

TOUGHENED
TO LAST.



SPIRITED
TO SHINE.

Toughened to Last. Spirited to Shine.

Diamond, a rare mineral composed of pure carbon, is the hardest naturally occurring substance known. The hardness, durability, brilliance and sparkle of diamonds make them unmatched as gems.

Over its rich heritage of 75 years, Radico Khaitan has endured the tests of time and stood unfazed. Each down cycle has enabled the Company to come out even stronger. With an innovation led culture and consumer focused approach, Radico Khaitan continues to strengthen its brand portfolio and leading market position. Given its resilient business model and timeless brands, the Company has not only outperformed the industry during these turbulent times, but is also strongly positioned for the future.



Table of Contents

Corporate Overview	02	Statutory Reports	27
Radico Khaitan at a Glance	03	Directors' Report	28
Business Strategy	04	Annexures to Directors' Report	42
Our Journey	05	Management Discussion and Analysis	71
Brand Portfolio	06	Report on Corporate Governance	82
Brand Campaigns	14	Business Responsibility Report	111
Key Performance Indicators	15		
Message from the Chairman & Managing Director	17		
Message from the Managing Director	19	Financial Statements	121
Corporate Social Responsibility (CSR)	21	Independent Auditor's Report on Standalone Financial Statements	122
Board of Directors	23	Standalone Financial Statements	132
Management Team	24	Independent Auditor's Report on Consolidated Financial Statements	198
Risk Management	25	Consolidated Financial Statements	205
		Company Information	275

Highlights of FY2020

Total IMFL volume
24.30 Million Cases
 12.5% y-o-y growth

Prestige & Above volume
7.05 Million Cases
 15.2% y-o-y growth

Regular & Others volume
17.25 Million Cases
 11.4% y-o-y growth

Revenue from Operations (Net)
Rs. 2,427.04 Crore
 15.7% y-o-y growth

EBITDA
Rs. 368.19 Crore
 15.2% margin

Rs. 6,991 Crore
 Excise Duty Paid



Disclaimer

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear 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.

Corporate Overview



Radico Khaitan at a Glance

Over the years, Radico Khaitan has evolved from being just a distiller of spirits for others to a leading IMFL company in India with a highly reputable brand portfolio.



1943
Year of Incorporation

Over 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 own distilleries in Rampur, UP and two operating as joint venture in Aurangabad, Maharashtra

33
Bottling Units

Five own and 28 contract bottling units spread across the country. Strategically limiting interstate taxes and transport costs

75,000
Retailers

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

Business Strategy

The Company's objective has been to drive growth that is led by premium products and is profitable, sustainable and responsible.

In context of the current crisis, the Company has adopted a deliberate and prudent approach which is not very different from our long term strategy.

Continue to Strengthen the Premium Brand Portfolio

- Make core brands more aspirational and drive premiumisation
- Gain consumer behaviour insights and to strengthen R&D pipeline
- Launch new products in the premium category

Enhance Focus on Digital Marketing

- Increase focus on digital and social media initiatives to improve consumer engagement
- Build data analytics capabilities for faster and efficient decision making
- Targeted digital media campaigns to connect with the right consumer group

Leaner Operations and Cost Structure

- Review of each and every fixed cost and capex line item
- Optimize variable cost structure through alternate sourcing and vendor diversification

Digital Transformation at Workplace

- Drive transformation in the work environment and support the workforce
- Enterprise-wide collaboration over a single platform and automate business-as-usual tasks
- Leverage unified data accessibility and AI-driven tools to implement intelligent business systems

Our Journey

1st phase

(1943-1996)

The legacy

- The Rampur Distillery Company was established with a focus on distillation and bottling. We manufactured high quality spirit for branded players and to the armed forces / canteen stores
- Gained significant experience as manufacturer of spirits and bottler for other companies
- Mr. Abhishek Khaitan, our present Managing Director (MD) joined the family business and instilled the idea of creating our own brands

2nd phase

(1997-2006)

Platform for the branded journey

- Started the branded IMFL division and launched its first brand 8PM Whisky; Became a millionaire brand within the first year of its launch
- Launched Old Admiral Brandy in the regular category; became one of the leading brands in Canteen Stores Department (CSD)
- Achieved sales volume of 10 Million cases
- Made investment at the Rampur facility for creating a strong manufacturing platform for IMFL
- Developed strong marketing machinery; Established pan-India selling and distribution setup

