the water literacy programme.

UN SDGs

1 NO POVERTY | 6 CLEAN WATER AND SANITATION | 13 CLIMATE ACTION | 15 LIFE ON LAND | 17 PARTNERSHIPS FOR THE GOALS

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.

In FY2023, 195 students were trained on soft skills, computers, mobile repair and Tally accounting software as part of the project. We have also opened a new centre for women empowerment, where we trained 120 women on tailoring and beautician courses during the year.

UN SDGs

1 NO POVERTY | 2 ZERO HUNGER | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 17 PARTNERSHIPS FOR THE GOALS

Directors' Report

Dear Members,

The Board of Directors of Radico Khaitan Limited ("Radico Khaitan" or the "Company") is delighted to present the Thirty-Ninth Annual Report on the business and operations together with the Audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2023.

RESULTS OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

(₹ in Crore)

	Standalone			Consolidated		
	FY2023	FY2022	Change (%)	FY2023	FY2022	Change (%)
Revenue from Operations (Gross)	12,743.9	12,470.5	*2.2%*	12,743.9	12,470.5	*2.2%*
Revenue from Operations (Net)	**3,142.8**	**2,868.0**	***9.6%***	**3,142.8**	**2,868.0**	***9.6%***
Other Income	9.4	11.0	*(14.6)%*	9.4	7.4	*27.2%*
Income from Operations	**3,152.2**	**2,879.0**	***9.5%***	**3,152.2**	**2,875.4**	***9.6%***
Raw Materials Consumed	1,827.9	1,577.4	*15.9%*	1,827.9	1,577.4	*15.9%*
Employee Benefit Expenses	168.9	141.3	*19.6%*	168.9	141.3	*19.6%*
Selling & Distribution Expenses	329.0	313.7	*4.9%*	329.0	313.7	*4.9%*
Depreciation	70.9	64.9	*9.3%*	70.9	64.9	*9.3%*
Finance Cost	22.1	13.1	*68.8%*	22.1	13.1	*68.8%*
Other Operating Expenses	458.5	433.4	*5.8%*	458.6	433.4	*5.8%*
Total Expenses	**2,877.4**	**2,543.8**	***13.1%***	**2,877.5**	**2,543.8**	***13.1%***
Profit Before Tax	**274.8**	**335.3**	***(18.0)%***	**274.7**	**331.6**	***(17.2)%***
Current Tax	68.9	87.2	*(21.0)%*	68.9	87.2	*(21.0)%*
Previous Year Adjustments	0.0	(0.6)		0.0	(0.6)	
Deferred Tax	1.5	(3.5)		1.5	(3.5)	
Net Profit	**204.4**	**252.2**	***(18.9)%***	**204.4**	**248.5**	***(17.8)%***
Net Income Margin (%)	6.5%	8.8%		6.5%	8.7%	
Share in profit of Joint Venture	-	-		16.0	14.7	*8.8%*
Other Comprehensive Expenses / (Income)	1.9	(0.3)		2.0	(0.3)	
Total Comprehensive Income	**202.6**	**252.5**	***(19.8)%***	**218.4**	**263.6**	***(17.1)%***
Total Comprehensive Income Margin (%)	6.4%	8.8%		6.9%	9.2%	
Basic EPS (₹)	15.3	18.9	*(19.0)%*	16.5	19.7	*(16.3)%*
Gross Profit	**1,314.9**	**1,290.6**	***1.9%***	**1,314.9**	**1,290.6**	***1.9%***
Gross Margin (%)	**41.8%**	**45.0%**		**41.8%**	**45.0%**	
EBITDA	**358.2**	**402.7**	***(11.1)%***	**358.2**	**402.7**	***(11.1)%***
EBITDA Margin (%)	**11.4%**	**14.0%**		**11.4%**	**14.0%**	
Paid-up Equity Share Capital (Face Value of ₹ 2 each)	26.7	26.7	*0.0%*	26.7	26.7	*0.0%*
Reserves & Surplus	2,125.3	1,960.1	*8.4%*	2,181.2	2,000.1	*9.1%*
Transfer to General Reserve	-	-		-	-	
Proposed Dividend	40.1	40.1	-	40.1	40.1	-

PERFORMANCE REVIEW

Revenue from Operations

Volume (Million Cases)	FY2023	FY2022	Change (%)
Prestige & Above	9.35	7.81	*19.8%*
Regular & Others	15.62	18.02	*(13.3)%*
Total Own Volume	**24.97**	**25.83**	***(3.3)%***
Prestige & Above as % of Total	37.5%	30.2%	
Royalty Brands	3.26	0.53	
Total Volume	**28.24**	**26.35**	***7.1%***

Revenue Break up (₹ in Crore)	FY2023	FY2022	Change (%)
IMFL (A)	2,501.4	2,308.4	8.4%
Prestige & Above	1,496.2	1,207.7	23.9%
Regular & Others	978.0	1,091.9	(10.4)%
Others	27.3	8.8	
Non IMFL (B)	641.4	559.7	14.6%
Revenue from Operations (Net) (A+B)	**3,142.8**	**2,868.0**	**9.6%**
Prestige & Above as % of Total IMFL Revenue	59.8%	52.3%	
IMFL as % of Total Revenue	79.6%	80.5%	

The Company has delivered another year of strong IMFL volume growth led by Prestige & Above category which increased by 19.8%. This was driven by our core brands such as Magic Moments vodka, which crossed 5 million cases sale during FY2023, Morpheus Premium brandy and 1965 Spirit of Victory Premium rum, both of which crossed a million-case mark. Magic Moments is now the seventh largest vodka brand globally.

Driven by our premiumization focus, during the year, we have delivered stronger growth in the top end of the Prestige & Above brands. Luxury portfolio consisting of Rampur Indian Single Malt and Jaisalmer Indian Craft Gin has grown by 110% in FY2023; Semi-Luxury consisting of Royal Ranthambore whisky, Morpheus Blue super premium brandy and Magic Moments Dazzle vodka has grown 73%; and Super Premium segment consisting of Morpheus super premium brandy and Magic Moments Verve vodka has grown 53%.

Prestige & Above brands have shown 150% volume growth compared to the pre-pandemic levels. This has led to a sustainable improvement in the realization per case, which increased from ₹ 773 in FY2019 to ₹ 991 in FY2023.

Gross Profit

Gross Margin declined from 45.0% in FY2022 to 41.8% in FY2023. Continued commodity inflation resulted in gross margins compression, particularly in the non-IMFL business where we have recently received price increases. Given a favorable product mix change, the impact of cost push on the gross margin of the IMFL business was mitigated to a large extent. Although we have experienced stabilizing trend in certain commodities towards the end of the fiscal year, overall commodity scenario remains volatile.

EBITDA

EBITDA decreased by 11.1% y-o-y with margins of 11.4% due to the decline in gross margins.

Finance Cost

Finance Cost for FY2023 increased by 68.8% y-o-y from ₹ 13.10 Crore to ₹ 22.12 Crore.

Total Comprehensive Income

Total Comprehensive Income decreased by 19.8% compared to last year to ₹ 203 Crore.

New Launches

During the year, Radico Khaitan launched a few brands. These brands will create a unique positioning for themselves in a fashion similar to many of our previous premium launches.

- **Sangam World Malt Whisky:** Sangam, a name derived from the Hindi word for "confluence," evokes the image of two powerful rivers merging to form something greater than the sum of their parts. It was launched in the USA at a retail price of $64.99 to $69.99 for a 70cl bottle. It will also be launched in the EU, UK, Singapore, Australia, and Travel Retail with shipments starting from June 2023.

- **Rampur Indian Single Malt Jugalbandi:** In September 2022, Radico Khaitan launched another expression of Rampur Indian Single Malt, Jugalbandi, a series of eight Indian single malt cask-strength whiskies. The first two expressions of the Jugalbandi series were unveiled at the Whisky Live Show in Paris and have been rolled out to the USA, Singapore, Australia and select travel retail destinations.

- **Magic Moments Vodka Cocktail:** With the increase in the experimental and experiential approach of consumers, the RTD category has seen exponential growth in global consumption in the last couple of years. To capitalise upon the growing trend and Radico Khaitan's market positioning in the vodka industry in India, the Company has introduced its low alcohol RTD cocktail mixes under the umbrella of the Magic Moments called Magic Moments Vodka Cocktails. It is made with a vodka base with 4.8% alcohol content and comes in a can packaging. It is priced ranging from ₹ 200-250 and is available in three flavours - Cosmopolitan, Cola, and Mojito.

- **1965 Spirit of Victory Lemon Dash Premium Rum:** It is a premium variant of 1965 Spirit of Victory dark rum and will help the Company tap into a new spirit category of white rum. Price ranging from ₹ 800 to ₹ 1000 per bottle, it is introduced in 3 states – Uttar Pradesh, Jharkhand and Orissa in FY2023.

Capital Expenditure: During Q4 FY2023, we successfully commissioned the dual feed plant at Rampur and started the bottling operations at Sitapur. The distillery operations of Sitapur are expected to start commercial operations from Q2 FY2024. As we continue to drive our premiumization journey, the availability of additional grain-based ENA will strengthen our value proposition. The bottling plant at Sitapur positions us strongly to capitalize on the future growth opportunities in the branded business.

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 ₹ 16.0 Crore in FY2023 compared with ₹ 14.7 Crore in FY2022.

DIVIDEND

The Board of Directors has recommended a final dividend of 150% i.e., ₹ 3 per equity share of ₹ 2 each fully paid-up Share Capital of the Company (last year ₹ 3 per equity share of ₹ 2 each). The payment of dividend is subject to the 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, 2023, the Company has Authorized Share Capital of ₹ 94 Crore consisting of ₹ 34 Crore Equity Share Capital comprising 17,00,00,000 equity shares of ₹ 2 each and ₹ 60 Crore 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 Crore divided into 13,36,73,765 fully paid-up equity shares of ₹ 2 each.

During the year, the Company has not issued and allotted equity shares and there has been no change in the share capital of the Company.

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 ("SEBI ESOP Regulations").

During the year under review, no Stock Options were granted and no equity shares were allotted under the Scheme 2006.

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/2023/07/ESOP-Disclosure-Annual-Report-2023.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

Radico Khaitan has one wholly-owned subsidiary namely, Radico Spiritzs India Private Limited ("Radico Spiritzs") and seven step down subsidiaries through Radico Spiritzs. Radico Spiritzs holds 100% Equity Shares in the following step down wholly-owned subsidiaries of the Company:

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

Joint Venture

The Company has one joint venture, namely, Radico NV Distilleries Maharashtra Limited ("RNV"). The Company holds a 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 subsidiary including step down subsidiaries are consolidated with the accounts of the Company and the salient features of the financial statements of RNV and 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 Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations") read with Ind AS 110 - Consolidated Financial Statements, 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 a 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 a very strong degree of safety regarding timely payment of financial obligations. Such instruments carry the 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 had, 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 FY2023 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 under section 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, to audit the Cost Records of the Company for the financial year ending March 31, 2024. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors shall be ratified by the shareholders. Therefore, the Board recommends the remuneration payable to the Cost Auditors for FY2024 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 has, at its meeting held on May 30, 2022, on recommendation of the Audit Committee, appointed M/s TVA & Co. LLP, Company Secretaries, to conduct Secretarial Audit of the Company for the financial year ended March 31, 2023. 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 the financial year ending March 31, 2024.

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. During the period under review, 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. Abhishek Khaitan (DIN: 00772865), Managing 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 has, on the recommendation of the Nomination, Remuneration and Compensation Committee ("NRC"), recommended the re-appointment of Mr. Abhishek Khaitan at the ensuing AGM.

During FY2023, Dr. Lalit Khaitan (DIN: 00238222) and Mr. Abhishek Khaitan (DIN: 00772865) were re-appointed as Chairman & Managing Director and Managing Director, respectively, for a term of five years effective from February 20, 2023 and Mr. Krishan Pal Singh (DIN: 00178560) was re-appointed as Whole-time Director for a term of three years effective from February 20, 2023.

The members had, at the 35th AGM of the Company held on September 26, 2019, approved the appointment of Ms. Sushmita Singha (DIN: 02284266), effective from April 01, 2019 and Mr. Tushar Jain (DIN: 00053023) and Mr. Sharad Jaipuria (DIN: 00017049), effective from August 08, 2019, as Independent Directors on the Board of the Company for a first term of 5 (five) years.

The tenure of the Ms. Sushmita Singha will be expiring on March 31, 2024 and Mr. Tushar Jain and Mr. Sharad Jaipuria will be expiring on August 07, 2024.

Therefore, the Board, on recommendation of NRC, proposes the re-appointments of Ms. Sushmita Singha, Mr. Tushar Jain and Mr. Sharad Jaipuria as Independent Directors, for a second term of five years, effective from April 01, 2024 and August 08, 2024 respectively, 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 Notice of the 39th AGM.

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 and Compensation Committee and it has formulated the criteria for determining the qualifications, positive attributes and independence of a Director (the "Criteria"). The Criteria includes that a person to be appointed to 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 FY2023 on May 30, 2022 without the presence of the Non-Independent Directors and members of the 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 the Listing Regulations, following matters were, inter-alia, discussed at 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, considering the views of Executive Directors and Non-Executive Directors; and

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

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 for Directors and Senior Management 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 dealing at arm's length with its Independent Directors. No transaction was entered into 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. 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 are explained in the Report on Corporate Governance and the full policy is 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 the transparency in assessing the performance of Directors. In accordance with the Act and the Rules made thereunder 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 laid out the 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 accordance with 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 Annual Report including Financial Statements are being sent to the shareholders excluding the information required under Rule 5(2) and 5(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 investor@radico.co.in or visit at the Registered Office of the Company on any working day up to the date of the 39th Annual General Meeting. The statement containing information as required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure – C** and forms part of this Report.

MEETINGS OF THE BOARD AND BOARD COMMITTEES

In compliance with the statutory requirements, the Company has formulated the Board committees viz. Audit Committee, Nomination, Remuneration and Compensation Committee, Sustainability and Corporate Social Responsibility (CSR) Committee, Risk Management Committee, Stakeholders' Relationship Committee, Committee of Directors, Environment, Social and Governance Committee and Committee of Independent 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 times during the previous financial year. A detailed update on the Board, its composition, governance of committee including detailed charter and terms of reference of various Board Committees, number of Board and Committee meetings held during FY2023 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this Annual report.

CONSERVATION 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 Rule 8(3) of 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 the policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

The internal financial controls have been documented, digitised and embedded in the business processes. 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 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, 2023. 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 Act. The Company has appointed reputed firms of Chartered Accountants, SCV & Co. LLP, 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 to 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. Risk minimisation framework and controls are designed and appropriately implemented.

DEMATERIALISATION

During the year, 1,65,395 shares constituting 0.12 % of the issued and subscribed Share Capital of the Company, were dematerialised. As on March 31, 2023, 99.31% 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 Machineries, 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 promotes a work environment that ensures every employee is treated with dignity and afford equitable treatment irrespective of his 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 framed thereunder. The Company is committed to provide a safe and conducive work environment to all employees and associates that is free from any discrimination.

As per the requirement of the POSH Act and Rules made thereunder, the Company has constituted an Internal Complaint Committee ("ICC") to redress the complaints received regarding sexual harassment. During the year under review, no cases were reported to the ICC. Composition of the ICC as on March 31, 2023 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 the Listing Regulations, Radico Khaitan has in place a robust vigil mechanism and it 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. 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 have 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 .

SUSTAINABILITY AND 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 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, sanitation, education, healthcare 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, 2023, 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 has CSR obligation to spend ₹ 640.62 Lakhs during FY2023. The Company has spent ₹ 201.73 Lakhs during the year and the provision of ₹ 439.25 Lakhs has been created for Ongoing CSR Projects, Radico - Art of Living Bhujal Shakti Project, Sri Sri Centre of Professional Excellence – Radico Skill Centre at Rampur and sustainability commitments at Sitapur.

The Board has approved the unspent amount allocated towards Ongoing Projects and the 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 Projects from the date of such transfer.

REPORTING OF FRAUDS

There was no instance of 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 FY2023.

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) and 134(5) of the Act:

(i) In the preparation of the Annual Accounts for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(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, 2023 and 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 are adequate and operating effectively.

OTHER DISCLOSURES

(i) Extract of Annual Return

Pursuant to Section 92(3) and Section 134(3) of the Act, the Company has placed a copy of the Annual Return as at March 31, 2023 on its website and the same can be accessed at https://www.radicokhaitan.com/wp-content/uploads/2023/08/MGT-7-Annual-Return-2022-23.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 and in line with the Policy on Materiality of and dealing with Related Party Transactions ("RPT Policy") adopted by the Company. Audit Committee grants Omnibus approval 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.

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 compliance with the requirements of Corporate Governance as stipulated under the 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, 2023 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 and Sustainability Report

The Business Responsibility and Sustainability Report for FY2023, 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 review.

(xii) Details of Material Changes from the end of FY2023

There have been no material changes and commitment, affecting the financial position of the Company which occurred between the end of the FY2023 till the date of this Report, other than those already mentioned in this Report.

(xiii) Application made or proceedings pending under the Insolvency and Bankruptcy Code, 2016 along with their status as at the end of the financial year.

During the year, the Company has neither made any application nor any proceedings are pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

(xiv) The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof

During the year, no one time settlement was made with respect to any amount of loan raised by the Company from any banks or financial institution.

(xv) Dispatch of Annual Report through electronic mode

In compliance with the Circular No. 20/2020 dated May 05, 2020, Circular No. 10/2022 dated December 28, 2022 other relevant Circulars issued by the Ministry of Corporate Affairs ("MCA") and Circular No. SEBI/ HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 and other relevant circulars 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 FY2023 are 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 FY2023 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 have 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 the 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 03, 2023

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 statements 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	(4,01,700)	(1,060)	(7,040)	(11,290)	99,320	(5,110)	(12,450)	(23,590)
6.	Total assets	24,99,34,800	3,47,75,440	4,61,51,280	2,20,00,910	2,82,02,620	3,68,20,010	1,86,93,820	2,20,08,950
7.	Total Liabilities	25,02,36,500	3,46,76,500	4,60,58,320	2,19,12,200	2,80,03,300	3,67,25,120	1,86,06,270	2,19,32,540
8.	Investments	7,00,000	0	11,76,650	0	0	0	0	0
9.	Turnover	0	0	0	0	0	0	0	0
10.	Profit before taxation	(1,09,450)	14,434	10,266	8,522	1,59,970	15,520	6,670	(5,330)
11.	Provision for taxation	0	(2,250)	(1,596)	(1,330)	(33,590)	(2,420)	(1,040)	0
12.	Profit after taxation	(1,09,450)	12,184	8,670	7,192	1,26,380	13,100	5,630	(5,330)
13.	Proposed Dividend	0	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	31.03.2023	
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	₹ 13,539.53	-
	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	₹ 19,136.04	
7.	Profit or Loss for the year:		
	i. Considered in Consolidation	₹ 1,597.97	
	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.	

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)

Place: New Delhi
Date: August 03, 2023

ANNEXURE-B

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023

[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, 2023 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, 2023 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 Non-convertible Securities) Regulations, 2021;

(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 Non-convertible Securities) Regulations, 2021; 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) Re-appointment of Directors

Mr. Abhishek Khaitan, was re-appointed as Managing Director of the Company, w.e.f 20th February, 2023 for the period of five years in the Board meeting held on 10th August, 2022, as recommended by the Nomination and Remuneration Committee in its meeting held on 10th August, 2022 and such re-appointment was also approved by shareholders of the Company in the Annual General Meeting held on 29th September, 2022. The Company has duly filed necessary intimations in this regard with the Stock exchange and the Registrar of Companies

Dr. Lalit Khaitan was re-appointed as Chairman and Managing Director of the Company w.e.f 20th February, 2023 for the period of five years in the Board meeting held on 10th August, 2022 as recommended by the Nomination and Remuneration Committee in its meeting held on 10th August, 2022 and such re-appointment and remuneration was approved by shareholders of the Company in the Annual General Meeting held on 29th September, 2022. The Company has duly filed necessary intimations in this regard with the Stock exchange and the Registrar of Companies.

Mr. Krishan Pal Singh, was re-appointed as Whole Time Director of the Company w.e.f 20th February, 2023 for the period of three years in the Board meeting held on 10th August, 2022 as recommended by the Nomination and Remuneration Committee in its meeting held on 10th August, 2022 and such re-appointment and remuneration was also approved by the shareholders of the Company in the Annual General Meeting held on 29th September, 2022. The

Company has duly filed necessary intimation in this regard with the Stock Exchange and the Registrar of Companies.

(ii) Declaration and Payment of Final Dividend

The Board in its meeting held on 30th May, 2022 had proposed to recommend the final dividend of ₹ 3.00 (Rupees Three 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 2021-22 and the dividend as recommended by the board was also approved by the shareholder of the company in the Annual General Meeting held on 29th September, 2022. The Company has duly made the payment of such final dividend to its shareholders in compliance with the provisions of the Companies Act, 2013.

(iii) Re-appointment of Cost Auditor

The Board 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 2022-23. The said re-appointment of Cost Auditors was made in the Board Meeting held on 30th May, 2022 as recommended by the Audit Committee in its meeting held on 30th May, 2022 and further their remuneration was also ratified and approved by the shareholders of the Company in the Annual General Meeting held on 29th September, 2022.

For TVA & Co. LLP
Company Secretaries

Tanuj Vohra
Partner
M. No.: F5621, C.P. No.: 5253
UDIN: F005621E000696916
PR No- 708/2020

Delhi, August 03, 2023

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

Annexure

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 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 FY2023 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, in the FY2023 compared to FY2022 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	12%	166.8:1
2	Mr. Abhishek Khaitan, Managing Director	12%	166.9:1
3	Mr. Krishan Pal Singh, Whole-time Director	7%	31.7:1
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	7.5%	39.9:1
10	Mr. Dinesh Kumar Gupta, Company Secretary	12%	10.2:1

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

(ii)	Percentage increase in the median remuneration of employees in FY2023 compared to FY2022	4.8%	
(iii)	Number of permanent employees on the rolls of the Company	**As on March 31, 2023**	**As on March 31, 2022**
		1,329	1,196
(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 FY2023, the percentage increase is 9.8% 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 FY2022, 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.
(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 03, 2023

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, 2023 is given here below and forms part of the Directors Report.

(A) CONSERVATION OF ENERGY:

Steps taken or impact on conservation of energy	Adoption of latest "No Jet Cooking Enzyme" technology in Liquification Process, which has drastically improved the energy consumption in terms of saving of steam. Apart from that, process parameters were optimized. After implementation of this technology and parameter optimization, there is saving of ₹ 100 lakh per Annum.
The steps taken by the company for utilizing alternate sources of energy	1. As a major step towards Renewable Energy Resources, the Company has installed Rice Husk & Biogas based New Cogen plant with AFBC Boiler of 65 TPH, 67 Kg/cm2 & Condensing cum Extraction Steam Turbine of 11.75 MW. 2. Inefficient 2.25 MW TG has been replaced with an efficient 2.5 MW. 3. With above improvements, plant is running 100% on self-generated power using bio-mass.
The capital investment on energy conservation equipment.	₹ 10,540 lakhs

(B) TECHNOLOGY ABSORPTION:

Efforts made towards technology absorption and process improvement	1. Craft gin is one of the potential areas in white spirits space in India. The Company has installed three new imported gin distillation plants with Scottish technology (2 X 1000 BL/day and 1 X 6000 BL/Day). Now our total gin production capacity is 9,000 BL/day. 2. Upgradation /modification in the Liquefaction and Fermentation process (like increase in retention time of Liquefaction by using existing PPSF tank, adding retention pressure vessel and use of new advance efficient dry yeast and optimize the process parameter with advance enzymes), improved the overall efficiency and recovery to starch ratio from 689 BL /Ton of starch to 701 BL/Ton of starch and saving about ₹ 230 lakhs per annum. 3. Installation of one grain storage silo at the cost of ₹ 597 lakhs for capacity 10,000 Ton to store grain for longer period without deterioration. It will help us in strategic buying of grains. Now the grain storage capacity of the Rampur plant has increased from 15,000 MT to 25,000 MT. 4. Installation of a new condensate processing unit at the cost of about ₹ 1,963 lakhs for reutilizing process condensate all plants evaporators, lees, RO permeate water and all others inorganic waste water stream for cooling tower make-up and molasses dilution, flour dilution in Liquefication, etc. It will reduce our ground water pumping and help us in maintaining zero liquid discharge. 5. Installation of a new liquefaction, fermentation, dryer with integrated section and its utility to convert existing 140 KLPD molasses plant in dual mode (molasses & grain mode) at the cost of about ₹ 6,538 lakhs. 6. Installation of the Dryer section for 100 KLPD grain plant to make DDGS with capex cost of ₹ 412 lakhs.

Benefits derived like product improvement, cost reduction, product development or import substitution	Installation of a Dryer Plant for existing 100 KL grain based plant, where previously only wet cake was being generated and sold as cattle feed which has a shelf life of 2-3 days. After conversion, DDGS is being produced which has a shelf life in months and is in very high demand internationally.
Imported technology (imported during the last three years reckoned from the beginning of the financial year)	Scottish technology Gin Distillation plants - increased capacity from 1,000 BL/day to 9,000 BL/day (Nine times)
(a) Detail of technology imported	Installation of three new gin distillation plants (two 1000 BL/day and one 6000 BL/day) in addition to the existing 1000 BL/day on Scottish technology for manufacturing of naturally flavored Craft Gin. Craft Gins are very popular and in very high demand internationally and hence potential to earn valuable foreign currency.
(b) Year of Import	FY2023
(c) Whether the technology been fully absorbed	Yes
(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 Notes on Accounts in Schedule 50 in Notes to Standalone Financial Statements.

(D) ENVIRONMENT PROTECTION:

1. About 1,000 M2 area has covered with green plants under Miyawaki Forest . Total 3,300 trees have been planted.

2. About 3,000 to 3,500 M3/Day Bio gas production (green energy) has increased with CPU upgradation with benefit of fresh water saving due to recycling of CPU treated water.

For & on behalf of the Board

Dr. Lalit Khaitan
Chairman & Managing Director
DIN – 00238222

Place: New Delhi
Date: August 03, 2023

ANNEXURE-E

Annual Report on CSR Activities for the Financial Year 2022-23

1. Brief outline on CSR Policy of the Company

The objective of the CSR Policy adopted by Radico Khaitan is to maintain harmonious relationship between the Company and the peripheral Communities. The Company believes that poor and needy sections of the society living in the town or district where it has operations should be the primary beneficiaries of CSR activities. The Company's CSR policy mainly aims to supplement the role of the Government in enhancing welfare measures for the society. 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. The Corporate Social Responsibility Policy 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 Sustainability and 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	2	1
2	Mr. Abhishek Khaitan	Managing Director	2	2
3	Mr. Krishan Pal Singh	Whole Time Director	2	2
4	Ms. Sushmita Singha	Independent Director	2	2

3. 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/2023/04/Composition-of-Committees-of-Board-of-Directors.pdf

Web-link for the CSR Policy and Projects: https://www.radicokhaitan.com/wp-content/uploads/2022/09/CSR-Policies.pdf

4. Executive summary along with web-link(s) 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. (a) Average net profit of the Company as per section 135(5)

₹ 32,031.04 Lakhs

(b) Two percent of average net profit of the Company as per section 135(5)

₹ 640.62 Lakhs

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

Nil

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

Nil

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

₹ 640.62 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).

₹ 201.73 Lakhs

(b) Amount spent in Administrative Overheads

Nil

(c) Amount spent on Impact Assessment, if applicable

Nil

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]

₹ 201.73 Lakh

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹ In Lakhs)				
	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
201.73	439.25	30.04.2023	----	Nil	----

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in lakh)
(i)	Two percent of average net profit of the Company as per section 135(5)	640.62
(ii)	Total amount spent for the Financial Year	201.73
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.36
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.36

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (₹ in lakhs)	Balance Amount in 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 second proviso to subsection (5) of section 135, if any			Amount remaining to be spent in succeeding financial years (₹ in lakhs)	Deficiency, if any
						Amount (₹ in lakhs)	Date of transfer		
1	FY-1 (FY2022)	120.21	18.00	102.21	Nil	Nil	Nil	18.00	-
2	FY-2 (FY2021)	-	-	-	-	-	-	-	-
3	FY-3 (FY2020)	-	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired –Nil

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
Not Applicable							

9. 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 ₹ 640.62 lakhs in FY2023. However, the Company had spent ₹201.73 lakhs during the year. Provision of ₹ 439.25 lakhs has been created for Ongoing Projects, Radico - Art of Living Bhujal Shakti Project, Sri Centre of Professional Excellence – Radico Skill Centre at Rampur and Sustainability Commitments at Sitapur. The Board has approved the unspent amount allocated towards Ongoing Project and same has been transferred to unspent CSR account within 30 days of FY2023.

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

SANGAM

A beautiful harmony

WORLD MALT WHISKY

NON-CHILL FILTERED

A MÉLANGE OF MALTS MASTERFULLY WEAVED TOGETHER CRAFTING AN EXCEPTIONAL EXPERIENCE.

NOSE

Sangam offers a hint of tropical fruits such as lychee, green apple, pears, and apricot. Followed by delicate notes of citrus and floral tones of rose and heather. The sweet aroma of honey, vanilla, and caramel toffee perfectly complement the spices of cinnamon and nutmeg. Subtle hints of salty and peat smoke embrace the senses without overpowering the experience.

PALATE

The palate offers a complex and creamy depth of fruity aromas that is perfectly balanced with delicate peaty and salty notes. The peat smoke depth gradually transitions to reveal an interplay of spices such as cinnamon, nutmeg, and oaky vanilla, with a hint of honey and wine-like texture.

FINISH

The finish is pleasantly long, leaving a lingering sensation on the palate, further enhancing the taste and aroma. Truly a confluence of cultures, flavors, and traditions on your palate.

WEST MEETS EAST
पश्चिम पूरब
A MEDLEY OF AROMAS

ECONOMY OVERVIEW

Global Economy Overview

Global economy continued to face challenges during the year including severe inflationary pressure, geopolitical tensions, and the resurgence of COVID-19 in China. Global growth slowed in CY2022 to 3.4% from 6.3% in CY2021. However, the growth was stronger in the second half of CY2022 which was attributable to domestic developments like stronger-than-expected private consumption and investment amid tight labour markets and the ongoing fiscal support. On the supply side, easing bottlenecks and declining transportation costs reduced pressures on input prices and allowed for a rebound in previously constrained sectors, such as automotive.

Advanced economies expanded by 2.7% in CY2022 and are expected to witness 1.3% growth in CY2023 and 1.4% in CY2024. Emerging market and developing economies which expanded 4.0% in CY2022 are expected to grow at 3.9% in CY2023 and 4.2% in CY2024 led by strong performance in India and China. About 84% of the countries are expected to have lower headline inflation in CY2023 than in CY2022. Global inflation is set to fall from 8.7% in CY2022 to 7.0% in CY2023 and 4.9% in CY2024.

Global growth is estimated at 2.8% in CY2023 and 3.0% in CY2024 reflecting the actions taken by the central bank to fight inflation and mitigate the risks posed by geopolitical tensions. The decline in growth in CY2023 from CY2022 is due to the advanced economies. In the emerging market and developing economies, growth is estimated to have bottomed out in CY2022. Growth is expected to pick up in China with the full reopening in CY2023. The expected pickup in CY2024 in both groups of economies reflects gradual recovery from the effects of the geopolitical issues and subsiding inflation.

Source: IMF April 2023 – World Economic Outlook

Indian Economy Overview

Despite global headwinds, the Indian economy remained resilient and one of the fastest-growing economies in FY2023, driven by strong domestic consumption and relatively less exposure to international trade flows. As per the National Statistics Office (NSO), the Indian GDP growth in FY2023 is estimated at 7.2% as compared to 9.1% in FY2022. This growth has been supported by robust private consumption, export stimulus, increased investment demand due to public capex, and strengthened bank and corporate balance sheets, which have provided a demand stimulus to industrial growth.

The Indian government's implementation of an inflation-targeting framework helped to control the inflationary pressure in the country. Retail inflation slipped to a 16-month low of 5.66% in March 2023, slightly below the RBI's upper tolerance level of 6%. During FY2023, the RBI hiked repo rates to 6.25% keeping inflation in check. FY2023 witnessed high services exports, moderation in oil prices, and the fall in import-intensive consumption demand. This has aided the expectations of a fall in current account deficit in FY2023 and FY2024 further aided by robust revenue collections. This has also led to expectations of a strengthening of the Indian rupee in the near future. Easing of global inflationary pressure led by falling international commodity prices and strong government measures are expected to aid economic growth in India.

In FY2024, the Indian economy is expected to continue to be the fastest growing economy in the World. As per RBI, the Indian GDP growth is estimated at 6.5% in FY2024.

In FY2024, the Indian economy is expected to continue to be the fastest growing economy in the World. As per RBI, the Indian GDP growth is estimated at 6.5% in FY2024. The inflation trajectory in India is likely be determined by extreme weather conditions like heatwaves and the possibility of an El Niño year, volatility in international commodity prices and pass-through of input costs to end consumers. Inflation is expected to moderate in FY2024 and is likely to remain at 5-6%, with risks evenly balanced. According to RBI data, Consumer Confidence in India is steadily improving though it shows that the consumer continues to be pessimistic. Employment generation is also improving as is reflected in the declining urban unemployment rate and in the faster net registration in Employee Provident Fund.

