Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

BACKGROUND

Radico Khaitan Limited (the Company) is a company limited by shares, incorporated and domiciled in India. The Company is engaged in the manufacturing and trading of Alcoholic products such as Indian Made Foreign Liquor (IMFL), Alcohol, Country Liquor etc. The Company has its presence in India as well as various other global markets.

SIGNIFICANT ACCOUNTING POLICIES

1.01 Basis of preparation

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The entity has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2019 have been prepared in accordance with Ind AS.

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Defined benefit plans
- Share Based Payments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

1.02 Current versus non-current classification

The company presents assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The entity has assumed twelve months as its operating cycle.

1.03 Fair value measurement

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

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

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

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

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

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

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

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

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

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

- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable,

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 standalone financial statements are presented in INR, which is also its functional currency.

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the day of transaction. The outstanding liabilities/ receivables are translated at the year end rates.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction. Any gain or losses arising on translation or settlement are recognized in the Statement of Profit and Loss as per the requirements of Ind AS 21.

1.05 Revenue recognition

The company revenue is derived from single performance obligation under arrangements in which the transfer of control of product and the fulfillment of companies performance obligation occur at the same time.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable (net of returns and allowances, trade discounts and volume rebates), taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government with an exception to excise duty. The company has concluded that it is the principal in all of its revenue arrangements with tie up units since the company is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. In arrangements with tie up units, revenue is recognised at gross value with corresponding cost being recognised under cost of production.

However, in case of revenue arrangements with royalty units, the company has concluded that it is acting as an agent in all such revenue arrangements since the company is not the primary obligor in all such revenue arrangements, has no pricing latitude and is not exposed to inventory and credit risks. Company earns fixed royalty for sales made of its products which is recognised as revenue.

The company has assumed that recovery of excise duty flows to the entity on its own and liability for excise duty forms part of the cost of production, irrespective of whether the goods are sold or not. Revenue therefore includes excise duty.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss.

Royalty Income

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

Export Incentives

Income from export incentives such as duty drawback etc. are recognised on accrual basis.

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

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for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the entity operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

- In respect of deductible temporary differences associated with interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 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).

Depreciation

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

Depreciation is provided as per Schedule II to the Companies Act, 2013, on straight line method with reference to the useful life of the assets specified therein.

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.

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.

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 costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs

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also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

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 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.

1.14 Leases

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.

For arrangements entered into prior to April 01, 2015, the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Entity as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the entity's general policy on the borrowing costs (See note 1.11). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the lower of the estimated useful life of the asset and the lease term.

As on transition date, the entity has newly classified a land lease as a finance lease and has recognised such asset and liability at fair value with differential being recognised in retained earnings.

Operating lease rentals are charged off to the Statement of Profit and Loss.

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 recognized when the company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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.

The obligations are presented as current liabilities in the Balance Sheet since the company does not have an unconditional right to defer the settlement for atleast twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

- Defined benefit plans in the form of gratuity, and
- Defined contribution plans such as provident fund and superannuation fund

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 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.

Defined contribution plans

The Company makes contribution to statutory provident fund and pension funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

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

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(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

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 are initially recognised at fair value. Subsequently these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses (ECL). The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Financial assets measured at amortised cost:

A financial asset is measured at amortised cost if both the following conditions are met:

a). The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b). Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables, loans, etc.

Measured at fair value through other comprehensive income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are 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

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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.

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 assets in FVTPL category. 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 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

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.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

Reclassification of financial assets

No reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the entity's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The entity does not restate any previously recognised gains, losses (including impairment gains or losses).

C. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously, includes balances written off against provisions.

1.21 Derivative financial instruments

The entity uses derivative financial instruments, such as forward currency contracts, interest rate swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1.22 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise balance at banks and cash on hand and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible which are subject to an insignificant risk of changes in value.

1.23 Significant accounting judgements, estimates and assumptions

The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, contingent liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the accounting policies, management has made the following judgements, which

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have most significant effect on the amounts recognised in the separate financial statements:

a) Arrangement containing lease

The entity applies Appendix C of Ind AS 17, “Determining Whether an Arrangement Contains a Lease”, to contracts entered with contract bottling units. Appendix C deals with the method of identifying and recognizing service, purchase and sale contracts that do not take the legal form of a lease but convey a right to use an asset in return for a payment or series of payments. The entity has determined that where the capacity utilisation by the entity is less the 100% and others take more than an insignificant amount of output, the arrangement does not contain leases. Where the entity utilise 100% capacity and others take less than an insignificant output the agreement contains lease. However, based on an evaluation of the terms and conditions of the arrangements, the company has concluded that these contracts are in the nature of operating leases.

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 separate 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. Such changes are reflected in the assumptions when they occur.

a) Impairment reviews

At each reporting date, the entity reviews the carrying amount of its non-financial assets to determine whether there are any indication that those assets have suffered an impairment loss. If any such indication exists, recoverable amount of the assets is estimated in order to determine the extent of impairment loss.

Impairment reviews in respect of the relevant CGUs are performed at least annually or more regularly if events indicate that this is necessary.

Impairment reviews are based on discounted future cash flows. The future cash flows which are based on business forecasts, the long-term growth rates and the pre-tax discount rates, that reflects the current market assessment of the time value of money and the risk specific to the asset or CGU, used are dependent on management estimates and judgements. Future events could cause the assumptions used in these impairment reviews to change.

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

(₹ in Lakhs unless otherwise stated)

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. 55.

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 Recent Accounting Developments

Standard issued but not yet effective:

Ind AS 116 Leases

Ind AS 116 was notified on March 30, 2019 and requires Lessee to recognise the right of use an asset for the lease term in Balance Sheet. This standard will come into force from accounting period commencing on or after April 01, 2019. The Company is evaluating the requirements of the amendments and its effects on the financial statements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

NOTE 2 PROPERTY, PLANT AND EQUIPMENT

(Refer notes 1.09 and 1.10)

(₹ in Lakhs unless otherwise stated)

Description of Assets	Gross Block				Depreciation			Net Block	
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	Up to March 31, 2018	For the year	Accumulated Depreciation on Disposals	Up to March 31, 2019	As at March 31, 2019
Tangible Assets									
Freehold land	12,927.50	-	-	12,927.50	-	-	-	-	12,927.50
Leasehold land	3,467.56	-	-	3,467.56	137.79	45.93	-	183.72	3,283.84
Buildings	8,861.25	126.18	204.92	8,782.51	1,137.61	386.66	204.92	1,319.35	7,463.16
Plant & equipments	50,766.21	6,290.67	393.04	56,663.84	8,987.79	3,344.68	324.29	12,008.18	44,655.66
Furniture & Fixtures	181.96	298.98	-	480.94	89.25	19.34	-	108.59	372.35
Vehicles	888.50	225.94	110.42	1,004.02	146.06	144.23	64.41	225.88	778.14
Office equipments	117.24	99.54	41.84	174.94	61.15	33.55	40.90	53.80	121.14
Leasehold improvements	187.72	100.68	-	288.40	69.20	28.61	-	97.81	190.59
	77,397.94	**7,141.99**	**750.22**	**83,789.71**	**10,628.85**	**4,003.00**	**634.52**	**13,997.33**	**69,792.38**
Intangible Assets									
Brands & trade marks	2,552.26	-	-	2,552.26	789.55	215.49	-	1,005.04	1,547.22
Software	394.96	62.27	-	457.23	377.57	25.09	-	402.66	54.57
	2,947.22	**62.27**	**-**	**3,009.49**	**1,167.12**	**240.58**	**-**	**1,407.70**	**1,601.79**
Total	**80,345.16**	**7,204.26**	**750.22**	**86,799.20**	**11,795.97**	**4,243.58**	**634.52**	**15,405.03**	**71,394.17**

