



28th May, 2020

To Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers Dalal Street <u>Mumbai – 400 001.</u>	To National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor Plot no. C/1, G Block Bandra-Kurla Complex, Bandra (E) <u>Mumbai – 400 051.</u>
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Sub: Earning presentation

Dear Sir,

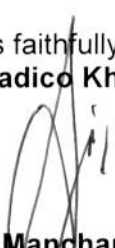
Please find enclosed herewith a copy of Earning release incorporating quarterly results for the 4th Quarter ended 31st March, 2020 as approved in the meeting of the Board of Directors held on Thursday, 28th May, 2020 at 12 Noon through Video Conferencing.

Further the said earning release presentation will be uploaded on the Company's website i.e. www.radicokhaitan.com

Kindly take the same on record.

Thanking you,

Yours faithfully,
for Radico Khaitan Limited


Amit Manchanda
Vice President – Legal &
Company Secretary
Membership No. FCS 6615

Encl.: As above.

Radico Khaitan Limited

Plot No. J-1, Block B-1, Mohan Co-op. Industrial Area
Mathura Road, New Delhi-110044
Ph : (91-11) 4097 5444/555 Fax: (91-11) 4167 8841-42
Registered Office : Bareilly Road, Rampur-244901 (U.P.)
Phones : 0595-2350601/2, 2351703 Fax : 0595-2350009
e-mail : info@radico.co.in, website : www.radicokhaitan.com
CIN No. L26941UP1983PLC027278



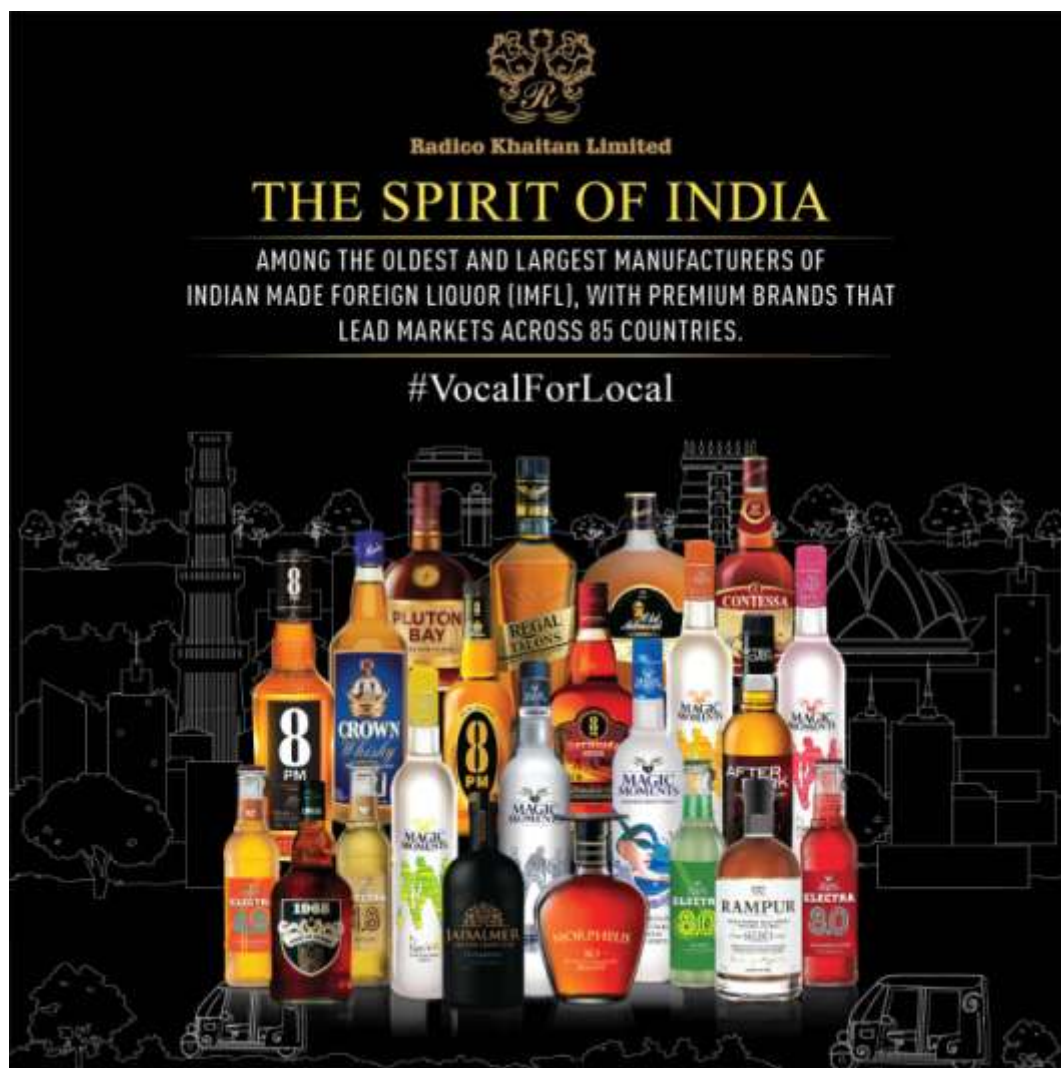
Radico Khaitan Ltd.