Source: IMF, RBI, World Bank

CONSUMER SECTOR

The rise in the middle class is one of the key drivers of growth in the Indian consumer sector. Another reason is the proliferation of the internet and digital literacy. Consumers today are far more informed, discerning, aspirational and demanding. Consumer markets are changing dynamically in the face of continuous disruption. The new-age technologies are transforming the consumer sector and bringing several opportunities for the consumers, trade and brands. With e-commerce and digitisation of transactions, consumers are moving seamlessly between online and offline trade channels. Even traditional players are reinventing their business models to not only stay competitive but also capitalise on the opportunities which were not otherwise available in the pre-internet era.

The operating environment during the year became more challenging driven by geopolitical issues and supply side constraints which led to unprecedented inflation in energy, food and commodity prices. This had a significant impact on consumption as to manage their budgets, consumers reduced consumption volumes and prioritised essentials over discretionary, particularly in rural India. Modern trade and e-commerce supported the growth in urban areas. Despite near term consumption pressure, there are early signs of moderating inflation, improving consumer confidence and increase in government spending which should support demand revival and drive consumption in the future.

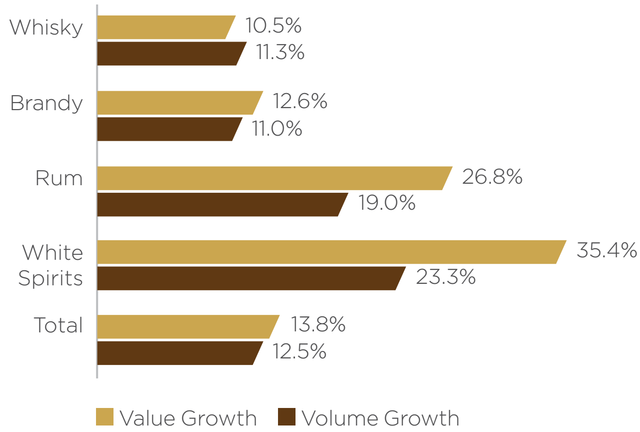
SPIRITS INDUSTRY IN INDIA

India is the third largest and one of the fastest growing alcoholic beverages markets globally. This growth is attributed to various factors, including rapid urbanisation, evolving consumer preferences, burgeoning middle-class population with increased purchasing power and a more aware younger consumer profile. While there have been challenges with respect to supply chains and global inflation, the industry is capitalising on the opportunities that are emerging.

The rise in in-home consumption of alcohol might have been forced by the pandemic, but it marked the growth of consumers exploring new drinks and flavours even when they moved to out-of-home consumption again. However, since the lockdown restrictions have been lifted, the sales have risen to pre-pandemic levels in bars and restaurants. Today, premiumisation and expansion in the out-of-home segment are driving the growth. Another significant change led by the pandemic is that consumers have become more health-conscious and now prefer quality drinks, even

if it comes at a higher cost. CY2022 saw momentum strengthen further particularly in the premium space as consumers continue to seek better brands. Rising penetration of the internet and influence of social media further bolstered the trend. As a shift towards premium spirits, there has been a strong surge in the demand for high end whiskies including scotches and single malts. Single Malt whiskies in India have grown by 45% and Blended Scotch by 11% in CY2022.

Indian IMFL Industry Growth - CY2022

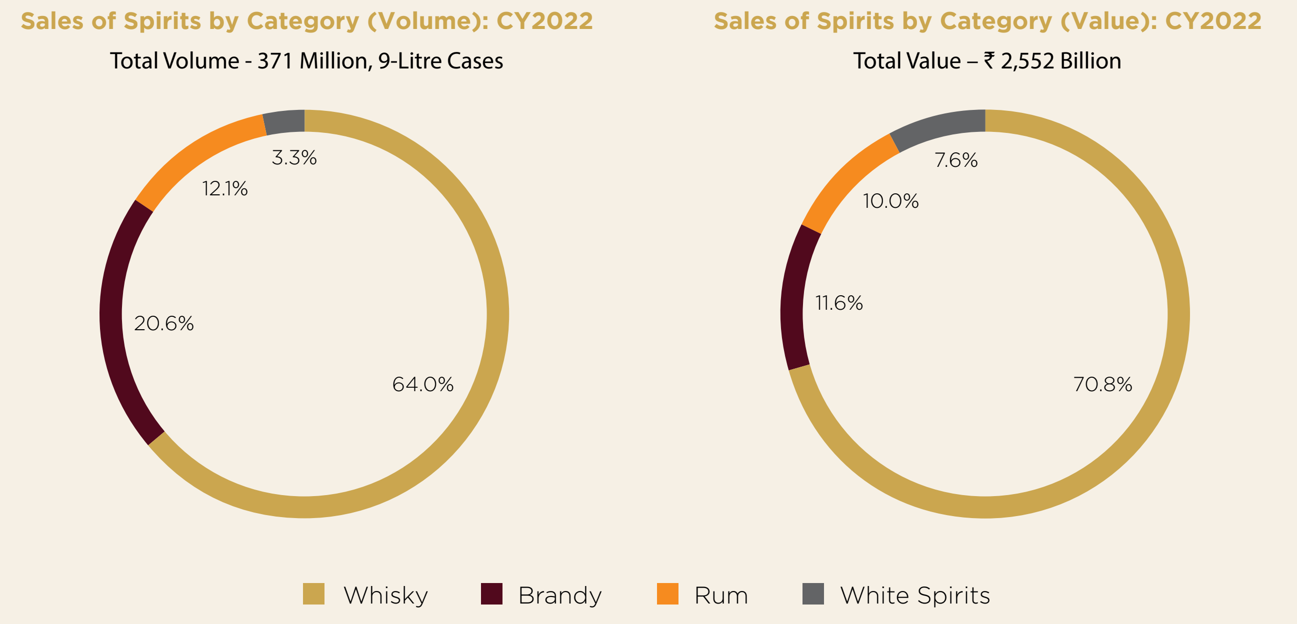


Source: Euromonitor

The rising popularity of quality products is evident as craft production from gin extends its influence into several other categories. Many emergent categories, including agave-based spirits, liqueurs, hard seltzers and cider are witnessing increasing acceptance. Growth in these categories is not limited to imports. Young entrepreneurs are launching and building brands, helping to alter perceptions about the quality of local products and this trend is expected to sustain. An apt example is the increase in demand from new-age drinkers of many home-grown gin brands. Brands are also experimenting and innovating to build the category and sustain the momentum.

IMFL sales touched all-time high in CY2022 growing 12.5% to 371 million cases as compared to CY2021. The growth was the sharpest in premium products as consumers are increasingly experimenting. 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 CY2022, whisky constituted the largest segment with 64.0% of the sales volume and 70.8% of value. White spirits such as vodka and gin accounted for 3.3% of the total IMFL volume and 7.6% of value in CY2022 indicating a strong trend towards premiumisation.

While the growth in the industry was strong, operating profits were significantly impacted due to the unprecedented inflation across commodities including glass bottles, ENA and other packaging materials.



INDUSTRY OUTLOOK

As affordability improves, social barriers are relaxed, the lifestyle changes and the adoption of prudent marketing and brand innovation by brand owners, IMFL sales are expected to continue the growth trajectory. Being one of the largest and fastest growing spirits markets, coupled with a large population of people entering the drinking age every year, India is poised for a long term, sustainable premium spirits growth.

Over the last year, persistent input cost pressures impacting profit margins for most players have led to serious discussions between state bodies and industry representatives, primarily about pricing. Several states have already accorded price hikes resulting in mitigating cost push to a certain extent.

According to Euromonitor International, IMFL volumes are expected to touch 489 million cases in CY2027. During the CY2023-2027 period, IMFL sales volume is expected to grow at a CAGR of 5.7%. During the same period, the IMFL industry value is expected to grow by 7.0%. The white spirits industry is expected to perform better during the same period with volume growth of 7.7% and value growth of 14.1%.

GROWTH DRIVERS

Overall growth in domestic consumption

Favourable demographics with a growing youth population, expanding middle class, prevalence of eating out culture, and increased acceptability of social drinking are driving growth of alcohol consumption in India. Rural and semi-urban regions are also witnessing robust growth. By CY2030, as the working population surpasses 1 billion, coupled with changing lifestyles and the breakdown of social barriers to consumption of alcohol, alcobev industry is expected to witness significant rise. ICRIER has also forecast that by 2030, 50% of Indian drinkers will continue to buy more products in the same category of alcoholic beverages, while 26% will trade up to higher-end brands, and 24% will migrate to different alcohol categories, showing that the market is continuing to evolve.

Premiumisation

Although value and low-price offerings continue to dominate consumption, both international and domestic players appreciate that even modest gains in India translate into significant advances within the global context, and lockdowns have certainly accelerated existing trends. The recent growth in the spirits industry has been driven by premiumisation.

The trend of premiumisation is prominent throughout the value chain, including the launch of new products, the branding of shelf space in retail outlets, and the Company's outreach to its customers through multiple marketing initiatives. Rising disposable income, evolving consumer preferences, rise in aspirational values, growing social media affluence, social acceptability and growth in fine dining culture have played a crucial role in premiumisation trend gaining traction. Indians travelling abroad also contribute to the premiumisation of the alcoholic beverage sector.

Growing in-home consumption

While alcohol consumption in the past suffered abundant social stigma, Covid-19 pandemic changed consumer lifestyle and led to acceptance of alcohol consumption at home. So much so that home drinking has become more prevalent post pandemic as it is a greater value proposition as compared to drinking in restaurants, hotels, pubs, bars, etc. With the growing popularity of house parties and alcohol being served at small social gatherings, in-house consumption is witnessing a steady rise.

Experimenting consumers

Consumers are becoming more open to experimenting with new categories and tastes in alcohol, especially the new-age consumers. The constant search for novelty in the drink has taken precedence, with flavoured vodka or gin being preferred over the conventional drink. There is an increase in the use of cocktail mixers, and consumers are more inclined to experiment with different mixers to improve the taste of their drinks.

Urbanisation

Urbanisation will remain a key driver of consumption, particularly among younger consumers. The pandemic threatened to reverse this, with some young workers moving to smaller cities, towns and the countryside. Although, there is gradual return to urban workplaces, the picture is quite piecemeal. Tracking and responding to these changes will be crucial, especially for beer and RTD demand.

COMPANY OVERVIEW

Radico Khaitan Limited (hereafter referred to as "Radico Khaitan" or the Company) is one of the largest and oldest spirit manufacturers in India. Previously known as 'Rampur Distillery Company', it started operations in 1943. With a strong focus on developing brands, building scale and driving a profitable growth, the Company has successfully transformed itself from being a bulk spirits supplier and bottler for other manufacturers to one of India's most esteemed IMFL brands.

The Company forayed into the IMFL space in 1998, with the introduction of 8PM Whisky. The focus in the first decade (1998-2006) of operations was to develop strong manufacturing capabilities and establish pan-India presence. With its determination, the Company managed to clock sales volume of over 10 million cases. In the next decade, the Company commenced its premiumisation journey with the launch of Magic Moments Vodka. It became the best-selling vodka in India and one of the largest globally. In 2016, the Company took the premiumisation trajectory to the next level with the launch of its first luxury brand, Rampur Indian Single Malt Whisky. While the Company continues to focus on premiumisation, it is concentrating on managing the business with agility and driving backward integration efficiencies.

During the last decade and a half, the Company has successfully built a strong and growing premium product portfolio driven by consumer preferences with over 15 new brand launches. Radico Khaitan remains focussed on innovation, R&D and consumer centricity. The Company is well-known as one of the few companies in the country to have developed its entire brand portfolio organically with in-house capabilities.

Diverse product offerings

The Company has developed well recognised brands across various categories and segments of IMFL industry consisting of whisky, brandy, rum, and white spirits. The Company's brand portfolio includes After Dark Whisky, Contessa Rum, Jaisalmer Indian Craft Gin, Magic Moments Vodka, Magic Moments Verve Vodka, Magic Moments Dazzle Vodka (Gold & Silver), Morpheus Brandy and Morpheus Blue Brandy, Old Admiral Brandy, Rampur Indian Single Malt Whisky, Royal Ranthambore Heritage Collection-Royal Crafted Whisky, 1965 The Spirit of Victory Premium XXX Rum, 1965 The Spirit of Victory Lemon Dash Premium Flavored Rum, 8PM Premium Black Whisky and 8PM Whisky. Currently, the Company has seven millionaire brands which are Morpheus Super Premium Brandy, 1965 Spirit of Victory Premium Rum, 8PM Premium Black Whisky, 8PM Whisky, Contessa Rum, Old Admiral Brandy, and Magic Moments Vodka.

Radico Khaitan is also one of the largest providers of branded IMFL to Canteen Stores Department (CSD). The business has significant entry barriers with stringent conditions for brand registration with CSD. The Company has made significant progress in building brand equity in the overseas markets with exports to over 100 countries across the world, providing it access to global scale.

In FY2023, Prestige & Above category brands saw robust growth of 19.8% clocking volume sales of 9.35 Million cases. During the year, two brands crossed the one million cases mark, a testimony to the superior quality of products and the Company's focus and determination.

Significant backward integration

The Company has three distilleries in Rampur (Uttar Pradesh) and three in Aurangabad (Maharashtra) which is a 36% joint venture. The Company has a total owned capacity of 217 million litres and operates 41 bottling units (5 owned, 8 royalty and 28 contracted) spread across the country. This strong manufacturing platform enables it to better cater to consumer needs and strategically limit interstate taxes and transport costs. The Company constantly strives to enhance productivity and product excellence across its manufacturing platform.

During the year, the Company successfully commissioned the dual feed plant at Rampur, Uttar Pradesh to cater to the growing requirement of high-quality grain-based ENA for its premium products. This plant will use both molasses and grain as feed stock. Rampur dual feed plant will result in de-bottlenecking and efficiency improvement of the existing facilities. The Rampur campus will be self-sufficient on its captive power requirement using biomass. The Company also commenced bottling operations at Sitapur, marking the successful completion of the first phase of the greenfield project. It positions the Company strongly to capitalise on the future growth opportunities in the branded business.

Robust distribution network

The Company has established a strong sales and distribution pan India network with an efficient supply chain management. The Company sells through over 75,000 retail and 8,000 on premise outlets. In addition to wholesalers, the Company has organised its 300+ personnel, into four zones with each zone being led by a regional profit centre head. The Company can thus ensure product availability across channels and geographies due to its sophisticated and efficient distribution system.

FINANCIAL PERFORMANCE

Standalone Performance (₹ Crore)	FY2023	FY2022	YoY % change
Gross Sales	12,743.9	12,470.5	2.2%
Net Sales	3,142.8	2,868.0	9.6%
Gross Profit	1,314.9	1,290.6	1.9%
EBITDA	358.2	402.6	(11.1)%
Profit Before Tax	274.8	335.3	(18.0)%
Total Comprehensive Income	202.6	252.5	(19.8)%

Key Financial Ratios	FY2023	FY2022	YoY % change
Debtors Turnover (days) (on gross sales basis)	23	21	6.4%
Inventory Turnover (days) (on COGS plus excise duty)	20	17	19.4%
Creditors Turnover (days) (on COGS)	51	58	(11.4)%
Interest Coverage ratio (x)	13.4	26.6	(49.5)%
Current ratio (x)	1.73	2.46	(29.9)%
Debt equity ratio (x)	0.32	0.10	238.7%
EBITDA margin (%)	11.4%	14.0%	(264) bps
Total comprehensive income margin (%)	6.4%	8.8%	(236) bps
Return on average equity (%)	9.9%	13.4%	(265) bps
Return on average capital employed (%)	10.2%	15.5%	(345) bps

During FY2023, 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 in profitability and return ratios. Furthermore, due to the capital expenditure on a new greenfield distillery and dual feed plant at Rampur, there has been an increase in working capital.

RISK MANAGEMENT

Type of Risk	Nature of Risk	Risk Mitigation Factors / Measures
Macroeconomic Scenario **Risk Trend:** ↑	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	The Company is well positioned to tackle short-term macroeconomic challenges due to its robust business model, a vast premium product portfolio, pan-India distribution network and a strong balance sheet. The Company is poised to continue to grow faster than the industry, increasing its market share in the future. The Company's rich experience and decades of presence has exposed it to several macroeconomic cycles, making it well prepared to face unforeseen challenges.
Rising Inflation **Risk Trend:** ↑	Supply chain disruption or limited/ unavailability of raw materials leads to inflationary pressure impacting the Company's earnings.	Long-standing relationship with a diversified base of suppliers, coupled with ongoing tracking of global and regional commodity prices on a monthly basis enables the Company to effectively manage its raw material requirement at competitive prices. Premiumisation of the portfolio has enabled the Company to mitigate the impact of price volatility on margins. In addition, with a view to adding value and making its offerings more sustainable, the Company has undertaken a company-wide, product-wide value engineering exercise aiding to reduce margin pressure. With several State Governments allowing price increases, the Company is in a better position to alleviate raw material pricing pressure. Industry-level representations are being made to other states as well.
Regulatory Environment **Risk Trend:** ↔	Liquor industry being a state subject, is highly regulated in India. Each state has its own regulations governing the manufacture and sale of spirits. Business operations are complex with several challenges like differential duties on manufacturing setup, separate state-wise compliance norms and taxation and restrictions on direct advertising. Industry is also subject to different licensing terms for producing, storage and distribution of liquor. The Company has to ensure strict adherence to all applicable rules and regulations by different state governments and any effected changes. Non-compliance can adversely impact business operations.	The Company has around 80 years of experience in manufacturing liquor and over 25 years in IMFL business. Thus, it is well-versed with all applicable laws and regulations across almost all states of India. To effectively comply with all applicable laws and regulations, the Company has a well-defined code of business conduct and supporting policies. The legal and compliance team ensures strict adherence to all applicable rules and regulations.

Type of Risk	Nature of Risk	Risk Mitigation Factors / Measures
Competition Intensity **Risk Trend:** ↔	Lucrative growth prospects of the Indian liquor industry may lead to increase in competitive intensity from both international and domestic players.	The Company boasts of a wide product portfolio spanning across price points offering superior quality and value for money proposition. The Company has also established robust pan-India distribution network with strong brand equity. This coupled with strong entry barriers for new foreign players to establish business in India, enables the Company to develop a strong moat and stay ahead of competition.
Consumer Preferences **Risk Trend:** ↔	The Company faces the risk of a change in consumer preferences towards alcohol consumption which may impact volume growth.	Constant customer engagement with various online and offline platforms enables the Company to understand evolving consumer behaviour and preferences. The Company closely monitors consumption patterns and changing preferences to enable effective product innovation. Brand launch is based on a rigorous exercise of consumer and industry research spanning 15-18 months. The research is based on identifying the right type of blend, packaging, market positioning, and other important aspects influencing consumer acceptance.
Information and Cyber Security **Risk Trend:** ↑	Growing salience of technology has given rise to increased threat of loss of information and cyber security. Any breach may result in loss of sensitive information, business interruptions, potential fines, reputational damage, etc.	Radico Khaitan has a robust IT system that enable the Company to tackle the growing cyber security threats, and protect sensitive data from unauthorised access and leakage.
Human Capital **Risk Trend:** ↑	Human capital being one of the important pillars of growth, it is imperative for the Company to attract and retain the right talent to ensure strategic business growth.	The Company fosters a culture of learning, innovation, and collaboration. HR policies are aimed at progressive human resource management. The Company provides an inclusive work culture and sufficient growth and learning opportunities to all employees alike. High employee engagement, reward and recognition and in-house progression opportunities enable the Company to have a high retention rate.
Climate Change **Risk Trend:** ↑	Growing importance of climate change and associated regulatory actions to reduce environmental impact may disrupt the Company's operations.	Radico Khaitan gives due importance to sustainability in its course of operations. Its environmental strategy is aimed at reducing its carbon footprint and making the processes and products more sustainable and environmentally friendly.

HUMAN RESOURCES

Strategic Human Resource Management enhances interdependence within an organisation, fostering the pursuit of common goals. At Radico Khaitan, HR plays a pivotal role in elevating organisational awareness, cultivating the value of human resources, and driving productivity and innovation to meet customer needs more effectively. Among other things, Human Resource Management in Radico Khaitan also focussed to the following areas during the year:

- Planning of human resources needs of the organisation in view of the green and brownfield projects undertaken during the year.
- Ensuring availability of Human Resources within the budgeted cost and timelines.
- Ensuring the right screening and selection processes are used for providing competent manpower and the leadership for the new projects.
- A match between the candidate's values and the Company's culture is verified in the selection process.

The Company fosters a growth-oriented work culture with a safe, productive and healthy environment that continually presents new challenges and consequently aids the learning process. Both individual and team efforts are duly rewarded to recognise the importance of human capital. Radico Khaitan's rewards system clearly outlines the employees' expectations from the Company. Simultaneously, the Company's expectations from its employees are driven by the Budgeted Plans and the Performance Management System. Utilising established performance review practices based on mutually agreed-upon goals contributes to the successful achievement of objectives.

By grooming potential successors and providing them with relevant training and experiences, Radico Khaitan is preparing for the future. The Company has a strong successful succession planning where it nurtures a pipeline of capable leaders, fostering a culture of growth and stability within the organisation.

By fostering open communication and a shared vision, all members of Radico Khaitan are encouraged to actively participate and offer their insights to drive improvements, bolster the Company's growth, and achieve positive outcomes. From day-to-day matters to critical strategic decisions, employees' perspectives are sought and valued across all aspects of the business.

The Radico culture serves as the fundamental cornerstone of the organisation's commitment to treating all employees with fairness, equality, and respect. It embodies a strong emphasis on fostering a workplace environment that values and celebrates diversity. The Company strives to create a culture where employees are not only aware of but also deeply sensitive to the richness that comes from individual differences, including but not limited to race, ethnicity, gender, age, religion, and abilities.

The Company extends a comprehensive range of benefits to its employees, prioritising their well-being and that of their families. Health insurance coverage is provided, encompassing medical insurance not only for employees but also for their parents. To offer a sense of security to employees' families, term insurance is taken on behalf of the employees. Additionally, a Group Accident Insurance Scheme is in place to address unforeseen incidents. Preventive health checks are also covered, encouraging proactive health management and overall well-being. Promoting a healthy lifestyle, the Company invites professional coaches for gym sessions, yoga classes, sports training, and various wellness activities. The Company prioritises all necessary measures to ensure employees' safety and well-being throughout their work tenure.

Radico Khaitan adopts a dual approach of thinking globally and acting locally, while emphasising collective decision-making with key stakeholders. Empowerment and micro-reviewing processes, coupled with extrinsic and intrinsic rewards for high performers, foster a culture of high involvement and commitment among employees. Radico Khaitan distinguishes itself due to its ability to effectively instil business objectives and core values in its employees consistently.

The Company has been leveraging the use of data analytics for future growth. Throughout this year, we have focussed on leveraging the power of IT to enhance our processes and deliver value to our stakeholders.

INFORMATION TECHNOLOGY

As a leading manufacturing organisation, Information Technology is a crucial pillar of growth in driving operational efficiency, innovation and overall business growth. Strong IT infrastructure provides the management team with diverse information and analytics, important to embrace appropriate technologies to synergise operations and to provide seamless integration across all business functions. The Company has been leveraging the use of data analytics for future growth. Throughout this year, we have focussed on leveraging the power of IT to enhance our processes and deliver value to our stakeholders.

Integration of Data Sources: The Company successfully connected and integrated data from various sources, such as SAP system, non-SAP systems, spreadsheets, databases and cloud platforms. This unified view of data enabled better data analysis and reporting. Also, it enabled users to access real-time data, ensuring that decisions are based on the latest information and to respond quickly to changing market conditions. The next phase will include predictive analytics capabilities to help forecast future trends and outcomes based on historical data, helping to make proactive decisions and anticipate market changes.

Manufacturing Execution System (MES): The Company is currently studying the effects of implementing MES for tracking, monitoring and optimising production processes on the shop floor for increased efficiency and reduced production cycle times.

New CRM Software: The Company has completed evaluation of a new CRM software. This new tool will help to manage customer interactions, sales pipelines and marketing efforts, ultimately leading to improved customer satisfaction and increased sales.

Cybersecurity: Measures were taken into consideration and email security was implemented to prevent organisation from email phishing attacks.

Cloud Computing and Data Storage: Migration to cloud-based platform is underway (S4Hana migration with RISE) for the benefits of scalability, accessibility and cost effectiveness.

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 monitors commodity pricing trends to derive analytics to support procurement 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: Radico Khaitan has set up a cross-functional team to identify various value-engineering opportunities to optimise raw material costs without compromising 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 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 developing a more robust local supplier base.

Green Purchasing: Radico Khaitan enhanced the focus on buying goods with minimal environmental impact. This includes products produced using low emissions/ energy-efficient, enhanced usage of old glass bottles, optimising the bottle weights as per product design. We also identified the ways of innovative branding without using intermediate packaging, which facilitated the removal of monocartons, and hence reducing the paper consumption. We shall continue to look for more green initiatives.

Multiple Sourcing: As part of the risk mitigation strategy, we have widened our supplier base specifically in glass, ENA and other raw materials. It not only reduces the risk of supply failure but also brings competition among business partners which leads to enhanced quality, service and lower prices.

Backward Integration: We have set up a new PET plant in south India as a part of our integrated supply chain. We are already sourcing high quality ENA for premium products from our own distillery and we are further increasing our capacity in order to support the integrated sourcing network, which will help in maintain quality sourcing.

INTERNAL CONTROL

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.

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 ("Radico Khaitan"or the "Company").

Corporate Governance is about ensuring transparency in disclosures and reporting that conforms fully to the existing laws of the country and to promote ethical conduct of business throughout the 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 ensure 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 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 regarding 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 the 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 long term goals.

As on March 31, 2023, the Board of the Company is comprising of eight members, consisting one executive Chairman, two executive directors (Managing Director and Whole-time Director), and five independent directors including an Independent Woman Director.

An Independent Director chairs the Audit Committee, Nomination, Remuneration and Compensation 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.

Board Meetings

During the financial year ended March 31, 2023, four meetings of the Board of Directors were held on May 30, 2022, August 10, 2022, November 14, 2022 and February 14, 2023. 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.

Note: *The above consist membership/ chairmanship of Audit Committee and Shareholders' Relationship Committee in Indian Public Companies only.*

Composition of the Board of Directors as on March 31, 2023, attendance at the Board meetings held during the Financial Year ended March 31, 2023, 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	2	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	4	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	3	No	4	1	1	Kajaria Ceramics Limited – Non-Executive Independent Director
Mr. Sharad Jaipuria	Non-Executive Independent Director	4	3	Leave sought	5	1	2	-
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 with the 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 shall retire at the Annual General Meeting and being 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 position 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 at least 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 & 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 is specified in Part A of Schedule II of the Listing Regulations.

Independent Directors

In the opinion of the Board, the Non-Executive Independent Directors fulfil 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. The terms and conditions for appointment of Independent Directors are 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 FY2023, one meeting of the Independent Directors was held on May 30, 2022. All Independent Directors were present at the meeting. In the said meeting the Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, the Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Familiarisation Programme for Independent Directors

At the time of appointing an Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, functions, duties and responsibilities expected from him/her as a Director of the Company. The directors were also explained in detail the compliances required from them under the Act and other relevant regulations and affirmation taken with respect to the same. The Chairman & Managing Director also conducts one to one discussion with the newly appointed directors to familiarise them 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/2023/04/Familiarisation-Program-2022-23.pdf

Key Board qualification, expertise and attributes

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination, Remuneration and Compensation Committee of the Board 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 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 the 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 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 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, Remuneration and Compensation 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.

The Company strategically aligns its workforce planning with business planning, thereby ensuring the allocation of essential financial and human resources to achieve its objectives effectively.

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 or transactions with the 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 FY2023.

COMMITTEES OF THE BOARD

Currently, there are eight (8) Committees of the Board, namely: Audit Committee, Nomination, Remuneration and Compensation Committee, Stakeholders' Relationship Committee, Environmental, Social and Governance ("ESG") Committee, Sustainability and Corporate Social Responsibility ("Sustainability and CSR") Committee, Risk Management Committee, Committee of Independent Directors and Committee of Directors. During the year under review, ESOP Compensation Committee was dissolved effective from November 14, 2022 and an ESG Committee was formulated effective from February 14, 2023.

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:

As on March 31, 2023, 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 May 30, 2022, August 10, 2022, November 14, 2022 and February 14, 2023.

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	2
Mr. Tushar Jain	Member	Non-Executive Independent Director	4	3

Terms of Reference:

The terms of reference of the Audit Committee are 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 Company with related parties;

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

(10) valuation of undertakings or assets of the Company, 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 Company 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 a 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, Remuneration and Compensation Committee

Composition:

During the year, the Company has renamed the Nomination and Remuneration Committee as "Nomination, Remuneration and Compensation Committee". As on March 31, 2023, the Nomination, Remuneration and Compensation Committee 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, Remuneration and Compensation Committee met twice, i.e. on May 30, 2022 and August 10, 2022.

The table below provides the attendance of the Nomination, Remuneration and Compensation 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, Remuneration and Compensation Committee was revised and the functions of ESOP Compensation Committee, which has been dissolved effective from November 14, 2022, were merged into the same. 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, Remuneration and Compensation Committee, inter alia, includes the following:

1. Formulation of attraction and Retention strategies for employees.

2. Formulation and recommendation to the Board, a policy relating to remuneration of directors, key managerial personnel and other employees.

3. Formulation of criteria for determining qualifications, positive attributes and independence of a director and evaluation of Independent Directors and Board.

4. Formulation of criteria for evaluation of performance of independent directors and the board of directors.

5. Devising a policy on Board Diversity.

6. Identification of persons who are qualified to become directors and who may be appointed in the senior management in accordance with the criteria laid down by the Committee and recommend to the Board their appointment and removal.

7. Determine the compensation (including salaries and salary adjustments, incentives/benefits, bonuses) and Performance targets of the Chairman and of the Managing Directors & CEO.

8. Determine the Board regarding extension or continuation of the term of appointment of the

independent director, on the basis of the report of performance evaluation of independent directors.

9. Recommend to the board, all remuneration, in whatever form, payable to senior management.

10. Review the employee development strategies.

11. Assess the learning and development needs of the directors and recommend learning opportunities which can be used by directors to meet their needs for development.

12. Review all human resource related issues including succession plan of key personnel.

13. Recommendation to the Board the remuneration payable to managerial persons in case of no profit or inadequate profit taking into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration while bringing objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders.

14. For every appointment of an independent director, the Nomination, Remuneration and Compensation Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation and prepare a description of the role and capabilities required of an independent director.

15. Recommendation to the Board for appointment of a person as an independent director, who shall have the capabilities as identified by the Committee in accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For the purpose of identifying suitable candidates, the Committee may:

    a) use the services of an external agencies, if required;

    b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

    c) consider the time commitments of the candidates.

16. Determining the following with respect to the ESOP Schemes/ Plans approved by the Company from time to time:

    a) the quantum of options to be granted, per employee and in aggregate;

    b) conditions under which options vested in employees may lapse in case of termination of employment for misconduct;

    c) The exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period;

    d) The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;

    e) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

    f) The grant, vest and exercise of option in case of employees who are on long leave;

    g) The procedure for cashless exercise of options; and

    h) Allotment of shares upon exercise of options by the Employees.

17. Determine the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration by the Committee:

    a. the number and the price of ESOS shall be adjusted in a manner such that total value of the ESOS remains the same after the corporate action.

    b. for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered.

    c. the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.

18. Listing of options issued under ESOP Schemes/ Plans approved by the Board/ Shareholders of the Company, with the Stock Exchanges and to execute necessary documents/ to take necessary actions, as the Committee may deem fit, in this regard.

19. To exercise all such roles and powers as prescribed under section 178 of the Companies Act, 2013 read with Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and as may be decided by the Board from time to time.

REMUNERATION OF DIRECTORS

The details of remuneration paid to Executive and Non-Executive Directors during FY2023 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	608.03	608.03	75.11
2	Commission Payable (as a % of profit)	-	-	-
3	House Rent Allowance	-	-	32.44
4	Contribution to Provident Fund and Superannuation Fund	70.08	71.08	8.65
5	Perquisite Value of Stock Options	-	-	-
6	Allowances/ Perquisites	896.64	544.66	83.42
7	Variable Pay	-	-	-
	Total	**1,574.76**	**1,223.77**	**199.61**

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, 2023 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	1,50,000
4	Mr. Tushar Jain	1,000	Nil	1,80,000
5	Mr. Sharad Jaipuria	1,000	Nil	1,95,000

Other than holding Shares and sitting fees as 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, 2023, 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 four times, i.e. on May 30, 2022, August 10, 2022, November 14, 2022 and February 14, 2023.

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	4	2
2	Mr. Abhishek Khaitan	Member	Executive Director	4	4
3	Mr. Sharad Jaipuria	Member	Non-Executive Independent Director	4	2
4	Mr. Dilip K. Banthiya	Member	Chief Financial Officer	4	4

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, 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 coordinates 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.

Stakeholders' Relationship Committee

Composition:

As on March 31, 2023, the Stakeholders' 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, Stakeholders' Relationship Committee met four times, i.e. on May 30, 2022, August 10, 2022, November 14, 2022 and February 14, 2023.

The table below provides the attendance of the Stakeholders' Relationship Committee Members:

Name	Position	Category	Meeting details	
			Held	Attended
Mr. Sharad Jaipuria	Chairman	Non-Executive Independent Director	4	3
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 Stakeholders' 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 225 complaints, which were duly resolved to the satisfaction of the shareholders. No complaint was pending as on March 31, 2023. 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, 2023 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	399	399	0
Clarification regarding Shares	0	547	547	0
Request/ Inquiry for transmission of shares and name deletion	0	361	361	0
Others/ Miscellaneous	0	4,719	4,719	0
Total	**0**	**6,026**	**6,026**	**0**

All the requests and queries received during the financial year ended March 31, 2023, 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:

As on March 31, 2023, 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 twice on May 30, 2022 and February 14, 2023.