Description of Assets	Gross Block				Depreciation			Net Block	
	As at April 01, 2017	Additions	Disposals	As at March 31, 2018	Up to March 31, 2017	For the year	Accumulated Depreciation on Disposals	Up to March 31, 2018	As at March 31, 2018
Tangible Assets									
Freehold land	12,916.29	11.21	-	12,927.50	-	-	-	-	12,927.50
Leasehold land	3,467.56	-	-	3,467.56	91.86	45.93	-	137.79	3,329.77
Buildings	8,681.49	179.76	-	8,861.25	778.14	359.47	-	1,137.61	7,723.64
Plant & equipments	49,392.02	1,907.83	533.64	50,766.21	6,339.89	3,170.92	523.02	8,987.79	41,778.42
Furniture & Fixtures	164.72	17.24	-	181.96	68.50	20.75	-	89.25	92.71
Vehicles	932.17	100.00	143.67	888.50	133.02	127.48	114.44	146.06	742.44
Office equipments	96.02	32.08	10.86	117.24	43.77	26.12	8.74	61.15	56.09
Leasehold improvements	136.67	51.05	-	187.72	44.56	24.64	-	69.20	118.52
	75,786.94	**2,299.17**	**688.17**	**77,397.94**	**7,499.74**	**3,775.31**	**646.20**	**10,628.85**	**66,769.09**
Intangible Assets									
Brands & trade marks	2,552.26	-	-	2,552.26	573.80	215.75	-	789.55	1,762.71
Software	394.96	-	-	394.96	278.61	98.96	-	377.57	17.39
	2,947.22	**-**	**-**	**2,947.22**	**852.41**	**314.71**	**-**	**1,167.12**	**1,780.10**
Total	**78,734.16**	**2,299.17**	**688.17**	**80,345.16**	**8,352.15**	**4,090.02**	**646.20**	**11,795.97**	**68,549.19**

(₹ in Lakhs unless otherwise stated)

NOTE 3 INVESTMENT IN A JOINT VENTURE

Particulars	As at March 31, 2019	As at March 31, 2018
Unquoted Investments		
Equity Shares (at cost)		
Radico NV Distilleries Maharashtra Limited - 26,59,500 (previous year: 26,59,500)	13,538.53	13,538.53
equity shares of ₹ 100 each, fully paid up		
Preference Shares (at amortised cost)		
Radico NV Distilleries Maharashtra Limited - 20,00,000 (previous year: 20,00,000)	2,000.00	2,000.00
10% cumulative, non-convertible preference		
shares of ₹100 each, fully paid up		
	15,538.53	**15,538.53**
Aggregate amount of unquoted investments	15,538.53	15,538.53
Aggregate amount of impairment in value of investments	-	-

NOTE 4 INVESTMENT IN OTHERS (UNQUOTED AT FVTPL)

Particulars	As at March 31, 2019	As at March 31, 2018
New Urban Cooperative Bank Ltd. - 2,388 (previous year: 2,388)	0.60	0.60
equity shares of ₹ 25 each, fully paid up		
	0.60	**0.60**
Aggregate amount of unquoted investments	0.60	0.60
Aggregate amount of impairment in value of investments	-	-

NOTE 5 LOANS

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured- Considered good)		
Security Deposits	803.08	2,901.30
	803.08	**2,901.30**

NOTE 6 OTHERS

Particulars	As at March 31, 2019	As at March 31, 2018
Interest accrued on term deposits	13.07	2.67
Deposits with more than 12 months maturity (Refer note-12)	133.84	214.84
Advances recoverable in cash	12.69	-
	159.60	**217.51**

NOTE 7 OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advances	3,770.20	3,328.34
Advances other than capital advances		
Advances recoverable	7,092.00	6,245.31
Prepaid assets	162.94	421.64
	11,025.14	**9,995.29**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 8 INVENTORIES

(Refer note-1.13 on valuation of inventories)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	6,977.32	6,733.72
Work-in-progress	3,616.92	2,266.89
Finished goods *	17,186.17	15,396.54
Stock-in-trade	309.59	376.34
Stores & spares	2,650.99	2,471.50
Packing materials	5,428.29	3,964.83
Goods in transit - Raw material	-	0.64
	36,169.28	**31,210.46**
Less: Provision for obsolete and non-moving inventories	197.99	124.78
	35,971.29	**31,085.68**

Amount recognised in statement of profit and loss

Write-downs of inventories to net realisable value resulted in net loss/(gain) of ₹ 83.53 lakhs (previous year ₹ 64.72 lakhs). These were recognised as an expense/income during the year in the Statement of Profit and Loss.

* Includes provision for excise duty ₹ 6,355.01 lakhs (previous year ₹ 7,471.84 lakhs)

NOTE 9 INVESTMENTS (UNQUOTED AT FVTPL)

Particulars	As at March 31, 2019	As at March 31, 2018
Certificate of deposit with a financial institution	-	5,000.00
	-	**5,000.00**
Aggregate amount of unquoted investments	-	5,000.00
Aggregate amount of impairment in value of investments	-	-

NOTE 10 TRADE RECEIVABLES

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables considered good - Unsecured	59,856.26	58,459.65
Trade Receivables which have significant increase in Credit Risk	6,000.46	8,534.41
Trade Receivables - credit impaired	-	-
	65,856.72	**66,994.06**
Less: Allowance for expected credit losses	(1,681.83)	(3,992.99)
	64,174.89	**63,001.07**

Trade Receivables relate to the company's contract with its customers, are non interest bearing and are generally on credit terms not exceeding 12 months.

NOTE 11 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks	795.57	1,658.55
Cash on hand	29.83	17.96
	825.40	**1,676.51**

(₹ in Lakhs unless otherwise stated)

NOTE 12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
In unpaid dividend accounts	164.23	139.39
In term deposits #	911.22	634.37
Deposits with more than 12 months maturity (Refer note-6)	(133.84)	(214.84)
	941.61	**558.92**
# Deposit are:		
Under lien with Government departments and banks as security	911.22	634.37

NOTE 13 LOANS

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured- Considered good, unless otherwise stated)		
Security Deposits	932.96	909.51
Loans and advances to related parties		
Radico NV Distilleries Maharashtra Limited (Joint Venture)	-	0.12
Others		
Advances recoverable	341.99	749.57
Inter corporate deposits (Refer note-56)		
ICDs Considered good - Unsecured	3,395.00	3,790.00
ICDs - Credit impaired	1,500.00	6,100.00
	6,169.95	**11,549.20**
Less: Allowance for expected credit losses	(1,500.00)	(6,100.00)
	4,669.95	**5,449.20**

NOTE 14 OTHERS

Particulars	As at March 31, 2019	As at March 31, 2018
Dividend accrued on preference share	200.00	400.00
Accrued export incentives	528.05	510.22
Other balances recoverable from Statutory/ Government authorities	1,341.52	1,036.18
Interest accrued on		
term deposits	25.24	27.19
loans and advances		
Considered good - Unsecured	317.54	534.80
Credit impaired	928.10	928.10
Less: Allowance for expected credit losses	(928.10)	(928.10)
	2,412.35	**2,508.39**