3rd phase

(2007-Present)

Premiumisation

- After creating brands in the high-volume regular categories, we launched the first product in the premium category, Magic Moments Vodka
- Launched Morpheus Super Premium Brandy; Magic Moments became a millionaire brand
- Launched After Dark, a premium category whisky
- Launched Magic Moments Verve, a super-premium vodka followed by flavours of Verve
- Launched ELECTRA, a premium ready-to-drink vodka-based cocktail
- Launched 1965 The Spirit of Victory premium rum, exclusively in canteen stores department, commemorating India's victory in the 1965 war; it built an emotional connect with the soldiers and the armed forces
- Launched Rampur Indian Single Malt luxury whisky
- Launched Regal Talons semi-deluxe whisky
- Launched Pluton Bay premium rum
- Launched Jaisalmer, a luxury Indian craft gin
- Launched 8PM Premium Black whisky and Morpheus Blue super premium brandy
- Launched select expressions of Rampur Indian Single Malt - Rampur PX Sherry and Rampur Double Cask



Brand Portfolio

Radico Khaitan is one of the few companies in India to have developed its entire brand portfolio organically with in-house capabilities. This is a true testament to the Company's focus on innovation, R&D strength and understanding of customer preferences that it launched twelve new brands over the last decade of which eleven were in the premium category.

Rampur Indian Single Malt Whisky

Decades of Perfection

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



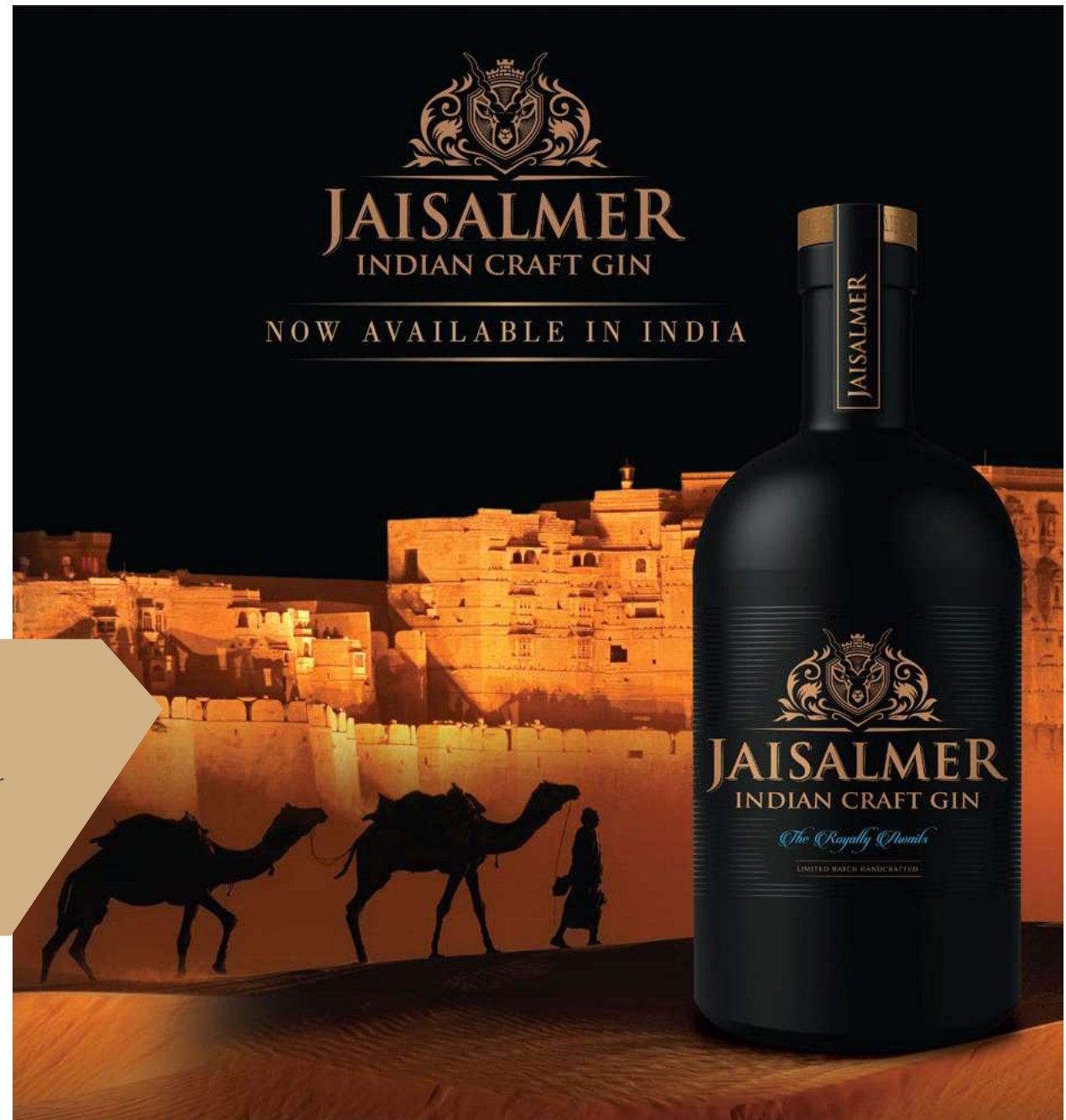
- ◆ The Rampur Double Cask expression was awarded with the 'Best World Whisky Gold Medal 2020' by The Fifty Best, New York
- ◆ Rampur Select won Gold Medal at the San Francisco World Spirits Competition in 2017
- ◆ Whisky Advocate Magazine ranked it among the Top 20 Whiskies of the World at 5th position

