



THE WORLD TAKES NOTE

ANNUAL REPORT

2013-2014





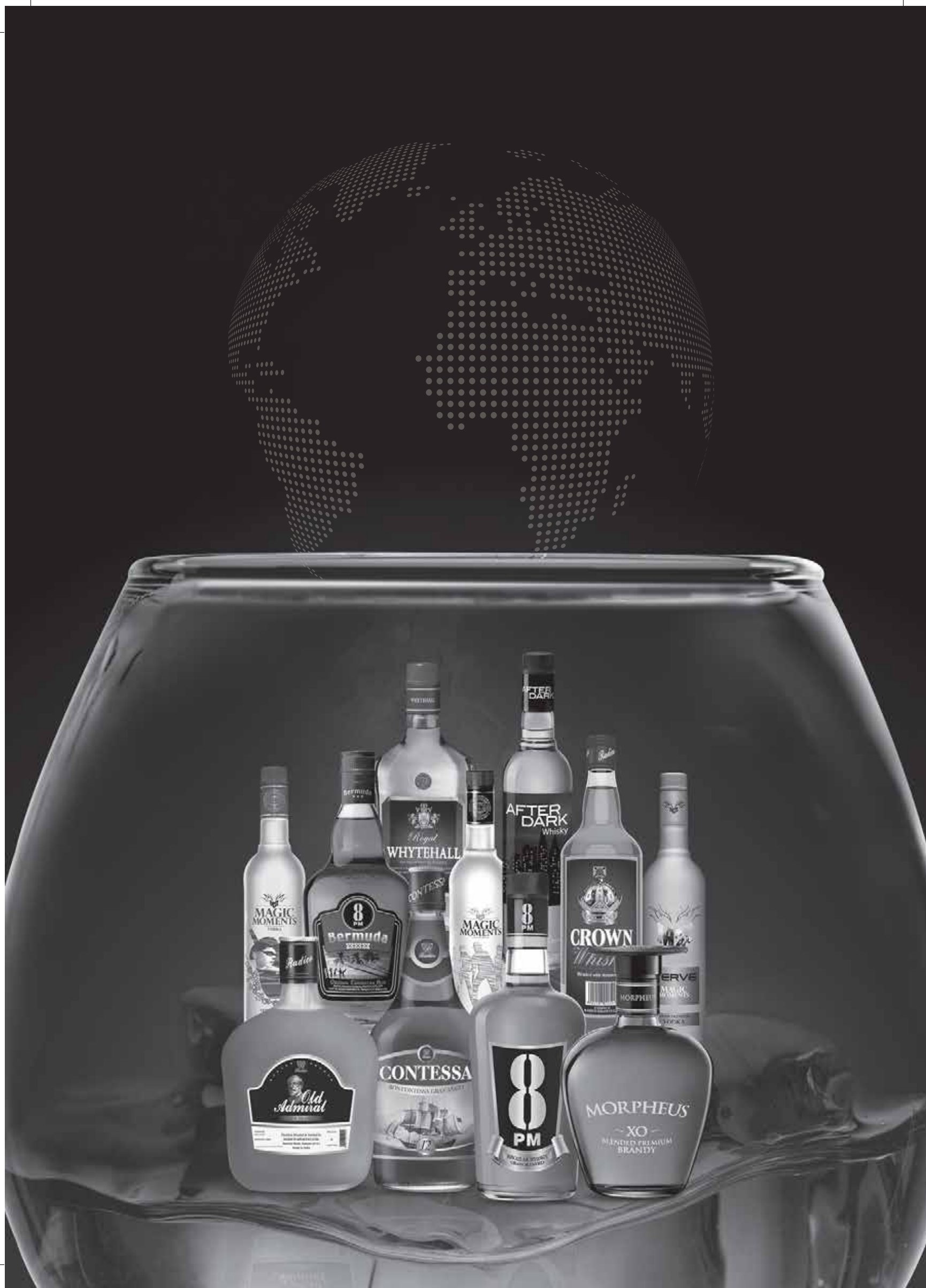
FORWARD-LOOKING STATEMENT

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



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REACHING OUT TO THE WORLD

Radico Khaitan Limited stands tall amongst the key players of the Indian alcohol industry today. The company entered the world of IMFL in 1998. Through constant innovation and tapping on imminent business opportunities posed by the IMFL segment, the company has been able to achieve outstanding progress. The company has established its niche as a leading corporate organization on a global scale and expanding into newer geographies has always been a part of its core vision.