NOTE 15 CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2019	As at March 31, 2018
Income Tax (Net of provisions)	-	2.27
	-	**2.27**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 16 OTHER CURRENT ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured - Considered good)		
Advances recoverable in kind	978.21	1,704.49
Others		
Amount paid under protest	427.87	195.57
Claims and duties adjustable from Excise Department	7,581.65	7,615.58
Advances recoverable	1,399.77	2,746.46
Prepaid assets	3,156.50	2,350.14
	13,544.00	**14,612.24**

NOTE 17 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
17,00,00,000 (Previous year 17,00,00,000) equity shares of ₹ 2/- each	3,400.00	3,400.00
60,00,000 (Previous year 60,00,000) preference shares of ₹ 100/- each	6,000.00	6,000.00
	9,400.00	**9,400.00**
Issued, subscribed and fully paid		
13,34,09,265 (Previous year 13,33,07,265) equity shares of ₹ 2/- each	2,668.19	2,666.15
	2,668.19	**2,666.15**

RIGHTS, PREFERENCES & RESTRICTIONS ATTACHED TO EQUITY SHARES

a. The Company has issued only 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

	For the year ended March 31, 2019	For the year ended March 31, 2018
	No. of Shares	No. of Shares
Outstanding at the beginning of the year	133,307,265	133,038,765
Add: Issued during the year	102,000	268,500
Outstanding at the end of the year	133,409,265	133,307,265

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

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Percentage of Holding	No. of Shares	Percentage of Holding	No. of Shares
Sapphire Intrex Ltd.	34.01%	45,379,098	34.04%	45,379,098
TIMF Holdings	5.83%	7,781,575	6.06%	8,081,575

(₹ in Lakhs unless otherwise stated)

d. Shares reserved for issue under options: ESOPs

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 42,80,000 equity options up to March 31, 2019 which will get vested over a period of 4 years from the date of the grant. The employees have the options to exercise the right within a period of 3 years from the date of vesting. The compensation cost of stock options granted to employees are accounted by the Company using the fair value method.

e. Summary of Stock Option

	For the year ended March 31, 2019	For the year ended March 31, 2018
	No. of stock option	No. of stock option
Option granted up to the year end	4,280,000	4,280,000
Options forfeited up to the year end	1,741,451	1,741,451
Options exercised up to the year end	2,274,049	2,172,049
Option outstanding at the year end	264,500	366,500
Exercise price (weighted average)	₹ 84.95	₹ 84.02

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. Consequently, Employee benefits expense (Refer note-35) includes ₹ 18.07 lakhs debit (previous year ₹ 20.48 lakhs debit) being the amortisation of deferred employee compensation.

NOTE 18 OTHER EQUITY#

Particulars	As at March 31, 2019	As at March 31, 2018
Reserves & Surplus		
Retained Earning	50,856.53	33,699.07
Securities Premium Reserve	37,930.08	37,806.45
General Reserve	40,000.00	40,000.00
Employee Stock Options Outstanding Account	39.49	40.28
	128,826.10	**111,545.80**

Refer statement of changes in equity for detailed movement in above reserves and surplus.

NOTE 19 BORROWINGS

Particulars	As at March 31, 2019	As at March 31, 2018
Term Loans - Secured#		
Rupee loans from banks	3,542.24	4,810.20
Rupee loans from others	-	587.47
Foreign currency loans from banks (ECB)	-	5,027.29
	3,542.24	**10,424.96**
Less : Shown in current maturities of long-term debt (Refer note- 26)		
Rupee loan from banks	1,376.68	1,351.07
Rupee loans from others	-	588.24
Foreign currency loans from banks (ECB)	-	5,045.86
	1,376.68	**6,985.17**
	2,165.56	**3,439.79**

Notes

i). The above loans are secured by a pari-passu first charge on fixed assets (Property, Plant and Equipment excluding Intangible Assets) of the Company, both present and future. Vehicle loans are secured by respective vehicles.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

ii). Terms of repayment are as follows:-

Name	Year of Maturity	Outstanding as at March 31, 2019	Outstanding as at March 31, 2018
Lakshmi Vilas Bank	Sep 2021	3,125.00	4,375.00
HDFC Bank	Jan 2022	333.93	435.20
Aditya Birla Finance Ltd.	Aug 2018	-	587.47
HDFC Bank	June 2023	36.78	-
YES Bank	May 2023	46.53	-
ICICI Bank Ltd (ECB)	April 2018	-	975.66
ICICI Bank Ltd (ECB)	July 2018	-	2,832.05
State Bank of India (ECB)	July 2018	-	1,219.58
		3,542.24	**10,424.96**

NOTE 20 OTHERS (AT AMORTISED COST)

Particulars	As at March 31, 2019	As at March 31, 2018
Security Payable	47.19	68.19
	47.19	**68.19**

NOTE 21 PROVISIONS

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Leave encashment	1,036.69	980.60
	1,036.69	**980.60**

NOTE 22 DEFERRED TAX LIABILITIES (NET)

(Refer note-44)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liabilities	12,418.06	11,905.45
Deferred Tax Assets	(1,860.16)	(2,500.07)
MAT Credit Entitlement	(153.00)	(153.00)
	10,404.90	**9,252.38**

NOTE 23 OTHER NON-CURRENT LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of future lease payments	2.55	2.54
Other Payables	16.58	32.61
	19.13	**35.15**

(₹ in Lakhs unless otherwise stated)

NOTE 24 BORROWINGS

Particulars	As at March 31, 2019	As at March 31, 2018
Secured - from Banks#		
Cash credit (repayable on demand)	25,160.09	33,274.07
Rupee loans *	-	6,006.03
Unsecured- from Banks		
Rupee loans	4,999.97	9,499.99
	30,160.06	**48,780.09**

Secured by hypothecation of inventories and trade receivables. Further secured by a second charge on fixed assets of the Company.

Non-fund based facilities provided by banks are also secured by second charge on the fixed assets (Property, Plant and Equipment excluding Intangible Assets) of the Company.

* Under the "Receivable buyout" facility sanctioned by IDBI Bank Ltd. against trade receivables.

NOTE 25 TRADE PAYABLES

Particulars	As at March 31, 2019	As at March 31, 2018
Outstanding dues of micro and small enterprises#	-	-
Others	24,483.57	21,413.50
	24,483.57	**21,413.50**

The Company has not received information from suppliers or service providers, whether they are covered under Micro, Small and Medium Enterprises (Development) Act, 2006 and hence it has not been possible to ascertain the required information relating to amounts unpaid, if any, as at year end together with interest paid or payable to them.

NOTE 26 OTHERS (FINANCIAL LIABILITY CARRIED AT AMORTISED COST)

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term debt		
Rupee loan from banks	1,376.68	1,351.07
Rupee loan from others	-	588.24
Foreign currency loans from banks (ECB)	-	5,045.86
Interest accrued but not due on borrowings	44.11	200.42
Security Payable	1,570.18	1,028.29
Unclaimed dividends#	163.87	139.03
	3,154.84	**8,352.91**

This does not include any amount due and outstanding, to be credited to the Investor Education and Protection Fund.