(BSE: 532497; NSE: RADICO)

Earnings Presentation

Q4 and Full Year FY2020

Recent Branding and Marketing Campaigns



FY2020 Performance Highlights

Continued strong operational performance and robust top line growth

Total IMFL Volume

Increased
12.5% 
to 24.30 Million Cases

Prestige & Above Volume

Increased
15.2% 
to 7.05 Million Cases

Regular & Others Volume

Increased
11.4% 
to 17.25 Million Cases

Revenue from Operations (Net)

Increased
15.7% 
to ₹ 2,427.04 Crore

Gross Profit*

Increased
11.1% 
to ₹ 1,179.83 Crore

Adjusted EBITDA**

Increased
5.4% 
to ₹ 368.19 Crore

Total Comprehensive Income

Increased
20.0% 
to ₹ 224.80 Crore

Note: All numbers above are on Standalone basis for FY2020 and Y-o-Y comparison

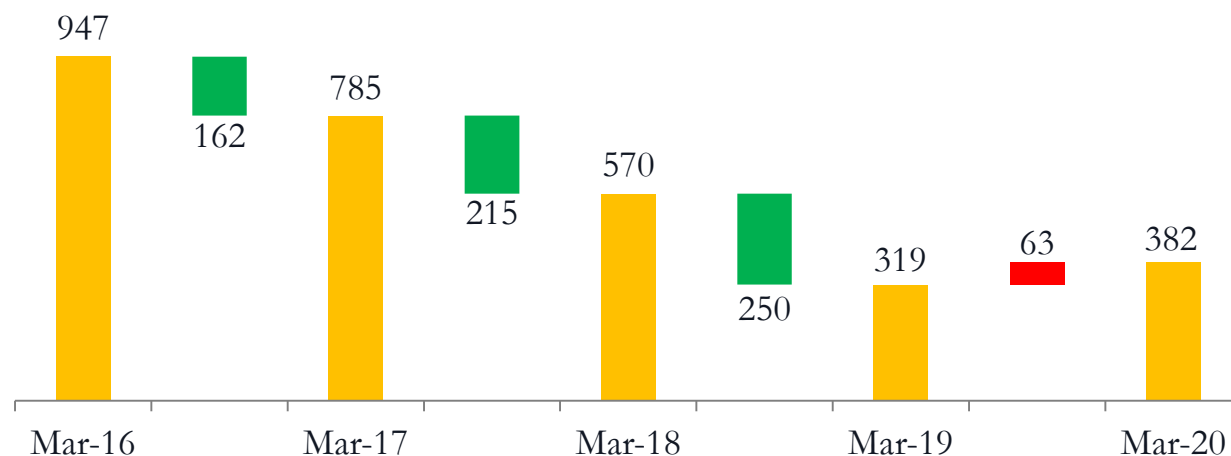
* Gross Profit adjusted for the excise duty component on the finished stock of country liquor transferred to depot as per Ind AS accounting treatment

** EBITDA for 12M FY2020 adjusted for ₹ 24.17 Crore pertaining to exceptional items

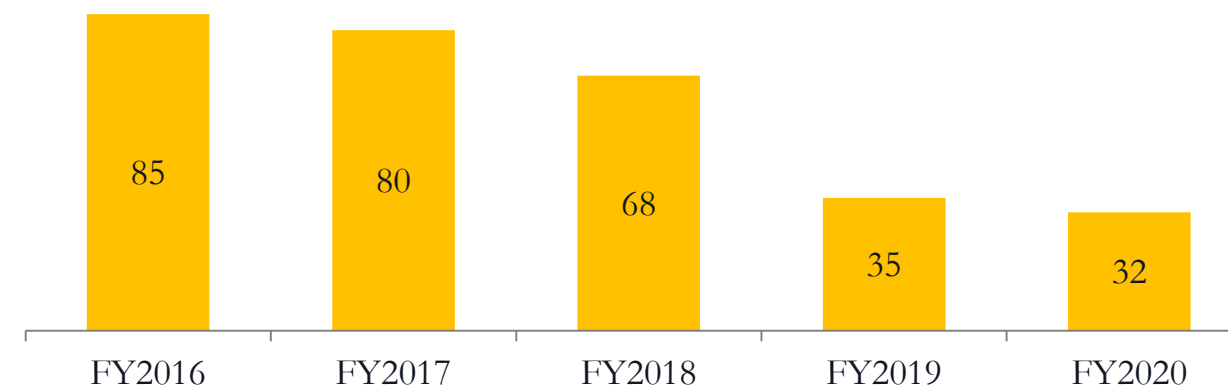
FY2020 Performance Highlights

Leverage and Return Ratios

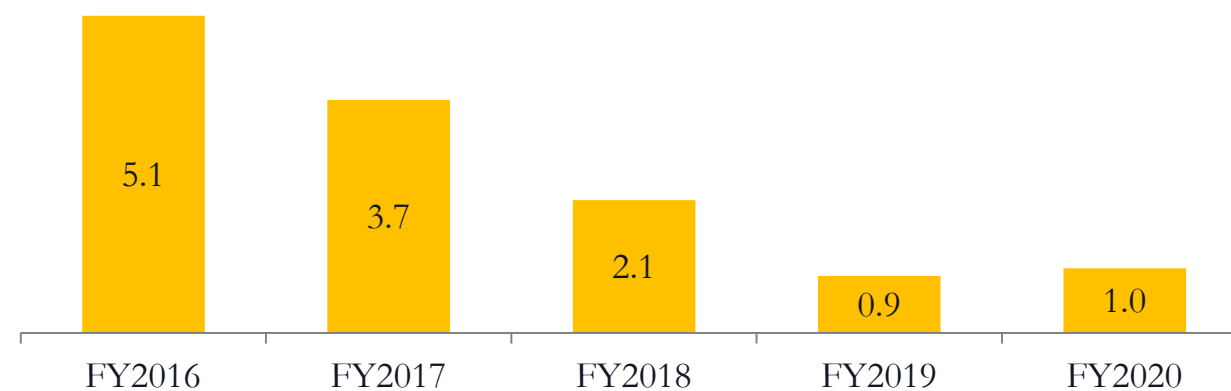
Net Debt Position (₹ Crore)