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	2	1
Mr. Abhishek Khaitan	Member	Executive Director	2	2
Mr. Krishan Pal Singh	Member	Executive Director	2	2
Ms. Sushmita Singha	Member	Non-Executive Independent Director	2	2

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. ESG and
- To take all necessary steps related to 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.**

Environmental, Social and Governance Committee

Composition:

During the year, the Company has formulated the Environmental, Social and Governance Committee ("ESG Committee"). As on March 31, 2023, the ESG Committee comprises of three Directors, viz., Mr. Tushar Jain (Chairman of the Committee), Mr. Abhishek Khaitan and Ms. Sushmita Singha.

Meeting and Attendance:

During the year, the ESG Committee met once on February 14, 2023.

The table below provides the attendance of ESG Committee Members:

Name	Position	Category	Meeting details	
			Held	Attended
Mr. Tushar Jain	Chairman	Non-Executive Independent Director	1	1
Mr. Abhishek Khaitan	Member	Executive Director	1	1
Ms. Sushmita Singha	Member	Non-Executive Independent Director	1	1

Terms of Reference:

The terms of reference of the ESG Committee includes the following:

1. To approve, note & ratify the ESG goals, targets and strategy and monitor performance thereof including the ESG initiatives to ensure long-term value creation for the stakeholders.
2. To overview of material ESG risks (including Climate change risk) and opportunities, approach to mitigate or adapt to the risks along with financial implications of the same.
3. To periodically review the ESG initiatives in the areas of (i) environment including energy consumption, de-carbonization plan and increased sourcing of renewable energy, water management, waste

management, other climate related issues, science based targets etc., (ii) Social including Stakeholder engagement and materiality assessment, ESG risk (including human rights) mapping in supply chain etc. and (iii) Governance including business ethics, Anticompetitive practices, privacy and information security, transparency, accounting and core Corporate Governance practices.

4. To review and approve the Charter of ESG and Sustainability Council of the Company.

5. To review the working of ESG and Sustainability Council specific to ESG goals, targets & strategy as approved by ESG Committee.

6. To review ESG reporting in line with various national and global sustainability/ ESG indices and guidelines.

7. To review and noting of the Business Responsibility and Sustainability Report or any other similar report.

8. To do all acts, deeds & things incidental and deemed necessary for achievement of ESG goals, targets and strategy of the Company.

9. To carry out such other functions as may be delegated by the Board of Directors from time to time, or as may be stipulated under the Act or any other law applicable to the Company, for time being in force.

CEO / CFO CERTIFICATION:

As stipulated under Regulation 17(8) and Part B of Schedule II of the Listing Regulations, the CEO / CFO Certificate for FY2023, signed by Mr. Abhishek Khaitan, Managing Director as CEO and Mr. Dilip K. Banthiya, CFO is enclosed as **Annexure-A.**

ETHICS / GOVERNANCE POLICIES

At Radico Khaitan, 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 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, 2023.

  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, 2023.

  Abhishek Khaitan
  Place: New Delhi — Managing Director
  Date: August 03, 2023 — DIN: 00772865

- **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. The Company has also implemented the Policy and Procedures for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information ("UPSI").

  Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("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 available at the weblink https://www.radicokhaitan.com/wp-content/uploads/2019/09/Code-of-Conduct-for-Prohibition-of-Insider-trading-1.pdf.

- **Vigil Mechanism and Whistleblower 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 behaviour, 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 of 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, KMP 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**

  The Company has formulated the Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions. 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 Corporate Social Responsibility is displayed on the Company's website and weblink for the same is https://www.radicokhaitan.com/wp-content/uploads/2022/09/CSR-Policies.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 FY2023	Nil
2	Number of complaints disposed of FY2023	Nil
3	Number of complaints pending as at March 31, 2023	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 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
2021-2022	Rampur Distillery, Bareilly Road Rampur – 244 901 (U.P.)	September 29, 2022	01:00 P.M.	3
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

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 Report, which forms part of this Annual Report, is also being mailed to all the members of the Company.

B. The Company diligently works towards excellence in stakeholders and investors 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 in terms of the 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, 2024, quarterly financial results will be announced as per the tentative schedule detailed below:

Not later than August 14, 2023	First Quarter
Not later than November 14, 2023	Second Quarter and Half Yearly
Not later than February 14, 2024	Third Quarter and Nine Months
Not later than May 30, 2024	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 39th Annual General Meeting:

Thursday, September 28, 2023 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 15, 2023 and end on Thursday, September 28, 2023 (both day inclusive) and Dividend shall be paid on or before Friday, October 27, 2023.

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 FY2024. 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:

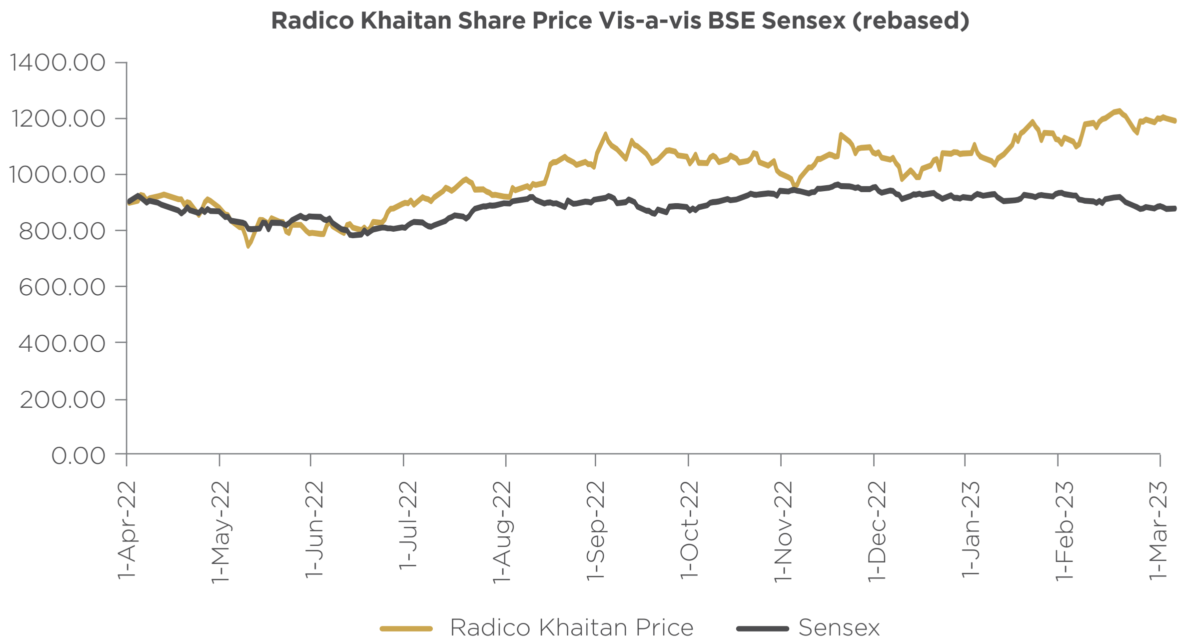
The monthly high and low prices and volumes of your Company's shares traded on BSE and NSE during FY2023 are given below:

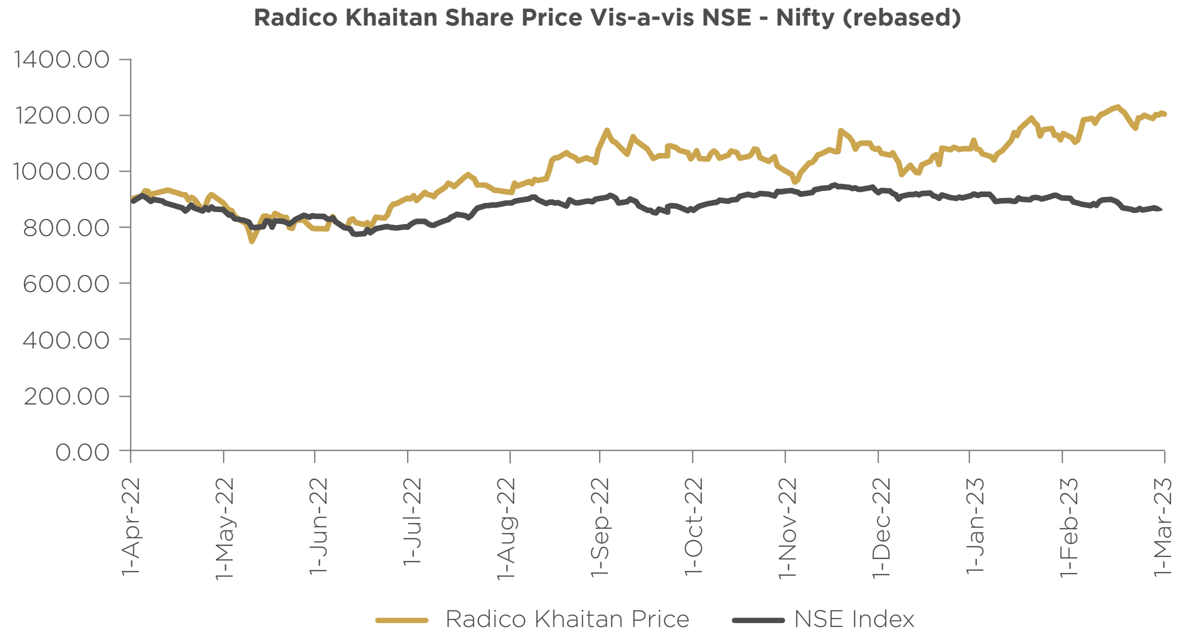
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
April 2022	937.20	843.85	2,97,178	936.00	843.20	57,97,071
May 2022	894.90	731.35	6,65,068	898.80	723.20	52,66,118
June 2022	874.50	771.00	2,56,691	875.00	772.30	45,35,597
July 2022	983.05	860.50	2,92,308	984.00	860.25	52,14,271
August 2022	1069.9	908.65	4,26,095	1,069.15	908.25	58,62,595
September 2022	1,143.00	1,006.50	6,30,820	1,143.80	1,018.00	68,28,116
October 2022	1099.40	1,021.60	8,77,376	1,100.00	1,022.00	25,55,956
November 2022	1,085.60	910.00	2,63,318	1,085.00	929.30	57,29,050
December 2022	1,150.00	945.05	2,66,431	1,150.00	965.00	55,41,619
January 2023	1,139.25	1,008.75	1,77,395	1,131.00	1,008.15	55,80,391
February 2023	1,229.90	1,071.2	2,14,380	1,230.00	1,071.15	42,46,609
March 2023	1,226.35	1,125.10	1,73,240	1,225.00	1,125.00	36,08,892

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 FY2023. 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, 2023 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	2,43,47,910	18.21
3	Banks and Indian Financial Institution	3,958	0.00
4	Alternate Investment Funds	33,85,053	2.53
5	Insurance Companies	37,05,769	2.77
6	FIIs/FPIs	2,49,04,923	18.63
7	Private Corporate Bodies	37,90,532	2.85
8	Indian Public	1,88,06,395	14.07
9	NRIs/OCBs	8,99,303	0.67
10	Central/State Government	104	0.00
	Total	**13,36,73,765**	**100.00**

The value wise Distribution of Shareholding as on March 31, 2023 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	1,18,477	99.19	7,75,818	1,02,56,847	1,10,32,665	2,20,65,330.00	8.25
2	5001 - 10000	466	0.39	1,05,105	15,59,298	16,64,403	33,28,806.00	1.25
3	10001-20000	194	0.16	25,420	13,48,670	13,74,090	27,48,180.00	1.03
4	20001-30000	55	0.05	15,500	6,75,341	6,90,841	13,50,682.00	0.51
5	30001-40000	35	0.03	0.00	6,03,116	6,03,116	12,37,232.00	0.46
6	40001-50000	24	0.02	0.00	5,35,333	5,35,333	10,70,666.00	0.40
7	50001-60000	18	0.02	0.00	4,94,552	4,94,552	9,89,104.00	0.37
8	60001-100000	33	0.03	0.00	12,56,720	12,56,720	25,13,440.00	0.94
9	100001 and above	142	0.12	0.00	11,60,22,045	11,60,22,045	23,20,44,090.00	86.79
	Total	**1,19,444**	**100.00**	**9,21,843**	**13,27,51,922**	**13,36,73,765**	**26,73,47,530.00**	**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, 2023, 13,27,51,922 shares (99.31% of the total paid-up share capital) were held in dematerialized 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. 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 investor service requests viz. issue of duplicate share certificates, exchange/ sub-division/ splitting/consolidation of securities, transmission/ transposition of securities. 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 ("Fund"). Dividends pertaining to the Financial Years 1994-95 to 2014-15 remaining unpaid and shares pertaining to unpaid dividends upto the Financial Year 2014-15 have been transferred to the Fund.

Shareholders who have not encashed their warrants relating to the dividends from the Financial Years 2015-16 to 2021-22 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 had sent out individual communication to the concerned Members whose shares are liable to be transferred to the Fund on June 14, 2023 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 31-3-2023	Due Date of Transfer to IEPF account
FY2002	16.07.2002	38,579,176.00	730,556.00	22.08.2009
FY2003	19.07.2003	34,721,258.40	914,312.00	24.08.2010
FY2004	17.07.2004	38,579,176.00	973,284.00	22.08.2011
FY2005	16.11.2005	42,437,093.60	983,341.00	21.12.2012
FY2006	25.09.2006	48,223,970.00	1,135,840.00	30.10.2013
FY2007	26.09.2007	51,231,109.50	922,432.00	05.11.2014
FY2008	30.09.2008	51,231,109.50	1,065,509.00	16.10.2015
FY2009	15.09.2009	30,738,665.70	699,978.00	07.10.2016
FY2010	09.09.2010	79,300,632.60	1,620,668.00	26.10.2017
FY2011	09.09.2011	92,853,567.80	1,630,738.00	24.09.2018
FY2012	24.09.2012	106,195,503.20	2,312,827.00	11.10.2019
FY2013	30.09.2013	106,356,544.00	2,349,982.00	21.10.2020
FY2014	30.09.2014	106,431,012.00	2,625,925.00	21.10.2021
FY2015	30.09.2015	106,431,012.00	2,333,861.00	09.11.2022

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, 2022	Nil	Nil
Shareholders who approached the Company for transfer of shares from suspense account during FY2023	Nil	Nil
Shareholders to whom shares were transferred from the suspense account during FY2023	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying as at March 31, 2023	Nil	Nil
Number of shares transferred to Investors Education and Protection Fund during FY2023	212	68,451

The voting rights on the shares outstanding in the suspense account as on March 31, 2023 shall remain frozen till the rightful 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, 2023.

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 FY2023, 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 ₹ 118.54 Lakhs to the Statutory Auditors and its network firms/ entities for audit and non-audit services availed during FY2023.

J. During FY2023, 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. Material Subsidiaries:

As on March 31, 2023, the Company has no material subsidiary.

L. 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.

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

As on March 31, 2023, no FCCBs/GDRs/ ADRs/ Warrants or convertible instruments were outstanding.

N. Disclosure of agreements binding listed entities as disclosed under clause 5A of paragraph A of Part A of Schedule III of SEBI Listing Regulations:

No such Agreement was disclosed to the Company.

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 an 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 03, 2023

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, 2023 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 03, 2023

ANNEXURE-B

Certificate on Corporate Governance

To,
The Members of
Radico Khaitan Limited
CIN: L26941UP1983PLC027278
Rampur Distillery, 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, 2023, 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: F005621E000697136
PR No: 708/2020

Place: New Delhi
Date: August 03, 2023

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
Rampur Distillery, 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, 2023, 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: F005621E000697103
PR No: 708/2020

Place: New Delhi
Date: August 03, 2023

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L26941UP1983PLC027278
2.	Name of the Listed Entity	RADICO KHAITAN LIMITED
3.	Year of incorporation	July 21, 1983
4.	Registered Office Address	Rampur Distillery, Bareilly Road, Rampur - 244901, Uttar Pradesh
5.	Corporate Office Address	Plot No. J-I, Block B-I, Mohan Co-operative Industrial Area, Mathura Road, New Delhi-110044
6.	E-mail	investor@radico.co.in
7.	Website	www.radicokhaitan.com
8.	Telephone	011 40975444/555
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	₹ 26,73,47,530
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Dinesh Kumar Gupta Contact: 011 40975444 E-mail: investor@radico.co.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosure under this Report are made on Standalone Basis for Radico Khaitan Limited

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

Description of Main Activity	Description of Business Activity	% of Turnover of the entity
Manufacturing	Alcohol and Alcoholic Products	99.1%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Product/Service	NIC Code	% of total Turnover contributed
Manufacturing of Alcohol and Alcoholic Products	1101	99.1%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants *(Including Lease units)	Number of offices	Total
National	41	19	60
International	Nil	Nil	Nil

17. Markets served by the entity:

a. **Number of locations**

Locations	Number
National (No. of States)	29
International (No. of Countries)	100

b. **What is the contribution of exports as a percentage of the total turnover of the entity?**

5.6%

c. **A brief on types of customers**

- State government / state-owned corporation
- Canteen Stores Department
- Private distributors / retailers in open market
- Export customers

IV. Employees

18. Details as at the end of Financial Year: FY2023

a. **Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male No. (B)	Male % (B / A)	Female No. (C)	Female % (C / A)
EMPLOYEES						
1.	Permanent (D)	1068	1042	97.60%	26	2.40%
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total employees (D + E)**	**1068**	**1042**	**97.60%**	**26**	**2.40%**
WORKERS						
4.	Permanent (F)	261	261	100.00%	0	0
5.	Other than Permanent (G)	2091	1927	92.00%	164	8.00%
6.	**Total workers (F + G)**	**2352**	**2188**	**93.00%**	**164**	**7.00%**

b. **Differently abled Employees and workers:**

S. No.	Particulars	Total (A)	Male No. (B)	Male % (B / A)	Female No. (C)	Female % (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D + E)**	**0**	**0**	**0**	**0**	**0**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	3	3	100.00%	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	**Total differently abled workers (F + G)**	**3**	**3**	**100.00%**	**0**	**0**

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females No. (B)	% (B / A)
Board of Directors	8	1	12.50%
Key Management Personnel	4	0	0

Note: Key Management Personnel includes two directors.

20. Turnover rate for permanent employees and workers

Particulars	FY2023 (Turnover rate in current FY)			FY2022 (Turnover rate in previous FY)			FY2021 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12.92%	0.47%	13.39%	10.69%	0.42%	11.11%	10.98%	0.32%	11.30%
Permanent Workers	4.21%	0.00%	4.21%	4.26%	0.00%	4.26%	4.18%	0.00%	4.18%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ subsidiary / associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Radico Spiritzs India Private Limited	Subsidiary	100%	No
2	Accomreal Builders Private Limited	Subsidiary	100%*	No
3	Compaqt Era Builders Private Limited	Subsidiary	100%*	No
4	Destihomz Buildwell Private Limited	Subsidiary	100%*	No
5	Equibuild Realtors Private Limited	Subsidiary	100%*	No
6	Proprent Era Estates Private Limited	Subsidiary	100%*	No
7	Binayah Builders Private Limited	Subsidiary	100%*	No
8	Firstcode Reality Private Limited	Subsidiary	100%*	No
9	Radico NV Distilleries Maharashtra Limited	Joint Venture	36%	No

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

VI. CSR Details

22. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: Yes

(ii) Turnover: ₹ 12,74,391 Lakhs

(iii) Net worth: ₹ 2,15,201 Lakhs

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY2023 (Current Financial Year)			FY2022 (Previous Financial Year)		
	(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (other than shareholders)	Yes	0	0	-	0	0	-
Shareholders	Yes	225	0	-	403	0	-
Employees and workers	Yes	0	0	-	0	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY2023 (Current Financial Year)			FY2022 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	Yes	0	0	-	2	1	One complaint pending before the President, District Consumer Disputes Redressal Forum, Saini Enclave, New Delhi
Value Chain Partners	Yes	0	0	-	0	0	-
Other (please specify)	No	NA	NA	NA	NA	NA	NA

The Company has comprehensive Grievance Redressal Mechanism in place to address grievances of Investors and Shareholders. The Stakeholders Relationship Committee oversee the Investors' Grievance Redressal Mechanism.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Supply chain strategy is based on three key principles of Recycle, Reduce and Reuse.	O	Cost optimization		Positive
2.	Value Engineering and Sustainability	O	Cost optimization		Positive
3.	Collaboration and Supplier Partnerships	O	Cost optimization and smooth flow of material withstanding the commodity crisis		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	High Regulatory Environment	R	Every State has a different regulatory frame work	To mitigate the risks associated with operating in such an environment, adopted a comprehensive risk management approach by developing a robust compliance framework that outlines the relevant regulations, standards, and guidelines.	Negative
5.	Human Capital	R	Human capital being one of the important pillars of growth, it is imperative for the Company to attract and retain the right talent to ensure strategic business growth	• Talent acquisition and onboarding-effective recruitment and structured on boarding • Skill development training-continuous learning and skill gap analysis • Performance management-clear expectation and 360-degree feedback system • Employee engagement and retention-recognition and reward, work life balance, career growth opportunity	Negative
6.	Climate Change	R	Growing importance of climate change and associated regulatory actions to reduce environmental impact may disrupt the Company's operations.	• Transition to renewable energy • Planting trees • Adopting green technology • Radico- Art of Living Bhujal Shakti Project for water conservation	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.radicokhaitan.com/investor-relations/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Policies of the Company have been communicated with the key value chain partners.								

4. **Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**

   All the policies have been developed considering relevant national & International standards covering:

   - ISO 9001:2015 (Quality Management System)
   - ISO 22000:2005 (Food Safety Management System)

5. **Specific commitments, goals and targets set by the entity with defined timelines, if any.**

   The Company is committed to reduce Greenhouse Gas (GHG) emissions and have short-term and long- term targets in this regard.

   For detail refer to page 27 to 29 of Annual Report.

6. **Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**

   In brief, the Company's performance is consistent with its stated commitment to achieving the goals as covered in point 5 above

Governance, leadership and oversight

7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.**

   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. The Company follows a collaborative and hands-on approach to address the water conservation and water management issues faced by the communities nearby.

   The Company has been aligning with the UN's SDGs to ensure that work with the communities and environment go hand in hand with achieving the overall objective of providing a better and sustainable future for all.

8. **Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).**

   Sustainability & Corporate Social Responsibility Committee

9. **Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**

   Yes, the Company has constituted Sustainability and Corporate Social Responsibility Committee and also, an Environment, Social and Governance Committee, to oversee the Sustainability issues. Details of the Committees are given in the Corporate Governance Section of this Annual Report.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The Managing Director, Whole-time Director and Key Managerial Personnel consistently evaluate the Company's performance in accordance with its policies. The results of these reviews are periodically communicated to the Board and its Committees, by highlighting the key aspects of the assessments.									Ongoing basis and reviewed by the committee periodically								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is in compliance with all applicable statutory requirements. No non-compliance was observed against any NGRBC Principles.																	

11.	P1	P2	P3	P4	P5	P6	P7	P8	P9
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The working of the Policies is reviewed from time to time by the Board, Audit Committee and the Management in their respective areas. However, no external evaluation of working of the Policies was carried out.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. **Percentage coverage by training and awareness programs on any of the Principles during the financial year:**

Segment	Total number of training and awareness programs held	Topics /principles covered under the training and its impact	%age of persons in respective category covered by the awareness programs
Board of Directors Key Managerial Personnel	3	1. Business/industry Familiarization Program 2. Update on regulatory changes 3. Familiarization with the policies of the Company with respect to harassment at workplace, cyber security 4. Workshop on Risk Management	100%
Employees other than BOD and KMPs	74	Leadership skills, soft skills, brand selling skills, brand quality & SOPs, chemical hazards communication, safety training and technical training	90%
Workers	24	Safety training and technical training	94%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NA	NA	NA	NA
Settlement	NIL	NA	NA	NA	NA
Compounding fee	NIL	NA	NA	NA	NA

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial Institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NA	NA	NA
Punishment	NIL	NA	NA	NA

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:**

Case Details	Name of Regulatory/ enforcement agencies/ judicial institutions
Nil	

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

   Yes, the Company has adopted an Anti- bribery Policy and the same is available on website at https://www.radicokhaitan.com/wp-content/uploads/2021/03/Radico-Anti-bribery-Policy.pdf.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

   Programs

Particulars	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. **Details of complaints with regard to conflict of interest**

Particulars	FY2023 (Current Financial Year)		FY2022 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest**

   None

Leadership Indicators

1. **Awareness programs conducted for value chain partners on any of the Principles during the financial year**

Total Number of Awareness Program held	Topics/ Principal covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programs
Nil	NA	NA

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

   Yes, the Company has a Code of Conduct for Directors and Senior Management, consisting guidelines for avoiding conflict of interests of the Company with the members of the Board and to ensure that all Directors shall always act in the interest of the Company. The Code of Conduct may be accessed on the website of the Company at https://www.radicokhaitan.com/wp-content/uploads/2019/09/Code-of-Conduct-for-Directors-and-Senior-Management.pdf.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	Nil	Nil	NA
Capex	42.00%	Nil	Reduction of Green House Gas emission by use of Bio fuel

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   Yes

   b. **If yes, what percentage of inputs were sourced sustainably?**

   The resources involved in the manufacturing processes are efficient and sustainable. 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 minimize transportation.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

S. No.	Material	Mode	Description
1	Plastics	Recycler	Under Extended Producer Responsibility (EPR) program through registered recycler in accordance with Plastic Waste Management Act
2	E-waste	Recycler	Scrap of E-waste being sold to registered recycler as per E-Waste Management Rules, 2022
3	Batteries	Buyback	Disposed under buy back policies with OEMS.
4	Hazardous Waste	Recycler	Used/Spent Oil, discarded empty drums sent to authorized vendor as per central pollution control board for recycling.
5	Other Non-Hazardous Waste	NA	NA

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   During FY2023, as part of its Extended Producers Responsibility, Radico Khaitan recycled 7202 MT of post-consumer used plastic waste, resulting in significant sustainability impact.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of product/ service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
Not Applicable					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product/Service	Description of the risk/concern	Action Taken
	Not Applicable	

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Glass Bottle*	22.60%	19.30%

*% recycled bottles used for key brands

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY2023 (Current Financial Year)			FY2022 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	7202MT	0	0	6505MT	0

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
PET (Packing Material)	100.00%
Glass Bottles	22.60%*

* % recycled bottles used for certain key brands

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1042	1042	100.00%	1042	100.00%	0	0	0	0	0	0
Female	26	25	96.00%	26	100.00%	26	100.00%	0	0	0	0
Total	**1068**	**1067**	**99.90%**	**1068**	**100.00%**	**26**	**2.43%**	**0**	**0**	**0**	**0**
Other than Permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

b. **Details of measures for the well-being of workers:**

Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	261	261	100.00%	261	100.00%	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**261**	**261**	**100.00%**	**261**	**100.00%**	**0**	**0**	**0**	**0**	**0**	**0**
Other than Permanent employees											
Male	1927	1927	100.00%	1927	100.00%	0	0	0	0	0	0
Female	164	164	100.00%	164	100.00%	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

2. **Details of retirement benefits, for Current Financial Year and Previous Financial Year.**

Benefits	FY2023 (Current Financial Year)			FY2022 (Previous Financial Year)		
	No.of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100.00%	100.00%	Y*	100.00%	100.00%	Y
Gratuity	100.00%	100.00%	Y	100.00%	100.00%	Y

*Radico maintains a trust authorized by the EPFO under the ministry of labour.

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, The Company ensures that all employees and workers with disabilities are provided with the necessary resources and access at the premise/ offices at their respective locations to facilitate their smooth functioning within the organization. This aims to create an inclusive environment that supports the needs and abilities of differently abled employees and workers.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.**

Yes, Radico Khaitan is committed to provide equal opportunities in employment and creating an inclusive workplace in which all employees are treated with respect and dignity. This equal opportunity policy is in accordance with the provision of the Disabilities Act, 2016 and the Disabilities Rules, 2017.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	FY2023 (Current Financial Year)		FY2022 (Previous Financial Year)	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	NA	NA	NA	NA
Other	NA	NA	NA	NA
Total	NA	NA	NA	NA

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

Particulars	**Yes/No (If yes, then give details of the mechanism in detail)**
Permanent Workers	Yes, the Company has a complaint and grievance reporting process in place. Workers are free to reach functional head or HR team directly or through union at their respective locations.
Other than Permanent Workers	
Permanent Employees	Yes, the Company has a complaint and grievance reporting process in place. All the employees, whether or not permanent, are free to reach their HOD first to resolve their grievances, if not satisfied, they can directly reach out to the HR/Unit Head as the case may be.
Other than Permanent Employees	

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity**

Category	**FY2023 (Current Financial Year)**			**FY2022 (Previous Financial Year)**		
	Total employees/ workers in respective category (A)	**No.of employees / workers in respective category, who are part of association(s) or Union (B)**	**% (B / A)**	**Total employees / workers in respective category (C)**	**No. of employees / workers in respective category,who are part of association(s) or Union (D)**	**% (D / C)**
Total Permanent Employees	1068	0	0%	954	0	0%
Male	1042	0	0%	935	0	0%
Female	26	0	0%	19	0	0%
Other	0	0	0%	0	0	0%
Total Permanent Workers	261	149	57.08%	235	155	65.95%
Male	261	149	57.08%	235	155	65.95%
Female	0	0	0	0	0	0
Other						

8. **Details of training given to employees and workers**

Category	**FY2023 (Current Financial Year)**					**FY2022 (Previous Financial Year)**				
	Total (A)	**On Health and safety measures**		**On Skill upgradation**		**Total (D)**	**On Health and safety measures**		**On Skill upgradation**	
		No. (B)	**% (B / A)**	**No. (C)**	**% (C / A)**		**No. (E)**	**% (E / D)**	**No. (F)**	**% (F / D)**
Employees										
Male	1042	469	45.00%	653	62.66%	935	614	65.66%	498	53.26%
Female	26	26	100.00%	0	0	19	1	5.26%	5	26.30%
Total	1068	495	46.35%	653	61.14%	954	615	64.46%	503	52.72%
Workers										
Male	261	247	94.64%	180	68.97%	235	220	93.61%	196	83.40%
Female	0	0	0	0	0	0	0	0	0	0
Total	261	247	94.64%	180	68.97%	235	220	93.61%	196	83.40%

9. **Details of performance and career development reviews of employees and worker:**

Category	FY2023 (Current Financial Year)			FY2022 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1042	Under review		935	792	84.70%
Female	26	Under review		19	15	78.90%
Total	1068			954	807	84.60%
Workers						
Male	261	Under review		235	208	88.51%
Female	0	Under review		0	0	0
Total	261			235	208	88.51%

10. **Health and safety management system:**

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

The occupational health and safety management system has been implemented in accordance with the requirements of the Factories act to cover the following location:

- Rampur Plant, Uttar Pradesh
- Bajpur Plant, Uttarakhand
- Bahadurgarh Plant, Haryana
- Reengus Plant, Rajasthan
- Sitapur Plant, Uttar Pradesh
- All lease units and tie-up units

b. What are the processes used to identify work-related hazards and assess risks on routine and non-routine basis by the entity?

The Company focuses on monitoring of health and safety related condition for employees and workers. The Company undergoes audit on yearly basis to ensure health and safety environment assessment, hygiene and upholding of human rights.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, reporting and monitoring of leakage, induction and fire safety trainings are performed to inform workers about risks and safety processes to be followed.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. **Details of safety related incidents, in the following format**

Safety Incident/Number	Category	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. **Describe the measures taken by the entity to ensure a safe and healthy work place.**

The Company has a policy on safety health and environment (SHE), which covers all the operations of the Company. Further regular safety related trainings are provided to employees periodically as per annual calendar. Continuous efforts are being made to reduce green house gas emission, creating a safe & healthy working environment. Periodic health check ups and on site medical support are also provided by the Company..

13. **Number of Complaints on the following made by employees and workers**

Particulars	FY2023 (Current Financial Year)			FY2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. **Assessments for the year**

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Not Applicable

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

(A) Employees: YES

(B) Workers: YES

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Before making payment to supply chain we ensure that all statutory dues have been paid by supply chain by taking the challans and return form of relevance statutory dues.