NOTE 27 PROVISIONS

Particulars	As at March 31, 2019	As at March 31, 2018
For employee benefits		
Gratuity (Refer note-55)	141.55	348.21
Leave encashment	338.64	336.88
For excise/custom duty on closing stock	6,355.01	7,471.84
	6,835.20	**8,156.93**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 28 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018
On account of capital goods/ services	563.83	971.18
Advances from customers	7,559.63	3,764.35
Other payables		
Accrued salary and benefits	597.98	489.82
Statutory dues	3,691.73	3,198.92
	12,413.17	**8,424.27**

NOTE 29 CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2019	As at March 31, 2018
For taxation (net of payments)	845.87	-
	845.87	**-**

NOTE 30 REVENUE FROM OPERATIONS

(Refer note-1.05 on revenue recognition)

Particulars	As at March 31, 2019	As at March 31, 2018
Sale of		
Alcohol and other alcoholic products	794,519.85	614,810.55
Pet bottles & caps	5,078.95	4,440.98
Jaivik khad	320.72	241.04
Others	667.47	759.18
Sale of traded goods		
Indian Made Foreign Liquor	1,228.58	2,024.68
Income from Traded Goods	79.48	516.86
Imported Liquor	733.05	697.29
Royalty Income	996.06	954.37
Other operating revenues		
Export incentives	193.71	429.86
SAD refund	0.15	2.57
Scrap sales	1,982.23	2,159.05
	805,800.25	**627,036.43**

NOTE 31 OTHER INCOME

Particulars	As at March 31, 2019	As at March 31, 2018
Interest income on		
Term deposit with banks and financial institutions	42.86	494.03
Loans (including inter corporate deposits)	436.92	395.80
Deferred income on deposit	359.03	1,456.96
Dividend income on non-current (trade) investments	200.20	200.00
Other non-operating income		
Profit on sale of fixed assets	12.79	4.73
Excess provisions written back	66.77	77.32
Miscellaneous income	210.20	38.18
	1,328.77	**2,667.02**

(₹ in Lakhs unless otherwise stated)

NOTE 32 COST OF MATERIALS CONSUMED

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Materials		
Opening Stock	6,733.72	10,795.14
Add: Purchases	49,466.95	43,854.75
	56,200.67	**54,649.89**
Less: Closing Stock	(6,977.32)	(6,733.72)
Raw material consumed	**49,223.35**	**47,916.17**
Packing materials consumed	57,366.55	46,003.93
	106,589.90	**93,920.10**

NOTE 33 PURCHASE OF TRADED GOODS

Particulars	As at March 31, 2019	As at March 31, 2018
Indian Made Foreign Liquor	555.70	2,084.32
Imported Liquor	560.83	469.80
	1,116.53	**2,554.12**

NOTE 34 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Stock		
Stock-in-trade	376.34	356.42
Finished goods	15,396.54	10,234.16
Work-in-progress	2,266.89	2,306.31
	18,039.77	**12,896.89**
Less : Closing Stock		
Stock-in-trade	309.59	376.34
Finished goods	17,186.17	15,396.54
Work-in-progress	3,616.92	2,266.89
	21,112.68	**18,039.77**
Increase / (Decrease) of excise duty on Finished Goods	**(1,096.98)**	**3,889.63**
	(4,169.89)	**(1,253.25)**

NOTE 35 EMPLOYEE BENEFITS EXPENSE

Particulars	As at March 31, 2019	As at March 31, 2018
Salaries, wages and allowances	15,647.34	14,170.26
Contribution to provident and other funds	753.29	692.15
Gratuity	174.90	155.58
Employee stock options scheme (Refer note-17)	18.07	20.48
Staff welfare expenses	544.47	458.37
	17,138.07	**15,496.84**

NOTE 36 FINANCE COSTS

Particulars	As at March 31, 2019	As at March 31, 2018
Interest	3,427.29	6,632.97
Other borrowing costs	120.69	191.45
	3,547.98	**6,824.42**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

NOTE 37 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	As at March 31, 2019	As at March 31, 2018
Depreciation on tangible assets	4,003.00	3,775.31
Amortisation of intangible assets	240.58	314.71
	4,243.58	**4,090.02**

NOTE 38 OTHER EXPENSES

Particulars	As at March 31, 2019	As at March 31, 2018
Power and fuel	4,527.94	3,547.39
Stores and spares consumed	2,151.69	2,112.81
Repairs and maintenance		
Building	214.26	132.80
Plant and equipment	1,830.95	1,695.43
Others	378.30	231.01
Machinery and other hire charges	5.24	4.62
Insurance	495.65	558.97
Rent	865.11	774.71
Rates and taxes	5,809.38	4,566.80
Travelling		
Directors	194.52	131.48
Others	1,262.00	1,148.61
Directors' fee	17.29	19.30
Foreign exchange fluctuations (net)	170.40	(324.86)
Provision for Non-moving/ obsolete Inventory	83.53	64.72
Charity and donation	21.43	14.28
Corporate Social Responsibility Expenses (Refer note-49)	248.44	216.43
Provision for Expected Credit Losses (Net)	572.55	892.23
Bio composting expenses	180.77	162.13
Professional Fee & retainership expenses	559.53	418.17
Communication	142.98	158.19
Sundry balances written off	0.51	8.14
Loss on sale / write off of assets	89.90	27.37
Bank charges	38.85	35.60
Other overheads	3,220.58	4,298.85
Bottling charges	2,415.56	2,101.64
Selling and distribution		
Freight outwards	8,200.46	8,619.28
Supervision charges after sales	686.29	591.38
Supervision charges to supervisors	2,409.18	1,033.87
Rebate discount and allowance	3,346.05	2,609.62
Advertisement & sales promotion	13,846.87	8,732.43
	53,986.21	**44,583.40**

NOTE 39 OTHER COMPREHENSIVE INCOME

Particulars	As at March 31, 2019	As at March 31, 2018
Items that will not be reclassified to profit or loss	(110.53)	(232.01)
Actuarial (Gain) / loss on employee benefits	**(110.53)**	**(232.01)**

(₹ in Lakhs unless otherwise stated)

NOTE 40 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at March 31, 2019	As at March 31, 2018
40 a) Capital Commitments		
Estimated amount of Capital commitments (Net of advances)	2,297.81	1,241.48
	2,297.81	**1,241.48**
40 b) Contingent Liabilities not provided for:		
i) Claims against the Company, not acknowledged as debts		
(a) Disputed liability relating to ESI Contribution	0.89	0.89
(b) Disputed liability relating to PF contribution of contractor labour	33.04	33.04
(c) Disputed liability relating to payment of late re-calibration fees on verification and stamping of manufacturing vats/tanks installed at distillery.	88.00	88.00
(d) Disputed VAT/Sales/Entry Tax matters under appeal	136.24	136.24
(e) Disputed Excise matters	412.13	243.86
(f) Disputed Stamp duty claim arising out of amalgamation, being contested	80.00	80.00
(g) Disputed customs duty	10.73	10.73
(h) Disputed demands on account of service tax including interest and penalty thereon for the period July 2003 to March 2012, being contested and under appeal	-	140.39
(i) Consumer Complaints before consumer forum	30.95	30.95
	791.98	**764.10**

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 Company before Madhya Pradesh high court has been partly allowed by confirming the recovery of ₹ 167.32 lakhs against the Company. However, the division bench of Madhya Pradesh High court has stayed the recovery proceedings initiated by local collector office. The court has ordered to maintain ₹ 100 lakhs in State Bank of India till the final adjudication of the matter. The matter is since sub-judice.

iii) In view of recent supreme court judgment 28th Feb 2019 regarding deduction of PF on allowances of fixed nature is being assessed by the company. The impact of the same is not determined.