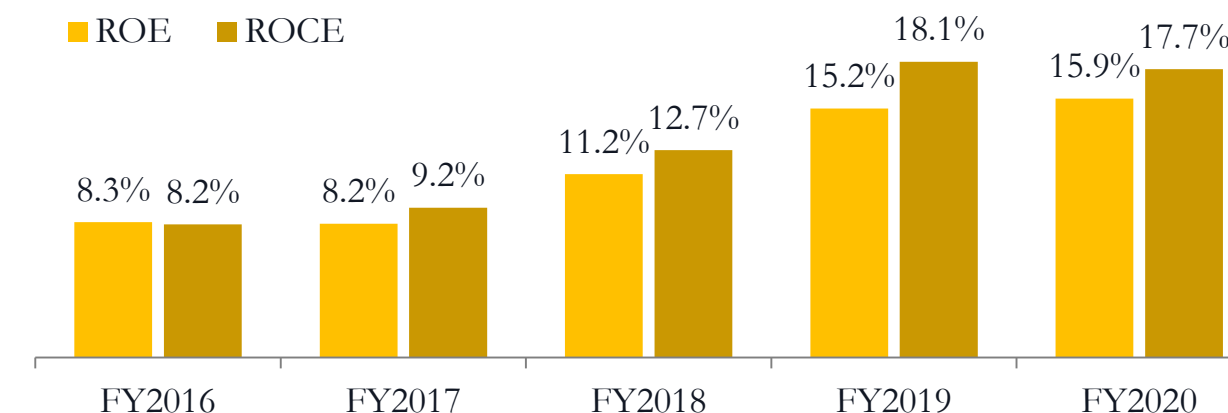
Annual Interest Cost (₹ Crore)



Net Debt / EBITDA (x)



Return on Equity (ROE) and Return on Capital Employed (ROCE)



ROE: Total Comprehensive Income / Average Shareholders Equity
 ROCE: Adjusted EBIT / Average Capital Employed
 Capital Employed: Shareholders Equity + Total Debt

FY2020 Performance Highlights

Continued strong top line growth

Q4 FY2020 vs. Q4 FY2019

- Total IMFL volume of 5.82 Million Cases (+13.1%)
- Prestige & Above brands volume of 1.53 Million Cases (+11.3%)
- Prestige & Above brands contribution to the total IMFL volumes of 26.4% (vs. 26.8% last year)
- Revenue from Operations (Net) of ₹ 585.36 Cr (+14.8%)
- Gross Margin* declined from 52.6% to 48.6% due to input cost pressures offset to a certain extent by product mix changes
- EBITDA** of ₹ 79.61 Cr (+9.6%)
- EBITDA** margin declined from 14.2% to 13.6%
- Interest costs increased from ₹ 7.73 Cr to ₹ 8.46 Cr
- Total Comprehensive Income of ₹ 36.44 Cr (-8.1%)

12M FY2020 vs. 12M FY2019

- Total IMFL volume of 24.30 Million Cases (+12.5%)
- Prestige & Above brands volume of 7.05 Million Cases (+15.2%)
- Prestige & Above brands contribution to the total IMFL volumes of 29.0% (vs. 28.3% last year)
- Revenue from Operations (Net) of ₹ 2,427.04 Cr (+15.7%)
- Gross Margin* declined from 50.6% to 48.6% due to input cost pressures offset to a certain extent by product mix changes
- EBITDA** of ₹ 368.19 Cr (+5.4%)
- EBITDA** margin declined from 16.7% to 15.2%
- Reduction in interest costs from ₹ 35.48 Cr to ₹ 31.61 Cr
- Total Comprehensive Income of ₹ 224.80 Cr (+20.0%)
- Dividend of 100% or ₹ 2/share (up from 60% or ₹ 1.2/share)

Above financials are on Standalone basis

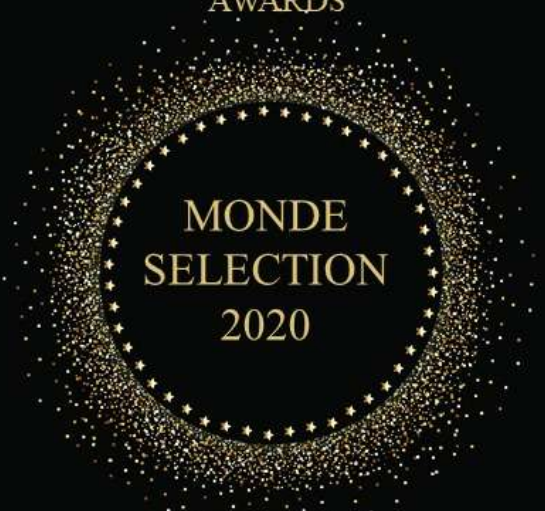
* Gross Profit adjusted for the excise duty component on the finished stock of country liquor transferred to depot as per Ind AS accounting treatment