3. **Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Particulars	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable Employment	
	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

NO

5. **Details on assessment of value chain partners:**

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

NIL

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

Key stakeholder groups include all the groups of people affected by the Company and have an interest in the Company and its various operations. We make sure to include vendors, suppliers and local community in our stakeholder groups to ensure transparency, accountability and inclusivity in our processes.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Website, E-mail and one to one/ group meet	As and when required	• Assessment of Product quality and development • Addressing grievances and concerns • Providing assurance and solutions • Feedback and suggestions
Employees	No	Website, E-mail, Training Sessions, Performance review meet, Employee surveys and periodical work meet	On-going basis	• Empowering work environment • Personal Development and Growth • Health and Safety • Grievance Resolution • Compensation • On-job Trainings
Statutory Bodies	No	Ongoing Meetings and Dialogues	On-going basis	• Regulatory Compliances • Transparency in Disclosures • Corporate Governance Practices
Investors	No	Earnings Call, Investors/ Analysts Meet, One to One Meet and General Meetings	Earnings Call - Quarterly Investors/ Analysts Meet, One to One Meet – As and when required General Meeting - Annual	• Updates on Financial Results and Business Performance • Addressing Investors' Concerns and queries • Providing Insights on Corporate Governance Mechanism
Community	No	Website, E-mail and Public Hearings	As and when required	• Communication regarding Sustainable growth • Addressing grievances and concerns • Providing assurance and solutions

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers and Vendors	No	Website and E-mail, one to one/ group meet	As and when required	• Communication regarding Sustainable use of natural resources • Addressing grievances and concerns • Providing assurance and solutions • Infrastructural Support
Industrial Association	No	Participation in various Trade Associations and events, Membership in various Committees and Forums	On-going basis	• Responsible Corporate Citizenship • Discussion on Best Industrial Practices • Updations with Regulatory Amendments • Compliance and Transparaency
Media	No	Press Conference, Press Release, Media Events, Conclaves, Participation in Forums and Summits and one-to-one interaction by Senior Management	On-going basis	• Addressing stakeholders • Product Launch • Branding and Sponsorships • Corporate and Brand Image Building Process • Sharing Management views

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   It is the endeavor to the company to update all its stake holders on economic, environmental, and social topics on periodic basis. The board has empowered the various committees within the organization to interact with stake holders on periodic basis on the ESG matters.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes. Interaction with the stake holders is a continuous process and basis the same actions are initiated. The ESG activities are done where ever feasible. If required the inputs will incorporated into the policies.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   Not Applicable

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Category	FY2023 (Current Financial Year)			FY2022 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	1068	188	17.60%	954	132	13.84%
Other than permanent	0	0	0	0	0	0
Total Employees	1068	188	17.60%	954	132	13.84%
Workers						
Permanent	261	53	20.30%	235	7	2.97%
Other than permanent	0	0	0	0	0	0
Total Workers	261	53	20.30%	235	7	2.97%

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY2023 (Current Financial Year)					FY2022 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/ A)	No. (C)	% (C/ A)		No. (E)	% (E / D)	No. (F)	% (F/ D)
Employees										
Permanent	1068	0	0	1068	100.00%	954	0	0	954	100.00%
Male	1042	0	0	1042	100.00%	935	0	0	935	100.00%
Female	26	0	0	26	100.00%	19	0	0	19	100.00%
Other than Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent	261	0	0	261	100.00%	235	0	0	235	100.00%
Male	261	0	0	261	100.00%	235	0	0	235	100.00%
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0

3. Details of remuneration/salary/wages, in the following format

Particulars	Male		Female		Other	
	Number	Median remuneration/ salary/ wages of respective category (INR in Lakhs)	Number	Median remuneration/ salary/ wages of respective category(INR in Lakhs)	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	468	1	1.50	0	0
Key Managerial Personnel	4	186	0	0	0	0
Employees other than BOD and KMP	1,042	11.81	26	10.57	0	0
Workers	261*	3.68	0	0	0	0

*This number includes only permanent workers

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Yes, the responsibilities for all such situations are with the HR/ IR team at the respective locations

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   Radico Khaitan implements the Human Rights standards by incorporating it in related policies, processes and guidelines across all its business operations. The Company conducts training to strengthen in-house awareness and education on the practice of Human rights.

   The following grievance mechanism provides all employees, vendors, suppliers and customers a secure and 24x7 access to raise grievances and to report confidentially and anonymously without fear of retaliation any breach of policy and procedure in the Company.

   Whistle Blower Policy- Effective Grievance Mechanisms

   Whistle Blower Policy has been formulated with a view to provide a mechanism for employees of the Company to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports etc; 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.

   Policy on Prevention and Redressal of Sexual Harassment at Work place.

   The Company as an employer is committed to creating healthy and safe work environment that enables employees to work free from unwelcome, offensive and discriminatory behavior. The aim is to enable them to deliver their best at work without fear of prejudice, gender bias and sexual harassment.

6. **Number of Complaints on the following made by employees and workers**

Particulars	FY2023 (Current Financial Year)			FY2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/ Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   Anti Discrimination Workplace

   The various policies of the Company like anti-discrimination at work place, anti-harassment at work place, whistle blower policy have adequate process defined to ensure that the identity of the complainant is kept secret and concerns/complains are addressed by a competent committee.

8. **Do human rights requirements form part of your business agreements and contracts?**

   Yes

9. **Assessments for the year**

Particulars	**% of your plants and offices that were assessed (by entity or statutory authorities or third parties)**
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others	

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above**

Not Applicable

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints:**

Not Applicable

2. **Details of the scope and coverage of any Human rights due-diligence conducted:**

Not Applicable

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016**

Yes, the plant of the entity is accessible to differently abled visitors, as per the requirements or the Rights of Persons with Disabilities Act, 2016

4. **Details on assessment of value chain partners**

Particulars	**% of value chain partners (by value of business done with such partners) that were assessed**
Sexual harassment	NA
Discrimination at workplace	NA
Child Labour	NA
Forced Labour/Involuntary Labour	NA
Wages	NA
Others	NA

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above**

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format**

Parameter	**FY2023 (Current Financial Year)**	**FY2022 (Previous Financial Year)**
Total electricity consumption (A) KWH	4,06,49,851.40	5,06,25,390.00
Total fuel consumption (B) KWH	3,94,326.00	4,10,661.00
Energy consumption through other sources (C) KWH	1,27,28,441.00	1,19,31,843.00
Total energy consumption (A+B+C)	5,37,72,618.40	6,29,67,894.00
Energy intensity per rupee of turnover ***(Total energy consumption in Kiilolitre / turnover in Lacs)***	42.19	50.49
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **N**

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Water withdrawal by source (in kilolitres)	Nil	Nil
(i) Surface water	Nil	Nil
(ii) Groundwater	6,88,445.00	7,55,439.00
(iii)Third party water	6,05,064.00	2,25,024.00
(iv)Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	12,93,509.00	9,80,463.00
Total volume of water consumption (in kilolitres)	12,93,509.00	9,80,463.00
Water intensity per rupee of turnover (Water consumed / turnover)	1.01	0.79
Water intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **N**

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, Radico Khaitan has installed a new condensate processing unit at the cost of about ₹ 1,963 Lakhs for reutilizing process condensate across all plant in evaporators, lees, RO permeate water and all other inorganic waste-water stream for cooling tower make up and molasses dilution, flour dilution in Liquefication. It will reduce our ground water pumping and help us in maintaining zero liquid discharge. We have increased Bio gas production (green energy) from 3000 to 3500 M3/Day with CPU upgradation with benefit of fresh water saving due to recycling of CPU-treated water.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format

Parameter	Please specify unit	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
NOx	Micro gram/m3	67	69
Sox	Micro gram/m3	36	37
Particulate matter (PM)	Micro gram/m3	87	132
Persistent organic pollutants (POP)	Not Applicable	0	0
Volatile organic compounds (VOC)	Not Applicable	0	0
Hazardous air pollutants (HAP)	Not Applicable	0	0
Others – please Specify	Not Applicable	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency **N**

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format**

Parameter	Unit	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 Equivalent	12.2 Million Kg.	11.1 Million Kg.
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	0	0
Total Scope 1 and Scope 2 emissions per rupee of Turnover		12.2 Million Kg.	11.1 Million Kg.
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **N**

7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

The Company is committed to reduce Greenhouse Gas (GHG) emissions and have short-term and long- term targets in this regard. The steps taken in this regard are:

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 22.26% in FY2023 for key large brands.

Value Engineering: Radico Khaitan has implemented various value-engineering opportunities to optimise raw material cost without compromising on product quality. Removal of mono carton in certain brands has reduced paper usage by 37.2 MT and resulted in saving natural resources.

Lowering Carbon Foot Print: Our growing thrust on lowering our energy footprint is manifest in the fact that of the total power consumption at the Rampur plant in FY2023, 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 became 100% self-sufficient on power generated through its captive power plants.

Recycling Plastic Waste: During FY2023, Radico Khaitan has recycled 7,202 MT of post-consumer used plastic waste resulting in significant sustainability impact.

Tree Plantation: During the year under review, Radico Khaitan undertook plantation of more than 15,000 trees at various locations in the Rampur district.

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 Organic Manure production has improved that will go to replace chemical fertilizer in crops. The Company has adopted several measures for improvement in the field of environment, safety and health. Measures such as standard operating procedures, training programs 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.

8. **Provide details related to waste management by the entity, in the following format**

Parameter	**FY2023 (Current Financial Year)**	**FY2022 (Previous Financial Year)**
Total Waste generated (in metric tonnes)		
Plastic waste (A)	8,904.58	10,417.55
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	Not Quantified	Not Quantified
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G) ***(Used Oil, Effluent, Press Mud and Bio compost)***	2,28,502.18	2,60,617.18
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0	0
Total (A+B + C + D + E + F + G+ H)	2,37,406.76	2,71,034.73
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	7,202.00	6,505.00
(ii) Re-used	0	0
(iii)Other recovery operations	0	0
Total	7,202.00	6,505.00
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Not Applicable	Not Applicable
(ii) Landfilling		
(iii)Other disposal operations		
Total		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **N**

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The organization has established a standardized methodology for the purpose of identifying, segregating, and quantifying generated waste. Additionally, it has implemented the principles of the 3Rs (Reduce, Reuse, Recycle) in managing generated waste prior to its disposal. Notably, this involves the implementation of the Effluent Treatment Plant within the bottling plant area, enabling primary and secondary water treatment, followed by the internal reutilization of treated water within the facility. After volume reduction through MEE & R.O. remaining effluent is stored in intermediate Holding Tank and transfer to impervious Holding Lagoon (designed as per CPCB norms) ensuring no impact on underground water quality and hand pumps are installed for periodically checks of water quality through inspecting authorities. Effluent is sent for Bio-Composting, using sugar mill press mud to manufacture highly valuable and micro-nutrient rich organic manure as Bio-compost. The Bio-compost manufactured in the Distillery is being packed in bags and largely selling to company like fertilizer companies.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Proposed 400 KLPD Grain/ Molasses based Distillery along with 15 MW Co-Generation power plant	MoEFCC File no. J-11011/22/2020-IA	March 2022	Yes	Yes	http://parivesh.nic.in/

Note: Above data is from Sitapur Plant of the Company.

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:** The entity is compliant with all applicable environmental laws, regulations, guidelines and provisions of India such as the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and control of pollution) Act, 1981, the Environment Protection Act, 1986, Hazardous Wastes (Management and Handling Rules, 2003/2008/2016, public liability Insurance act, 1991 along with their amendments and rules.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format**

Parameter	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	3,62,94,418.40	3,44,02,860.00
Total fuel consumption (B)	1,16,232.00	67,116.00
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	3,64,10,650.40	3,44,69,976.00
From non-renewable sources		
Total electricity consumption (D)	1,70,83,874.00	2,81,54,373.00
Total fuel consumption (E)	2,78,094.00	3,43,545.00
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	1,73,61,968.00	2,84,97,918.00

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **N**

Transition to Renewable Energy

Our growing thrust on lowering our energy footprint is manifest in the fact that of the total power consumption at the Rampur plant in FY2023, 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 became 100% self-sufficient on power generated through its captive power plants.

2. Provide the following details related to water discharged

Parameter	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Not Applicable	Not Applicable
(ii) To Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	10,84,166.50	11,32,907.50
(iii) To Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Not Applicable	Not Applicable
(iv) Sent to third-parties		
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Not Applicable	Not Applicable
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	15,622.00	20,913.00
Total water discharged (in kilolitres)	10,99,788.50	11,53,820.50

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **N**

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

a. Name of the area- Rampur, Bajpur, Sitapur, Bahadurgarh, Reengus

b. Nature of operations- Manufacturing of Alcohol

c. Water withdrawal, consumption and discharge in the following format

Parameter	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	6,88,445.00	7,55,439.00
(iii) Third party water	6,05,064.00	2,25,024.00
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres)	12,93,509.00	9,80,463.00
Total volume of water consumption (in kilolitres)	12,93,509.00	9,80,463.00
Water intensity per rupee of turnover *(Water consumed / turnover)*	1.01	0.79

Parameter	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Water intensity (optional) – the relevant metric may be selected by the Entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) Into Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	10,84,166.50	11,32,907.50
(iii) Into Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv)Sent to third-parties		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	15,622.00	20,913.00
Total water discharged (in kilolitres)	10,99,788.50	11,53,820.50

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **N**

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format**

Parameter	Unit	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 Equivalent	Not available	Not available
Total Scope 3 emissions per rupee of turnover		Not available	Not available
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		Not available	Not available

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **N**

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

   Clean Technology Initiatives

   Efforts made towards technology absorption and process improvement: Improvisation of overall efficiency of whole milling system with technical support of Buhler and optimized process efficiency through enhanced productivity and decreased electrical power consumption from 0.322 KWH/BL to 0.300 KWH/ BL resulting in a saving of ₹ 51.54 Lakh /annum; Upgradation/modification in Liquefaction and Fermentation process like increase in retention time of Liquefaction by using existing PPSF tank, adding retention pressure vessel and jet cooking, use of new advance efficient dry yeast and optimize the process parameter with advance enzymes and improvement in the overall efficiency and recovery to starch ratio from 659 BL /Ton of starch to 689 BL/ Ton of starch resulted in saving about ₹ 175 Lakhs / annum. The Company produces powers in its own plants through use of turbine and waste; 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 rainwater harvesting projects within the plant and nearby villages.

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   The Company has implemented a disaster management plan across the all units. This plan provides guidelines to employees, contractors, transporters, etc., on actions to be carried out in the event of an emergency. It not only defines responsibilities but also informs about prompt rescue operations, evacuations, rehabilitation, coordination, and communication.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

   No adverse impact to the environment.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   Nil

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   5

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:**

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National/International)
1	All India Distillers Association	National
2	PHD Chambers of Commerce and Industry	National
3	Uttar Pradesh Distillers' Association	State
4	CIABC	National
5	Indo-American Chamber of Commerce	International

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities**

Name of authority	Brief of the case	Corrective action taken
	Not Applicable	

Leadership Indicators

1. Details of public policy positions advocated by the entity

Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board	Web Link,if available
		Not Applicable		

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency	Results communicated in public domain	Relevant Web link
			Not Applicable		

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
			Not Applicable		

3. Describe the mechanisms to receive and redress grievances of the community.

   A process at plant/unit level is defined and grievances if any are heard by the head of the plant along with other senior members as defined. The grievances are to be addressed on priority. All grievance are to be recorded and reported to the grievance committee.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

Parameter*	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	28.05%	25.38%
Sourced directly from within the district and neighbouring districts	41.61%	46.22%

*Pertains to each plant/manufacturing unit for the sourcing done from within the respective state in which the plant/manufacturing unit is located.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

State	Aspirational District	Amount spent (In INR)
	Nil	

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? No

   (b) From which marginalized /vulnerable groups do you procure? Not Applicable

   (c) What percentage of total procurement (by value) does it constitute? Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge**

Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable			

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved**

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. **Details of beneficiaries of CSR Projects:**

CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Radico Bhujal Shakti Project-Water Literacy Programme	5500	Not definable
Radico Art of Living Skill Development Skill	315	Not definable

Note: The Bhujal Shakti Project has covered 451 villages of Rampur district in Uttar Pradesh. This project benefited approx. 40% of the total population of such villages. Till now, around 5,500 participants have completed the water literacy programme.

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

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The Company has a well defined mechanism in place to address concern of consumers. The Company also takes feedback about its products. Contact details for any complain/suggestion are printed on each bottle.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about**

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

Note: All our products contain general information, appropriate warnings with respect to environmental and social parameters relevant to the products; safe and responsible usage and safe disposal of the product container.

3. **Number of consumer complaints in respect of the following**

Particulars	FY2023 (Current Financial year)			FY2022 (Previous Financial year)		
	Received during the year	Pending resolution at end of year	Remark	Received during the year	Pending resolution at end of year	Remark
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other (Legal)	Nil	Nil	No complains received in FY2023	2	1	Complaint no. 2. was filed wide Case No. CC/474/2021 is Pending before the President, District Consumer Disputes Redressal Forum, Saini Enclave, Delhi.

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes, the Company has implemented cyber security policy and the same is accessible on the Company's intranet portal.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Not Applicable

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   www.radicokhaitan.com

   Facebook: Brand Pages and corporate pages https://www.facebook.com/officialradicokhaitan

   Instagram: Brand Pages and corporate pages https://www.instagram.com/radicokhaitan

   Twitter: Brand Pages and corporate pages https://twitter.com/radicokhaitan

   YouTube: Brand Pages and corporate pages https://www.youtube.com/channel/UCVVWh6_IqUSVswj6E6KalmQ

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Customer Responsibility Initiatives

   From time to time, drives are initiated for responsible consumption amongst its consumers. The Company displays all the information regarding its products, its ingredients etc. in line with the applicable laws.

   Our promotional materials at the retail outlets also include a health warning in English as well as vernacular language. Products also carry the warning about responsible drinking and harmful impact of alcohol consumption.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Not Applicable

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes. We carry out surveys to gauge customer/consumer satisfaction for our product. Additional information about the product is displayed on the labels, over and above what is mandated. Radico Khaitan periodically assesses consumer trends, consumer choice, preference, and consumer satisfaction through need-based surveys.

5. **Provide the following information relating to data breaches:**

   a. Number of instances of data breaches along-with impact- Nil

   b. Percentage of data breaches involving personally identifiable information of customers- Nil

Financial Statements

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 2023, 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 notes to the standalone financial statements, including 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 2023, 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 Matters

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 standalone 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 28 for the details of revenue recognized 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: • Understood the nature of revenue transactions and evaluated the appropriateness of the accounting policy adopted by the management in accordance with Ind AS 115; • 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; • 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

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 ₹ 82,405.59 Lacs as at 31 March 2023 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.	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; • 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; • Performed substantive analytical procedures including review of price, quantity and product mix variances and analysis of discounts; and • 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: • Circularised requests for direct balance confirmations to a sample of customers for outstanding balances as at year-end and evaluated the responses received; • Performed other alternate procedures which included testing of invoices, proof of supply and subsequent collection of invoices for the confirmations not received; • 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; • Recomputed the ageing of trade receivables for a sample of invoices and tested mathematical accuracy of the workings prepared by the management; and • Evaluated the disclosures made in accompanying standalone financial statements in respect of trade receivables in accordance with applicable financial reporting framework.

Key audit matter	How our audit addressed the key audit matter
Additions to property, plant and equipment including capital work in progress Refer notes 1.09 and 2A to the accompanying standalone financial statements. The Company is in the process of expansion of its existing manufacturing facility at Rampur, UP and setting up a new manufacturing facility plant at Sitapur, UP and has incurred ₹ 66,775.40 Lakh as capital expenditure in the current year towards such expansion as further explained in note 2A to the accompanying standalone financial statements. Determining whether expenditure incurred during the year is operational or capital in nature may require judgement and is essential in order to ensure that the recognition and measurement principles given under Ind AS 16, Property, Plant and Equipment ('Ind AS 16') are met. Further, the aforementioned capital expenditure has been partly funded from the specific borrowing raised for such purpose. Accordingly, the borrowing costs incurred on such borrowings have been included as a capital expenditure in accordance with the provisions of Ind AS 23, Borrowing Costs ('Ind AS 23'). This has been determined as a key audit matter due to the significance of the capital expenditure during the year and the risk that the elements of costs (including borrowing costs) that are eligible for capitalization are appropriately capitalised in accordance with the recognition criteria provided under Ind AS 16 and Ind AS 23.	Our audit procedures with respect to additions to PPE and CWIP included, but were not limited, to the following: • Evaluated the design and implementation and tested the operating effectiveness of key controls surrounding the capitaliszation of costs; • Reviewed management's capitalisation policy, including application of the aforesaid policy, in accordance to assess consistency with the requirements set out by under Ind AS 16; • Ensured that the borrowing cost capitaliszed is as per the principles of Ind AS 23; • Tested the additions made to property, plant and equipment and capital work-in-progress on a sample basis for their nature and purpose to ensure that the capitaliszation is as per Company's accounting policy and is recorded in the correct period and in the correct class of assets; • For projects completed during the year, reviewed the project completion/handover certificate provided by the management to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management; and • Assessed the appropriateness and adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable accounting standards.

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, such as Management Discussion and Analysis, Report on Corporate Governance, Directors' Report, etc. included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is 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 the Annual Report, 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 standalone 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 standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; 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;

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.

Report on Other Legal and Regulatory Requirements

15. 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.

16. 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.

17. 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 2023 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 2023 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 38(b) to the standalone financial statements, has disclosed the impact of pending litigation(s) on its financial position as at 31 March 2023;

        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 2023;

        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 2023;

        iv. a. The management has represented that, to the best of its knowledge and belief as disclosed in note 65(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 65(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 2023 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 41 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2023 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.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 23504662BGWGFA8188

Place: New Delhi
Date: 25 May 2023

Annexure A

Referred to in Paragraph 16 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 2023

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 programme 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 programme, certain property, plant and equipment 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 note 2 to the standalone 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 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 company
Land in the state of Telangna	769.00	Anab-e-Shahi Wines and Distilleries Private	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 including 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 Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(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 as compared to book records.

(b) As disclosed in note 65(n) to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs 5 crore by banks 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/audit.

(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) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided 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 amount which is overdue for more than 90 days as at 31 March 2023 in respect of loans granted to such companies, firms, LLPs or other parties.

(e) The Company has not 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 investment 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 guarantee 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 are no amounts which have been deemed to be deposits 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 the statute	Nature of dues	Amount due Gross Amount (₹ in Lakhs)	Amount paid under Protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
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	CESTAT, New Delhi
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	
		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
Employees' State Insurance Act 1948	Employee's State Insurance Scheme	0.89	0.23	May 1975 to May 1981	Hon'ble Civil Court, Kanpur
Rajasthan Excise Act, 1950	Excise Duty	41.58	41.58	2015-16	Excise Commissioner, Rajasthan
Indian Stamp Act, 1899	Stamp Duty claim arising out of amalgamation	80.00	-	2007-08	Hon'ble Allahabad High Court.
Legal Metrology Act, 2009	Re-calibration fees on manufacturing vats/tanks	155.00	-	2004-05	Hon'ble High Court, Lucknow Bench

(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 previously 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 government or any government authority.

(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 utilization 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, prima facie, 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 ventures.

(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 and on the basis of our examination of the records of the Company, 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 no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, 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 section 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements etc., 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 per the provisions of 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 its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the 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 losses in the current financial year 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 indicating 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 are no unspent amounts towards Corporate Social Responsibility 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) According to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) 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: 23504662BGWGFA8188

Place: New Delhi
Date: 25 May 2023

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 Khatian Limited ('the Company') as at and for the year ended 31 March 2023, 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 (the '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 2023, 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: 23504662BGWGFA8188

Place: New Delhi
Date: 25 May 2023

Standalone Balance Sheet

as at March 31, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2	120,507.98	81,119.95
Capital work-in-progress	2A	32,564.58	2,898.45
Intangible assets	3	795.40	939.91
Intangible assets under development	3A	129.80	129.80
Financial assets			
Investments	4	13,539.53	13,540.13
Other financial assets	5	3,252.08	5,851.20
Other non-current assets	6	7,505.46	8,591.15
Total non-current assets		**178,294.83**	**113,070.59**
Current assets			
Inventories	7	71,541.81	53,685.29
Financial assets			
Trade receivables	8	82,405.59	75,575.90
Cash and cash equivalents	9	12,155.25	9,999.43
Bank balances other than above	10	921.87	889.60
Loans	11	2,226.34	2,426.34
Other financial assets	12	4,627.66	3,852.36
Current tax assets (net)	13	867.14	565.07
Other current assets	14	13,279.68	14,045.85
Total current assets		**188,025.34**	**161,039.84**
Total assets		**366,320.17**	**274,110.43**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	2,673.48	2,673.48
Other equity	16	212,527.78	196,007.09
		215,201.26	**198,680.57**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	28,685.71	502.19
Lease liabilities	18	4,518.00	745.07
Other financial liabilities	19	22.33	8.90
Provisions	20	1,212.99	1,110.98
Deferred tax liabilities (net)	21	7,774.65	7,690.39
Total non-current liabilities		**42,213.68**	**10,057.53**
Current liabilities			
Financial liabilities			
Borrowings	22	40,990.12	18,488.23
Lease liabilities	23	1,169.78	421.70
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	24	3,561.34	4,316.82
Total outstanding dues of creditors other than micro enterprises and small enterprises	24	23,933.35	19,228.72
Other financial liabilities	25	20,650.45	10,560.72
Other current liabilities	26	17,755.47	11,792.09
Provisions	27	844.72	564.05
Total current liabilities		**108,905.23**	**65,372.33**
Total equity and liabilities		**366,320.17**	**274,110.43**
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 25, 2023

For and on behalf of 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)

Place: New Delhi
Date : May 25, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	Note	For the year ended March 31,2023	For the year ended March 31,2022
INCOME			
Revenue from operations	28	1,274,391.08	1,247,050.21
Other income	29	939.41	1,099.79
Total income		**1,275,330.49**	**1,248,150.00**
EXPENSES			
Cost of materials consumed	30	191,759.72	157,926.36
Purchase of stock-in-trade	31	659.01	212.32
Change in inventories of finished goods, stock-in-trade and work-in-progress	32	(9,626.61)	(395.16)
Excise duty		960,109.50	960,248.83
Employee benefits expense	33	16,892.07	14,126.04
Finance costs	34	2,211.64	1,310.21
Depreciation and amortization expense	35	7,090.02	6,487.70
Other expenses	36	78,756.85	74,708.62
Total expenses		**1,247,852.20**	**1,214,624.92**
Profit before tax		**27,478.29**	**33,525.08**
Tax expense	43		
Current tax		6,889.06	8,718.96
Current tax relating to earlier year		-	(64.77)
Deferred tax charged/(credit)		147.06	(345.42)
Profit for the year		**20,442.17**	**25,216.31**
Other comprehensive (loss) / income	37		
Items that will not be reclassified to profit or loss		(249.50)	43.78
Income tax relating to items that will not be reclassified to profit or loss		62.79	(11.02)
Total Other comprehensive (loss) / income		**(186.71)**	**32.76**
Total comprehensive income for the year		**20,255.46**	**25,249.07**
Earnings per equity share of face value of ₹ 2 each	42		
Basic (in ₹)		15.29	18.87
Diluted (in ₹)		15.29	18.87
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 25, 2023

For and on behalf of 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)

Place: New Delhi
Date : May 25, 2023

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

A. Equity share capital

Particulars	Note	Amount
Balance as at April 1, 2021		**2,671.37**
Changes in equity share capital	15	2.11
Balance as at March 31, 2022		**2,673.48**
Changes in equity share capital	15	-
Balance as at March 31, 2023		**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, 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 41)	-	-	-	(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**
Profit for the year	-	-	-	20,442.17	20,442.17
Other comprehensive loss	-	-	-	(186.71)	(186.71)
Total comprehensive income for the year	**-**	**-**	**-**	**20,255.46**	**20,255.46**
Transfer from share option outstanding account on exercise of options	-	-	-	-	-
Issue of equity shares	-		-	-	-
Recognition of share based payment expenses	-	-	275.45	-	275.45
Transactions with owners in their capacity as owners:					
Dividends (refer note 41)	-	-	-	(4,010.22)	(4,010.22)
Balance as at March 31, 2023	**38,257.36**	**40,000.00**	**409.40**	**133,861.02**	**212,527.78**

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 25, 2023

For and on behalf of 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)

Place: New Delhi
Date : May 25, 2023

Standalone Statement of Cash Flows

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from operating activities		
Profit for the year before tax	**27,478.29**	**33,525.08**
Adjustments for		
Depreciation and amortization expense	7,090.02	6,487.70
Profit on sale of property, plant and equipment	(32.85)	-
Profit on sale of current investment	(125.38)	(7.63)
Loss on sale / write off assets	0.60	62.50
Finance costs	2,211.64	1,310.21
Interest income	(319.52)	(404.23)
Liabilities no longer required written back	(96.13)	(123.74)
Provision for Expected credit loss and bad debt	406.72	526.24
Provision for Non-moving/ obsolete Inventory	287.19	49.21
Employees stock option scheme	275.45	133.95
Dividend income on investments	-	(393.14)
Cash flows from operating activities before working capital changes	**37,176.03**	**41,166.15**
Change in working capital		
Inventories	(18,143.70)	(4,827.93)
Trade receivables	(7,236.42)	(6,356.40)
Financial assets including loan	2,497.39	837.59
Other assets	483.03	(1,536.77)
Financial liabilities	5,737.37	7,066.94
Provisions	133.18	9.06
Trade payables	4,045.28	(2,521.49)
Other liabilities	4,881.98	(2,636.16)
Cash generated from operating activities before taxes	**29,574.14**	**31,200.99**
Net Income tax paid (net of refund)	(7,191.13)	(9,121.79)
Net Cash flow from operating activities (A)	**22,383.01**	**22,079.20**
B. Cash flow from investing activities		
Acquisition of property, plant & equipment, capital work in progress, intangible assets and intangible under development	(71,253.44)	(13,678.70)
Proceeds from sale of Property, plant & equipment	2,912.90	44.47
Proceeds from redemption of preference shares in joint venture	-	2,000.00
Investment in subsidiary		(1.00)
Proceeds from sale of current investment (net)	125.38	7.63
Interest received	256.87	498.55
Dividend received	-	393.14
Movement in Other bank balances (net)	(452.09)	(73.95)
Net Cash used in investing activities (B)	**(68,410.38)**	**(10,809.86)**

Standalone Statement of Cash Flows

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
C. Cash flow from financing activities		
Proceeds from Issue of equity shares (including securities premium)	-	115.04
Cash payments for principal portion in financing activities	(655.10)	(487.72)
Cash payments for interest portion of lease liabilities	(161.08)	(107.76)
Repayment of long term borrowings (including current maturities of long term borrowing)	(12.50)	(138.82)
Proceeds from long term borrowings	32,400.00	500.00
Proceeds from /(repayment of) short term borrowing (net)	22,501.89	(8,820.81)
Dividend paid	(4,010.21)	(3,208.17)
Interest paid	(1,879.81)	(1,232.03)
Net Cash flow / (used in) from financing activities (C)	**48,183.19**	**(13,380.27)**
Cash and cash equivalents (A+B+C)	**2,155.82**	**(2,110.93)**
Cash and cash equivalents at the beginning of the year	9,999.43	12,110.36
Cash and cash equivalents at the end of the year	12,155.25	9,999.43
Reconciliation of cash and cash equivalents		
Cash in hand	12.54	13.24
Balances with banks		
In Current account	12,142.71	9,986.19
	12,155.25	**9,999.43**

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

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 25, 2023

For and on behalf of 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)

Place: New Delhi
Date : May 25, 2023

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ 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 25 May 2023.

Significant Accounting Policies

1.01 Basis of preparation

Compliance with Ind AS

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 and the presentation and disclosures requirement of Division II of Schedule III to the Act (Ind AS compliant Schedule III), as applicable and the guidelines issued by the Securities and Exchange Board of India .

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).

Going concern

These standalone financial statements are prepared on a going concern basis.

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,

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

- Level 2-Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable,
- Level 3-Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

1.04 Foreign Currency Transactions

The 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 and Other Income

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 on the basis of transaction price in accordance with Ind AS 115, after deducting 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

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.

1.06 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:

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

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 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).

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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 to 10 years
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.

Amortization

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

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

1.11 Borrowing

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

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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 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. To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing as a starting point, adjusted to reflect

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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 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

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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 recognized but are disclosed where possibility of any outflow in settlement is remote. Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

1.17 Employee benefits

Short-term obligations

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

Other long-term employee benefit obligations

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

Post-employment obligations

The Company operates the following post-employment schemes:

Gratuity obligations

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

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

Provident Fund Obligation

The Company makes contribution to the recognised provident fund - " The Rampur Distillery & Chemical Company Limited Employee Provident Fund Trust", which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may

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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 recognized as an employee benefits expense with a corresponding increase in equity. Total amount to be expensed is determined by reference to the fair value of the option granted:

- including any market performance conditions (e.g., the Company's share price),
- excluding the impact of any service and non-market performance vesting conditions (e.g., profitability, sales growth targets and remaining and employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period of time).

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in statement of profit or loss, with a corresponding adjustment to equity.

1.19 Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period adjusted for the effects of all dilutive potential equity shares.

1.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities recognised at FVTPL are recognized immediately in Statement of Profit and Loss.

A. Financial Assets

Financial assets are recognised when the company becomes a party to the contractual provisions of the instrument

Subsequent measurement

Financial assets are subsequently classified as measured at:

- amortised cost
- fair value through other comprehensive income (FVTOCI)
- fair value through profit or loss (FVTPL)

Trade Receivables and Loans:

Trade receivables that do not contain a significant financing component are measured at transaction price in accordance with Ind AS 115 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

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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 recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Measured at fair value through Profit or Loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The entity makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Investment in Subsidiary

Investments in subsidiaries and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or the same are transferred.

Impairment of financial assets

Expected credit losses (ECL) are recognized for all financial assets subsequent to initial recognition other than financials

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assets in FVTPL category, as per policy approved by the Board of Directors. For financial assets, as per Ind AS 109, the Company recognises 12 months expected credit losses for all originated or acquired financial assets if at the reporting date. The credit risk of the financial asset has not increased significantly since its initial recognition. Expected credit losses are measured as lifetime expected credit losses for trade receiavble and for other financial asset 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

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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 .

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. 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

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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.

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 .

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. 53.

e) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

1.24 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

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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 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 accounting pronouncement

Amendment to Ind AS 1, Presentation of Financial Statements

The Ministry of Corporate Affairs ("MCA") vide notification dated 31 March 2023, has issued an amendment to Ind AS 1 which requires entities to disclose material accounting policies instead of significant accounting policies. Accounting policy information considered together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The amendment also clarifies that immaterial accounting policy information does not need to disclose. If it is disclosed, it should not obscure material accounting information. The Company is evaluating the requirement of the said amendment and its impact on these financial statements.