In respect of the items above (i), (ii) and (iii), future cash outflows are determinable only on receipt of judgements/decisions pending at various forums / authorities except ₹ 427.87 lakhs has already been paid under protest.

40 c) Lease Commitments:	For the year ended March 31, 2019	For the year ended March 31, 2018
A Operating lease arrangements-Company as lessee		
The Company has entered into operating leases on building and plant and machinery with lease terms between one to ten years.		
i) The Company has paid towards minimum lease payment	893.69	804.58
ii) Future minimum rentals payable under non-cancellable operating leases as at the year end are as follows:		
Not later than one year	853.86	805.47
Later than one year but not later than five years	1,045.00	1,321.18
Later than five years	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

B Finance lease arrangements

The entity has finance leases arrangements for leasehold land for multiple decades. The entity's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases arrangements together with the present value of the net minimum lease payments are as follows:

	As at March 31, 2019		As at March 31, 2018	
	MLP	Present value of MLP	MLP	Present value of MLP
Within one year	0.27	0.24	0.27	0.24
After one year but not more than five years	1.08	0.73	1.08	0.73
More than five years	39.20	1.51	39.47	1.48
	40.55	**2.48**	**40.82**	**2.45**

NOTE 41 In the opinion of the Management and to the best of their knowledge and belief, the value on realisation of current/non current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the financial statements.

NOTE 42 DIVIDEND ON EQUITY SHARES

	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend on Equity Shares declared and paid during the year		
Dividend of ₹ 1.00 per share for financial year 2017-18	1,333.07	1,065.15
Dividend Distribution Tax	274.02	216.84
	1,607.09	1,281.99
Proposed dividends on Equity shares not recognised as liability		
Dividend of ₹ 1.20 per share for financial year 2018-19	1,600.91	1,333.07
Dividend Distribution Tax	329.07	274.02
	1,929.98	**1,607.09**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including Dividend Distribution Tax thereon) as at March 31. All proposed dividends were approved as proposed and paid in subsequent year.

(₹ in Lakhs unless otherwise stated)

NOTE 43 EARNINGS PER EQUITY SHARE (EPS)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the entity by the weighted average number of Equity shares outstanding during the year (Amount in INR)	14.10	9.26
Diluted EPS is calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares (Amount in INR).	14.08	9.25
The following reflects the income and share data used in the basic and diluted EPS computations:		
Profit attributable to equity holder for basic earnings	18,806.46	12,345.33
Effect of dilution:		
Share options	18.07	20.48
Profit attributable to equity holders adjusted for the effect of dilution	18,824.53	12,365.81
Weighted average number of Equity shares for basic EPS	133,409,265	133,307,265
Effect of dilution:		
Share options	264,500	366,500
Weighted average number of Equity shares adjusted for the effect of dilution	**133,673,765**	**133,673,765**

NOTE 44 INCOME TAX

The major components of Income Tax expense	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Income Tax:		
Current income tax charge	8,573.32	3,978.12
Adjustments in respect of current income tax of previous year	-	-
Total (A)	**8,573.32**	**3,978.12**
Deferred Tax:		
Relating to origination and reversal of temporary differences	1,191.15	2,404.51
Total (B)	**1,191.15**	**2,404.51**
OCI section		
Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on re-measurements of defined benefit plans	(38.62)	(80.29)
Income tax charged to OCI	(38.62)	(80.29)
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for:-		
Differential tax impact for land indexation at a rate different from the statutory rate	52.68	112.50
Differential impact of deferred tax arising during tax holiday period	59.43	38.17
Amortisation of certain assets not claimed as deduction under tax	52.79	32.49
Differential impact of provisions	9.27	8.05
Loss on sale of fixed assets (net)	(26.95)	(7.83)
Deduction claimed in Tax but not in books	207.30	141.03
Others	(135.16)	(225.67)
Total (C)	**219.36**	**98.74**
Total (A)+(B)+(C)	**9,983.83**	**6,481.37**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Accounting profit before tax	28,570.93	18,727.96
Income tax calculated at India's statutory Income Tax Rate	9,983.83	6,481.37
Total	**9,983.83**	**6,481.37**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

Deferred tax	For the year ended March 31, 2019	For the year ended March 31, 2018
Deferred tax relates to the following:		
Fair valuation of property, plant and equipment	(12,029.17)	(11,631.48)
Other Ind-AS adjustments (security deposit, corporate guarantee etc.)	973.73	993.79
Provision created under Expected credit loss	587.69	1,381.89
Tax holiday units	(90.15)	(149.58)
Mat Credit Entitlement	153.00	153.00
Net deferred tax assets/(liabilities)	**(10,404.90)**	**(9,252.38)**
Reflected in the balance sheet as follows:		
Deferred tax assets (continuing operations)	1,860.16	2,500.07
Deferred tax liabilities (continuing operations)	(12,418.06)	(11,905.45)
Mat Credit Entitlement	153.00	153.00
Deferred tax liabilities (net)	**(10,404.90)**	**(9,252.38)**
Reconciliation of deferred tax liabilities (net):		
Opening balance	9,252.38	6,928.16
Tax income/(expense) during the year recognised in profit or loss	1,191.15	2,404.51
Tax income/(expense) during the year recognised in OCI	(38.62)	(80.29)
Closing balance	**10,404.90**	**9,252.38**

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.

During the year ended March 31, 2019 and March 31, 2018, the company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT). The company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

NOTE 45 LIST OF INVESTMENT

	As at March 31, 2019	As at March 31, 2018
	Joint Venture	Joint Venture
(i) The name of Investee	Radico NV Distilleries Maharashtra Limited	Radico NV Distilleries Maharashtra Limited
(ii) The principal place of business	Aurangabad (Maharashtra)	Aurangabad (Maharashtra)
(iii) The ownership interest held	36%	36%
(iv) The method used to account for the investment	Accounted at cost	Accounted at cost

NOTE 46 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. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the company's performance based on only one segment i.e. manufacturing and trading in Liquor & Alcohol.