** EBITDA for 12M FY2020 adjusted for ₹ 24.17 Crore pertaining to exceptional items: Write off of debtors in Bihar of ₹ 8.56 Crore in Q4 FY2020; ₹ 8.59 Crore paid under the SV Scheme during Q3 FY2020 and Environmental Compensation of ₹ 7.02 Crore paid during H1 FY2020. SV Scheme is Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 which became effective from September 2019 as per the Finance Act, 2019

Awards and Achievements

Radico Khaitan crossed a number of milestones

PROUD WINNERS AT THE GLOBAL AWARDS






Brand Name	Awards
Jaisalmer Indian Craft Gin	Grand Gold
8PM Premium Black Whisky	Gold
Morpheus Blue XO Premium Brandy	Gold
1965 Spirits of Victory Premium XXX Rum	Gold
Whytehall Premium Brandy	Gold
Magic Moments Verve Premium Vodka	Gold
Magic Moments Verve Premium Green Apple Vodka	Gold
Magic Moments Verve Premium Oranges Vodka	Gold
Magic Moments Grapefruit & Watermelon Flavoured Vodka	Gold
Magic Moments Cucumber & Wild Green Lemon Flavoured Vodka	Silver

Monde Selection Awards 2020:
Received one Grand Gold and eight Golds



Radico Khaitan is ranked the NO. 1 MIDCAP COMPANY AS PER FORTUNE INDIA NEXT 500

India's Top Midsize Companies

We would like to extend our hearty thanks to all our employees, investors and stakeholders for helping us accomplish such a feat. This would not have been possible without your continuous efforts and support.

Cheers!

Tops Fortune India's 'The Next 500' 2020 Rankings



10 MILLION REASONS TO CELEBRATE YOUR BIRTHDAY

THE 8PM FAMILY HAS SOLD OVER 10 MILLION CASES. THE PERIODS HAVE BEEN SPENT THE DAY AND THE CREDIT FOR THIS GREAT SUCCESS GOES TO YOUR OUTSTANDING TEAM AND HEADQUARTERS!

A BIG THANK YOU & A VERY Happy Birthday!

8PM family of brands crosses 10 million cases mark

COVID-19 Measures, Impact and Position

Resilient capital structure and robust brand portfolio to enable Radico Khaitan step towards a brighter and healthier future

Measures

- A global health calamity and economic crisis; Nationwide lockdown brought businesses to a halt and disrupted the economy
- Implemented employee health and safety measures in line with health authorities' guidelines at all our office and factory premises
- Manufacturing of ENA partially operational and IMFL bottling fully suspended from 24-March to 4-May
- Started production of sanitizers to support the nation's fight against Coronavirus
- Driving agility and responsiveness across the value chain
- Developed a company wide policy framework to reflect how systems and processes need to change post COVID-19

Impact

- Zero IMFL sales during the month of April 2020
- Recovery expected after lockdown relaxation from May 4, 2020
- Near term uncertainty on the control of virus infection
- Closely monitoring the situation and invoked crisis management actions to ensure the safety and security of the team as well as uninterrupted operations
- Regular review of cash flows and liquidity

Position

- Continued strong operational performance with double digit volume growth
- Solid balance sheet position with Net Debt of ₹ 382.04 Crore and comfortable Net Debt / EBITDA ratio of 1.04x
- Higher working capital due to receivables build up with certain corporation markets but no counterparty risks
- All capex and costs are being reviewed to ensure optimization during this time period

Commenting on the results and performance, Dr. Lalit Khaitan, Chairman & Managing Director said:

“I am pleased to report that Radico Khaitan has closed the financial year FY2020 with a remarkable operational and financial performance, especially in the context of the current pandemic and its affect on the global economies. Despite the lock down during the later part of March 2020, we have delivered a robust double digit IMFL volume growth. This is a reflection of our strong brand equity and consumer focused brand portfolio. Management continues to make strategic and highly targeted investments in innovative marketing and products to gain market share. I am confident that we will continue to outperform the industry and strengthen our market positioning in the years to come.

The country was under lock down for the entire month of April 2020 and it certainly has impacted all sectors of the economy. We believe it is a temporary phase for our business and after the lockdown is over, we shall return to normalcy soon.

In a period of crisis like this, Radico Khaitan stands in solidarity with the nation and we are humbled to have been able to make our small contribution to the nation’s fight against Coronavirus. In addition to cash contributions, we continue to supply sanitizer to various district administrations in UP and other government agencies.

We continue to evaluate the impact of this pandemic on our business and remain cautiously optimistic. We have a resilient capital structure and robust brand portfolio to enable us to step towards a brighter and healthier future once this is over.”

Commenting on the results and performance, Mr. Abhishek Khaitan, Managing Director said:

“Radico Khaitan has continued the growth momentum during FY2020. Despite the ongoing economic crisis, we are pleased to deliver IMFL volume growth of 12.5%, led by Prestige & Above volume growth of 15.2%. Net Revenue from Operations during FY2020 increased by 15.7%.

As you are aware that we currently have four millionaire brands. At least two more of our brands are approaching the milestone of annual sales of a million case in the near to mid term. I am also proud to report that the 8PM family of brands has crossed volume of 10 million cases during FY2020.

The current COVID-19 crisis is unprecedented and at the same time there is a lot of uncertainty around the timing of recovery from this situation. Therefore it is even more difficult to ascertain its impact on the industry as a whole and our business. We are adopting a deliberate and prudent approach to our strategy and it will have a similar ring to those who have seen Radico Khaitan consolidate and grow holistically over the last decade.