Jaisalmer Indian Craft Gin

The Royalty Awaits

This gin is made using time-honoured recipe enhanced with the ancient wisdom of Indian herbs and handpicked botanicals. It is a triple-distilled neutral, grain spirit, redistilled in a traditional copper pot, and handcrafted to perfection. It is available in over 25 countries worldwide and has piqued consumers' interest globally.

- ▼ Won Grand Gold at the Global Monde Selection Awards in the calendar year 2020
- ▼ Rated as the Best Gin produced out of Asia in 2019 at The Gin Guide Awards, the most respected honour for Gin in the world
- ▼ Gold Medal By The Fifty Best New York 2020
- ▼ Scored 95 points in Ultimate Spirits Challenge 2020





- ▼ 20% market share in the premium vodka category
- ▼ Won Gold in seven calendar years - 2013, 2014, 2015, 2016, 2017, 2019 and 2020 at the Global Monde Selection Awards
- ▼ Two Verve flavours – Orange and Green Apple – won Gold at the Global Monde Selection Awards in the calendar years 2019 and 2020

Magic Moments Verve

The Smooth Blend of Sophistication

Verve is a super-premium vodka launched in 2012. Using a five-staged slow filtration process with silver and platinum filters, this vodka is unique, with distinct flavours that have made it a hit among consumers. In line with consumer insights and changing market trends, this is being redesigned with an unparalleled packaging. What's more, Magic Moments Verve will also be launched in exotic flavours this year. Stay tuned!

Magic Moments

Make Every Moment a Magic Moment

This premium vodka millionaire brand undergoes triple distilling process and is a mark of absolute purity. It gained significant traction when it entered the flavoured category. Magic Moments Remix is available in eight different flavours - Orange, Green Apple, Lemon, Lemongrass & Ginger, Raspberry, Chocolate, Grapefruit & Watermelon, and Cucumber & Wildgreen Lemon. Owing to the growing cocktail trend in the Indian markets, these flavours have become a favourite amongst mixologists that take the experience up a notch.



- ▼ 58% market share in the vodka category
- ▼ Ranked 11th on the Vodka Brand Champion list in the Spirits Business Magazine 2020
- ▼ Ranked the 7th fastest growing vodka in the world by IWSR Top 100 rankings
- ▼ Grapefruit & Watermelon flavoured vodka won Gold and Cucumber & Wild Green Lemon flavoured vodka won Silver at the Monde Selection Awards in 2020



Magic Moments Electra

Party Charger

Electra is a ready-to-drink (RTD) premium vodka-based cocktail and a first of its kind in the industry. It is available in two different variants based on the strength of the liquor - Electra 8 and 4.8. The brand is targeted at our young and lively consumers, helping us carve a niche in the RTD segment.