Marked by a million case success within the first year of its launch - 8PM was the first brand launched by Radico Khaitan. The company took its next leap by harping on to the 'premiumisation' strategy, which took off with the launch of 'Magic Moments' vodka in 1995, and saw great success. Replicating the same strategy Radico Khaitan expanded its product portfolio in the premium category with flavoured versions of Magic Moments vodka called 'Magic Moments Remix', Morpheus Brandy, M2 Verve Vodka, M2 Verve flavoured vodka and After Dark.

Quality and innovation have always been a priority for Radico Khaitan. The company launched its first premium brand 'Magic Moments' in a frosted bottle with a unique guitar shaped glass window and direct printing on the bottle, features that do not exist in any Indian brand. Morpheus brandy is packaged in an inverted goblet shaped bottle with a 'Guala' cap, a first of its kind innovation to be done in India. Also, its first brand 8PM has undergone a makeover from being molasses to grain based whisky, which was an offering of first of its kind in that segment. Owing to the superior quality and focus on innovative offerings, many products of Radico Khaitan have received honours and accolades in both India and abroad.

While expanding its product portfolio and presence in the Indian market, Radico Khaitan also continued to fostering global ties. The company achieved a milestone in 2002, after scoring a successful collaboration for importing, distributing and marketing of Carlo Rossi - The #1 bottled table wine brand in the world from the house of Ernest & Julio Gallo, California, the largest family owned winery in the world.

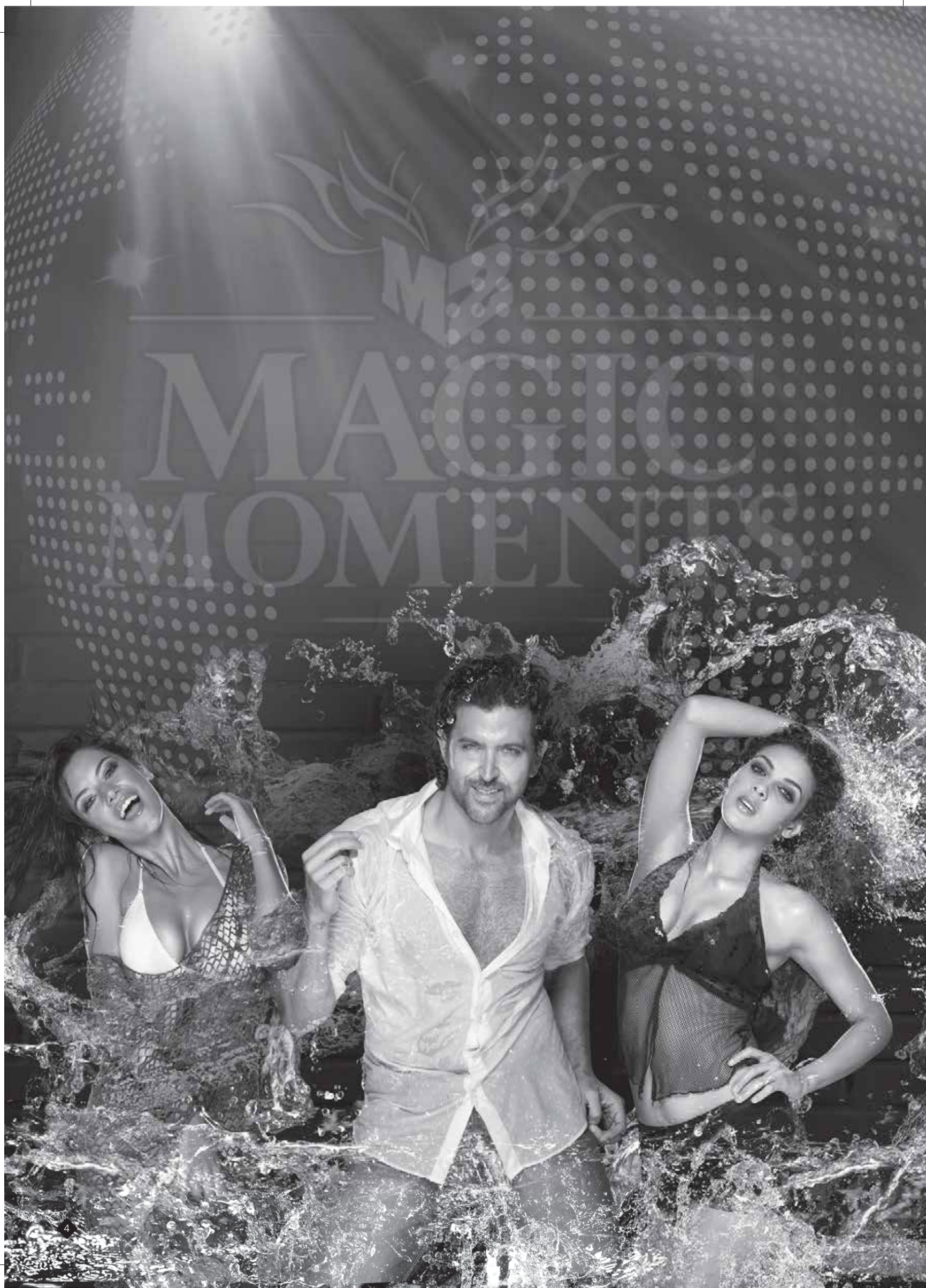
Having laid a strong foundation of global ties and exports in the last few years, Radico Khaitan is growing at a very healthy pace. The company gained strength from the grand success of its products in the Indian market which became a core support system that triggered the company's global expansion. Many brands from the straddle of Radico are now available in more than 50 countries world-wide and are being appreciated and consumed not only by the Indian Diaspora but also by the locals. The company is now focusing on increasing its presence in a number of developed markets in America and Asia Pacific. However, the company plans to focus on premiumisation of portfolio along with developing new products to meet the local aspirations and requirements. Investments will continue in brand building as well as opening up newer countries.