Amendment to Ind AS 8, Accounting Policies, Change in Accounting Estimates and Errors

The Ministry of Corporate Affairs ("MCA") vide notification dated 31 March 2023, has issued an amendment to Ind AS 8 which specifies an updated definition of an 'accounting estimate'. As per the amendment, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty and measurement techniques and inputs are used to develop an accounting estimate. Measurement techniques include estimation techniques and valuation techniques. The Company is evaluating the requirement of the said amendment and its impact on these financial statements

Amendment to Ind AS 12, Income Taxes

The Ministry of Corporate Affairs ("MCA") vide notification dated 31 March 2023, has issued an amendment to Ind AS 12, which requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases of lessees and decommissioning obligations and will require recognition of additional deferred tax assets and liabilities. The Company is evaluating the requirement of the said amendment and its impact on these financial statements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ 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, 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**
Additions	110.25	7,512.99	34,903.32	454.57	494.01	298.49	155.94	-	242.78	4,964.62	49,136.97
Disposals	-	-	6,763.81	-	121.73	-	8.19	-	57.83	-	6,951.56
As at March 31, 2023	**11,622.51**	**19,806.21**	**98,106.74**	**2,323.59**	**1,798.57**	**2,574.91**	**558.71**	**5,113.77**	**4,595.50**	**5,207.20**	**151,707.71**
Accumulated depreciation											
As at April 01, 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	4,265.72	280.06	173.51	417.78	70.39	47.40	455.91	49.40	6,250.34
Disposals	-	-	390.49	96.23	24.03	-	34.13	-	-	-	544.88
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**
Charge for the year	-	536.57	4,639.62	338.22	208.70	459.97	87.02	49.13	414.86	103.48	6,837.57
Disposals	-	-	3,886.03	-	121.73	-	5.93	-	26.50	-	4,040.19
As at March 31, 2023	**-**	**3,197.45**	**22,855.35**	**794.51**	**607.27**	**1,053.97**	**262.09**	**372.11**	**1,710.93**	**346.05**	**31,199.73**
Net carrying amount											
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**
As at March 31, 2023	**11,622.51**	**16,608.76**	**75,251.39**	**1,529.08**	**1,191.30**	**1,520.94**	**296.62**	**4,741.66**	**2,884.57**	**4,861.15**	**120,507.98**

Refer note 39 for disclosure pertaining to leases.

Refer note 38(a) for disclosures of contractual commitments for the acquisition of property, plant and equipment.

Refer note 63 for title deed for immovable property not held in the name of Company.

Refer note 17 and note 22 for information on property, plant and equipment pledged as security by the Company.

2A. Capital work-in-progress

Particulars	Total
Gross carrying amount	
As at April 01, 2021	**3,778.48**
Additions	5,830.27
Transferred to property, plant & equipment	6,710.27
Disposals	-
As at March 31, 2022	**2,898.48**
Additions	72,499.56
Transferred to property, plant & equipment	42,833.46
Disposals	-
As at March 31, 2023	**32,564.58**

3. Intangible assets

Particulars	Brands & trade marks	Software	Total
Gross carrying amount			
As at April 01, 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**
Additions	-	107.95	107.95
Disposals	-	11.80	11.80
As at March 31, 2023	**2,552.26**	**507.20**	**3,059.46**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	Brands & trade marks	Software	Total
Accumulated amortization			
As at April 01, 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**
Charge for the year	215.49	36.96	252.45
Disposals	-	11.79	11.79
As at March 31, 2023	**1,867.00**	**397.06**	**2,264.06**
Net carrying amount			
As at March 31, 2022	**900.75**	**39.16**	**939.91**
As at March 31, 2023	**685.26**	**110.14**	**795.40**

3A. Intangible assets under development

Particulars	Total
Gross carrying amount	
As at April 01, 2021	**-**
Additions	129.80
Transferred to property, plant & equipment	-
Disposals	-
As at March 31, 2022	**129.80**
Additions	-
Transferred to property, plant & equipment	-
Disposals	-
As at March 31, 2023	**129.80**

4 Non-current Investments

Particulars	As at March 31, 2023	As at March 31, 2022
i. Investments in Subsidiary (Unquoted)		
a. Equity shares - carried at cost		
Radico Spiritz India Private Limited -10,000 (previous year 10,000) equity shares of ₹ 10 each, fully paid up	1.00	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
iii. Other investment (Unquoted)- carried at fair value through profit or loss (FVTPL)		
New Urban Cooperative Bank Ltd. - NIL (previous year: 2,388) equity shares of ₹ 25 each, fully paid up	-	0.60
	13,539.53	**13,540.13**
Aggregate amount of unquoted investments	13,539.53	13,540.13
Aggregate amount of impairment in value of investments	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

5 Other non-current financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued on term deposits	16.39	16.22
Deposits with more than 12 months maturity (refer note 10)	114.42	154.26
Security deposits	1,389.50	938.72
Advances recoverable in cash	1,731.77	4,742.00
	3,252.08	**5,851.20**

6 Other non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances		
Unsecured, considered good (also refer note 46)	7,005.74	8,374.57
Prepaid expense	499.72	216.58
	7,505.46	**8,591.15**

7 Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
(Lower of cost and net realizable value)		
Raw materials (refer note (a) below)	9,439.98	9,146.05
Work-in-progress	19,648.92	14,492.44
Finished goods (refer note (b) & (c) below)	26,162.62	17,071.53
Stock-in-trade	655.23	331.71
Stores & spares (including promotional material)	7,149.40	5,520.09
Packing materials	8,955.84	7,362.93
	72,011.99	**53,924.75**
Less: Allowance for obsolete and non-moving inventories	(470.18)	(239.46)
	71,541.81	**53,685.29**

Notes:

a. Allowance for obsolete and non-moving inventories amounting to ₹ 230.72 lakhs (previous year: ₹49.21 lakhs) has been recognized as an expense in the Statement of Profit and Loss.

b. Includes provision for excise duty and Custom duty ₹ 13,765.20 lakhs (previous year ₹ 8,569.86 lakhs)

c. Stock of finished goods includes Goods-in-transit amounting to ₹ 1,635.71 lakhs (Previous Year ₹ NIL)

d. Inventories include inventory held by tie up manufacturing units amounting to ₹ 4,352.74 lakhs (previous year ₹ 5,295.36 lakhs).

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

8 Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - Unsecured	82,405.59	75,575.90
Trade receivables - Credit impaired	3,196.91	3,004.16
	85,602.50	**78,580.06**
Less: Allowance for expected credit losses	(3,196.91)	(3,004.16)
	82,405.59	**75,575.90**

Notes:

a. Trade receivables includes receivables from related parties, refer note 46.

b. The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in note 52.

c. Also refer note 61 for additional disclosure related to trade receivables.

d. There is no Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

9 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In current accounts	12,142.71	9,986.19
Cash on hand	12.54	13.24
	12,155.25	**9,999.43**

10 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In unpaid dividend accounts	135.31	144.19
Bank deposits #	900.98	899.67
Bank deposits with maturity more than 12 months from the reporting date (refer note 5)	(114.42)	(154.26)
	921.87	**889.60**

Includes Bank deposits amounting to ₹ 234.30 lakhs (previous year ₹ 456.78 lakhs) under lien in respect of bank guarantees provided to tax authorities.

11 Current Loans

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured- considered good, unless otherwise stated)		
Others		
Loans to parties other than related parties (refer note 54)	2,226.34	2,426.34
	2,226.34	**2,426.34**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

12 Other current financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured- considered good, unless otherwise stated)		
Export benefit receivables	437.40	736.61
Security deposits	1,731.42	1,342.92
Receivables from tie up units	321.42	321.86
Interest accrued on bank deposits and loans	182.64	120.19
Other Advances recoverable	1,600.00	1,249.77
Advances recoverable	354.78	54.96
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)
	4,627.66	**3,852.36**

13 Current tax assets

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax (net of provisions: ₹ 31,157.97 lakhs (Previous year ₹ 24,269.45 lakhs)	867.14	565.07
	867.14	**565.07**

14 Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Considered good, unsecured)		
Advances to suppliers and others	2,559.05	2,312.12
Balances with government authorities*	5,621.32	7,603.92
Prepaid assets	5,099.31	4,129.81
	13,279.68	**14,045.85**

*Includes amounts paid under protest amounting to ₹ 1,339.49 lakh (Previous year: ₹ 1,334.54 lakh) in respect of disputed indirect tax matters.

15 Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized		
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 133,673,765) equity shares of ₹ 2/- each	2,673.48	2,673.48
	2,673.48	**2,673.48**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ 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 1 April 2021	**13,35,68,265**	**2,671.37**
Add: Shares issued on exercise of employee stock option plan (ESOP)	1,05,500	2.11
As at March 31, 2022	**13,36,73,765**	**2,673.48**
Add: Shares issued on exercise of employee stock option plan (ESOP)	-	-
As at March 31, 2023	**13,36,73,765**	**2,673.48**

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

Particulars	As at March 31, 2023		As at March 31, 2022	
Sapphire Intrex Limited	4,53,79,098	33.95%	4,53,79,098	33.95%
TIMF Holdings	61,95,129	4.63%	73,45,129	5.49%

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 2017-18 to 2021-22: 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 2017-18 to 2021-22: Nil equity shares) during the period of five years immediately preceding March 31, 2023 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, 2023 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, 2023 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, 2023

(₹ 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 amortized 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, the Company has not granted any stock options to the eligible employees of the Company as per ESOP Scheme 2006.

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 Exercise price per option (₹)	Number of Options
Outstanding as at 01 April 2021	109.04	1,05,500.00
Options granted during the year	890.79	2,20,000.00
Options exercised during the year*	109.04	(1,05,500.00)
Options outstanding as at March 31, 2022 #	**890.79**	**2,20,000.00**
Exercisable at the end of the year	890.79	2,20,000.00
Outstanding as at 01 April 2022	**890.79**	**2,20,000.00**
Options granted during the year	-	-
Options forfeited/lapsed/expired during the year	846.09	(16,666.00)
Options exercised during the year*	-	-
Options outstanding as at March 31, 2023 #	**894.46**	**2,03,334.00**
Exercisable at the end of the year	894.46	2,03,334.00

* NIL, (March 31, 2022 : 1,05,500) share options were exercised on a regular basis throughout the year. The weighted average share price during the year was ₹ NIL, respectively (March 31, 2022 : ₹ 908.94).

The options outstanding as at March 31, 2023 are with the exercise price of ₹ 928.05 & ₹ 723.14, respectively (March 31, 2022 :₹ 928.05 & ₹ 723.14). The weighted average of the remaining contractual life is 1.03 years, respectively (March 31, 2022 : 2.03 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, 2023.

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, 2023

(₹ 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 annualized 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, 2023	As at March 31, 2022
Reserves & surplus		
Securities premium	38,257.36	38,257.36
Share option outstanding account	409.40	133.94
General reserve	40,000.00	40,000.00
Retained earnings	1,33,861.02	1,17,615.79
	2,12,527.78	**1,96,007.09**

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 utilized in accordance with provisions of the Act.

Share option outstanding account: The reserve is used to recognize 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

17 Non-current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Term loans (secured) from banks		
Vehicle loan (refer note (a) below)	2.19	14.69
Rupee term loans from banks (refer note (b) below)	32,900.00	500.00
	32,902.19	**514.69**
Less : Current maturities of long-term borrowing (also refer note 22)	(4,216.48)	(12.50)
	28,685.71	**502.19**

Notes

a. The Vehicle loans are secured by a pari-passu first charge on Vehicles procured along with simple interest of 8.35%.

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. The Rupee Term loan from bank bearing floating & fixed rate interest ranging from 7% to 9%.

d. Terms of repayment are as follows:

Name	Year of Maturity	As at March 31, 2023	As at March 31, 2022
HDFC Bank Limited **	March 2027	17,500.00	500.00
AXIS Bank Limited **	Feb 2027	12,000.00	-
AXIS Bank Limited **	August 2027	3,400.00	-
YES Bank Limited *	May 2023	2.19	14.69
		32,902.19	**514.69**

*Monthly installment

**Quarterly installment

18 Non-current lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Leased liabilities (refer note 39)	4,518.00	745.07
	4,518.00	**745.07**

19 Other non-current financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits payable	22.33	8.90
	22.33	**8.90**

20 Non-current provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Compensated absences	1,212.99	1,110.98
	1,212.99	**1,110.98**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

21 Deferred tax liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities	9,313.70	9,006.28
Deferred tax assets	(1,539.05)	(1,315.89)
Deferred tax liabilities (net)	**7,774.65**	**7,690.39**

22 Current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured #		
Cash credit facilities from banks (secured) (repayable on demand)	1,694.35	4,275.74
Loan from banks	12,500.00	14,199.99
Working capital demand Loan	22,579.30	-
Current maturity of long-term borrowings (refer note 17)	4,216.47	12.50
	40,990.12	**18,488.23**

Secured by hypothecation of inventories and trade receivables. Further secured by a second charge on fixed assets of the Company along with interest range of 7 to 8.5%.

- 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.

23 Current lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Leased liabilities (refer note 39)	1,169.78	421.70
	1,169.78	**421.70**

24 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (also refer note 56)	3,561.34	4,316.82
Total outstanding dues of creditors other than micro enterprises and small enterprises	23,933.35	19,228.72
	27,494.69	**23,545.54**

Also refer note 61 for additional disclosure related to trade payables

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

25 Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	173.77	28.80
Employee related payables	884.08	796.03
Security deposits payable	3,111.95	2,705.18
Unclaimed dividends #	135.31	144.19
Unspent amount of CSR (refer note 48)	439.25	120.21
Liabilities for rebate	3,402.69	2,623.67
Liabilities for vendor funding	12,471.75	4,136.77
Others	31.65	5.87
	20,650.45	**10,560.72**

This does not include any fund lying due to be transferred to the Investor Education and Protection Fund.

26 Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Capital creditors	1,380.25	298.85
Advances from customers	8,533.17	6,799.08
Statutory dues		
- Custom duty on closing stock	357.36	75.58
- Other statutory dues	7,484.69	4,618.58
	17,755.47	**11,792.09**

27 Current provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Gratuity (refer note 53)	204.36	-
Compensated absences	640.36	564.05
	844.72	**564.05**

28 Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of manufactured products (includes excise duty)		
Alcohol and other alcoholic products	12,62,332.63	12,38,586.19
Pet bottles and caps	3,787.16	3,064.76
Jaivik khad	529.83	416.61
Others	863.90	178.83
	12,67,513.52	**12,42,246.39**
Trading of products		
Indian made foreign liquor	-	318.23
Imported liquor	418.41	350.80
	418.41	**669.03**
Royalty Income	**2,619.38**	**1,010.20**
	12,70,551.31	**12,43,925.62**
Other operating revenue		
Export incentives	362.45	404.81
Scrap sales	3,477.32	2,719.78
	3,839.77	**3,124.59**
Total revenue from operations	**12,74,391.08**	**12,47,050.21**

Also refer note 57 for additional disclosure as per IND AS 115

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

29 Other Income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on		
Bank deposits	47.17	43.53
Loans (including inter corporate deposits)	248.07	311.93
Other financial assets carried at amortized cost	24.28	24.65
Interest on income tax refunds	-	24.12
Dividend income on non-current investments	-	393.14
Profit on sale of current investments(net)	125.38	7.63
Gain on disposal of property, plant and equipment (net)	32.85	-
Liabilities no longer required written back	96.13	123.74
Miscellaneous income	365.53	171.05
	939.41	**1,099.79**

30 Cost of materials consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials		
Opening inventory	9,146.05	8,849.26
Add: Purchases	99,237.08	84,589.37
	1,08,383.13	**93,438.63**
Less: Closing inventory	(9,439.98)	(9,146.05)
Raw materials consumed	**98,943.15**	**84,292.58**
Packing materials consumed	92,816.57	73,633.78
	1,91,759.72	**1,57,926.36**

31 Purchase of stock-in-trade

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Imported liquor	659.01	212.32
	659.01	**212.32**

32 Change in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening inventory		
Stock-in-trade	331.71	192.53
Finished goods	17,071.53	25,949.54
Work-in-progress	14,492.44	3,724.71
	31,895.68	**29,866.78**
Closing inventory		
Stock-in-trade	655.23	331.71
Finished goods	26,162.62	17,071.53
Work-in-progress	19,648.92	14,492.44
	46,466.77	**31,895.68**
Increase / (Decrease) of excise duty country liquor depot stock	30.93	2,438.18
Increase / (Decrease) of excise duty on Finished Goods	4,913.55	(804.44)
	(9,626.61)	**(395.16)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

33 Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	14,843.67	12,364.24
Contribution to provident and other funds (refer note 53)	861.07	813.15
Defined benefit plans (refer note 53)	235.04	218.87
Share based payment expense (refer note 16)	275.45	133.95
Staff welfare expenses	676.84	595.83
	16,892.07	**14,126.04**

34 Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expenses	1,976.33	1,120.80
Interest expenses on lease liabilities (refer note 39)	161.08	107.76
Other borrowing cost	74.23	81.65
	2,211.64	**1,310.21**

35 Depreciation and amortization expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment - owned assets	6,270.10	5,697.64
Depreciation on Right on use of Assets	567.47	552.71
Amortization of intangible assets	252.45	237.35
	7,090.02	**6,487.70**

36 Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Power and fuel	7,990.61	5,489.67
Consumption of stores, spares and other consumables	2,813.32	2,583.49
Repairs and maintenance		
Building	177.18	145.10
Plant and equipment	2,131.29	2,158.17
Others	1,220.10	1,103.17
Machinery and other hire charges	5.50	5.79
Insurance	1,106.13	989.35
Rent	185.01	131.57
Rates and taxes	11,449.36	14,229.65
Travel and conveyance		
Directors	225.16	192.46
Others	1,884.91	1,211.83
Directors' fee	16.97	19.32
Foreign exchange fluctuations (net)	(576.93)	(546.60)
Miscellaneous expenses	2,056.86	1,322.11
Charity and donation	15.72	16.85
Expense towards corporate social responsibility (refer note 48)	640.98	536.46
Provision for expected credit losses	228.63	478.36
Bio composting expenses	218.06	254.02

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory auditor's remuneration (refer note 47)	117.58	83.06
Professional Fee and consultation expenses	995.94	921.14
Communication expenses	310.70	292.72
Sundry balances written off	110.48	171.62
Loss on sale / write off of assets	-	62.50
Bank charges	35.71	24.91
Bottling Charges	11,693.85	10,669.34
Printing Stationery & Subtraction	238.83	214.16
Watch & ward expenses	340.93	311.33
Breakerage & wastage	221.50	268.22
Selling and distribution:		
Freight outwards	13,942.10	13,298.23
Supervision charges after sales	1,269.98	1,367.77
Supervision charges to supervisors	4,333.13	3,437.77
Rebate discount and allowance	935.19	872.75
Advertisement & sales promotion	12,422.07	12,392.33
	78,756.85	**74,708.62**

37 Other comprehensive income/(loss)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Items that will not be reclassified to profit or loss		
Actuarial (loss) /gain on employee benefits	(249.50)	43.78
Income tax relating to items that will not be reclassified to profit or loss	62.79	(11.02)
	(186.71)	**32.76**

38 Contingent liabilities, commitments and other claims

a Capital commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	19,487.37	36,851.47
	19,487.37	**36,851.47**

b Contingent liabilities and other claims

i) Claims against the Company, not acknowledged as debts

Particulars	As at March 31, 2023	As at March 31, 2022
(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
(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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
(d) Disputed VAT/Sales/GST/Entry/Service tax matters under appeal	176.27	176.27
(e) Disputed excise matters	910.51	967.62
(f) Disputed Stamp duty claim arising out of amalgamation, being contested	80.00	80.00
(g) Disputed customs duty	-	10.73
	1,322.67	**1,414.86**

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 the Company before the Madhya Pradesh High Court has been partly allowed by confirming the recovery of ₹ 167.32 lakhs against the Company. Further, ₹ 52.80 lakhs has been waived off vide 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 ₹ 100.00 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 as applicable in the respective states.

(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 09, 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 listed/ heard by the Hon'ble Supreme Court on July 12, 2023.

In view of the High Court order dt.Sept 28 2021, Joint Commissioner-Corporate , State Tax , Moradabad issued the notices U/S 73(5) ascertaining the GST on ENA for the period July 17 to Sept 21 . We filed the reply but department has not agreed with our reply & issued show cause notices U/S 73(1) of GST Act for the same period . We filed the reply of SCI with the office of Joint Commissioner , Corporate, Moradabad but till date no order has been passed .

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

(e) The issue of applicable rate of GST on job work activities for alcoholic beverages was open since inception of GST. This is due to classification of Food & Food products. The GST Council in its 39th and 40th Council meeting considered the issue, however, due to lack of unanimity, decided that courts should take a view on whether alcoholic beverages are food or otherwise.

Finally, in 45th GST Council meeting decision was taken that alcoholic beverage is not "food" and be taxed accordingly. Therefore, w.e.f. 01.10.2021, specific entry was included vide Notification No. 06/2021 whereby services of job work in relation to alcoholic beverage is to be taxed @ 18% .

Subsequently, Circular No. 164/20/2021 dated 06.10.2021 was issued clarifying that alcoholic beverage is not food and therefore not taxed @ 5% but at recommended rate of 18%. Afterward Department has started to issue notice to our various bottlers & matter is pending in various court. Total approx. demand approx. 32 crore plus interest & penalty if any.

iv) A fire occurred at our Rampur Plant, U.P. on March 06 ,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 ₹152.89 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 ₹ 142.89 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.

39 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.

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, 2023	For the year ended March 31, 2022
Short term leases	162.66	72.77
Lease of low value assets	-	-
Variable lease payments	22.35	58.80
Total	**185.01**	**131.57**

ii Total cash outflow for leases for the year ended March 31, 2023 was ₹ 816.18 lakhs (March 31, 2022 : ₹ 631.36 lakhs).

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

iii **Following are the changes in the carrying value of right of use assets :**

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	7,878.78	7,973.43
Additions	5,207.40	458.06
Deletion	(57.83)	-
Depreciation	(540.97)	(552.71)
Balance at end of the year	**12,487.38**	**7,878.78**

iv **The following is the break-up of current and non-current lease liabilities:**

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	1,169.78	421.70
Non-current lease liabilities	4,518.00	745.07
Total	**5,687.78**	**1,166.77**

v **The following is the movement in lease liabilities:**

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	1,166.77	1,484.24
Additions	5,176.11	206.13
Finance cost accrued during the year	161.08	107.76
Payment of lease liabilities (total cash outflow)	(816.18)	(631.36)
Balance at end of the year	**5,687.78**	**1,166.77**

vi **Amounts recognised in the Statement of Profit and Loss**

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Depreciation charge on right-of-use assets		
Leasehold land	49.13	47.46
Buildings	414.86	455.85
Plant and equipment	103.48	49.40
Total	**567.47**	**552.71**
(b) Interest expenses (included in finance cost)	**161.08**	**107.76**

vii **Maturity of lease liabilities**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments as at March 31, 2023 are as follows:

Particulars	Lease Payments	Interest Expense	Net Present Value
Not later than 1 year	1,531.62	362.63	1,168.99
Later than 1 year but not later than 2 year	1,463.37	278.43	1,184.94
Later than 2 year but not later than 3 year	1,352.55	194.64	1,157.91
Later than 3 year but not later than 4 year	1,120.69	120.64	1,000.05
Later than 4 year but not later than 5 year	1,212.78	42.07	1,170.71
Later than 5 year	30.27	25.09	5.18
Total	**6,711.28**	**1,023.50**	**5,687.78**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

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 2 year	355.42	49.18	306.23
Later than 2 year but not later than 3 year	315.93	26.52	289.41
Later than 3 year but not later than 4 year	219.60	7.18	212.42
Later than 4 year but not later than 5 year	6.80	0.67	6.12
Later than 5 year	31.33	25.10	6.23
Total	**1,350.62**	**183.85**	**1,166.77**

The Company has lease contracts for plant and equipment that contain variable payments. Variable lease payments that depend on production volumes are recognized 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.

40 In the opinion of the Management and to the best of their knowledge and belief, the value on realization of current/non-current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the financial statements.

41 Dividend

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend paid		
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)	-	3,208.17
	4,010.21	**3,208.17**
Proposed dividend		
Dividend for the financial year 2022-23 (₹ 3.00 per share of ₹ 2 each)#	4,010.21	-
Dividend for the financial year 2021-22 (₹ 3.00 per share of ₹ 2 each)^	-	4,010.21
	4,010.21	**4,010.21**

The Board of Directors at its meeting held on May 25, 2023 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, 2023. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

^Paid to shareholders during the financial year 2022-23.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

42 Earnings per equity share (EPS)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit attributable to equity shareholders		
Net profit for the year (BEPS)	20,442.17	25,216.33
Add: Effect of Dilution, Share options (ESOP)	-	-
Net profit attributable to equity holders adjusted for the effect of dilution (DEPS)	20,442.17	25,216.33
Nominal value per equity share (₹)	**2.00**	**2.00**
Total number of equity shares outstanding at the beginning of the year	13,36,73,765	13,35,68,265
Total number of equity shares outstanding at the end of the year	13,36,73,765	13,36,73,765
Weighted average number of equity shares for calculating basic earning per share	**13,36,73,765**	**13,36,46,928**
Basic earning per share (₹)	**15.29**	**18.87**
Weighted average number of Equity shares adjusted for the effect of dilution	**13,36,45,910**	**13,36,45,910**
Diluted earning per share (₹)	**15.29**	**18.87**

43 Income tax

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
The major components of Income tax expense		
Profit and Loss statement		
Current income tax charge	6,889.06	8,718.96
Adjustments for current tax of prior periods	-	64.77
Total (A)	**6,889.06**	**8,654.19**
Deferred tax:		
Relating to origination and reversal of temporary differences	147.06	(345.42)
Total (B)	**147.06**	**(345.42)**
Total (A+B)	**7,036.12**	**8,308.77**
Other Comprehensive Income (OCI)		
Deferred tax related to items recognized in OCI during the year:		
Net loss/(gain) on re-measurements of defined benefit plans	(62.79)	11.02
Income tax charged to OCI	**(62.79)**	**11.02**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for:-

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit/loss for the year	27,478.29	33,525.09
Statutory income tax rate	25.17%	25.17%
Tax expense at statutory income tax rate	**6,915.74**	**8,437.60**
Adjustments for current tax of prior periods	-	(64.77)
Effect of expenses that are not deductible/(taxable) for determining taxableprofits		
CSR and Charity & Donation	169.24	135.02
Interest and penalty & Others	14.47	(92.38)
Profit on sale of PPE	(8.27)	-
Dividend Income	-	(98.95)
Others	(55.05)	(7.75)
Total Tax	**7,036.12**	**8,308.77**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

Deferred tax assets/(liabilities) (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liability arising on account of:		
Property, plant and equipment	9,313.70	9,006.28
Sub total	**9,313.70**	**9,006.28**
Deferred tax asset arising on account of:		
Expenses allowed on payment/actual basis	560.55	453.18
Lease assets (net of lease liabilities)	-15.87	18.55
Provision for expected credit loss	845.84	751.08
Provision for obsolete and non-moving inventory	118.34	88.54
Others	30.19	4.55
Sub total	**1,539.05**	**1,315.89**
Net deferred tax assets/(liabilities)	**(7,774.65)**	**(7,690.39)**

Movement in deferred tax assets/(liabilities) for the year ended March 31, 2023

Particulars	As at March 31, 2022	Credited/(charged) Profit and loss	OCI	As at March 31, 2023
Tax effect of items constituting deferred tax assets:				
Expenses allowed on payment/actual basis	453.19	44.57	62.79	560.55
Lease assets (net of lease liabilities)	18.55	(34.42)	-	(15.87)
Provision for expected credit loss	751.08	94.76	-	845.84
Provision for obsolete and non-moving inventory	88.54	29.80	-	118.34
Others	4.55	25.64	-	30.19
Deferred tax assets	**1,315.91**	**160.35**	**62.79**	**1,539.05**
Tax effect of items constituting deferred tax liabilities:				
Property, plant and equipment exceeds its tax base	9,006.28	307.42	-	9,313.70
Deferred tax liabilities	**9,006.28**	**307.42**	**-**	**9,313.70**
Net deferred tax assets/(liabilities)	**(7,690.37)**	**(147.07)**	**62.79**	**(7,774.65)**

Movement in deferred tax assets/(liabilities) for the year ended March 31, 2022

Particulars	As at March 31, 2022	Credited/(charged) Profit and loss	OCI	As at March 31, 2023
Tax effect of items constituting deferred tax assets:				
Expenses allowed on payment/actual basis	465.57	(1.36)	(11.02)	453.19
Lease assets (net of lease liabilities)	14.10	4.45	-	18.55
Provision for expected credit loss	635.69	115.39	-	751.08
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)**	**345.43**	**(11.02)**	**(7,774.65)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ 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

44 Interest in other entities

Particulars	% of Ownership Interest As at March 31, 2023	As at March 31, 2022	Country of Incorporation
Subsidiary			
Radico Spiritzs India Private Limited	100%	100%	India
Step down Subsidiary			
Accomreal Builders Private Limited	100%	100%	India
Compaqt Era Builders Private Limited	100%	100%	India
Destihomz Buildwell Private Limited	100%	100%	India
Equibuild Realtors Private Limited	100%	100%	India
Proprent Era Estates Private Limited	100%	100%	India
Binayah Builders Private Limited	100%	100%	India
Firstcode Reality Private Limited	100%	100%	India
Interest in Joint Venture			
Radico NV Distilleries Maharashtra Limited	36%	36%	India

45 Segment reporting

i) Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Officer, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of manufacture, purchase and sale of beverage alcohol and other allied spirits, including through tie-up 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, 2023	For the year ended March 31, 2022
Domestic	2,96,582.90	2,68,789.82
Overseas	17,698.68	18,011.57
	3,14,281.58	**2,86,801.39**

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

46 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, 2023

(₹ 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, 2023	For the year ended March 31, 2022
Key Management Personnel :		
Dr. Lalit Khaitan, Chairman & Managing Director		
Remuneration		
Salary and Allowances	958.44	994.46
Contribution to Provident and other Funds	70.08	63.57
Value of benefits, calculated as per Income Tax Rules	546.23	39.77
Director's Sitting fee	0.95	2.05
Mr. Abhishek Khaitan, Managing Director		
Remuneration		
Salary and Allowances	958.44	994.46
Contribution to Provident and other Funds	71.08	64.57
Value of benefits, calculated as per Income Tax Rules	194.25	34.46
Director's Sitting fee	1.90	2.05
Mr. K.P.Singh, Whole Time Director		
Remuneration		
Salary and Allowances	188.25	219.70
Contribution to Provident and other Funds	8.65	8.05
Value of benefits, calculated as per Income Tax Rules	2.70	2.27
Director's Sitting fee	2.50	2.65
Dr. Raghupati Singhania, Independent Director		
Director's Sitting fee	1.80	1.80
Mr. Sarvesh Srivastava, Independent Director		
Director's Sitting fee	2.80	2.80
Ms. Sushmita Singha, Independent Director		
Director's Sitting fee	1.50	1.75
Mr. Tushar Jain, Independent Director		
Director's Sitting fee	1.80	1.80
Mr. Sharad Jaipuria, Independent Director		
Director's Sitting fee	1.95	2.50
Mr. Dilip K Banthiya, Chief Financial Officer		
Remuneration		
Salary and Allowances	273.67	246.61
Contribution to Provident and other Funds	11.73	10.92
Value of benefits, calculated as per Income Tax Rules	4.56	2.72
Mr. Dinesh Kumar Gupta, Company secretary		
Remuneration		
Salary and Allowances	61.48	55.32
Contribution to Provident and other Funds	3.44	3.20
Value of benefits, calculated as per Income Tax Rules	0.77	0.89
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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

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, 2023	For the year ended March 31, 2022
Sapphire Intrex Limited		
Rent Paid	72.72	69.48
Contribution paid (Employer's contribution only)		
The Rampur Distillery & Chemical Company Limited (Employees P. F. Trust)	681.72	614.21
The Rampur Distillery & Chemical Company Limited (Employees Group Gratuity Trust)	484.53	175.08
The Rampur Distillery & Chemical Company Limited (Employees Superannuation Scheme)	125.66	112.99
Subsidiary		
Radico Spiritzs India Private Limited		
Capital Advance	560.44	1,940.00
Lease Rent payable		
Radico Spiritzs India Private Limited	0.70	-
Accomreal Builders Private Limited	0.70	-
Compaqt Era Builders Private Limited	0.70	-
Destihomz Buildwell Private Limited	0.70	-
Equibuild Realtors Private Limited	0.70	-
Proprent Era Estates Private Limited	0.70	-
Binayah Builders Private Limited	0.70	-
Firstcode Reality Private Limited		
Joint Venture		
Radico NV Distilleries Maharashtra Limited		
Commission Income (Including GST)	238.63	104.17
Lease rent paid	7.08	7.08
Bottling Charges Paid *	1,150.36	933.66
Tie-up operation income	7.96	7.27
Dividend on Preference Shares	-	33.15
Dividend on Equity Shares	-	359.99
Redemption of Preference Shares	-	2,000.00
Purchase of material	7,814.47	5,137.56
Sale of material	-	-

* Excluding GST refundable on export consignment bottling ₹ 58.37 lakhs (previous year ₹ 43.58 lakhs).

3 Summary of closing balances with related parties

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Joint Venture		
Radico NV Distilleries Maharashtra Limited		
Payable	187.19	155.03
Investment in equity share	13,538.53	13,538.53
Subsidiaries		
Radico Spiritzs India Private Limited		
Capital advances	2,499.74	1,940.00
Investment in equity share	1.00	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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

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, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties ₹ Nil (March 31, 2022: ₹ 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.