(₹ in Lakhs unless otherwise stated)

NOTE 47 RELATED PARTY TRANSACTIONS AND DISCLOSURES

(1) Related parties and their relationship:

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. Amit Manchanda, Company Secretary
II	**Relatives of Key Management personnel:**
	(1) Mrs. Deepshikha Khaitan (Wife of Mr. Abhishek Khaitan)
	(2) Ms. Shailja Devi (Woman Director and Daughter of Dr. Lalit 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:**
	(1) Sapphire Intrex Ltd.
	(2) The Rampur Distillery & Chemical Company Ltd. (Employees P. F. Trust)
	(3) The Rampur Distillery & Chemical Company Ltd. (Employees Group Gratuity Trust)
	(4) The Rampur Distillery & Chemical Company Ltd. (Employees Superannuation Scheme)
IV	**Joint Ventures:**
	(1) Radico NV Distilleries Maharashtra Limited

(2) Transaction with above in the ordinary course of business:

	As at March 31, 2019	As at March 31, 2018
Key Management Personnel :		
Dr. Lalit Khaitan, Chairman & Managing Director		
Remuneration		
Salary and Allowances	661.11	475.72
Contribution to Provident and other Funds	43.77	34.23
Value of benefits, calculated as per Income Tax Rules	24.98	28.19
Mr. Abhishek Khaitan, Managing Director		
Remuneration		
Salary and Allowances	661.11	452.47
Contribution to Provident and other Funds	44.77	32.92
Value of benefits, calculated as per Income Tax Rules	20.41	21.74
Mr. K. P. Singh, Whole Time Director		
Remuneration		
Salary and Allowances	182.33	169.35
Contribution to Provident and other Funds	7.97	6.49
Value of benefits, calculated as per Income Tax Rules	43.47	38.26
Mr. Dilip K Banthiya, Chief Financial Officer		
Remuneration		
Salary and Allowances	209.37	195.86
Contribution to Provident and other Funds	9.55	8.93
Value of benefits, calculated as per Income Tax Rules	43.71	73.20
Mr. Amit Manchanda, Company secretary		
Remuneration		
Salary and Allowances	45.08	41.85
Contribution to Provident and other Funds	2.98	2.80
Value of benefits, calculated as per Income Tax Rules	20.11	16.69
Relatives of Key Management personnel:		
Mrs. Deepshikha Khaitan (wife of Mr. Abhishek Khaitan)		
Remuneration		
Salary and Allowances	11.28	11.60
Contribution to Provident and other Funds	1.95	1.95
Value of benefits, calculated as per Income Tax Rules	1.59	1.70

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Ms. Shailja Devi (Woman Director and Daughter of Dr. Lalit Khaitan)		
Sitting Fees	1.59	0.95
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 Ltd.		
Security Receivable	60.00	60.00
Rent Paid (excluding Service Tax / GST borne by the Company)	68.01	65.69
Contribution paid		
The Rampur Distillery & Chemical Company Ltd. (Employees P. F. Trust)	481.81	433.59
The Rampur Distillery & Chemical Company Ltd. (Employees Group Gratuity Trust)	285.43	387.59
The Rampur Distillery & Chemical Company Ltd. (Employees Superannuation Scheme)	103.97	97.24

	For the year ended March 31, 2019	For the year ended March 31, 2018
Joint Venture		
Radico NV Distilleries Maharashtra Limited		
Sale of Fixed Assets	4.72	-
Commission Income	105.06	-
Lease rent paid	7.08	7.04
Bottling Charges Paid	478.45	407.15
Tie-up operation income	9.75	113.13
Dividend Income on Preference Shares	200.00	200.00
Purchase of material	2,779.48	2,734.75
Advances Recoverable	-	0.12
Payable	150.56	153.28
Dividend receivable	200.00	400.00
Investment in preference share & equity share	15,538.53	15,538.53

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, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: ₹ 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.

NOTE 48 PAYMENT TO AUDITORS

	For the year ended March 31, 2019	For the year ended March 31, 2018
i) Audit Fee	25.50	25.50
ii) Limited Review Fee	12.00	12.00
iii) GST on (i) and (ii) above	6.75	6.75
iv) Reimbursement of Out of Pocket Expenses (including taxes)	2.44	2.60
v) Other Services (Certification Fee including Taxes)	0.69	0.80
	47.38	**47.65**

(₹ in Lakhs unless otherwise stated)

NOTE 49 DETAILS OF CSR EXPENDITURE

		For the year ended March 31, 2019		For the year ended March 31, 2018	
i)	Gross amount required to be spent by the company (including carry forwarded unspent amount)	409.10		347.66	
		In cash/ Payable	Yet to be paid in cash	In cash / Payable	Yet to be paid in cash
ii)	Amount spent during the year :				
	For construction / acquisition of assets	-	-	-	-
	For other purposes	248.44	-	216.43	-
iii)	Unspent amount	160.66	-	131.23	-

NOTE 50 QUANTITATIVE AND OTHER INFORMATION
a) Particulars of Capacity and Production*

		Unit Per Annum	As at March 31, 2019	As at March 31, 2018
1.	Molasses / Grain / Malt spirit			
	KL/BL AT 94%	Licensed / Installed Capacity	102,460	102,460
		Production	92,389	92,926
	KL/AL	Licensed / Installed Capacity	96,312	96,312
		Production	86,845	87,350
2.	Bio gas	No license required		
	000 'M3	Production	42,827	38,003
3.	Pet bottles	No license required		
	NOS./1000	Installed Capacity	600,000	600,000
		Production	691,916	609,647

* As certified by the Management and can not be verified by the Auditors.

b) Opening Stock, Closing Stock & Turnover

		Unit	As at March 31, 2019		As at March 31, 2018	
			Qty	Value	Qty	Value
1.	**Alcohol products**					
	(a) Rectified spirit					
	Opening Stock	KL/AL	23	2.92	206	68.02
	Closing Stock	KL/AL	116	11.05	23	2.92
	Turnover	KL/AL	259	65.09	447	111.84
	(b) Silent spirit					
	Opening Stock	KL/AL	1,024	198.02	1,437	600.60
	Closing Stock	KL/AL	989	167.42	1,024	198.02
	Turnover	KL/AL	768	448.43	7,230	3,931.11
	(c) Cane juice spirit					
	Turnover	KL/AL	56	60.33	85	85.51
	(d) Malt spirit					
	Opening Stock	KL/AL	966	2,218.44	966	2,419.51
	Closing Stock	KL/AL	1,020	3,485.43	966	2,218.44
	Turnover	KL/AL	86	238.44	245	526.66
	(e) Grain spirit					
	Opening Stock	KL/AL	1,874	848.90	2,453	1,161.52
	Closing Stock	KL/AL	2,886	1,460.55	1,874	848.90
	Turnover	KL/AL	15,515	7,406.31	18,775	8,752.41
	(f) Ethanol					
	Opening Stock	KL/AL	258	41.18	163	60.32
	Closing Stock	KL/AL	-	-	258	41.18
	Turnover	KL/AL	2,489	1,019.62	4,354	1,747.85

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

	Unit	As at March 31, 2019		As at March 31, 2018	
		Qty	Value	Qty	Value
2. Other alcohol products					
(a) Denatured spirit					
Opening Stock	KL/AL	1.12	0.28	1.10	0.28
Closing Stock	KL/AL	1.21	0.30	1.12	0.28
Turnover	KL/AL	-	-	-	-
(b) Indian made foreign liquor					
Opening Stock	KL/AL	2,314	9,672.82	1,208	5,809.51
Closing Stock	KL/AL	2,225	8,983.96	2,314	9,672.82
Turnover	KL/AL	78,428	540,129.61	70,723	408,134.89
(c) Country liquor					
Opening Stock	KL/AL	317	2,248.88	20	11.00
Closing Stock	KL/AL	329	2,790.43	317	2,248.88
Turnover	KL/AL	33,346	245,731.87	27,466	193,829.17
(d) Imported Alcoholic products					
Opening Stock	BTL	72,212	259.76	79,636	296.95
Closing Stock	BTL	66,056	238.37	72,212	259.76
Turnover	BTL	188,940	733.05	173,554	697.29
3. Pet bottles and Caps					
Opening Stock	Nos.	104	190.10	74	162.71
Closing Stock	Nos.	182	298.23	104	190.10
Turnover	Nos.	1,913	5,078.95	1,914	4,440.98
4. Jaivik Khad					
Opening Stock	Qtls	141,018	91.58	163	0.16
Closing Stock	Qtls	58,339	60.02	141,018	91.58
Turnover	Qtls	426,519	320.72	324,085	241.04
5. Others					
Turnover			1,395.69		991.83
6. Other operating income					
Turnover			3,172.14		3,545.85
Total:					
Opening Stock			**15,772.88**		**10,590.58**
Closing Stock			**17,495.76**		**15,772.88**
Turnover			**805,800.25**		**627,036.43**

c) Purchases

	Unit	For the year ended March 31, 2019		For the year ended March 31, 2018	
		Qty	Value	Qty	Value
- Indian Made Foreign Liquor	Cases	44,390	555.70	97,994	2,084.32
- Imported Liquor	BTL	182,784	560.83	166,130	469.80
		-		-	
			1,116.53		**2,554.12**