A GROWING GLOBAL PRESENCE

With our brands gaining popularity across 50 nations, our focus remains on premiumisation of our portfolio and delivering excellence in every sip for patrons in India and around the world.




**MAGIC
MOMENTS**
Vodka

Zing up life!

An epitome of success, Magic Moments is a leading Vodka brand from the house of Radico Khaitan, which was launched in November 2005. Boasting of a premium blend with imported French grain spirits which no other brand enjoys, Magic Moments is the only triple distilled vodka in its category. Radico Khaitan used the 'Blue Ocean strategy' to identify the gap in the price points that existed in the market. Therefore, Magic Moments Vodka was launched in the premium category and filled the gap that existed between economy and super-premium offerings and eventually became the right fit in the product matrix at that point of time. Magic Moments crossed the million-case mark in 2010, and by 2012, it had more than doubled and today sells more than 3 million cases a year. It has a market share of 90% in its price point and 30 percent in the overall vodka market in India. Magic Moments is the fourth fastest growing vodka brand in the world and has cemented Radico Khaitan's place in the Indian spirits industry as the largest local player. According to International Wine and Spirit Research (IWSR) in 2014, approximately 35 bottles of Magic Moments are being sold every minute and 50425 liters every day. The packaging of Magic Moments vodka has been a huge hit - frosted bottle with a unique guitar shaped glass window and direct printing on the bottle, features that did not exist in any Indian brand. A special plant was set up in Haryana, Rampur Distillery to bring this technology to India. Post the success of Magic Moments, Radico Khaitan launched Magic Moments Remix Vodka - an extension of Magic Moments vodka in 6 flavours – orange, green apple, lemon, lemongrass & ginger, raspberry and chocolate. The variants have invoked extremely positive responses and currently holds 95% of market share in its operating segment. The experimental attitude of consumers and their thirst for premium variety has been the key reason behind the success. Magic Moments promises everything that a great life should have - fun, enjoyment, zest and, above all, ZING! Its promise and call for 'Zing up life!' gives the brand a different attitude and a mindset every youngster can identify with. In 2008, Hrithik Roshan was signed as the brand ambassador to promote Magic Moments Vodka owing to his international, young and energetic appeal.

After establishing a strong foothold across India, Magic Moments has also spread its wings in UK, Africa, Middle East and South East Asia. Furthermore, Radico Khaitan is also launching the brand in USA and Canada.