47 Payment to auditors (Excluding GST)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Audit fee	45.00	37.50
ii) Limited review fee	42.50	29.50
iii) Out of pocket expenses (including taxes)	14.33	4.00
Total	**101.83**	**71.00**

48 (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, 2023	For the year ended March 31, 2022
i)	Gross amount required to be spent by the Company during the year	640.62	536.46
ii)	Amount spent during the year on the following:		
	(a) For construction / acquisition of any assets	-	-
	(b) For purposes other than (a) above	201.73	416.25
iii)	Amount unspent/(overspent) during the year and deposited in a scheduled bank (in case of unspent)	439.25	120.21
iv)	Amount spent during the year pertaining to previous year	-	-
v)	Shortfall/(Excess) at the end of the year	(0.36)	-
vi)	Reason of Shortfall	NA	NA
vii)	Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-
	Total	**640.98**	**536.46**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

48 (b) Nature of CSR activities for the financial year

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(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.	67.39	278.82
(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.	21.00	0.94
(iii)	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	27.23	16.60
(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].	68.07	109.13
(v)	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.	18.04	9.52
(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;	-	-
(vii)	Disaster management, including relief, rehabilitation and reconstruction activities.	-	1.24
	Total	**201.73**	**416.25**

The Company does not carry any provisions for corporate social responsibility expenses for the current year and previous year.

49 i) Remittance in foreign currency / or to the mandate banks on account of dividends to non residents

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Number of non resident shareholders	2,750	2,724
(ii) Number of shares held by them	2,60,50,778	10,32,369
(iii)Dividend per share	3.00	2.40
(iv)Financial year to which the dividend relates	2021-22	2020-21

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

50 Foreign currency exposure

Derivatives not designated as hedging instruments

The entity uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. However such foreign currency denominated borrowings have not been designated as hedge. Such derivatives are recorded at mark to market at each reporting date with a corresponding recognition in the Statement of Profit and Loss.

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Foreign Currency	INR	Foreign Currency	INR
Other foreign currency exposures:				
Export receivables				
USD	62.44	5,133.40	87.94	6,666.59
EURO	-	-	0.23	19.08
GBP	0.12	12.72	-	-
Overseas creditors				
USD	0.04	3.63	1.30	98.18
EURO	-	-	0.05	4.65
GBP	-	-	0.13	13.17
Advances to overseas supplier				
USD	1.98	162.94	2.77	210.35
EURO	5.38	436.59	1.95	164.77
GBP	2.15	215.66	1.47	146.32
CNY	2.50	3.04	-	-
Advance from overseas customer				
USD	1.77	144.90	0.47	35.35
EURO	0.20	17.72	0.00	0.05
GBP	-	-	0.01	0.62
Balance with banks				
USD	3.66	300.63	5.95	450.87

Foreign currency sensitivity- Impact on profit

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	5% increase	5% decrease	5% increase	5% decrease
USD	203.85	(203.85)	269.17	(269.17)
EURO	15.67	(15.67)	6.70	(6.70)
GBP	8.54	(8.54)	4.96	(4.96)

Foreign currency sensitivity-Impact on equity

The below table demonstrates the sensitivity to a 1% increase or decrease in the foreign currencies against, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 1% represents management's assessment of reasonably possible change in foreign exchange rate. 1% increase or decrease in foreign exchange rates will have the following impact on profit before tax per rupee:

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	5% increase	5% decrease	5% increase	5% decrease
USD	68.57	(68.57)	90.54	(90.54)
EURO	5.27	(5.27)	2.25	(2.25)
GBP	2.87	(2.87)	1.67	(1.67)

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

51 Financial Instruments

A- Category wise classification of Financial Instruments

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVTPL	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI
Financial assets						
Investment						
Equity Instrument	-	13,539.53	-	0.60	13,539.53	-
Preference Shares	-	-	-	-	-	-
Trade receivables	-	82,405.59	-	-	75,575.90	-
Cash and cash equivalents	-	12,155.25	-	-	9,999.43	-
Bank balances other than above	-	921.87	-	-	889.60	-
Loans	-	2,226.34	-	-	2,426.34	-
Other financial assets	-	7,879.74	-	-	9,703.56	-
Total	**-**	**1,19,128.32**	**-**	**0.60**	**1,12,134.36**	**-**
Financial liabilities						
Borrowings	-	69,675.83	-	-	18,990.42	-
Lease liabilities	-	5,687.78	-	-	1,166.77	-
Trade payables	-	27,494.69	-	-	23,545.54	-
Other financial liabilities	-	20,672.78	-	-	10,569.62	-
Total	**-**	**1,23,531.08**	**-**	**-**	**54,272.35**	**-**

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	
	5% increase	5% decrease	5% increase	5% decrease
Financial assets measured at fair value through profit and loss				
Investments				
Equity shares	-	0.60	-	0.60
Total	**-**	**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, 2023			
Investment			
Equity share	-	-	-
Total	**-**	**-**	**-**
March 31, 2022			
Investment			
Equity share	-	-	0.60
Total	**-**	**-**	**0.60**

There have been no transfer between level 1, level 2 and level 3 during the year.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

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, 2023	For the year ended March 31, 2022
Fair Value	-	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 categorized under level 3		
Opening at the beginning of the year	-	0.60
Additions during the year	-	-
Gain/(Loss) recognized in OCI during the year	-	-
Closing at the end of the year	-	0.60

52 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 equivalents, deposits with banks, trade receivables, loans and other financial assets measured at amortized 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 & 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 analyze 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk and equity price risk. Financial instruments affected by market risk include loans and borrowings.

The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

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, 2023 and March 31, 2022.

(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 centralized 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, 2023	For the year ended March 31, 2022
Fixed rate borrowings	32,902.18	514.69
Variable rate borrowings	36,773.65	18,475.73
Total borrowings	**69,675.83**	**18,990.42**

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:

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	5% increase	5% decrease	5% increase	5% decrease
Increase/ (decrease) in basis points	100	(100)	100	(100)
Effect on profit before tax (increase)/ decrease	367.74	(367.74)	184.76	(184.76)

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.

(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 ₹ NIL.
- 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, 2023	As at March 31, 2022
Price sensitivity		
Price increase by (5%) - FVTPL	-	-
Price decrease by (5%) - FVTPL	-	-

(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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

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.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. . The Company is using provison matrix of 0.20%, 15%, 25% 50% and 75% for ageing bucket of less than 6 months, 6 months to 1 year, 1 year to 2 year, 2 to 3 year and more than 3 year, respectively. Further, the Company is using 70% ECL on disputed matters.

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 minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2023 and March 31, 2022 is the carrying amounts as illustrated in note below.

Particulars	As at March 31, 2023	As at March 31, 2022
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	13,538.53
Investment in subsidiary	1.00	1.00
Investment in others	-	0.60
Others	3,252.08	5,851.20
Total	**16,791.61**	**19,391.33**
Current financial assets		
Cash and cash equivalents	12,155.25	9,999.43
Bank balances other than above	921.87	889.60
Loans	2,226.34	2,426.34
Others	4,627.66	3,852.36
Total	**19,931.12**	**17,167.73**
Financial assets for which loss allowance is measured using life time expected credit losses (LECL)		
Trade receivables	82,405.59	75,575.90
Total	**82,405.59**	**75,575.90**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

Summary of change in loss allowances measured using ECL

Particulars	As at March 31, 2023	As at March 31, 2022
Opening allowance	**3,004.16**	**2,525.80**
Provided during the year	64.78	478.36
Amounts written-off	35.78	-
Closing allowance	**3,033.16**	**3,004.16**

(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 summarizes 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, 2023:				
Term loans from banks	4,216.48	28,685.71	-	32,902.19
Short term borrowings	36,773.64	-	-	36,773.64
Trade payables	27,494.69	-	-	27,494.69
Lease liability	1,168.99	1,184.94	5.18	2,359.11
Other financial labilities	20,650.45	22.33	-	20,672.78
Total	**90,304.25**	**29,892.98**	**5.18**	**1,20,202.41**
As at March 31, 2022:				
Term loans from banks	12.50	502.19	-	514.69
Short term borrowings	18,475.73	-	-	18,475.73
Trade payables	23,545.54	-	-	23,545.54
Lease liability	346.35	306.23	6.23	658.81
Other financial labilities	10,560.72	8.90	-	10,569.62
Total	**52,940.84**	**817.32**	**6.23**	**53,764.39**

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 favor of the lenders for loans and borrowings (Refer note-17 and 23 on Borrowings for details).

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

53 (I) Defined Benefit Plan

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident fund	681.72	614.21

(II) Post-employment benefit plans

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Gratuity (funded)	204.36	(26.05)

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.

The following tables summaries the gratuity components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for the respective plans.

i Changes in present value of defined benefit obligation

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation as at beginning of the year	3,963.93	3,692.85
Interest cost	284.60	251.11
Current service cost	236.91	207.26
Benefits paid	(227.09)	(126.64)
Actuarial (gain)/loss recognized in other comprehensive income	228.35	(60.65)
- changes in financial assumption	(48.48)	(104.09)
- experience adjustment	276.83	43.45
Present value of obligation as at end of the year	**4,486.70**	**3,963.93**

ii. Reconciliation of the present value of plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	3,989.98	3,522.07
Return on plan assets recognized in total other comprehensive income	265.33	222.64
Contribution paid into the plan	254.13	371.91
Benefits paid	(227.09)	(126.64)
Balance at the end of the year	4,282.35	3,989.98
Net defined benefit liability (asset)	**204.35**	**(26.05)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

iii. Net asset / (liability) recognized in the standalone balance sheet

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation at the end	4,486.70	3,963.93
Fair value of plan assets	4,282.35	3,989.98
Net (unfunded liability) /assets in standalone balance sheet	**(204.35)**	**26.05**

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, 2023	As at March 31, 2022
Discounting rate	7.38	7.18
Future salary increase	5.50	5.50

B. Demographic assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
i) Retirement age	58/59/60/62/ 64/65/72/82	58/60/80
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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

v(a) Expense recognized in the standalone statement of profit or loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employee benefit expenses:		
(a) Current service cost	236.91	207.26
(b) Interest cost	284.62	251.12
(c) Interest income on plan assets	(286.48)	(239.50)
	235.05	**218.88**

v(b) Remeasurements recognized in other comprehensive income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial gain/(loss) on defined benefit obligation	(228.35)	60.65
Actuarial gain/(loss) on plan assets	(21.15)	(16.87)
	(249.50)	**43.78**
Expense recognized in the standalone statement of profit and loss	**484.55**	**175.10**

vi. Reconciliation of statement of expense in the standalone statement of profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of obligation as at the end of the year	4,486.70	3,963.93
Present value of obligation as at the beginning of the year	(3,963.93)	(3,692.85)
Benefits paid	227.09	126.64
Actual return on plan assets	(265.32)	(222.63)
Expense recognized in the standalone statement of profit and loss	**484.54**	**175.09**

vii. Change in fair value of plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Opening fair value of plan assets	3,989.98	3,522.07
Actual return on plan assets	265.33	222.64
Fund charges	-	-
Contribution by employer	254.13	371.91
Benefits paid	(227.09)	(126.64)
Fair value of plan assets as at year end	**4,282.35**	**3,989.98**

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, 2023	608.31	1472.54	435.99	1969.87
March 31, 2022	549.79	158.20	368.29	2887.65

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

ix. Bifurcation of closing net liability at the end of year

Particulars	As at March 31, 2023	As at March 31, 2022
Current liability (amount due within one year)	608.30	549.79
Non-current liability (amount due over one year)	3,878.40	3,414.14
Total	**4,486.70**	**3,963.93**

x. Investment details of plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Insurance products	100%	100%

xi. Expected contribution for the next Annual reporting period

Particulars	As at March 31, 2023	As at March 31, 2022
Service cost	250.78	186.97
Net Service cost	15.08	(1.88)
Expected expense for the next Annual reporting period	265.86	185.09

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, 2023	As at March 31, 2022
Present value of obligation at the end of the year		
a) Impact due to increase of .50%	(117.52)	(126.33)
b) Impact due to decrease of .50%	124.24	138.99

Impact of the change in salary on defined benefit obligation

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation at the end of the year		
a) Impact due to increase of .50%	125.90	140.61
b) Impact due to decrease of .50%	(120.10)	(128.83)

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 recognized 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, 2023

(₹ 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.

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

Particulars	As at March 31, 2023	As at March 31, 2022
Movement of loans and advances:		
i) In the form of unsecured short-term Inter corporate deposits *		
Opening balance	**2,426.34**	**2,688.68**
Given during the year	-	-
Received / adjusted during the year	(200.00)	(262.34)
Closing balances (refer note 11)	**2,226.34**	**2,426.34**

* All loans are given to unrelated entities at interest rates ranging from 10% to 12% per annum. All the loans are provided for business purposes of respective entities. Furthe, the Company has not invested, granted a loan, or issued a guarantee covered under Section 186(3) of the Companies Act, 2013.

55 Capital management

For the purpose of the company's capital management, capital includes issued equity share capital and other equity attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder's wealth.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditors 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

The Company's debt equity ratio was as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings	69,675.83	18,990.42
Equity capital	2,673.48	2,673.48
Other equity	2,12,527.79	1,96,007.10
Total equity	**2,15,201.27**	**1,98,680.58**
Debt equity ratio	32.38%	9.56%

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, 2023.

56 Details of dues to micro, small and medium enterprises as defined under MSMED Act 2006

Particulars		As at March 31, 2023	As at March 31, 2022
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-Principal	3,561.34	4,316.82
	-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, 2023

(₹ in Lakhs unless otherwise stated)

57 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, 2023	For the year ended March 31, 2022
Contracted Price	3,32,384.94	3,03,020.37
Add: Excise duty	9,60,109.50	9,60,248.83
Less: Discount and rebates, etc.	(21,943.13)	(19,343.58)
Sale of products	**12,70,551.31**	**12,43,925.62**

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, 2023	For the year ended March 31, 2022
i) Revenue from operations		
Alcohol and other alcoholic products	3,02,223.13	2,78,337.36
Pet bottles and caps	3,787.16	3,064.76
Jaivik khad	529.83	416.61
Printed bottles	863.90	178.83
Trading of products	418.41	669.03
Royalty Income	2,619.38	1,010.20
Add: Excise duty collected from customer	9,60,109.50	9,60,248.83
Operating revenue	**12,70,551.31**	**12,43,925.62**
ii) Other operating income	**3,839.77**	**3,124.59**
Total revenue covered under Ind AS 115	**12,74,391.08**	**12,47,050.21**
C. Contract balances		
The following table provides information about receivables and contract liabilities from contract with customers:		
Contract liabilities		
Advance from consumers	8,533.17	6,799.08
Total	**8,533.17**	**6,799.08**
Receivables		
Trade receivables	85,602.50	78,580.06
Less : Allowances for expected credit loss	(3,196.91)	(3,004.16)
Net receivables	**82,405.59**	**75,575.90**

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.

In Accordance of Ind AS 115, the timming of recognition of revenue for the company is at a point in time.

The amounts receivable from customers become due after expiry of credit period which on an average ranges between 30-90 days.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

D. Significant changes in the contract liabilities balances during the year are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	**6,799.08**	**5,642.88**
Addition during the year	8,533.17	6,799.08
Revenue recognized during the year	(6,799.08)	(5,642.88)
Closing balance	**8,533.17**	**6,799.08**

58 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 1, 2021	**153.51**	**27,309.04**	**1,484.24**	**28,946.79**
Recognition of lease liabilities (including current)	-	-	313.89	313.89
Repayment (including current maturities)	(138.82)	(8,820.81)	(631.36)	(9,590.99)
Proceeds from current borrowings (net)	500.00	-	-	500.00
Net debt as at March 31, 2022	**514.69**	**18,488.23**	**1,166.77**	**20,169.69**
Recognition of lease liabilities (including current)	-	-	5,337.19	5,337.19
Repayment of long term borrowings (excluding current maturities of long term borrowing) (net)	(12.50)	-	(816.18)	(828.68)
Proceeds from long term borrowings (net)	32,400.00	-	-	32,400.00
Proceeds from short term borrowings (net)		18,285.42		18,285.42
Net debt as at March 31, 2023	**32,902.19**	**36,773.65**	**5,687.78**	**75,363.62**

59 Ageing schedule for capital work in progress

As at March 31, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	32,261.94	286.41	16.23	-	32,564.58
Projects temporarily suspended	-	-	-	-	-
Total	**32,261.94**	**286.41**	**16.23**	**-**	**32,564.58**

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**

There is no project during the year whose completion is overdue or has exceeded its cost compared to its original plan

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

60 Ageing schedule of trade receivables

As at March 31, 2023

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	77,214.59	1,902.40	2,011.94	160.58	750.04	82,039.55
Undisputed trade receivables – credit impaired	52.97	256.85	215.43	117.17	1,875.52	2,517.94
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	366.04	366.04
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	678.95	678.95
	77,267.56	**2,159.25**	**2,227.37**	**277.75**	**3,670.55**	**85,602.48**
Allowance for expected credit losses	52.97	256.85	215.43	117.17	2,554.47	3,196.89
Total	**77,214.59**	**1,902.40**	**2,011.94**	**160.58**	**1,116.08**	**82,405.59**

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	312.75	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**	**522.70**	**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**	**312.75**	**1,082.75**	**75,575.90**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

61 Ageing schedule of trade payables

As at March 31, 2023

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)	-	3,561.34	-	-	-	3,561.34
Others than Micro and small enterprises	2,971.59	20,506.03	205.63	242.23	7.86	23,933.34
Disputed Dues (MSME)	-	-	-	-	-	-
Disputed Dues (Others)	-	-	-	-	-	-
Total	**2,971.59**	**24,067.37**	**205.63**	**242.23**	**7.86**	**27,494.68**

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	3,501.34	15,438.93	53.12	94.67	140.67	19,228.73
Disputed Dues (MSME)	-	-	-	-	-	-
Disputed Dues (Others)	-	-	-	-	-	-
Total	**3,501.34**	**19,755.74**	**53.12**	**94.67**	**140.67**	**23,545.54**

62 Details of promoter shareholding

Name of promoter	As at March 31, 2023			As at March 31, 2022		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
Dr. Lalit Kumar Khaitan	2,34,295	0.18%	-	2,34,295	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	4,53,79,098	33.95%	-	4,53,79,098	33.95%	-
Rampur International Limited	52,54,085	3.93%	-	52,54,085	3.93%	-
Classic Fintrex Private Ltd	25,76,100	1.93%	-	25,76,100	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	**5,38,29,818**	**40.27%**		**5,38,29,818**	**40.27%**	

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

63 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.

64 Intangible assets under development:

a) For Intangible assets under development, following ageing schedule shall be given

Intangible assets under development	Year Ended 31st March 2023				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	-	-	-	-	-

Intangible assets under development	Year Ended 31st March 2022				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	-	-	-	-	-

There is no project during the year whose completion is overdue or has exceeded its cost compared to its original plan.

65 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

e. The Company has not been declared a 'Willful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful 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:

   i. 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:

   ii. 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.

n. The Company has been sanctioned a working capital limit in excess of ₹ 5 crore by banks 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

66 Financial ratios

Ratio	Numerator	Denominator	March 31, 2023 Ratio	March 31, 2022 Ratio	% Change	Remarks
Current ratio	Current assets	Current liabilities	1.73	2.46	(29.91)%	Increase in current liabilites, mainly Current Borrowings for Working Capital Demand Loan
Debt-equity ratio	Total debt [non-current borrowings + current borrowings]	Shareholder's quity (total equity)	0.32	0.10	238.73%	The Company has taken new Term & WCDL loan for expansion.
Debt service coverage ratio	Earnings available for debt service*	Debt Service**	-2.33	17.22	(113.52)%	The Company has taken new Term & WCDL loan for expansion.
Return on equity ratio	Net Profits after taxes – Preference dividend (if any)	Average shareholder's equity	0.10	0.13	(26.53)%	Due to increase in cost of goods sold
Inventory turnover ratio	Cost of goods sold + Excise duty	Average Inventory	18.25	21.79	(16.25)%	NA
Trade receivables turnover ratio	Gross credit sales	Avg. accounts receivable	16.13	17.16	(6.00)%	NA
Trade payables turnover ratio	Net credit purchases	Average trade payables	7.60	6.43	18.29%	NA
Net capital turnover ratio	Gross sales	Working capital	16.11	13.04	23.57%	NA
Net profit ratio	Net profit	Net sales	0.07	0.09	(26.02)%	Due to increase in cost of goods sold
Return on capital employed	Earning before interest and taxes	Capital employed#	0.10	0.15	(34.48)%	Due to increase in borrowing & lease liability
Return on investment	Earning before interest and taxes	Average Total Assets	0.09	0.13	(29.02)%	Due to increase in inventory & debtors

* Earnings available for debt service= (net profit after taxes + non-cash operating expenses like depreciation and other amortizations + 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)

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

67 Figures of Previous year figures have been regrouped, wherever necessary. The impact of the same is not material to the user 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 25, 2023

For and on behalf of 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)

Place: New Delhi
Date : May 25, 2023

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 2023, 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 notes to the consolidated financial statements, including 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 2023, 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 Matter section below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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 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 1.06 to the accompanying consolidated financial statements for the Group's significant accounting policies relating to revenue recognition and note 28 for the details of revenue recognized 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	Our audit procedures related to revenue recognition included, but were not limited, to the following: • Understood the nature of revenue transactions and evaluated the appropriateness of the accounting policy adopted by the management in accordance with Ind AS 115; • 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 the Holding 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. 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 ₹ 82,405.59 Lacs as at 31 March 2023 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.	• 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; • 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; • Performed substantive analytical procedures including review of price, quantity and product mix variances and analysis of discounts; and • 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: • Circularised requests for direct balance confirmations to a sample of customers for outstanding balances as at year-end and evaluated the responses received; • Performed other alternate procedures which included testing of invoices, proof of supply and subsequent collection of invoices for the confirmations not received; • 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; • Recomputed the ageing of trade receivables for a sample of invoices and tested mathematical accuracy of the workings prepared by the management; and • Evaluated the disclosures made in accompanying consolidated financial statements in respect of trade receivables in accordance with applicable financial reporting framework.

Key audit matter	How our audit addressed the key audit matter
Additions to property, plant and equipment including capital work in progress Refer notes 1.1 and 2A to the accompanying consolidated financial statements The Holding is in the process of expansion of its existing manufacturing facility at Rampur, UP and setting up a new manufacturing facility plant at Sitapur, UP and has incurred ₹ 66,775.40 Lakh as capital expenditure in the current year towards such expansion as further explained in note 2A to the accompanying consolidated financial statements. Determining whether expenditure incurred during the year is operational or capital in nature may require judgement and is essential in order to ensure that the recognition and measurement principles given under Ind AS 16, Property, Plant and Equipment ('Ind AS 16') are met. Further, the aforementioned capital expenditure has been partly funded from the specific borrowing raised for such purpose. Accordingly, the borrowing costs incurred on such borrowings have been included as a capital expenditure in accordance with the provisions of Ind AS 23, Borrowing Costs ('Ind AS 23'). This has been determined as a key audit matter due to the significance of the capital expenditure during the year and the risk that the elements of costs (including borrowing costs) that are eligible for capitalization are appropriately capitalised in accordance with the recognition criteria provided under Ind AS 16 and Ind AS 23.	Our audit procedures with respect to additions to PPE and CWIP included, but were not limited, to the following: • Evaluated the design and implementation and tested the operating effectiveness of key controls surrounding the capitaliszation of costs; • Reviewed management's capitalisation policy, including application of the aforesaid policy, in accordance to assess consistency with the requirements set out by under Ind AS 16; • Ensured that the borrowing cost capitaliszed is as per the principles of Ind AS 23; • Tested the additions made to property, plant and equipment and capital work-in-progress on a sample basis for their nature and purpose to ensure that the capitaliszation is as per Company's accounting policy and is recorded in the correct period and in the correct class of assets; • For projects completed during the year, reviewed the project completion/handover certificate provided by the management to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management; and • Assessed the appropriateness and adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable accounting standards.

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, such as Management Discussion and Analysis, Report on Corporate Governance, Directors' Report, etc. included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is 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 do 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 the Annual Report, 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 its 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 and 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 joint venture 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; and

- 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 ₹ 4,585.88 Lacs and net assets of ₹ 4.37 Lacs as at 31 March 2023, total revenues of ₹ 5.60 Lacs and net cash outflows amounting to ₹72.75 Lacs 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 ₹ 1,588.19 Lacs for the year ended 31 March 2023, 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.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, 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.

17. 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.

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports 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 joint venture company, are disqualified as on 31 March 2023 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 note 38(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 2023;

        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 joint venture company during the year ended 31 March 2023. Further, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary companies covered under the Act, during the year ended 31 March 2023;

        iv. 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 65(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 beliefas disclosed in the note 65(i) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies, or its joint venture companies 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.

v. The final dividend paid by the Holding Company and joint venture company during the year ended 31 March 2023 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 41 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2023 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 2023.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Ashish Gupta
Partner
Membership No.: 504662
UDIN: 23504662BGWGFB2889

Place: New Delhi
Date: 25 May 2023

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	Wholly owned Subsidiary
3	Accomreal Builders Private Limited	Step down subsidiary
4	Compaqt Era Builders Private Limited	Step down subsidiary
5	Destihomz Buildwell Private Limited	Step down subsidiary
6	Equibuild Realtors Private Limited	Step down subsidiary
7	Proprent Era Estates Private Limited	Step down subsidiary
8	Binayah Builders Private Limited	Step down subsidiary
9	Firstcode Reality Private Limited	Step down subsidiary

Annexure A

Independent Auditor's Report on the internal financial controls with reference to 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 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its 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 its 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 respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the '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 its 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 Matter 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 its 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 its 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 2023, based on the internal financial controls with reference to financial statements criteria established by the respective companies 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 ₹ 4,585.88 Lacs and net assets of ₹ 4.37 Lacs as at 31 March 2023, total revenues of ₹ 5.60 lacs and net cash outflows amounting to ₹ 72.75 Lacs 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 ₹ 1,588.19 Lacs for the year ended 31 March 2023, 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 its 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: 23504662BGWGFB2889

Place: New Delhi
Date: 25 May 2023

Consolidated Balance Sheet

as at March 31, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,22,622.05	81,119.95
Capital work-in-progress	2A	32,558.98	2,898.45
Intangible assets	3	795.40	939.91
Intangible assets under development	3A	129.80	129.80
Investment accounted for using Equity Method	4	19,136.04	17,547.85
Financial assets			
Investments (Other than Investment accounted for using Equity Method)	4A	-	0.60
Other financial assets	5	3,252.08	5,851.20
Other non-current assets	6	5,315.73	8,462.59
Total non-current assets		**1,83,810.08**	**1,16,950.35**
Current assets			
Inventories	7	71,541.81	53,685.29
Financial assets			
Trade receivables	8	82,405.59	75,575.90
Cash and cash equivalents	9	12,207.19	10,124.13
Bank balances other than above	10	921.87	889.60
Loans	11	2,226.34	2,426.34
Other financial assets	12	4,627.66	3,852.36
Current tax assets (net)	13	867.57	565.07
Other current assets	14	13,300.64	14,050.14
Total current assets		**1,88,098.67**	**1,61,168.83**
Total assets		**3,71,908.75**	**2,78,119.18**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	2,673.48	2,673.48
Other equity	16	2,18,116.05	2,00,012.20
		2,20,789.53	**2,02,685.68**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	28,685.72	502.19
Lease liabilities	18	4,518.00	745.07
Other financial liabilities	19	22.33	8.90
Provisions	20	1,212.99	1,110.98
Deferred tax liabilities (net)	21	7,774.65	7,690.39
Total non-current liabilities		**42,213.69**	**10,057.53**
Current liabilities			
Financial liabilities			
Borrowings	22	40,990.12	18,488.23
Lease liabilities	23	1,169.78	421.70
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	24	3,561.34	4,316.81
Total outstanding dues of creditors other than micro enterprises and small enterprises	24	23,927.75	19,228.72
Other financial liabilities	25	20,652.14	10,562.41
Other current liabilities	26	17,755.48	11,794.05
Provisions	27	848.50	564.05
Current Tax Liabilities (Net)	27A	0.42	-
Total current liabilities		**1,08,905.53**	**65,375.97**
Total equity and liabilities		**3,71,908.75**	**2,78,119.18**
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 25, 2023

For and on behalf of 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)

Place: New Delhi
Date : May 25, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from operations	28	12,74,391.08	12,47,050.21
Other income	29	940.86	739.80
Total income		**12,75,331.94**	**12,47,790.01**
EXPENSES			
Cost of materials consumed	30	1,91,759.72	1,57,926.36
Purchase of stock-in-trade	31	659.01	212.32
Change in inventories of finished goods, stock-in-trade and work-in-progress	32	(9,626.61)	(395.16)
Excise duty		9,60,109.50	9,60,248.83
Employee benefits expense	33	16,892.07	14,126.04
Finance costs	34	2,211.64	1,310.25
Depreciation and amortization expense	35	7,090.02	6,487.70
Other expenses	36	78,762.89	74,710.65
Total expenses		**12,47,858.24**	**12,14,626.99**
Profit before tax		**27,473.70**	**33,163.02**
Tax expense	43		
Current tax		6,889.48	8,718.96
Current tax relating to earlier year		-	(64.77)
Deferred tax charged / (credit)		147.06	(345.42)
Net profit after tax but before share in profit of joint venture		**20,437.16**	**24,854.25**
Add: share in profit of joint venture		1,597.97	1,468.50
Net profit for the year		**22,035.13**	**26,322.75**
Other comprehensive (loss) / income	37		
Items that will not be reclassified to profit or loss		(249.50)	43.78
Income tax relating to items that will not be reclassified to profit or loss		62.79	(11.02)
Share in Other Comprehensive income/(loss) of joint venture		(9.78)	(0.10)
Total other comprehensive (loss)/income		**(196.49)**	**32.66**
Total comprehensive income for the year		**21,838.64**	**26,355.41**
Earnings per equity share of face value of ₹ 2 each	42		
Basic (in ₹)		16.48	19.70
Diluted (in ₹)		16.48	19.70
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 25, 2023

For and on behalf of 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)

Place: New Delhi
Date : May 25, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

A. Equity share capital

Particulars	Note	Amount
Balance as at April 1, 2021		**2,671.37**
Changes in equity share capital	15	2.11
Balance as at March 31, 2022		**2,673.48**
Changes in equity share capital	15	-
Balance as at March 31, 2023		**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, 2021	38,124.13	40,000.00	20.30	98,475.79	1,76,620.22
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 41)	-	-	-	(3,208.17)	(3,208.17)
Balance as at March 31, 2022	**38,257.36**	**40,000.00**	**133.95**	**1,21,620.89**	**2,00,012.20**
Profit for the year	-	-	-	22,035.13	22,035.13
Other comprehensive loss	-	-	-	(196.52)	(196.52)
Total comprehensive income for the year	**-**	**-**	**-**	**21,838.61**	**21,838.61**
Transfer from share option outstanding account on exercise of options	-	-	-	-	-
Issue of equity shares	-		-	-	-
Recognition of share based payment expenses	-	-	275.45	-	275.45
Transactions with owners in their capacity as owners:					
Dividends (refer note 41)	-	-	-	(4,010.21)	(4,010.21)
Balance as at March 31, 2023	**38,257.36**	**40,000.00**	**409.40**	**1,39,449.29**	**2,18,116.05**

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 25, 2023

For and on behalf of 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)

Place: New Delhi
Date : May 25, 2023

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from operating activities		
Profit for the year before tax	**27,473.70**	**33,163.02**
Adjustments for		
Depreciation and amortization expense	7,090.02	6,487.70
Profit on sale of property, plant and equipment	(32.85)	-
Profit on sale of current investment	(125.38)	(7.63)
Loss on sale / write off assets	0.60	62.50
Finance costs	2,211.64	1,310.21
Interest income	(319.52)	(404.23)
Liabilities no longer required written back	(96.13)	(123.74)
Provision for Expected credit loss and bad debt	406.72	526.24
Provision for Non-moving/ obsolete Inventory	287.18	49.21
Employees stock option scheme	275.45	133.95
Dividend income on investments	-	(33.15)
Cash flows from operating activities before working capital changes	**37,171.43**	**41,164.08**
Change in working capital		
Inventories	(18,143.70)	(4,827.93)
Trade receivables	(7236.42)	(6,356.40)
Financial assets including loan	2,497.39	964.00
Other assets	1,967.79	(1,541.06)
Financial liabilities	5,737.37	7,066.94
Provisions	135.01	9.06
Trade payables	4,045.28	(2,521.49)
Other liabilities	4,881.97	(2,632.51)
Cash generated from operating activities before taxes	**31,056.12**	**31,324.69**
Net Income tax paid (net of refund)	(7,191.56)	(9,121.79)
Net Cash flow from operating activities (A)	**23,864.56**	**22,202.90**
B. Cash flow from investing activities		
Acquisition of property, plant & equipment, capital work in progress, intangible assets and intangible under development	(73,367.49)	(13,678.71)
Proceeds from sale of Property, plant & equipment	2,912.90	44.47
Proceeds from redemption of preference shares in joint venture	-	2,000.00
Proceeds from sale of current investment (net)	125.38	7.63
Interest received	256.87	498.56
Dividend received	-	393.14
Movement in Other bank balances (net)	(452.09)	(73.95)
Net Cash used in investing activities (B)	**(70,524.43)**	**(10,808.86)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
C. Cash flow from financing activities		
Proceeds from Issue of equity shares (including securities premium)	-	115.04
Cash payments for principal portion in financing activities	(655.10)	(595.48)
Cash payments for interest portion of lease liabilities	(161.08)	
Repayment of long term borrowings (including current maturities of long term borrowing)	(12.50)	(138.82)
Proceeds from long term borrowings	32,959.74	500.00
Proceeds from /(repayment of) short term borrowing (net)	22,501.89	(8,820.81)
Dividend paid	(4,010.21)	(3,208.17)
Interest paid	(1,879.81)	(1,232.03)
Net Cash flow / (used in) from financing activities (C)	**48,742.93**	**(13,380.27)**
Cash and cash equivalents (A+B+C)	**2,083.06**	**(1,986.23)**
Cash and cash equivalents at the beginning of the year	**10,124.13**	**12,110.36**
Cash and cash equivalents at the end of the year	**12,207.19**	**10,124.13**
Reconciliation of cash and cash equivalents		
Cash in hand	64.48	18.24
Balances with banks		
In Current account	12,142.71	10,105.89
	12,207.19	**10,124.13**

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 25, 2023

For and on behalf of 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)

Place: New Delhi
Date : May 25, 2023

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ 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 25 May 2023.