As we move into FY2021, we will continue to take necessary steps to maintain our robust foundation and financial strength whilst at the same time delivering differentiated consumer experience. We remain confident of our ability to deliver long term value to all our stakeholders.”

Performance Overview

	Q4		y-o-y	Twelve Month		y-o-y
	FY2020	FY2019	Growth (%)	FY2020	FY2019	Growth (%)
Operational Performance (Million Cases)						
Prestige & Above	1.53	1.38	11.3%	7.05	6.12	15.2%
Regular & Others	4.28	3.76	13.8%	17.25	15.48	11.4%
Total Volume	5.82	5.14	13.1%	24.30	21.61	12.5%
<i>Prestige & Above as % of Total</i>	26.4%	26.8%		29.0%	28.3%	
Financial Performance (₹ Crore)						
Revenue from Operations (Gross)	2,209.11	1,978.26	11.7%	9,417.89	8,058.00	16.9%
Revenue from Operations (Net)	585.36	509.98	14.8%	2,427.04	2,096.95	15.7%
Gross Profit ¹	284.42	268.27	6.0%	1,179.83	1,061.52	11.1%
<i>Gross Margin (%)</i>	48.6%	52.6%		48.6%	50.6%	
EBITDA ²	79.61	72.61	9.6%	368.19	349.23	5.4%
<i>EBITDA Margin (%)</i>	13.6%	14.2%		15.2%	16.7%	
Total Comprehensive Income ³	36.44	39.68	(8.1)%	224.80	187.35	20.0%
<i>Total Comprehensive Income Margin (%)</i>	6.2%	7.8%		9.3%	8.9%	
Basic EPS (₹)	2.89	2.93	(1.4)%	17.05	14.10	20.9%

Above financials are on Standalone basis

1. Gross Profit adjusted for the excise duty component on the finished stock of country liquor transferred to depot as per Ind AS accounting treatment
2. EBITDA for 12M FY2020 adjusted for ₹ 24.17 Crore pertaining to exceptional items: Write off of debtors in Bihar of ₹ 8.56 Crore in Q4 FY2020; ₹ 8.59 Crore paid under the SV Scheme during Q3 FY2020 and Environmental Compensation of ₹ 7.02 Crore paid during H1 FY2020. SV Scheme is Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 which became effective from September 2019 as per the Finance Act, 2019
3. Total Comprehensive Income for 12M FY2020 would have been higher by ₹ 24.17 Crore pertaining to exceptional items (subject to applicable tax rate)

Performance Overview*

(Rs. Crore)	Q4		y-o-y	Twelve Month		y-o-y
	FY2020	FY2019	Growth (%)	FY2020	FY2019	Growth (%)
Gross Sales	2,209.11	1,978.26	11.7%	9,417.89	8,058.00	16.9%
Revenue from Operations	585.36	509.98	14.8%	2,427.04	2,096.95	15.7%
Other Income	2.18	3.59	(39.4)%	9.19	13.29	(30.9)%
Income from Operations	587.53	513.58	14.4%	2,436.23	2,110.23	15.4%
Raw Materials Consumed	300.93	241.71	24.5%	1,247.21	1,035.43	20.5%
Excise Duty on Finished Goods	5.95	(6.37)		8.46	(21.10)	
Employee Benefit	47.97	45.14	6.3%	186.08	171.38	8.6%
Selling & Distribution	78.79	79.91	(1.4)%	311.25	297.23	4.7%
Depreciation	13.40	10.86	23.3%	52.53	42.44	23.8%
Interest	8.46	7.73	9.4%	31.61	35.48	(10.9)%
Other Operating Expenses	69.43	77.93	(10.9)%	302.23	263.67	14.6%
Total Expenses	524.92	456.92	14.9%	2,139.37	1,824.52	17.3%
Profit Before Exceptional Item & Tax	62.62	56.66	10.5%	296.85	285.71	3.9%
Exceptional Item	(8.56)	0.00		(24.17)	0.00	
Profit Before Tax	54.05	56.66	(4.6)%	272.69	285.71	(4.6)%
Current Tax	13.90	6.41		70.95	85.73	
Deferred Tax	1.71	11.19		(25.76)	11.91	
Net Profit	38.45	39.05	(1.6)%	227.50	188.06	21.0%
Net Income Margin (%)	6.6%	7.7%		9.4%	9.0%	
Other Comprehensive Expenses / (Income)	2.00	(0.62)		2.70	0.72	
Total Comprehensive Income	36.44	39.68	(8.1)%	224.80	187.35	20.0%
Total Comprehensive Income Margin (%)	6.2%	7.8%		9.3%	8.9%	

* Refer to notes on the previous slide

FY2020 Highlights (Y-o-Y)