(₹ in Lakhs unless otherwise stated)

d) Consumption of raw materials

	Unit	For the year ended March 31, 2019		For the year ended March 31, 2018	
		Qty	Value	Qty	Value
(i) Molasses	Qtls	2,588,483	2,994.75	2,592,165	9,601.99
(ii) Cane juice	Qtls	14,107	55.70	9,635	41.20
(iii) Barley Malt	Qtls	20,748	553.63	20,234	619.11
(iv) Sorghum	Qtls	297	3.86	5,474	78.51
(v) Broken Rice	Qtls	562,126	9,311.04	344,353	5,245.07
(vi) Millet (Bajra)	Qtls	179,432	2,251.75	460,724	5,913.92
(vii) Maize	Qtls	122,016	1,568.73	58,918	723.69
(viii) Malt /Malt Scotch/Grain/Grape Spirits	-	-	3,795.81	-	2,553.72
(ix) Rectified spirit / Extra Neutral Alcohol	-	-	18,277.73	-	16,403.96
(x) Resin	KG	8,976,653	8,936.42	8,344,400	6,819.55
(xi) Press Mud	Qtls	1,001,267	369.48	740,479	298.22
(xii) Others			1,872.08		1,431.78
(xiii) Input Tax Credit			(767.62)		(1,814.55)
			49,223.35		**47,916.17**

NOTE 51
i) Remittance in foreign currency / or to the mandate banks on account of dividends to non residents

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Number of non resident shareholders	16	16
(ii) Number of shares held by them	14,880	14,880
(iii) Dividend per share	1.00	0.80
(iv) Financial year to which the dividend relates	2017-18	2016-17

ii) Earnings in foreign exchange – Export of goods on FOB basis

Particulars	As at March 31, 2019	As at March 31, 2018
Export of goods on FOB basis	9,169.13	11,530.34

NOTE 52 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.

Details of foreign currency exposure of the company:

	Particulars	As at March 31, 2019		As at March 31, 2018	
		Foreign Currency	INR	Foreign Currency	INR
a	**Borrowings against which forward contracts have been taken:**				
	Borrowings (including interest) - ECB				
	In USD	-	-	10.00	650.44
b	**Borrowings against which forward contracts have not been taken:**				
	Borrowings - ECB				
	In USD	-	-	67.58	4,395.42
	In Euro	-	-	-	-
	Interest payable on ECB (USD)	-	-	0.81	52.93

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for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

	Particulars	As at March 31, 2019		As at March 31, 2018	
		Foreign Currency	INR	Foreign Currency	INR
c	**Other foreign currency exposures:**				
	Export Receivables (USD	65.73	4,546.72	75.80	4,929.80
	Export Receivables (EURO)	0.74	57.21	0.29	22.99
	Export Receivables (GBP)	0.04	3.20	-	-
	Balance with banks (USD)	0.34	23.62	3.72	241.70

NOTE 53 FINANCIAL INSTRUMENTS

A- Fair values

The carrying amount of financial assets and liabilities except for certain financial assets i.e. "instrument carried at fair value" appearing in the financial statement are reasonable approximation of fair value. Such investments of those financial instruments carried at fair value are disclosed below:-

Particulars	Fair value		Carrying value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial assets measured at fair value through profit and loss				
Investments				
Equity shares	0.60	0.60	0.60	0.60
Certificate of deposit with a financial institution	-	5,000.00	-	5,000.00
Total	**0.60**	**5,000.60**	**0.60**	**5,000.60**

B- Fair value hierarchy

The following table provides fair value management hierarchy of the company's assets:

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
March 31, 2019			
Investment			
Certificate of deposit with a financial institution	-	-	-
Equity share	-	-	0.60
Total	-	-	0.60
March 31, 2018			
Investment			
Certificate of deposit with a financial institution	-	5,000.00	-
Equity share	-	-	0.60
Total	**-**	**5,000.00**	**0.60**

There have been no transfer between level 1, level 2 and level 3 during the year.

C- 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.

(₹ in Lakhs unless otherwise stated)

D- Valuation inputs and relationships to fair value

Significant unobservable inputs used in Level 3 fair value measurement

Non current investment - Unquoted	As at March 31, 2019	As at March 31, 2018
Fair Value	0.60	0.60
Significant unobservable inputs*		
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.

E- Reconciliation of financial instruments categorised under level 3

	As at March 31, 2019	As at March 31, 2018
Opening at the beginning of the year	0.60	0.60
Additions during the year	-	-
Gain/(Loss) recognised in OCI during the year	-	-
Closing at the end of the year	0.60	0.60

NOTE 54 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 include loans, investment in preference shares & equity shares, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company's business activities are exposed to a variety of financial risks, namely market risks, credit risk and liquidity risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk and equity price risk. Financial instruments affected by market risk include loans and borrowings.

The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

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, 2019 and March 31, 2018.

(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.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

At the reporting date the interest rate profile of the entity's interest bearing financial instrument is as its fair value:

Particulars	Carrying amounts	
Variable rate instruments	As at March 31, 2019	As at March 31, 2018
Long term borrowings	2,165.56	3,439.79
Current maturities of long term debt	1,376.68	6,985.17
Short term Loan	**30,160.06**	**48,780.09**

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:

	As at March 31, 2019		As at March 31, 2018	
Increase/ (decrease) in basis points	100	(100)	100	(100)
Effect on profit before tax (increase)/ decrease	337.02	(337.02)	592.05	(592.05)

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 ECB loan, import and exports. The company has hedged NIL as at March 31, 2019 (12.89 % as at March 31, 2018) of its ECB loan to minimize the risk. import and export have short recovery cycle and counter each other reducing the foreign currency risk.

Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of foreign currency exposure.

Sensitivity to risk	As at March 31, 2019		As at March 31, 2018	
Increase/ (decrease) in Currency rate (USD)	2.75%	(2.75%)	2.75%	(2.75%)
Effect on profit before tax increase/ (decrease)	127.35	(127.35)	20.52	(20.52)

(iii) Equity price risk

The company's equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Reports on the equity portfolio are submitted to the company's senior management on a regular basis. The company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to:- unlisted equity securities at fair value is ₹ 0.60 Lakhs. unlisted equity in Associate at cost of ₹ 135.39 Lakhs

(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.

(₹ 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.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the entity's treasury department in accordance with the entity's policy. Counterparty credit limits are reviewed by the entity's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2019 and March 31, 2018 is the carrying amounts as illustrated in note below.