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 and the presentation and disclosures requirement of Division II of Schedule III to the Act (Ind AS compliant Schedule III), as applicable and the guidelines issued by the Securities and Exchange Board of India .

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

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

Going concern

These consolidated financial statements are prepared on a going concern basis.

1.02 Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities over which the Holding company has control. The Holding company controls an group when the Group is exposed to, or has rights to, variable returns from its involvement with the group and has the ability to affect those returns through its power to direct the relevant activities of the group. 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 unrealized gains on transactions between Group companies are eliminated. Unrealized 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 equity accounted investment equals or exceeds its interest in the group, 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 group.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

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.

1.04 Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

1.05 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 and Other Income

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 on the basis of transaction price in accordance with Ind AS 115, after deducting

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government with an exception to excise duty. The group has concluded that it is the principal in all of its revenue arrangements with tie up units since the group is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. In arrangements with tie up units, revenue is recognised at gross value with corresponding cost being recognised under cost of production.

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 group on its own and liability for excise duty forms part of the cost of production, irrespective of whether the goods are sold or not. Revenue therefore includes excise duty.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of 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

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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.

1.09 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 group 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

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settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

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

1.10 Property, plant and equipment

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

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

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

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

Depreciation

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

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 to 10 years
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.

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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 group has elected to continue with the carrying value of all of intangible assets (except goodwill which was impaired) and use that carrying value as the deemed cost of intangible assets.

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

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

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.

Amortization

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

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

1.12 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.

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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 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

Group as a lessee

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

The 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.

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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.

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 group's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less 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 recognized but are disclosed where possibility of any outflow in settlement is remote. Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

1.18 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 recognized up to the end of the reporting

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period and are measured at the amounts expected to be paid on settlement of such liabilities. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

Other long-term employee benefit obligations

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

Post-employment obligations

The group operates the following post-employment schemes:

Gratuity obligations

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

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

Provident Fund Obligation

The 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 recognized as an employee benefits expense with a corresponding increase in equity. Total amount to be expensed is determined by reference to the fair value of the option granted:

- including any market performance conditions (e.g., the group's share price),
- excluding the impact of any service and non-market performance vesting conditions (e.g., profitability, sales growth targets and remaining and employee of the group over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period of time).

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The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in statement of profit or loss, with a corresponding adjustment to equity.

1.20 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 group and a financial liability or equity instrument of another group.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities recognised at FVTPL are recognized immediately in Statement of Profit and Loss.

A. Financial Assets

Financial assets are recognised when the group becomes a party to the contractual provisions of the instrument

Subsequent measurement

Financial assets are subsequently classified as measured at:

- amortised cost
- fair value through other comprehensive income (FVTOCI)
- fair value through profit or loss (FVTPL)

Trade Receivables and Loans:

Trade receivables that do not contain a significant financing component are measured at transaction price in accordance with Ind AS 115 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.

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The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables, loans, etc.

Measured at fair value through other comprehensive income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Measured at fair value through Profit or Loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as FVTPL. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

The group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or the same are transferred.

Impairment of financial assets

Expected credit losses (ECL) are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category, as per policy approved by the Board of Directors.

For financial assets, as per Ind AS 109, the group recognises 12 months expected credit losses for all originated or acquired financial assets if at the reporting date. The credit risk of the financial asset has not increased significantly since its initial recognition.

Expected credit losses are measured as lifetime expected credit losses for trade receiavble and for other financial asset 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

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amortised cost, using the effective interest rate method.

Trade and other payables represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per credit period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

Reclassification of financial assets

No reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses).

C. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously, includes balances written off against provisions.

1.22 Derivative financial instruments

The group uses derivative financial instruments, such as forward currency contracts, interest rate swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1.23 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 .

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

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account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the group has concluded that no changes are required to lease period relating to the existinglease contracts.

b) Revenue recognition

The group assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The group has generally concluded that it is acting as a principal in all its revenue arrangements.

When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the group and its business partners are reviewed to determine each party's respective role in the transaction.

Where the group's role in a transaction is that of a principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, net off sales tax/VAT/GST, trade discounts and rebates but inclusive of excise duty with any related expenditure charged as an operating cost.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation and uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Management has made the estimates and assumptions considering the short to medium term impact, to the best of understanding. Such changes are reflected in the assumptions when they occur.

a) Impairment reviews

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

Impairment reviews in respect of the relevant CGUs are performed at least annually or more regularly if events indicate that this is necessary.

Impairment reviews are based on discounted future cash flows. The future cash flows which are based on business forecasts, the long-term growth rates and the pre-tax discount rates, that reflects the current market assessment of the time value of money and the risk specific to the asset or CGU, used are dependent on management estimates and judgements. Future events could cause the assumptions used in these impairment reviews to change.

b) Allowance for uncollectible account receivables and advances

Trade receivables and certain financial assets do not carry any interest unlike other interest bearing financials assets viz intercorporate deposits. Such financial assets are stated at their carrying value as reduced by impairment losses determined in accordance with expected credit loss. Allowance as per expected credit loss model is based on simplified approach which is based on historically observed default rates and changed as per forward-looking estimates. In case of trade receivables group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables which is also based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. The actual loss could differ from the estimate made by the management .

c) Taxes

The group is subject to income tax laws as applicable in India. Significant judgement is

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for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

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 group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Actual liabilities could differ from the amount provided which could have a consequent adverse impact on the results and net position of the group.

d) Pension and post-retirement benefits

The cost of defined benefit plans viz. gratuity, provident fund, leave encashment, etc. are determined using actuarial assumptions. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about defined benefit plans are given in note no. 53.

e) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

1.25 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the group, 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 accounting pronouncement

Amendment to Ind AS 1, Presentation of Financial Statements

The Ministry of Corporate Affairs ("MCA") vide notification dated 31 March 2023, has issued an amendment to Ind AS 1 which requires entities to disclose material accounting policies instead of significant accounting policies. Accounting policy information considered together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The amendment also clarifies that immaterial accounting policy information does not need to disclose. If it is disclosed, it should not obscure material accounting information. The group is evaluating the requirement of the said amendment and its impact on these financial statements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

Amendment to Ind AS 8, Accounting Policies, Change in Accounting Estimates and Errors

The Ministry of Corporate Affairs ("MCA") vide notification dated 31 March 2023, has issued an amendment to Ind AS 8 which specifies an updated definition of an 'accounting estimate'. As per the amendment, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty and measurement techniques and inputs are used to develop an accounting estimate. Measurement techniques include estimation techniques and valuation techniques. The group is evaluating the requirement of the said amendment and its impact on these financial statements

Amendment to Ind AS 12, Income Taxes

The Ministry of Corporate Affairs ("MCA") vide notification dated 31 March 2023, has issued an amendment to Ind AS 12, which requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases of lessees and decommissioning obligations and will require recognition of additional deferred tax assets and liabilities.

The group is evaluating the requirement of the said amendment and its impact on these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ 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, 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**
Additions	2,224.32	7,512.99	34,903.32	454.57	494.01	298.49	155.94	-	242.78	4,964.62	51,251.04
Disposals	-	-	6,763.81	-	121.73	-	8.19	-	57.82	-	6,951.55
As at March 31, 2023	**13,736.58**	**19,806.21**	**98,106.74**	**2,323.59**	**1,798.57**	**2,574.91**	**558.71**	**5,113.77**	**4,595.51**	**5,207.20**	**153,821.79**
Accumulated depreciation											
As at April 01, 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	4,265.72	280.06	173.51	417.78	70.39	47.40	455.91	49.40	6,250.34
Disposals	-	-	390.49	96.23	24.03	-	34.13	-	-	-	544.88
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**
Charge for the year	-	536.57	4,639.62	338.22	208.70	459.97	87.02	49.13	414.86	103.48	6,837.57
Disposals	-	-	3,886.03	-	121.73	-	5.93	-	26.50	-	4,040.19
As at March 31, 2023	**-**	**3,197.45**	**22,855.35**	**794.51**	**607.27**	**1,053.97**	**262.09**	**372.11**	**1,710.93**	**346.05**	**31,199.73**
Net carrying amount											
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**
As at March 31, 2023	**13,736.58**	**16,608.76**	**75,251.39**	**1,529.08**	**1,191.30**	**1,520.94**	**296.62**	**4,741.66**	**2,884.58**	**4,861.15**	**122,622.06**

Refer note 39 for disclosure pertaining to leases.

Refer note 38(a) for disclosures of contractual commitments for the acquisition of property, plant and equipment.

Refer note 17 and note 22 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, 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**
Additions	72,493.99
Transferred to property, plant & equipment	42,833.46
Disposals	-
As at March 31, 2023	**32,558.98**

3. Intangible assets

Particulars	Brands & trade marks	Software	Total
Gross carrying amount			
As at April 01, 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**
Additions	-	107.95	107.95
Disposals	-	11.80	11.80
As at March 31, 2023	**2,552.26**	**507.20**	**3,059.46**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	Brands & trade marks	Software	Total
Accumulated amortization			
As at April 01, 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**
Charge for the year	215.49	36.96	252.45
Disposals	-	11.79	11.79
As at March 31, 2023	**1,866.99**	**397.07**	**2,264.06**
Net carrying amount			
As at March 31, 2022	**900.76**	**39.15**	**939.91**
As at March 31, 2023	**685.27**	**110.13**	**795.40**

3A. Intangible assets under development

Particulars	Total
Gross carrying amount	
As at April 01, 2021	**-**
Additions	129.80
Transferred to property, plant & equipment	-
Disposals	-
As at March 31, 2022	**129.80**
Additions	-
Transferred to property, plant & equipment	-
Disposals	-
As at March 31, 2023	**129.80**

4 Non-current Investments

Particulars	As at March 31, 2023	As at March 31, 2022
i. Investments in Subsidiary (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	19,136.04	17,547.85
ii. Other investment (Unquoted)- carried at fair value through profit or loss (FVTPL)		
New Urban Cooperative Bank Ltd. - NIL (previous year: 2,388) equity shares of ₹ 25 each, fully paid up	-	0.60
	19,136.04	**17,548.45**
Aggregate amount of unquoted investments	19,136.04	17,548.45
Aggregate amount of impairment in value of investments	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

5 Other non-current financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued on term deposits	16.39	16.22
Deposits with more than 12 months maturity (refer note 10)	114.42	154.26
Security deposits	1,389.50	938.72
Advances recoverable in cash	1,731.77	4,742.00
	3,252.08	**5,851.20**

6 Other non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances		
Unsecured, considered good (also refer note 46)	4,816.01	8,246.01
Prepaid expense	499.72	216.58
	5,315.73	**8,462.59**

7 Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
(Lower of cost and net realizable value)		
Raw materials (refer note (a) below)	9,439.98	9,146.05
Work-in-progress	19,648.92	14,492.44
Finished goods (refer note (b) & (c) below)	26,162.62	17,071.53
Stock-in-trade	655.23	331.71
Stores & spares (including promotional material)	7,149.40	5,520.09
Packing materials	8,955.84	7,362.93
	72,011.99	**53,924.75**
Less: Allowance for obsolete and non-moving inventories	(470.18)	(239.46)
	71,541.81	**53,685.29**

Notes:

a. Allowance for obsolete and non-moving inventories amounting to ₹ 230.72 lakhs (previous year: ₹49.21 lakhs) has been recognized as an expense in the Statement of Profit and Loss.

b. Includes provision for excise duty and Custom duty ₹ 13,765.20 lakhs (previous year ₹ 8,569.86 lakhs)

c. Stock of finished goods includes Goods-in-transit amounting to ₹ 1,635.71 lakhs (Previous Year ₹ NIL)

d. Inventories include inventory held by tie up manufacturing units amounting to ₹ 4,352.74 lakhs (previous year ₹ 5,295.36 lakhs).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

8 Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - Unsecured	82,405.59	75,575.90
Trade receivables - Credit impaired	3,196.91	3,004.16
	85,602.50	**78,580.06**
Less: Allowance for expected credit losses	(3,196.91)	(3,004.16)
	82,405.59	**75,575.90**

Notes:

a. Trade receivables includes receivables from related parties, refer note 46.

b. The Group's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in note 52.

c. Also refer note 61 for additional disclosure related to trade receivables.

d. There is no Debts due by directors or other officers of the Group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

9 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In current accounts	12,142.71	10,105.89
Cash on hand	64.48	18.24
	12,207.19	**10,124.13**

10 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In unpaid dividend accounts	135.31	144.19
Bank deposits #	900.98	899.67
Bank deposits with maturity more than 12 months from the reporting date (refer note 5)	(114.42)	(154.26)
	921.87	**889.60**

Includes Bank deposits amounting to ₹ 234.30 lakhs (previous year ₹ 456.78 lakhs) under lien in respect of bank guarantees provided to tax authorities.

11 Current Loans

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured- considered good, unless otherwise stated)		
Loans to parties other than related parties (refer note 54)	2,226.34	2,426.34
	2,226.34	**2,426.34**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

12 Other current financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured- considered good, unless otherwise stated)		
Export benefit receivables	437.40	736.61
Security deposits	1,731.42	1,342.92
Receivables from tie up units	321.42	321.86
Interest accrued on bank deposits and loans	182.64	120.19
Other Advances recoverable	1,600.00	1,249.77
Advances recoverable	354.78	54.96
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)
	4,627.66	**3,852.36**

13 Current tax assets

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax (net of provisions: ₹ 31,157.97 lakhs (Previous year ₹ 24,269.45 lakhs)	867.57	565.07
	867.57	**565.07**

14 Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Considered good, unsecured)		
Advances to suppliers and others	2,559.05	2,312.12
Balances with government authorities*	5,642.28	7,603.92
Prepaid assets	5,099.31	4,134.10
	13,300.64	**14,050.14**

* Includes amounts paid under protest amounting to ₹ 1,339.49 lacs (Previous year: ₹ 1,334.54 lacs) in respect of disputed indirect tax matters.

15 Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized		
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 133,673,765) equity shares of ₹ 2/- each	2,673.48	2,673.48
	2,673.48	**2,673.48**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ 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 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 1 April 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**
Add: Shares issued on exercise of employee stock option plan (ESOP)	-	-
As at March 31, 2023	**133,673,765**	**2,673.48**

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

Name	As at March 31, 2023		As at March 31, 2022	
	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	33.95%
TIMF Holdings	6,195,129	4.63%	7,345,129	5.49%

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 2017-18 to 2021-22: 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 has issued total Nil equity shares (during FY 2017-18 to 2021-22: Nil equity shares) during the period of five years immediately preceding March 31, 2023 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 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, 2023 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 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 has granted 4,500,000 equity options up to March 31, 2023 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 using the fair value method.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ 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 amortized 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, the Holding has not granted any stock options to the eligible employees of the Holding as per ESOP Scheme 2006.

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 Exercise price per option (₹)	Number of Options
Outstanding as at 01 April 2021	109.04	105,500.00
Options granted during the year	890.79	220,000.00
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
Outstanding as at 01 April 2022	**890.79**	**220,000.00**
Options granted during the year	-	-
Options forfeited/lapsed/expired during the year	846.09	(16,666.00)
Options exercised during the year*	-	-
Options outstanding as at March 31, 2023 #	**894.46**	**203,334.00**
Exercisable at the end of the year	894.46	203,334.00

* NIL, (March 31, 2022 : 1,05,500) share options were exercised on a regular basis throughout the year. The weighted average share price during the year was ₹ NIL, respectively (March 31, 2022 : ₹ 908.94).

The options outstanding as at March 31, 2023 are with the exercise price of ₹ 928.05 & ₹ 723.14, respectively (March 31, 2022 :₹ 928.05 & ₹ 723.14). The weighted average of the remaining contractual life is 1.03 years, respectively (March 31, 2022 : 2.03 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, 2023.

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, 2023

(₹ 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 annualized 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, 2023	As at March 31, 2022
Reserves & surplus		
Securities premium	38,257.36	38,257.36
Share option outstanding account	409.41	133.95
General reserve	40,000.00	40,000.00
Retained earnings	139,449.28	121,620.89
	218,116.05	**200,012.20**

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 utilized in accordance with provisions of the Act.

Share option outstanding account: The reserve is used to recognize 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

17 Non-current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Term loans (secured) from banks		
Vehicle loan (refer note (a) below)	2.19	14.69
Rupee term loans from banks (refer note (b) below)	32,900.00	500.00
	32,902.19	**514.69**
Less : Current maturities of long-term borrowing (also refer note 22)	(4,216.47)	(12.50)
	28,685.72	**502.19**

Notes

a. The Vehicle loans are secured by a pari-passu first charge on Vehicles procured along with simple interest of 8.35%.

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. The Rupee Term loan from bank bearing floating & fixed rate interest ranging from 7% to 9%.

d. Terms of repayment are as follows:

Name	Year of Maturity	As at March 31, 2023	As at March 31, 2022
HDFC Bank Limited **	March 2027	17,500.00	500.00
AXIS Bank Limited **	Feb 2027	12,000.00	-
AXIS Bank Limited **	August 2027	3,400.00	-
YES Bank Limited *	May 2023	2.19	14.69
		32,902.19	**514.69**

*Monthly installment

**Quarterly installment

18 Non-current lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Leased liabilities (refer note 39)	4,518.00	745.07
	4,518.00	**745.07**

19 Other non-current financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits payable	22.33	8.90
	22.33	**8.90**

20 Non-current provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Compensated absences	1,212.99	1,110.98
	1,212.99	**1,110.98**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

21 Deferred tax liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities	9,313.70	9,006.28
Deferred tax assets	(1,539.05)	(1,315.89)
Deferred tax liabilities (net)	**7,774.65**	**7,690.39**

22 Current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured #		
Cash credit facilities from banks (secured) (repayable on demand)	1,694.35	4,275.74
Loan from banks	12,500.00	14,199.99
Working capital Demand Loan	22,579.30	-
Current maturity of long-term borrowings (refer note 17)	4,216.47	12.50
	40,990.12	**18,488.23**

Secured by hypothecation of inventories and trade receivables. Further secured by a second charge on fixed assets of the Holding Company along with interest range of 7 to 8.5%.

- 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 Holding 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.

23 Current lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Leased liabilities (refer note 39)	1,169.78	421.70
	1,169.78	**421.70**

24 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (also refer note 57)	3,561.34	4,316.81
Total outstanding dues of creditors other than micro enterprises and small enterprises	23,927.75	19,228.72
	27,489.09	**23,545.53**

Also refer note 61 for additional disclosure related to trade payables

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

25 Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	173.77	28.80
Employee related payables	884.08	796.03
Security deposits payable	3,111.95	2,705.18
Unclaimed dividends #	135.31	144.19
Unspent amount of CSR (refer note 48)	439.25	120.21
Liabilities for rebate	3,402.69	2,623.67
Liabilities for vendor funding	12,471.75	4,136.77
Others	33.34	7.56
	20,652.14	**10,562.41**

This does not include any fund lying due to be transferred to the Investor Education and Protection Fund.

26 Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Capital creditors	1,380.25	298.85
Advances from customers	8,533.17	6,799.08
Statutory dues		
Custom duty on closing stock	357.37	75.58
Other statutory dues	7,484.69	4,620.54
	17,755.48	**11,794.05**

27 Current provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Gratuity (refer note 53)	204.36	-
Compensated absences	640.36	564.05
Tax on proposed dividend	-	-
Others	3.78	-
	848.50	**564.05**

27 A Current tax liabilities (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
For taxation (net of payments)	0.42	-
	0.42	**-**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

28 Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of manufactured products (includes excise duty)		
Alcohol and other alcoholic products	1,262,332.63	1,238,586.19
Pet bottles and caps	3,787.16	3,064.76
Jaivik khad	529.83	416.61
Others	863.90	178.83
	1,267,513.52	**1,242,246.39**
Trading of products		
Indian made foreign liquor	-	318.23
Imported liquor	418.41	350.80
	418.41	**669.03**
Royalty income	**2,619.38**	**1,010.20**
	1,270,551.31	**1,243,925.62**
Other operating revenue		
Export incentives	362.45	404.81
Scrap sales	3,477.32	2,719.78
	3,839.77	**3,124.59**
Total revenue from operations	**1,274,391.08**	**1,247,050.21**

Also refer note 58 for additional disclosure as per Ind AS 115

29 Other Income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on		
Bank deposits	47.17	43.53
Loans (including inter corporate deposits)	248.07	311.93
Other financial assets carried at amortized cost	24.28	24.65
Interest on income tax refunds	-	24.12
Dividend income on non-current investments	-	33.15
Profit on sale of current investments(net)	125.38	7.63
Gain on disposal of property, plant and equipment (net)	32.85	-
Liabilities no longer required written back	96.13	123.74
Miscellaneous income	366.98	171.05
	940.86	**739.80**

30 Cost of materials consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials		
Opening inventory	9,146.05	8,849.26
Add: Purchases	99,237.08	84,589.37
	108,383.13	**93,438.63**
Less: Closing inventory	(9,439.98)	(9,146.05)
Raw materials consumed	**98,943.15**	**84,292.58**
Packing materials consumed	92,816.57	73,633.78
	191,759.72	**157,926.36**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

31 Purchase of stock-in-trade

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Imported liquor	659.01	212.32
	659.01	**212.32**

32 Change in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening inventory		
Stock-in-trade	331.71	192.53
Finished goods	17,071.53	25,949.54
Work-in-progress	14,492.44	3,724.71
	31,895.68	**29,866.78**
Closing inventory		
Stock-in-trade	655.23	331.71
Finished goods	26,162.62	17,071.53
Work-in-progress	19,648.92	14,492.44
	46,466.77	**31,895.68**
Increase / (Decrease) of excise duty country liquor depot stock	30.93	2,438.18
Increase / (Decrease) of excise duty on Finished Goods	4,913.55	(804.44)
	(9,626.61)	**(395.16)**

33 Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	14,843.67	12,364.24
Contribution to provident and other funds (refer note 53)	861.07	813.15
Defined benefit plans (refer note 53)	235.04	218.87
Share based payment expense (refer note 16)	275.45	133.95
Staff welfare expenses	676.84	595.83
	16,892.07	**14,126.04**

34 Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expenses	1,976.33	1,120.84
Interest expenses on lease liabilities (refer note 39)	161.08	107.76
Other borrowing cost	74.23	81.65
	2,211.64	**1,310.25**

35 Depreciation and amortization expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment - owned assets	6,270.10	5,697.64
Depreciation on Right on use of Assets	567.47	552.71
Amortization of intangible assets	252.45	237.35
	7,090.02	**6,487.70**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

36 Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Power and fuel	7,990.61	5,489.67
Consumption of stores, spares and other consumables	2,813.32	2,583.49
Repairs and maintenance		
Building	177.18	145.10
Plant and equipment	2,131.29	2,158.17
Others	1,220.10	1,103.17
Machinery and other hire charges	5.50	5.79
Insurance	1,106.13	989.35
Rent	185.01	131.57
Rates and taxes	11,449.36	14,229.73
Travel and conveyance		
Directors	225.16	192.46
Others	1,884.91	1,211.83
Directors' fee	16.97	19.32
Foreign exchange fluctuations (net)	(576.93)	(546.60)
Miscellaneous expenses	2,056.86	1,322.11
Charity and donation	15.72	16.85
Expense towards corporate social responsibility (refer note 49)	640.98	536.46
Provision for expected credit losses	228.63	478.36
Bio composting expenses	218.06	254.02
Statutory auditor's remuneration (refer note 48)	118.54	84.05
Professional Fee and consultation expenses	1,000.68	921.76
Communication expenses	310.70	292.72
Sundry balances written off	110.48	171.62
Loss on sale / write off of assets	-	62.50
Bank charges	36.05	25.25
Bottling Charges	11,693.85	10,669.34
Printing Stationery & Subtraction	238.83	214.16
Watch & ward expenses	340.93	311.33
Breakerage & wastage	221.50	268.22
Selling and distribution:		
Freight outwards	13,942.10	13,298.23
Supervision charges after sales	1,269.98	1,367.77
Supervision charges to supervisors	4,333.13	3,437.77
Rebate discount and allowance	935.19	872.75
Advertisement & sales promotion	12,422.07	12,392.33
	78,762.89	**74,710.65**

37 Other comprehensive income/(loss)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Items that will not be reclassified to profit or loss		
Actuarial gain / (loss) on employee benefits	(249.50)	43.78
Income tax relating to items that will not be reclassified to profit or loss	62.79	(11.02)
	(186.71)	**32.76**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

38 Contingent liabilities, commitments and other claims

a Capital commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	19,487.37	36,851.47
	19,487.37	**36,851.47**

b Contingent liabilities and other claims

i) Claims against the Company, not acknowledged as debts

Particulars	As at March 31, 2023	As at March 31, 2022
(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
(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	176.27
(e) Disputed excise matters	910.51	967.62
(f) Disputed Stamp duty claim arising out of amalgamation, being contested	80.00	80.00
(g) Disputed customs duty	-	10.73
	1,322.67	**1,414.86**

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 the Madhya Pradesh High Court has been partly allowed by confirming the recovery of ₹ 167.32 lakhs against the Company. Further, ₹ 52.80 lakhs has been waived off vide 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 ₹ 100.00 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 Group was paying the state taxes on ENA as applicable in the respective states.

(b) The Deputy Commissioner (Commercial Tax), Sector I, Rampur had issued notices on 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 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 Group 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.

Notes to the Consolidated Financial Statements

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(₹ in Lakhs unless otherwise stated)

(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 09, 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 listed/heard by the Hon'ble Supreme Court on July 12, 2023.

In view of the High Court order dt.Sept 28 2021, Joint Commissioner-Corporate , State Tax , Moradabad issued the notices U/S 73(5) ascertaining the GST on ENA for the period July 17 to Sept 21 . We filed the reply but department has not agreed with our reply & issued show cause notices U/S 73(1) of GST Act for the same period . We filed the reply of SCI with the office of Joint Commissioner , Corporate, Moradabad but till date no order has been passed.

(e) The issue of applicable rate of GST on job work activities for alcoholic beverages was open since inception of GST. This is due to classification of Food & Food products. The GST Council in its 39th and 40th Council meeting considered the issue, however, due to lack of unanimity, decided that courts should take a view on whether alcoholic beverages are food or otherwise. Finally, in 45th GST Council meeting decision was taken that alcoholic beverage is not "food" and be taxed accordingly. Therefore, w.e.f. 01.10.2021, specific entry was included vide Notification No. 06/2021 whereby services of job work in relation to alcoholic beverage is to be taxed @ 18% . Subsequently, Circular No. 164/20/2021 dated 06.10.2021 was issued clarifying that alcoholic beverage is not food and therefore not taxed @ 5% but at recommended rate of 18%. Afterward Department has started to issue notice to our various bottlers & matter is pending in various court. Total approx. demand approx. 32 crore plus interest and penalty if any.

iv) A fire occurred at our Rampur Plant, U.P. on March 06 ,2021 involving two alcohol storage tanks. The Group's emergency response team along with the local fire brigades were able to bring the fire under control without further spread to 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 ₹152.89 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 ₹ 142.89 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.

39 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ 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, 2023	For the year ended March 31, 2022
Short term leases	162.66	72.77
Lease of low value assets	-	-
Variable lease payments	22.35	58.80
Total	**185.01**	**131.57**

ii Total cash outflow for leases for the year ended March 31, 2023 was ₹ 816.18 lakhs (March 31, 2022 : ₹ 631.36 lakhs).

iii **Following are the changes in the carrying value of right of use assets :**

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	7,878.78	7,973.43
Additions	5,207.40	458.06
Deletion	(57.82)	-
Depreciation	(540.97)	(552.71)
Balance at end of the year	**12,487.39**	**7,878.78**

iv **The following is the break-up of current and non-current lease liabilities:**

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	1,169.78	421.70
Non-current lease liabilities	4,518.00	745.07
Total	**5,687.78**	**1,166.77**

v **The following is the movement in lease liabilities:**

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	1,166.77	1,484.24
Additions	5,176.11	206.13
Finance cost accrued during the year	161.08	107.76
Payment of lease liabilities (total cash outflow)	(816.18)	(631.36)
Balance at end of the year	**5,687.78**	**1,166.77**

vi **Amounts recognised in the Statement of Profit and Loss**

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Depreciation charge on right-of-use assets		
Leasehold land	49.13	47.46
Buildings	414.86	455.85
Plant and equipment	103.48	49.40
Total	**567.47**	**552.71**
(b) Interest expenses (included in finance cost)	**161.08**	**107.76**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ 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, 2023 are as follows:

Particulars	Lease Payments	Interest Expense	Net Present Value
Not later than 1 year	1,531.62	362.62	1,169.00
Later than 1 year but not later than 2 year	1,463.37	278.43	1,184.94
Later than 2 year but not later than 3 year	1,352.54	194.65	1,157.89
Later than 3 year but not later than 4 year	1,120.69	120.64	1,000.05
Later than 4 year but not later than 5 year	1,212.78	42.07	1,170.71
Later than 5 year	30.28	25.09	5.19
Total	**6,711.28**	**1,023.50**	**5,687.78**

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 2 year	355.42	49.18	306.23
Later than 2 year but not later than 3 year	315.93	26.52	289.41
Later than 3 year but not later than 4 year	219.60	7.18	212.42
Later than 4 year but not later than 5 year	6.80	0.67	6.12
Later than 5 year	31.33	25.10	6.23
Total	**1,350.62**	**183.85**	**1,166.77**

The Group has lease contracts for plant and equipment that contain variable payments. Variable lease payments that depend on production volumes are recognized 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.

40 In the opinion of the Management and to the best of their knowledge and belief, the value on realization of current/non-current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the financial statements.

41 Dividend

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend paid		
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)	-	3,208.17
	4,010.21	**3,208.17**
Proposed dividend		
Dividend for the financial year 2022-23 (₹ 3.00 per share of ₹ 2 each)#	4,010.21	-
Dividend for the financial year 2021-22 (₹ 3.00 per share of ₹ 2 each)^	-	4,010.21
	4,010.21	**4,010.21**

The Board of Directors at its meeting held on May 25, 2023 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, 2023. The above is subject to approval at the ensuing Annual General Meeting of the Holding Company and hence is not recognized as a liability.

^ Paid to shareholders during the financial year 2022-23.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

42 Earnings per equity share (EPS)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit attributable to equity shareholders		
Net profit for the year (BEPS)	22,035.13	26,322.76
Add: Effect of Dilution, Share options (ESOP)	-	-
Net profit attributable to equity holders adjusted for the effect of dilution (DEPS)	22,035.13	26,322.76
Nominal value per equity share (₹)	**2.00**	**2.00**
Total number of equity shares outstanding at the beginning of the year	133,673,765	133,568,265
Total number of equity shares outstanding at the end of the year	133,673,765	133,673,765
Weighted average number of equity shares for calculating basic earning per share	**133,673,765**	**133,646,928**
Basic earning per share (₹)	**16.48**	**19.70**
Weighted average number of Equity shares adjusted for the effect of dilution	**133,645,910**	**133,645,910**
Diluted earning per share (₹)	**16.48**	**19.70**

43 Income tax

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
The major components of Income tax expense		
Profit and Loss statement		
Current income tax charge	6,889.48	8,718.96
Adjustments for current tax of prior periods	-	64.77
Total (A)	**6,889.48**	**8,654.19**
Deferred tax:		
Relating to origination and reversal of temporary differences	147.06	(345.42)
Total (B)	**147.06**	**(345.42)**
Total (A+B)	**7,036.54**	**8,308.77**
Other Comprehensive Income (OCI)		
Deferred tax related to items recognized in OCI during the year:		
Net loss/(gain) on re-measurements of defined benefit plans	(62.79)	11.02
Income tax charged to OCI	**(62.79)**	**11.02**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for:-

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit/loss for the year (after share of joint venture)	29,071.67	34,631.53
Statutory income tax rate	25.17%	25.17%
Tax expense at statutory income tax rate	**7,316.76**	**8,716.06**
Adjustments for current tax of prior periods	-	(64.77)
Effect of expenses that are not deductible/(taxable) for determining taxable profits		
CSR and Charity & Donation	169.24	135.02
Interest and penalty & Others	14.47	(92.38)
Profit on sale of PPE	(8.27)	-
Others	(53.48)	(7.23)
Dividend Income	-	(8.34)
Deferred tax not recognised on share of profit of Joint Venture	(402.18)	(369.59)
Total Tax	**7,036.54**	**8,308.77**

Deferred tax assets/(liabilities) (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liability arising on account of:		
Property, plant and equipment	9,313.69	9,006.27
Sub total	**9,313.69**	**9,006.27**
Deferred tax asset arising on account of:		
Expenses allowed on payment/actual basis	560.54	453.18
Lease assets (net of lease liabilities)	(15.87)	18.55
Provision for expected credit loss	845.83	751.08
Provision for obsolete and non-moving inventory	118.34	88.54
Others	30.19	4.54
Sub total	**1,539.02**	**1,315.89**
Net deferred tax assets/(liabilities)	**(7,774.67)**	**(7,690.38)**

Movement in deferred tax assets/(liabilities) for the year ended March 31, 2023

Particulars	As at March 31, 2022	Credited/(charged) Profit and loss	OCI	As at March 31, 2023
Tax effect of items constituting deferred tax assets:				
Expenses allowed on payment/actual basis	453.18	44.57	62.79	560.54
Lease assets (net of lease liabilities)	18.55	(34.42)	-	(15.87)
Provision for expected credit loss	751.07	94.76	-	845.83
Provision for obsolete and non-moving inventory	88.54	29.80	-	118.34
Others	4.55	25.64	-	30.19
Deferred tax assets	**1,315.89**	**160.35**	**62.79**	**1,539.02**
Tax effect of items constituting deferred tax liabilities:				
Property, plant and equipment exceeds its tax base	9,006.27	307.42	-	9,313.69
Deferred tax liabilities	**9,006.27**	**307.42**	**-**	**9,313.69**
Net deferred tax (liability)/assets	**(7,690.38)**	**(147.07)**	**62.79**	**(7,774.67)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

Movement in deferred tax assets/(liabilities) for the year ended March 31, 2022

Particulars	As at March 31, 2022	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	465.56	(1.36)	(11.02)	453.18
Lease assets (net of lease liabilities)	14.10	4.45	-	18.55
Provision for expected credit loss	635.70	115.37	-	751.07
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**	**136.01**	**(11.02)**	**1,315.89**
Tax effect of items constituting deferred tax liabilities:				
Property, plant and equipment exceeds its tax base	9,215.67	(209.40)	-	9,006.27
Deferred tax liabilities	**9,215.67**	**(209.40)**	**-**	**9,006.27**
Net deferred tax (liability)/assets	**(8,024.77)**	**345.41**	**(11.02)**	**(7,690.38)**

The entity offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

44 Interest in other entities

Particulars	% of Ownership of Interest As at March 31, 2023	% of Ownership of Interest As at March 31, 2022	Country of Incorporation
Subsidiary			
Radico Spiritzs India Private Limited	100%	100%	India
Step down Subsidiary			
Accomreal Builders Private Limited	100%	100%	India
Compaqt Era Builders Private Limited	100%	100%	India
Destihomz Buildwell Private Limited	100%	100%	India
Equibuild Realtors Private Limited	100%	100%	India
Proprent Era Estates Private Limited	100%	100%	India
Binayah Builders Private Limited	100%	100%	India
Firstcode Reality Private Limited	100%	100%	India
Interest in Joint Venture			
Radico NV Distilleries Maharashtra Limited	36%	36%	India

45 Segment reporting

i) Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Officer, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group is engaged in the business of manufacture, purchase and sale of beverage alcohol and other allied spirits, including through tie-up 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

ii) Geographical information

The geographical segments have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and overseas segment includes sales to customer located outside India.