- **Revenue from Operations (Net)** grew by 15.7%. Total IMFL volumes increased by 12.5%. This volume growth was led by a strong Prestige & Above category volume increase of 15.2%. Volume growth was broad based across key states and key IMFL brands. Our new brands such as 8PM Premium Black whisky and 1965 – Spirit of Victory rum continued their strong growth trajectory and made meaningful contributions to the overall volumes. IMFL sales value during the same period increased by 18.5%. IMFL sales accounted for 81.5% (vs. 79.6% in FY2019) of the Revenue from Operations (Net). Non-IMFL sales value growth was 5.0%.
- **Gross Margin** declined by over 200 bps to 48.6%. On Y-o-Y basis, increase in raw material prices are partly offset by higher IMFL price realization and higher contribution from IMFL business. The Company also experienced a consolidation trend in ENA prices in the fourth quarter.
- **EBITDA**, adjusted for one-off charges of ₹ 24.17 Crore, increased by 5.4% y-o-y with margins of 15.2% (down 150 bps y-o-y). During FY2020, Advertising & Sales Promotion (A&SP) expenses were ₹ 139.61 Crore (up 0.8%). Given the COVID-19 scenario, A&SP expenses during Q4 FY2020 were lower than last year. The Company continues to make judicious marketing investment which has enabled us to sustain the growth profile. Other Expenses have been higher primarily due to Cow Cess in the state of Uttar Pradesh (effective April 2019).
- **Finance Cost** for FY2020 decreased by 10.9% y-o-y from ₹ 35.48 Crore to ₹ 31.61 Crore.
- **Total Comprehensive Income** would have been higher by ₹ 24.17 Crore pertaining to exceptional items (subject to applicable tax rate).
- **Balance Sheet:** As of March 31, 2020, Total Debt was ₹ 400.28 Crore, Cash & Bank Balances were ₹ 18.24 Crore resulting in Net Debt of ₹ 382.04 Crore (vs. ₹ 319.35 Crore as of March 31, 2019). Gross Debt consists of ₹ 397.37 Crore of Working Capital loans and ₹ 2.91 Crore of Long-Term loans. During this period, we saw short term timing delays in receivables collection leading to temporary working capital build up in certain corporation markets. However, we do not see any credit risk with these receivables.

Brand Performance



Rampur Indian Single Malt

- Launched select variants:
 - Rampur PX Sherry: Limited 48 cask batch where American Oak were handpicked and transferred to PX Sherry Butts from Jerez, Spain
 - Rampur Double Cask: Matured in hand-picked American Bourbon barrels and European Oak Sherry casks
- Now also available in select stores in New Delhi
- Malt capacity expansion completed



Jaisalmer Indian Craft Gin

- A triple-distilled neutral grain spirit, re-distilled in a traditional copper pot still; the recipe is handcrafted in a time-honoured way
- Derived from the ancient Indian knowledge on herbs, the botanicals beautifully release pine notes from Juniper
- Launched in key European markets at the duty-free stores
- Now available in select markets in India (e.g. Delhi and Goa)
- Rated as the Best Gin produced out of Asia in 2019 at The Gin Guide Awards, the most respected Awards for Gin in the world



Morpheus Super Premium Brandy

- Launched a semi luxury variant – Morpheus Blue
- Market leading share of 56% in the super premium brandy category in India
- Launched in the state of Uttar Pradesh

Brand Performance



Magic Moments Vodka

- Launched Magic Moments Verve in a new premium canister packaging
- Marketing campaign with Bollywood stars Kartik Aryan and Jacqueline Fernandez
- Continues to gain market share with Magic Moments now accounting for 58% of the overall vodka market share and Verve accounting for 20% market share of the premium vodka category



8PM Premium Black Whisky

- Launched a premium variant of 8PM whisky
- Strong initial traction and consumer response
- Currently available in 14 states
- Signed endorsement deal with Bollywood youth icon, Tiger Shroff

Endorsement deals with Bollywood stars for Magic Moments vodka and 8PM Premium Black whisky

A&SP accounts for 7.1% of IMFL Revenues in FY2020 (8.3% in FY2019)

Company overview

One of the largest spirits manufacturers in India



1943

Year of
Incorporation

75 years of experience in spirits making. One of the most recognized IMFL brands in India

157

Million litres

One of the largest spirits manufacturers. Operates three distilleries and one joint venture

28

Bottling
units

Strategically limiting interstate taxes and transport costs. Five own and 23 contract bottling units spread across the country

75,000

Retailers

Strong distribution network. Sale through over 75,000 retail and 8,000 on premise outlets

29%

FY2020
Premium
volume share

Consistently increasing Prestige & Above brand contribution to total IMFL volumes; 50% in value terms

FY2020
Net Revenue

24.3

(₹ billion)

With EBITDA margin of 15.2%

Clearly defined strategic roadmap

Focus on building brands and driving a profitable growth

Innovation and brand building

- **Established track record:** Magic Moments vodka, Morpheus brandy
- **New launches:** 8PM Premium Black whisky, Jaisalmer Indian Craft gin, Rampur Indian Single Malt, Morpheus Blue brandy, 1965 rum, Electra ready to drink, Pluton Bay rum, Regal Talon whisky

Premium growth

- Growth driven by Prestige & Above category brands
- Strong premiumization focus with over 12.5% volume growth since FY2016
- Prestige & Above category contribute to 29.0% of IMFL volumes and 49.5% of the IMFL value sales during FY2020

Strong cash flow generation and deleveraging

- Focused on a profitable growth driven by Prestige & Above category brands
- Ongoing debt reduction
- Target to have no borrowings by end of FY2022
- Improved profitability margins and return ratios

Consumer centric go-to-market strategy

Human resource development

Statutory Results

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

(Rs. In lakhs, except EPS)