Particulars	As at March 31, 2019	As at March 31, 2018
Current Financial assets		
Investment in a joint venture	15,538.53	15,538.53
Investment in others	0.60	0.60
Loans	803.08	2,901.30
Others	159.60	217.51
	16,501.81	**18,657.94**
Non Current Financial assets		
Investments	-	5,000.00
Trade receivables	64,174.89	63,001.07
Cash and cash equivalents	825.40	1,676.51
Bank balances other than above	941.61	558.92
Loans	4,669.95	5,449.20
Others	2,412.35	2,508.39
	73,024.20	**78,194.09**

(c) Liquidity Risk

The Company monitors its risk of shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Payable within one year	Payable within one year to five years	Total
As at March 31, 2019:			
Term loans from banks	1,376.68	2,165.76	3,542.44
Short term loan	30,160.06	-	30,160.06
Trade payables	24,483.57	-	24,483.57
Other Financial Liabilities	1,778.16	47.19	1,825.35
As at March 31, 2018:			
Term loans from banks	6,985.17	3,459.12	10,444.29
Short term loan	48,780.09	-	48,780.09
Trade payables	21,413.50	-	21,413.50
Other Financial Liabilities	1,367.74	68.19	1,435.93

Notes to the Standalone Financial Statements

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(₹ in Lakhs unless otherwise stated)

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-19 and 24 on Borrowings for details).

NOTE 55 POST-EMPLOYMENT BENEFIT PLANS

	As at March 31, 2019	As at March 31, 2018
Gratuity	141.55	348.21

The entity 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 components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans.

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2019 and March 31, 2018

	Gratuity		
	Defined benefit obligation	Fair value of plan assets	Benefit liability
April 01, 2018	(2,407.92)	2,059.71	(348.21)
Cost charged to profit or loss			
Service cost	(157.00)		-
Net interest expense	(186.61)	159.63	-
Sub-total included in profit or loss	**(343.61)**	**159.63**	**(183.98)**
Benefits paid	85.75	(85.75)	-
Remeasurement gains/(losses) in other comprehensive income	-	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	(13.61)	-
	-	-	-
Actuarial changes arising from changes in demographic assumptions	72.38	-	-
Actuarial changes arising from changes in financial assumptions	(14.91)	-	-
Experience adjustments	(154.40)	-	-
Sub-total included in OCI	(96.93)	(13.61)	(110.54)
Contributions by employer	-	501.18	501.18
March 31, 2019	**(2,762.71)**	**2,621.16**	**(141.55)**

(₹ in Lakhs unless otherwise stated)

	Gratuity		
	Defined benefit obligation	Fair value of plan assets	Benefit liability
April 01, 2017	(2032.68)	1921.84	(110.83)
Cost charged to profit or loss			
Service cost	(140.11)	-	-
Net interest expense	(152.45)	144.14	-
Sub-total included in profit or loss	**(292.56)**	**144.14**	**(148.42)**
Benefits paid	154.13	(154.13)	-
Remeasurement gains/(losses) in other comprehensive income	-	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	4.80	-
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	41.41	-	-
Experience adjustments	(278.22)	-	-
Sub-total included in OCI	(236.81)	4.80	(232.01)
Contributions by employer	-	143.06	143.06
March 31, 2018	**(2,407.92)**	**2,059.71**	**(348.21)**

	As at March 31, 2019	As at March 31, 2018
Funds Managed by Insurer	2,621.16	2,059.72
Total	**2,621.16**	**2,059.72**

Significant assumptions used in calculation of post-employment defined benefit obligation of the company's are shown below:

	As at March 31, 2019	As at March 31, 2018
	%	%
Discount rate	7.66%	7.75%
Future salary increases	5.50%	5.50%
Mortality rate	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 and March 31, 2019 :

Particulars	Gratuity		Gratuity	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Assumption	Discount Rate		Discount Rate	
Sensitivity Level	0.50%	0.50%	0.50%	0.50%
	Increase	Increase	Decrease	Decrease
Impact on defined benefit obligation	(95.49)	(77.62)	101.57	84.91
Assumption	Future Salary		Future Salary	
Sensitivity Level	0.50%	0.50%	0.50%	0.50%
	Increase	Increase	Decrease	Decrease
Impact on defined benefit obligation	**103.21**	**86.38**	**(97.84)**	**(79.56)**

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Expected contribution to post employment benefit plans for the next Annual reporting period is ₹177.22 lakhs.

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for the year ended March 31, 2019

(₹ in Lakhs unless otherwise stated)

The following payments are expected contributions to the defined benefit plan in future years:

	Gratuity	
Within the next 12 months (next annual reporting period)	263.88	1,006.86
Between 2 and 5 years	1,160.24	332.47
Beyond 5 years	**1,338.59**	**1,068.59**
Total expected payments	**2,762.71**	**2,407.92**
The average duration of the Gratuity at the end of the reporting period	18.67 years	18.06 years

NOTE 56 INFORMATION UNDER 186(4) OF THE COMPANIES ACT, 2013

		March 31, 2019	March 31, 2018
(a)	**Loans given:**		
	i) To a Joint Venture Company (interest free working capital advance)		
	Opening Balance	0.12	-
	Given during the year	-	0.12
	Received during the year	(0.12)	-
	Closing Balances	-	0.12
	ii) In the form of unsecured short-term Inter corporate Deposits *		
	Opening Balance	9,890.00	10,085.00
	Given during the year	750.00	2,300.00
	Received / adjusted during the year	(5,745.00)	(2,495.00)
	Closing Balances	**4,895.00**	**9,890.00**
(b)	**Investments made (As disclosed under Note. 3,4 & 9)**		

* All loans are given to unrelated entities at interest rates ranging from 10% to 14% per annum. All the loans are provided for business purposes of respective entities, repayable on demand with prepayment option to the borrower.

NOTE 57 CAPITAL MANAGEMENT

For the purpose of the company's capital management, capital includes issued equity share capital and other equity attributable to the equity holders of the company. The primary objective of the company's capital management is to maximise the shareholder's wealth.

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital employed as well as the level of dividend to shareholders.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a debt equity ratio, which is net debt divided by total capital. The company's policy is to keep the debt equity ratio between 70% and 100%. The company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

The Company's debt equity ratio was as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings	33,702.30	59,205.05
Less: Cash and cash equivalents	(825.40)	(1,676.51)
Net debt	32,876.90	57,528.54
Equity Capital	2,668.19	2,666.15
Other Equity	128,826.10	111,545.80
Total Equity	131,494.29	114,211.95
Debt Equity Ratio	25.00%	50.37%

(₹ in Lakhs unless otherwise stated)

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current financial year. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019.

NOTE 58

Previous year figures have been re-grouped, wherever necessary, to correspond to current year figures.

As per our report of even date attached

For BGJC & Associates LLP
Chartered Accountants
Firm Registration No. 003304N

Darshan Chhajer
Partner

Membership No.: 088308

Place: New Delhi
Date: May 02, 2019

For and on behalf of Board of Directors

Dilip K. Banthiya
Chief Financial Officer

Dr. Lalit Khaitan
Chairman & Managing Director

Amit Manchanda
Vice President Legal &
Company Secretary

Abhishek Khaitan
Managing Director

Ajay K. Agarwal
President (Finance & Accounts)

Director