Revenue from Operation (excluding excise duty)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Domestic	296,582.90	268,789.82
Overseas	17,698.68	18,011.57
	314,281.58	**286,801.39**

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.

46 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ 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, 2023	For the year ended March 31, 2022
Key Management Personnel :		
Dr. Lalit Khaitan, Chairman & Managing Director		
Remuneration		
Salary and Allowances	958.44	994.46
Contribution to Provident and other Funds	70.08	63.57
Value of benefits, calculated as per Income Tax Rules	546.23	39.77
Director's Sitting fee	0.95	2.05
Mr. Abhishek Khaitan, Managing Director		
Remuneration		
Salary and Allowances	958.44	994.46
Contribution to Provident and other Funds	71.08	64.57
Value of benefits, calculated as per Income Tax Rules	194.25	34.46
Director's Sitting fee	1.90	2.05
Mr. K.P.Singh, Whole Time Director		
Remuneration		
Salary and Allowances	188.25	219.70
Contribution to Provident and other Funds	8.65	8.05
Value of benefits, calculated as per Income Tax Rules	2.70	2.27
Director's Sitting fee	2.50	2.65
Dr. Raghupati Singhania, Independent Director		
Director's Sitting fee	1.80	1.80
Mr. Sarvesh Srivastava, Independent Director		
Director's Sitting fee	2.80	2.80
Ms. Sushmita Singha, Independent Director		
Director's Sitting fee	1.50	1.75
Mr. Tushar Jain, Independent Director		
Director's Sitting fee	1.80	1.80
Mr. Sharad Jaipuria, Independent Director		
Director's Sitting fee	1.95	2.50
Mr. Dilip K Banthiya, Chief Financial Officer		
Remuneration		
Salary and Allowances	273.67	246.61
Contribution to Provident and other Funds	11.73	10.92
Value of benefits, calculated as per Income Tax Rules	4.56	2.72
Mr. Dinesh Kumar Gupta, Company secretary		
Remuneration		
Salary and Allowances	61.48	55.32
Contribution to Provident and other Funds	3.44	3.20
Value of benefits, calculated as per Income Tax Rules	0.77	0.89
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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

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, 2023	For the year ended March 31, 2022
Sapphire Intrex Limited		
Rent Paid	72.72	69.48
Contribution paid (Employer's contribution only)		
The Rampur Distillery & Chemical Company Limited (Employees P. F. Trust)	681.72	614.21
The Rampur Distillery & Chemical Company Limited (Employees Group Gratuity Trust)	484.53	175.08
The Rampur Distillery & Chemical Company Limited (Employees Superannuation Scheme)	125.66	112.99
Joint Venture		
Radico NV Distilleries Maharashtra Limited		
Commission Income (Including GST)	238.63	104.17
Lease rent paid	7.08	7.08
Bottling Charges Paid *	1,150.36	933.66
Tie-up operation income	7.96	7.27
Dividend on Preference Shares	-	33.15
Dividend on Equity Shares	-	359.99
Redemption of Preference Shares	-	2,000.00
Purchase of material	7,814.47	5,137.56

* Excluding GST refundable on export consignment bottling ₹ 58.37 lakhs (previous year ₹ 43.58 lakhs).

3 **Summary of closing balances with related parties**

Particulars	As at March 31, 2023	As at March 31, 2022
Joint Venture		
Radico NV Distilleries Maharashtra Limited		
Payable	187.19	155.03
Investment in equity share	19,136.04	17,547.85
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, 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties ₹ Nil (March 31, 2022: ₹ 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

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.

47 Payment to auditors (Excluding GST)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Audit fee	45.00	37.50
ii) Limited review fee	42.50	29.50
iv) Out of pocket expenses (including taxes)	14.33	4.00
Total	**101.83**	**71.00**

48 (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 had constituted a CSR committee. The details for CSR activities are as follows:

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
i)	Gross amount required to be spent by the Group during the year	640.62	536.46
ii)	Amount spent during the year on the following:		
	(a) For construction / acquisition of any assets	-	-
	(b) For purposes other than (a) above	201.73	416.25
iii)	Amount unspent/(overspent) during the year and deposited in a scheduled bank (in case of unspent)	439.25	120.21
iv)	Amount spent during the year pertaining to previous year	-	-
v)	Shortfall/(Excess) at the end of the year	(0.36)	-
vi)	Reason of Shortfall	NA	NA
vii)	Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-
	Total	**640.98**	**536.46**

48 (b) Nature of CSR activities for the financial year

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(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.	67.39	278.82
(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.	21.00	0.94

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(iii)	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	27.23	16.60
(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].	68.07	109.13
(v)	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.	18.04	9.52
(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;	-	-
(vii)	Disaster management, including relief, rehabilitation and reconstruction activities.	-	1.24
	Total	**201.73**	**416.25**

The Holding does not carry any provisions for corporate social responsibility expenses for the current year and previous year.

49 i) Remittance in foreign currency / or to the mandate banks on account of dividends to non residents

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Number of non resident shareholders	2,750	2,724
(ii) Number of shares held by them	26,050,778	1,032,369
(iii)Dividend per share	3.00	2.40
(iv)Financial year to which the dividend relates	2021-22	2020-21

50 Foreign currency exposure

Derivatives not designated as hedging instruments

The group uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. However such foreign currency denominated borrowings have not been designated as hedge. Such derivatives are recorded at mark to market at each reporting date with a corresponding recognition in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Foreign Currency	INR	Foreign Currency	INR
Other foreign currency exposures:				
Export receivables				
USD	62.44	5,133.40	87.94	6,666.59
EURO	-	-	0.23	19.08
GBP	0.12	12.72	-	-
Overseas creditors				
USD	0.04	3.63	1.30	98.18
EURO	-	-	0.05	4.65
GBP	-	-	0.13	13.17
Advances to overseas supplier				
USD	1.98	162.94	2.77	210.35
EURO	5.38	436.59	1.95	164.77
GBP	2.15	215.66	1.47	146.32
CNY	2.50	3.04	-	-
Advance from overseas customer				
USD	1.77	144.90	0.47	35.35
EURO	0.20	17.72	0.00	0.05
GBP	-	-	0.01	0.62
Balance with banks				
USD	3.66	300.63	5.95	450.87

Foreign currency sensitivity- Impact on profit

Change in foreign exchange rates	March 31, 2023		March 31, 2022	
	5% increase	5% decrease	5% increase	5% decrease
USD	272.42	(272.42)	359.71	(359.71)
EURO	20.94	(20.94)	8.96	(8.96)
GBP	11.42	(11.42)	6.63	(6.63)

Foreign currency sensitivity-Impact on equity

The below table demonstrates the sensitivity to a 1% increase or decrease in the foreign currencies against, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 1% represents management's assessment of reasonably possible change in foreign exchange rate. 1% increase or decrease in foreign exchange rates will have the following impact on profit before tax per rupee:

Change in foreign exchange rates	March 31, 2023		March 31, 2022	
	5% increase	5% decrease	5% increase	5% decrease
USD	68.57	(68.57)	90.54	(90.54)
EURO	5.27	(5.27)	2.25	(2.25)
GBP	2.87	(2.87)	1.67	(1.67)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

51 Financial Instruments

A- Category wise classification of Financial Instruments

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVTPL	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI
Financial assets						
Investment						
Equity Instrument	-	19,136.04	-	0.60	17,547.25	-
Preference Shares	-	-	-	-	-	-
Trade receivables	-	82,405.59	-	-	75,575.90	-
Cash and cash equivalents	-	12,207.19	-	-	10,124.13	-
Bank balances other than above	-	921.87	-	-	889.60	-
Loans	-	2,226.34	-	-	2,426.34	-
Other financial assets	-	7,879.74	-	-	9,703.56	-
Total	**-**	**124,776.77**	**-**	**0.60**	**116,266.78**	**-**
Financial liabilities						
Borrowings	-	69,675.84	-	-	18,990.42	-
Lease liabilities	-	5,687.78	-	-	1,166.77	-
Trade payables	-	27,489.09	-	-	23,545.53	-
Other financial liabilities	-	20,674.47	-	-	10,571.31	-
Total	**-**	**123,527.18**	**-**	**-**	**54,274.03**	**-**

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	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial assets measured at fair value through profit and loss				
Investments				
Equity shares	-	0.60	-	0.60
Total	**-**	**0.60**	**-**	**0.60**

C- Fair value hierarchy

The following table provides fair value management hierarchy of the group₹s assets:

Particulars	Level 1	Level 2	Level 3
March 31, 2023			
Investment			
Equity share	-		-
Total	**-**		**-**
March 31, 2022			
Investment			
Equity share	-		-
Total	**-**		**-**

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.

Notes to the Consolidated Financial Statements

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(₹ in Lakhs unless otherwise stated)

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, 2023	For the year ended March 31, 2022
Fair Value	-	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 categorized under level 3		
Opening at the beginning of the year	-	0.60
Additions during the year	-	-
Gain/(Loss) recognized in OCI during the year	-	-
Closing at the end of the year	-	0.60

52 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 equivalents, deposits with banks, trade receivables, loans and other financial assets measured at amortized 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 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 & 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 analyze 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 Holding 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

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, 2023 and March 31, 2022.

(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 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 centralized 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

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, 2023	For the year ended March 31, 2022
Fixed rate borrowings	32,902.18	514.69
Variable rate borrowings	36,773.65	18,475.73
Total borrowings	**69,675.83**	**18,990.42**

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:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	5% increase	5% decrease	5% increase	5% decrease
Increase/ (decrease) in basis points	100	(100)	100	(100)
Effect on profit before tax (increase)/ decrease	367.74	(367.74)	184.76	(184.76)

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 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 Company's senior management on a regular basis. The Holding 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 ₹ NIL.
- 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 Company 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:

Particulars	As at March 31, 2023	As at March 31, 2022
Price sensitivity		
Price increase by (5%) - FVTPL	-	-
Price decrease by (5%) - FVTPL	-	-

(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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

An impairment analysis is performed at each reporting date on an individual basis for receivables and loans. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note below. The 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.

For trade receivables, as a practical expedient, the Group computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. The Group is using provison matrix of 0.20%, 15%, 25% 50% and 75% for ageing bucket of less than 6 months, 6 months to 1 year, 1 year to 2 year, 2 to 3 year and more than 3 year respectively. Further Group is using 70% ECL on disputed matters.

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 Holding Company's Board of Directors on an annual basis. The limits are set to minimize 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, 2023 and March 31, 2022 is the carrying amounts as illustrated in note below.

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets for which loss allowance is measured using 12 months expected credit losses (ECL)		
Non current financial assets		
Investment in joint venture	19,136.04	17,547.85
Investment in subsidiary	-	-
Investment in others	-	0.60
Others	3,252.08	5,851.20
Total	**22,388.12**	**23,399.65**
Current financial assets		
Cash and cash equivalents	12,207.19	10,124.13
Bank balances other than above	921.87	889.60
Loans	2,226.34	2,426.34
Others	4,627.66	3,852.36
Total	**19,983.06**	**17,292.43**
Financial assets for which loss allowance is measured using life time expected credit losses (LECL)		
Trade receivables	82,405.59	75,575.90
Total	**82,405.59**	**75,575.90**

Summary of change in loss allowances measured using ECL

Particulars	As at March 31, 2023	As at March 31, 2022
Opening allowance	**3,004.16**	**2,525.80**
Provided during the year	64.78	478.36
Amounts written-off	35.78	-
Closing allowance	**3,033.16**	**3,004.16**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

(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 summarizes 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, 2023:				
Term loans from banks	4,216.47	28,685.72	-	32,902.19
Short term borrowings	36,773.65	-	-	36,773.65
Trade payables	27,489.09	-	-	27,489.09
Lease liability	1,169.00	1,184.94	5.19	2,359.13
Other financial labilities	20,652.14	22.33	-	20,674.47
Total	**90,300.35**	**29,892.99**	**5.19**	**120,198.53**
As at March 31, 2022:				
Term loans from banks	12.50	502.19	-	514.69
Short term borrowings	18,475.73	-	-	18,475.73
Trade payables	23,545.53	-	-	23,545.53
Lease liability	346.35	814.18	6.23	1,166.77
Other financial labilities	10,562.41	8.90	-	10,571.31
Total	**52,942.52**	**1,325.27**	**6.23**	**54,274.04**

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.

Collateral

The Group has created a charge in favor of the lenders for loans and borrowings (Refer note-17 and 23 on Borrowings for details).

53 (I) Defined Benefit Plan

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident fund	681.72	614.21

(II) Post-employment benefit plans

Particulars	As at March 31, 2023	As at March 31, 2022
Gratuity (funded)	204.36	(26.05)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

The Group has a defined benefit plans for Gratuity, Provident Fund and Leave Encashment. For provident fund, Group makes contribution to provident fund trust. Gratuity plan is funded with LIC and requires contributions to be made to a separate fund administered by LIC. Leave encashment liability of the Group is unfunded. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

Each year, the Board of Trustees reviews the level of funding in the Gratuity plan and Provident fund. Such a review includes the asset-liability matching strategy and investment risk management policy. The Board of Trustees decides its contribution based on the results of this annual review. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The following tables summaries the gratuity components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for the respective plans.

i Changes in present value of defined benefit obligation

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation as at beginning of the year	3,963.93	3,692.85
Interest cost	284.60	251.11
Current service cost	236.91	207.26
Benefits paid	(227.09)	(126.64)
Actuarial (gain)/loss recognized in other comprehensive income	228.35	(60.65)
- changes in financial assumption	(48.48)	(104.09)
- experience adjustment	276.83	43.44
Present value of obligation as at end of the year	**4,486.70**	**3,963.93**

ii. Reconciliation of the present value of plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	3,989.98	3,522.07
Return on plan assets recognized in total other comprehensive income	265.33	222.64
Contribution paid into the plan	254.13	371.91
Benefits paid	(227.09)	(126.64)
Balance at the end of the year	4,282.35	3,989.98
Net defined benefit liability / (asset)	**204.35**	**(26.05)**

iii. Net asset / (liability) recognized in the Consolidated balance sheet

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation at the end	4,486.70	3,963.93
Fair value of plan assets	4,282.35	3,989.98
Net (Unfunded liability) /assets in Consolidated balance sheet	**(204.35)**	**26.05**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

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, 2023	As at March 31, 2022
Discounting rate	7.38	7.18
Future salary increase	5.50	5.50

B. Demographic assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
i) Retirement age	58/59/60/62/64/65/72/82	58/60/80
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 recognized in the Consolidated statement of profit or loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employee benefit expenses:		
(a) Current service cost	236.91	207.26
(b) Interest cost	284.62	251.12
(c) Interest income on plan assets	(286.48)	(239.50)
	235.05	**218.88**

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for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

v (b) Remeasurements recognized in other comprehensive income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial gain/(loss) on defined benefit obligation	(228.35)	60.65
Actuarial gain/(loss) on plan assets	(21.15)	(16.87)
	(249.50)	**43.78**
Expense recognized in the Consolidated statement of profit and loss	**484.55**	**175.09**

vi. Reconciliation of statement of expense in the Consolidated statement of profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of obligation as at the end of the year	4,486.70	3,963.93
Present value of obligation as at the beginning of the year	(3,963.93)	(3,692.85)
Benefits paid	227.09	126.64
Actual return on plan assets	(265.32)	(222.63)
Expense recognized in the Consolidated statement of profit and loss	**484.54**	**175.09**

vii. Change in fair value of plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Opening fair value of plan assets	3,989.98	3,522.07
Actual return on plan assets	265.33	222.64
Fund charges	-	-
Contribution by employer	254.13	371.91
Benefits paid	(227.09)	(126.64)
Fair value of plan assets as at year end	**4,282.35**	**3,989.98**

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, 2023	608.31	1472.54	435.99	1969.87
March 31, 2022	549.79	158.20	368.29	2887.65

ix. Bifurcation of closing net liability at the end of year

Particulars	As at March 31, 2023	As at March 31, 2022
Current liability (amount due within one year)	608.30	549.79
Non-current liability (amount due over one year)	3,878.40	3,414.14
Total	**4,486.70**	**3,963.93**

x. Investment details of plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Insurance products	100%	100%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

xi. Expected contribution for the next Annual reporting period

Particulars	As at March 31, 2023	As at March 31, 2022
Service cost	250.78	186.97
Net Service cost	15.08	(1.88)
Expected expense for the next Annual reporting period	265.86	185.09

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, 2023	As at March 31, 2022
Present value of obligation at the end of the year		
a) Impact due to increase of .50%	(117.52)	(126.33)
b) Impact due to decrease of .50%	124.24	138.99

Impact of the change in salary on defined benefit obligation

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation at the end of the year		
a) Impact due to increase of .50%	125.90	140.61
b) Impact due to decrease of .50%	(120.10)	(128.83)

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 recognized 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.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

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.

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

Particulars	As at March 31, 2023	As at March 31, 2022
Movement of loans and advances:		
i) In the form of unsecured short-term Inter corporate deposits *		
Opening balance	**2,426.34**	**2,688.68**
Given during the year	-	-
Received / adjusted during the year	(200.00)	(262.34)
Closing balances (refer note 11)	**2,226.34**	**2,426.34**

* All loans are given to unrelated entities at interest rates ranging from 10% to 12% per annum. All the loans are provided for business purposes of respective entities. Further, the Group has not invested, granted a loan, or issued a guarantee covered under Section 186(3) of the Companies Act, 2013.

55 Additional information pursuant to Schedule III to the Companies Act, 2013 as at and for the year ended March 31, 2023

A Summarised financial information of joint venture that is material to the Group:

Name of Entity	Principal activity	Principal place of business	As at March 31, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
Non current Asset	54,228.96	37,428.04
Current Assets	24,336.18	19,155.61
Total Asset	**78,565.14**	**56,583.65**
Non current liabilities	15,612.54	5,817.81
Current liabilities	10,331.36	2,556.22
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 (refer note 11)	**2,426.34**	**2,688.68**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

ii. Summarised statement of profit and loss

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue	45,500.34	35,374.60
Total comprehensive income		
Net profit	4,438.81	4,079.17
Other comprehensive income	(27.18)	(0.28)
Total	**4,411.63**	**4,078.89**

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, 2023	As at March 31, 2022
Opening net assets	48,744.03	45,665.14
Add: shares issued during the year	-	-
Total net asests available to equity holders	**48,744.03**	**45,665.14**
Add: Profit during the year	4,438.81	4,079.17
Add: other comprehensive income/(loss) during the year	(27.18)	(0.28)
Less: Dividend paid	-	(1,000.00)
Closing net asests available to equity holders	**53,155.66**	**48,744.03**
Group's share in %	36%	36%
Group's share in ₹	**19,136.04**	**17,547.85**
Investment in 10% cumulative, non-convertible preference shares	-	-
Carrying value of investment accounted for using equity method	**19,136.04**	**17,547.85**

iv. Contingent liabilities, commitments and other claims

a Capital commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	154.86	4,712.33
Total	**154.86**	**4,712.33**

b Contingent liabilities and other claims

i) Claims against the Joint venture, not acknowledged as debts

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Disputed VAT/MVAT/CST matters under appeal	-	663.06
(b) Disputed delayed water charges levied by MIDC (pending before Hon'le Supreme Court of India)	75.91	75.94
(c) Transport/ fee on molasses*	39.13	39.13
	115.04	**778.13**

*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.

Notes to the Consolidated Financial Statements

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(₹ in Lakhs unless otherwise stated)

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.

B Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

For the Year ended 31 March 2023

Name of entity Consolidated	Net Assets i.e. total asset minus total liabilities		Share in profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated net asset	Amount	As % of Consolidated net profit	Amount	As % of Consolidated net profit	Amount	As % of Consolidated net profit	Amount
Parent Company								
Radico Khaitan Limited	97.47%	215,201.26	92.77%	20,442.17	95.02%	(186.71)	92.75%	20,255.46
Subsidiaries								
Radico Spiritzs India Private Limited	0.00%	(3.02)	0.00%	(1.09)	0.00%	-	-0.01%	-1.09
Step Down Subsidiaries								
Accomreal Builders Private Limited	0.00%	0.99	0.00%	0.12	0.00%	-	0.00%	0.12
Compaqt Era Builders Private Limted	0.00%	0.93	0.00%	0.09	0.00%	-	0.00%	0.09
Destihomz Buildwell Private Limted	0.00%	0.89	0.00%	0.07	0.00%	-	0.00%	0.07
Equibuild Realtors Private Limited	0.00%	1.99	0.01%	1.26	0.00%	-	0.01%	1.26
Proprent Era Estates Private Limted	0.00%	0.95	0.00%	0.13	0.00%	-	0.00%	0.13
Binayah Builders Private Limited	0.00%	0.88	0.00%	0.06	0.00%	-	0.00%	0.06
Firstcode Reality Private Limted	0.00%	0.76	0.00%	(0.05)	0.00%	-	0.00%	-0.05
Join Venture								
Radico NV Distilleries Maharastra Limited	8.67%	19,136.04	7.25%	1,597.97	4.98%	(9.78)	7.27%	1,588.19
Consolidation adjusments		(13,552.14)		-5.60		-		-5.60
		220,789.53		**22,035.13**		**(196.49)**		**21,838.64**

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for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

For the Year ended 31 March 2022

Name of entity Consolidated	Net Assets i.e. total asset minus total liabilities		Share in profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated net asset	Amount	As % of Consolidated net profit	Amount	As % of Consolidated net profit	Amount	As % of Consolidated net profit	Amount
Parent Company								
Radico Khaitan Limited	89.99%	198,680.58	114.44%	25,216.32	-16.67%	32.76	115.62%	25,249.08
Subsidiaries								
Radico Spiritzs India Private Limited	0.00%	(1.92)	0.00%	(0.78)	0.00%	-	0.00%	(0.78)
Step Down Subsidiaries								
Accomreal Builders Private Limited	0.00%	0.87	0.00%	(0.13)	0.00%	-	0.00%	(0.13)
Compaqt Era Builders Private Limted	0.00%	0.84	0.00%	(0.16)	0.00%	-	0.00%	(0.16)
Destihomz Buildwell Private Limted	0.00%	0.82	0.00%	(0.18)	0.00%	-	0.00%	(0.18)
Equibuild Realtors Private Limited	0.00%	0.73	0.00%	(0.27)	0.00%	-	0.00%	(0.27)
Proprent Era Estates Private Limted	0.00%	0.82	0.00%	(0.18)	0.00%	-	0.00%	(0.18)
Binayah Builders Private Limited	0.00%	0.82	0.00%	(0.18)	0.00%	-	0.00%	(0.18)
Firstcode Reality Private Limted	0.00%	0.82	0.00%	(0.18)	0.00%	-	0.00%	(0.18)
Join Venture								
Radico NV Distilleries Maharastra Limited	7.95%	17,547.85	6.66%	1,468.50	0.05%	(0.10)	6.72%	1,468.40
Consolidation adjusments		(13,546.53)		(360.00)		-		(360.00)
		202,685.68		**26,322.75**		**32.66**		**26,355.41**

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 maximize the shareholder's wealth.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital employed as well as the level of dividend to shareholders.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a debt equity ratio, which is net debt divided by total capital.

The Group's debt equity ratio was as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings	69,675.84	18,990.42
Equity capital	2,673.48	2,673.48
Other equity	218,116.05	200,012.20
Total equity	**220,789.53**	**202,685.68**
Debt equity ratio	31.56%	9.37%

Notes to the Consolidated Financial Statements

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(₹ in Lakhs unless otherwise stated)

57 Details of dues to micro, small and medium enterprises as defined under MSMED Act 2006

Particulars	Level 1	As at March 31, 2023	As at March 31, 2022
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-Principal	3,561.34	4,316.81
	-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 Group

58 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, 2023	For the year ended March 31, 2022
Contracted Price	332,384.94	303,020.37
Add: Excise duty	960,109.50	960,248.83
Less: Discount and rebates, etc.	(21,943.13)	(19,343.58)
Sale of products	**1,270,551.31**	**1,243,925.62**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

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, 2023	For the year ended March 31, 2022
i) Revenue from operations		
Alcohol and other alcoholic products	302,223.13	278,337.36
Pet bottles and caps	3,787.16	3,064.76
Jaivik khad	529.83	416.61
Printed bottles	863.90	178.83
Trading of products	418.41	669.03
Royalty income	2,619.38	1,010.20
Add: Excise duty collected from customer	960,109.50	960,248.83
Operating revenue	**1,270,551.31**	**1,243,925.62**
ii) Other operating income	**3,839.77**	**3,124.59**
Total revenue covered under Ind AS 115	**1,274,391.08**	**1,247,050.21**

C. Contract balances

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
The following table provides information about receivables and contract liabilities from contract with customers:		
Contract liabilities		
Advance from consumers	8,533.17	6,799.08
Total	**8,533.17**	**6,799.08**
Receivables		
Trade receivables	85,602.50	78,580.06
Less : Allowances for expected credit loss	(3,196.91)	(3,004.16)
Net receivables	**82,405.59**	**75,575.90**

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.

In Accordance of Ind AS 115, the timming of recognition of revenue for the Group is at a point in time.

The amounts receivable from customers become due after expiry of credit period which on an average ranges between 30-90 days.

D. Significant changes in the contract liabilities balances during the year are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	**6,799.08**	**5,642.88**
Addition during the year	8,533.17	6,799.08
Revenue recognized during the year	(6,799.08)	(5,642.88)
Closing balance	**8,533.17**	**6,799.08**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

59 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 1, 2021	**153.51**	**27,309.04**	**1,484.24**	**28,946.79**
Recognition of lease liabilities (including current)	-	-	313.89	313.89
Repayment (including current maturities)	(138.82)	(8,820.81)	(631.36)	(9,590.99)
Proceeds from current borrowings (net)	500.00	-	-	500.00
Net debt as at March 31, 2022	**514.69**	**18,488.23**	**1,166.77**	**20,169.69**
Recognition of lease liabilities (including current)	-	-	5,337.19	5,337.19
Repayment of long term borrowings (excluding current maturities of long term borrowing) (net)	(12.50)	-	(816.18)	(828.68)
Proceeds from long term borrowings (net)	32,959.74		-	32,959.74
Proceeds from short term borrowings (net)		18,285.42		18,285.42
Net debt as at March 31, 2023	**32,902.19**	**36,773.65**	**5,687.78**	**75,363.62**

*including current maturities of long term borrowings

60 Ageing schedule for capital work in progress

As at March 31, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	32,261.94	286.41	16.23	-	32,564.58
Projects temporarily suspended	-	-	-	-	-
Total	**32,261.94**	**286.41**	**16.23**	**-**	**32,564.58**

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**

There is no project during the year whose completion is overdue or has exceeded its cost compared to its original plan .

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

61 Ageing schedule of trade receivables

As at March 31, 2023

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	77,214.59	1,902.40	2,011.94	160.58	750.04	82,039.55
Undisputed trade receivables – credit impaired	52.97	256.85	215.43	117.17	1,875.52	2,517.94
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	366.04	366.04
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	678.95	678.95
	77,267.56	**2,159.25**	**2,227.37**	**277.75**	**3,670.55**	**85,602.48**
Allowance for expected credit losses	52.97	256.85	215.43	117.17	2,554.47	3,196.89
Total	**77,214.59**	**1,902.40**	**2,011.94**	**160.58**	**1,116.08**	**82,405.59**

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	312.75	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**	**522.70**	**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**	**312.75**	**1,082.75**	**75,575.90**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

62 Ageing schedule of trade payables

As at March 31, 2023

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)	-	3,561.34	-	-	-	3,561.34
Others than Micro and small enterprises	2,971.59	20,500.43	205.64	242.23	7.86	23,927.75
Disputed Dues (MSME)	-	-	-	-	-	-
Disputed Dues (Others)	-	-	-	-	-	-
Total	**2,971.59**	**24,061.77**	**205.64**	**242.23**	**7.86**	**27,489.09**

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	3,501.34	15,438.93	53.12	94.67	140.67	19,228.73
Disputed Dues (MSME)	-	-	-	-	-	-
Disputed Dues (Others)	-	-	-	-	-	-
Total	**3,501.34**	**19,755.74**	**53.12**	**94.67**	**140.67**	**23,545.54**

63 Details of promoter shareholding

Name of promoter	As at March 31, 2023			As at March 31, 2022		
	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	33.95%	-
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**	**40.27%**	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs unless otherwise stated)

64 Intangible assets under development:

a) For Intangible assets under development, following ageing schedule shall be given

Intangible assets under development	Year Ended 31st March 2023				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	-	-	-	-	-

Intangible assets under development	Year Ended 31st March 2023				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	-	-	-	-	-

There is no project during the year whose completion is overdue or has exceeded its cost compared to its original plan.

65 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 'Willful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful 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:

   i. 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:

   ii. 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 entity(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, 2023

(₹ 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.

n. The Holding Company has been sanctioned a working capital limit in excess of ₹ 5 crore by banks 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 Holding Company with such banks and such returns/statements are in agreement with the books of account of the Holding Company for the respective periods.

66 Figures of Previous year figures have been regrouped, wherever necessary. The impact of the same is not material to the user 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 25, 2023

For and on behalf of 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)

Place: New Delhi
Date : May 25, 2023

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, REMUNERATION AND COMPENSATION COMMITTEE

Dr. Raghupati Singhania
Chairman

Mr. Sharad Jaipuria
Member

Mr. Tushar Jain
Member

STAKEHOLDER'S RELATIONSHIP COMMITTEE

Mr. Sharad Jaipuria
Chairman

Mr. Krishan Pal Singh
Member

Mr. Sarvesh Srivastava
Member

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Tushar Jain
Chairman

Mr. Abhishek Khaitan
Member

Ms. Sushmita Singha
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. Krishan Pal 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

State Bank of India
Punjab National Bank
Axis Bank
HDFC Bank
ICICI Bank
IDBI Bank
Kotak Mahindra Bank

REGISTERED OFFICE

Rampur Distillery Bareilly Road
Rampur - 244 901 Uttar Pradesh

CORPORATE OFFICE

Plot 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 - Kanduni,
Block/ Tehsil – Biswan
Sidhauli – Biswan Road
District - Sitapur - 261 145
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. Ranga Reddy, Mahbubnagar,
Telangana, Hyderabad.

44 KM Stone,
Delhi Rohtak Road Village & Post
Rohad, Bahadurgarh,
Dist. Jhajjar - 124 507 Haryana

LACP

2021/22 VISION AWARDS

ANNUAL REPORT COMPETITION

Radico Khaitan Limited

Wyatt Prism Communications

is presented with the

Platinum Award

for excellence within its industry on the development of the organization's annual report for the past fiscal year.

Tyson Heyn
Principal

Christine Kennedy
Competition Director

LEAGUE OF AMERICAN COMMUNICATIONS PROFESSIONALS
COMPETITION LACP WINNER

1203

LACP

2021/22 VISION AWARDS

ANNUAL REPORT COMPETITION

Radico Khaitan Limited

Wyatt Prism Communications

is recognized for developing one of the

Top 100 Reports Worldwide

ranking at #21 among all reports reviewed for the past fiscal year.

Tyson Heyn
Principal

Christine Kennedy
Competition Director

LEAGUE OF AMERICAN COMMUNICATIONS PROFESSIONALS
COMPETITION LACP WINNER

1203

Radico

SPIRIT OF EXCELLENCE

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