No.	Particulars	(1) Quarter ended 31.03.2020 (Audited)	(2) Quarter ended 31.12.2019 (Unaudited)	(3) Quarter ended 31.03.2019 (Audited)	(4) Year ended 31.03.2020 (Audited)	(5) Year ended 31.03.2019 (Audited)
1	Income					
	(a) Revenue from Operations	220,911.34	201,164.88	197,826.12	941,789.14	805,800.25
	(b) Other Income	217.79	181.59	359.30	918.67	1,328.77
	Total Income	221,129.13	201,346.47	198,185.42	942,707.81	807,129.02
2	Expenditure					
	(a) Cost of material consumed	31,082.68	34,280.41	26,719.25	127,091.18	104,486.34
	(b) Purchase of stock-in-trade	66.85	155.90	424.73	358.90	1,116.53
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(461.51)	(1,875.44)	(3,609.63)	(1,882.91)	(4,169.89)
	(d) Excise duty on sales	162,375.74	136,372.17	146,827.74	699,085.12	596,105.71
	(e) Employee benefits expense	4,797.29	4,956.30	4,513.98	18,608.08	17,138.07
	(f) Finance Costs	845.52	810.00	772.62	3,161.46	3,547.98
	(g) Depreciation and amortisation expense	1,339.58	1,309.00	1,086.30	5,252.73	4,243.58
	(h) Selling & Distribution expenses	7,878.91	7,818.17	7,991.18	31,124.52	29,722.75
	(i) Other Expenses	6,942.55	9,206.93	7,793.46	30,223.44	26,367.02
	Total Expenditure	214,867.61	193,033.44	192,519.63	913,022.52	778,558.09
3	Profit before exceptional items & tax	6,261.52	8,313.03	5,665.79	29,685.29	28,570.93
4	Exceptional items (Refer Note 5)	856.03	858.59	0.00	2,416.62	0.00
5	Profit before tax	5,405.49	7,454.44	5,665.79	27,268.67	28,570.93
6	Tax Expense (Refer Note 7)					
	Current Tax	1,389.62	1,642.62	641.42	7,095.03	8,573.32
	Deferred Tax	171.18	241.76	1,119.08	(2,576.43)	1,191.15
7	Net Profit for the period	3,844.69	5,570.06	3,905.29	22,750.07	18,806.46
8	Other Comprehensive (Income)/ Expenses					
	(i) Items that will not be reclassified to profit or loss	267.63	31.25	(95.72)	361.38	110.53
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(67.35)	(7.87)	33.45	(90.95)	(38.62)
9	Total Comprehensive Income	3,644.41	5,546.68	3,967.56	22,479.64	18,734.55
10	Paid up equity share capital (Face value of Rs. 2/- each)	2,670.69	2,669.95	2,668.19	2,670.69	2,668.19
11	Other Equity (Excluding Revaluation Reserve)				149,382.18	128,826.10
12	Earning per share (Face value of Rs.2/- each) not annualized					
	Basic	2.89	4.17	2.93	17.05	14.10
	Diluted	2.88	4.15	2.93	17.04	14.08

Statutory Results

Statement of Standalone Asset & Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	Particulars	As at March 31, 2020	As at March 31, 2019
	(Audited)	(Audited)		(Audited)	(Audited)
<u>ASSETS</u>			<u>EQUITY AND LIABILITIES</u>		
Non-current assets			Equity		
Property, plant and equipment	72,953.60	69,792.38	Equity share capital	2,670.69	2,668.19
Capital work-in-progress	1,808.29	1,599.86	Other Equity	149,382.18	128,826.10
Intangible assets	1,388.95	1,601.79	Total Equity	152,052.87	131,494.29
Financial assets			Non-current liabilities		
Investment in a joint venture	15,538.53	15,538.53	Financial liabilities		
Investment in others	0.60	0.60	Borrowings	153.31	2,165.56
Loans	1,658.26	803.08	Others	514.96	47.19
Others	179.95	159.60	Provisions	1,110.35	1,036.69
Other non-current assets	10,305.95	11,025.14	Deferred tax liabilities (Net)	7,846.60	10,404.90
Total Non-Current Assets	103,834.13	100,520.98	Other non current liabilities	16.58	19.13
Current assets			Total Non-Current Liabilities	9,641.80	13,673.47
Inventories	37,417.54	35,971.29	Current liabilities		
Financial assets			Financial liabilities		
Trade receivables	82,305.44	64,174.89	Borrowings	39,736.97	30,160.06
Cash and cash equivalents	1,010.43	825.40	Trade payables		
Bank balances other than above	813.55	941.61	Outstanding dues of Micro, Small and Medium Enterprises	2,786.51	-
Loans	4,073.86	4,669.95	Other Enterprises	23,637.27	24,483.57
Others	2,050.18	2,412.35	Others	3,186.65	3,154.84
Current Tax assets (Net)	750.18	-	Provisions	5,277.61	6,835.20
Other current assets	13,783.92	13,544.00	Other current liabilities	9,719.55	12,413.17
Total Current Assets	142,205.10	122,539.49	Current tax liabilities(Net)	-	845.87
Total Assets	246,039.23	223,060.47	Total Current Liabilities	84,344.56	77,892.71
			Total Liabilities	246,039.23	223,060.47

(Rs. In lakhs)

Statutory Results

Standalone Statement of Cash Flows for the year ended March 31, 2020

(Rs. In lakhs)

Particulars	March 31, 2020	March 31, 2019
A. Cash flow from operating activities		
Profit for the year before tax	27,268.67	28,570.93
Adjustments for		
Depreciation and amortization expense	5,252.73	4,243.58
Profit on sale of fixed assets	(6.10)	(12.79)
Loss on sale / write off assets	77.58	89.90
Finance costs	3,161.46	3,547.98
Interest income	(498.33)	(838.81)
Provision for Expected credit loss and Bad Debt	2,092.75	506.29
Provision for Non-moving/ obsolete Inventory	875.00	83.53
Employees stock option scheme	8.59	18.07
Dividend income on investments	(359.57)	(200.20)
Operating profit before working capital changes	37,872.78	36,008.48
Changes in working capital		
Decrease/(Increase) in Inventories	(2,321.25)	(4,969.15)
Decrease/(Increase) in Trade Receivables	(20,223.30)	(1,680.11)
Decrease/(Increase) in current financial assets (loans)	596.09	779.25
Decrease/(Increase) in current financial assets (Others)	105.38	(323.17)
Decrease/(Increase) in other current assets	(239.92)	1,068.24
Decrease/(Increase) in non-current financial assets (loans)	(855.18)	2,098.22
Decrease/(Increase) in non-current financial assets (Others)	11.79	12.69
Decrease/(Increase) in other non-current assets	1,469.36	(587.99)
Increase/(Decrease) in non-current financial liabilities (others)	105.68	(21.00)
Increase/(Decrease) in other non-current liabilities	-	(18.57)
Increase/(Decrease) in long term provisions	73.66	56.09
Increase/(Decrease) in short term provisions	(1,918.97)	(1,432.26)
Increase/(Decrease) in current Trade Payables	1,940.21	3,070.07
Increase/(Decrease) in current financial liabilities (others)	584.11	544.44
Increase/(Decrease) in other current liabilities	(2,693.62)	3,988.90
Cash generated from operating activities before taxes	14,506.82	38,594.13
Net income tax paid	(8,538.08)	(7,725.18)
Net Cash flow from operating activities (A)	5,968.74	30,868.95

Particulars	March 31, 2020	March 31, 2019
B. Cash flow from investing activities		
Additions in tangible assets	(7,024.47)	(7,141.99)
Additions in intangible assets	(22.67)	(62.27)
Additions in CWIP	(208.40)	419.20
Capital Advances	(750.17)	(441.86)
Sale of fixed assets	74.99	38.59
Sale of investments	-	5,000.00
Interest received	555.59	1,047.62
Subsidy Received	-	30.00
Dividend received	559.57	400.20
Fixed deposits matured during the year	(32.61)	55.62
Net Cash flow from Investing activities (B)	(6,848.17)	(654.89)
C. Cash flow from financing activities		
Increase/(Decrease) in share capital (including securities premium)	130.90	106.81
Leased Payment	(752.79)	-
Net Loans (repaid) / taken	9,748.35	(17,388.77)
Dividend paid including Dividend Distribution Tax	(1,929.98)	(1,607.09)
Interest paid	(2,825.62)	(3,704.29)
Net Cash flow from financing activities (C)	4,370.86	(22,593.34)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	3,491.43	7,620.72
Cash and cash equivalents at the beginning of the year	(23,557.31)	(31,178.03)
Cash and cash equivalents at the end of the year	(20,065.88)	(23,557.31)

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

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

Notes:

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

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

Accordingly, the Company has recognized:

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

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

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

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

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

Notes (continued):

6. The COVID-19 pandemic is rapidly spreading throughout the world. RADICO's bottling facilities and offices were under nationwide lockdown, and operations temporarily suspended, since March 24, 2020. However, the ENA manufacturing plant remained partially operational till March 31, 2020 and subsequent period. Presently the plant operations are at full capacity. From May 04, 2020, the bottling facilities have become operational with necessary safety regulations.
Because of lockdown, the volumes for the month of March 2020 has been impacted partially and there has been no sales in the month of April 2020. From May 4, 2020, the sales have started with partial opening of lockdown.
The company has sufficient liquidity and demand of its products to continue its operations.
Further, in assessing the recoverability of receivables including trade receivables, loan and advances, the Company has considered internal and external information up to the date of approval of these financial statements, and has performed sensitivity analysis on the assumptions based on current indicators of future economic conditions. Company is confident to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and will continue to, closely monitor any material changes to future economic conditions
7. The Company has exercised the option of lower rate of tax as per section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, it has recognised provision for income tax and re-measured its deferred tax assets / liabilities, for the year ended March 31, 2020. Full impact of above, has been recognised in the results for the year ended March 31, 2020 under tax expense.
8. During the year, the Company has allotted 125,000 equity shares on exercise of Employees Stock Option by the eligible employees, as per the ESOP Scheme 2006.
9. The Board of Directors have recommended dividend on equity shares @ Rs 2 per equity share having face value of Rs 2/- of the Company amounting to Rs. 2,670.69 lakhs, for approval of the shareholders at their ensuing Annual General Meeting.
10. Based on NCLT order dated 16th December 2019, the joint venture entity (Radico NV Distilleries Maharashtra Ltd.), has reduced its equity capital from Rs 7387.72 lakhs to Rs. 3773.58 lakhs w.e.f. March 31, 2019. As a result, the reserves of the joint venture increased to Rs. 39610.95 lakhs from Rs. 35996.81 lakhs. The impact of the said change has reflected in the annualised accounts as at March 31, 2020 by the JV company..
11. The figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the 3rd quarter of the current financial year and previous financial year, respectively
12. The Company has regrouped / reclassified previous period figures, wherever considered necessary.

For Radico Khaitan Limited

Contact information

This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Radico Khaitan’s future business developments and economic performance.

While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Radico Khaitan undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.

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