



**September 06, 2023**

To,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalai Street,  
Mumbai 400001  
**Scrip Code : 507205**

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block-G,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai-400 051.  
**Symbol : TI**

**Sub: Notice of 88<sup>th</sup> AGM along with Annual Report for the financial year 2022-23**

Dear Sir/Madam,

This is to inform you that the 88<sup>th</sup> Annual General Meeting (AGM) of the Members of the Company is scheduled to be held on **Thursday, September 28, 2023 at 10.30 a.m. IST** through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM').

Pursuant to Regulation 30 and 34 of the Listing Regulations, we are enclosing herewith the Notice for the 88<sup>th</sup> AGM and the Annual Report for the financial year 2022-23, being sent to the Members of the Company.

The Notice of 88<sup>th</sup> AGM of the Company along with Annual Report for the Financial Year 2022- 23 is available on the website of the Company at [www.tilind.com](http://www.tilind.com).

The aforesaid Notice of the 88<sup>th</sup> AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depository Participants.

Kindly acknowledge the receipt and take the same on your record.

Thanking you,

Yours faithfully,

**For Tilaknagar Industries Ltd.**

**Abhinav Gupta**  
**Chief Financial Officer**  
**Encl: a/a**

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ETERNAL SPIRIT  
A JOURNEY OF 90 YEARS  
AND COUNTING



FLASHBACK AND FAST FORWARD  
ANNUAL REPORT 2022-23

# CHEERS AT 90



Please find our  
online version at  
[https://tilind.com/  
investors-financial-  
reporting/](https://tilind.com/investors-financial-reporting/)

We extend A Warm Welcome  
to our FY 23 Annual Report, a  
journey of 90 years and a legacy  
we are proud of.

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## and counting...

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**In the dynamic world of business, only a few companies endure the test of time, while being able to continuously adapt and thrive amidst changes and challenges.**

At Tilaknagar Industries (TI), we are at the cusp of a momentous milestone, commemorating 90 years of existence. Reflecting upon our humble beginnings, we find ourselves marvelling at the countless accomplishments and memories that define our illustrious corporate legacy. Our 90-year corporate legacy has been all about overcoming challenges and attaining victories, valour and resilience, adaptability and excellence. More importantly, it has been about the profound impact that we have made on the people, customers and the communities.

Tilaknagar's story has been one of inspiration, centred around building an organisation with a solid foundation and a forward-looking ethos that we are today. Even as we cherish our past and present that have shaped our identity, we look ahead to the exciting journey that lies before us, brimming with new opportunities and boundless possibilities.

With our feet grounded and sights set on the horizon, we are ready to build upon our past achievements, forge new paths, and continue leaving a positive imprint on industries, communities, and lives.

Together, we embrace the journey ahead, guided by our unwavering commitment to innovation, sustainability, and creation of lasting value for all stakeholders.

We invite all stakeholders to join us as we embark on a flashback through time and fast forward into the future.



# Kal, Aaj aur Kal

## The illustrious Dahanukar Family



**Shri Mahadeo Laxman Dahanukar (popularly known as Babasaheb)**

(December 13, 1889 to December 19, 1969)

### First Generation

Our venerable founder, who made up in imagination and determination what he lacked in formal education and financial resources. The Company owes an immeasurable gratitude to his vision and initiatives.



**Smt Parvati Mahadeo Dahanukar**

She was an incarnation of nobility and a paragon of virtue.



**Shri Dattatreya Mahadeo Dahanukar (popularly known as Dadasaheb)**

(December 21, 1911 to October 30, 1999)

### Second Generation

Winner of the prestigious Padmashri award and a visionary par excellence, he led TI for over five decades with unflinching devotion, dedication and hard work.



**Smt Malati Dattatreya Dahanukar**

She had extra-ordinary insight, intelligence, high moral values and unimpeachable character.



**Shri Arun Dattatreya Dahanukar**

(April 23, 1945 to May 19, 2000)

### Third Generation

A brilliant and dynamic industrialist, he spear headed TI into a modern industrial house, for three decades from 1968 to 2000



**Dr. Smt. Sharadini Arun Dahanukar**

(October 17, 1945 to August 04, 2002)

She was the Chairperson of the Company for a period of two years from June 2000 to August 2002.



## **Shri Amit Arun Dahanukar and Mrs. Shivani Amit Dahanukar**

### **Fourth Generation**

Shri Amit Dahanukar is our current Chairman & Managing Director who has led the Company for more than two decades and provides the strategic direction for TI's initiatives.

Mrs. Shivani Amit Dahanukar is our current Executive Director who also guides all the community and welfare initiatives of the Company.



## **Sanaya Amit Dahanukar**

### **Fifth Generation**

A passionate marketing enthusiast, Sanaya looks after product development, packaging and communication strategies.

# Journey of 90 Years

## 1933

**This is how we were born as Maharashtra Sugar Mills Ltd (MSM) !!!!**

### **An inspiring beginning**

One day Shri Lokmanya Balgangadhar Tilak spoke with the young Shri Mahadeo Laxman Dahanukar that India was importing sugar in vast quantities despite having the potential to produce all the sugar it needed. Even though it was a challenging task, our young founder was a visionary and his conversation with Shri Tilak was all the inspiration he needed for setting up a sugar factory.



## 1933-1973

**Visionary plants and businesses ventured by our founders**

To fully utilise every bit of the sugarcane it used, including the molasses that most sugar cane factories then treated as waste, MSM put up, in 1947, a distillery to manufacture industrial alcohol.

Further, MSM forayed into the manufacturing of sugar cubes and was the one of the only two Companies in India in this venture.



### **Next Logical step : Alcohol**

In 1968, the distillery diversified into the production of potable liquors, both foreign and traditional varieties

### **MSM formation**

MSM was incorporated in 1933 with a modest capital of ₹ 5 lacs. The original factory started with a crushing capacity of 400 tonnes of cane a day.

The farm area grew from 1,250 acres to nearly 11,000 acres of which 4,250 acres were devoted to the cultivation of sugarcane.





# 1973

## How MSM became Tilaknagar Industries Ltd?

To address the threat of nationalisation of the sugar industry, MSM segregated its non-sugar business activities and transferred Potable Liquor Manufacture, Distillery and Sugar Cube to its wholly owned subsidiary M.R.E. (Maharashtra Radio and Electronics Private Ltd) from September 1973. This necessitated a change in M.R.E's name to Tilaknagar Distilleries and Industries Ltd (TDI). As a result, MSM became the holding company of TDI.

In 1974, MSM made a Rights Issue and offered its shareholding in TDI to MSM shareholders in the ratio of 5:4. The Rights Issue met an overwhelming response and TDI became an independent public limited company.

BSE permitted TDI to list with the condition that it should offer to the public at least 23% of the issued capital. TDI management brought to the notice of Comptroller and Capital Issues of India that it would be unfair to existing shareholders if new investors were allotted shares at just the face value since the former were entitled to reap the benefit of its huge reserves and long period of holding. The CCI appreciated this exceptional stand and permitted the new issue at a 100% premium i.e. ₹ 20 for every share of ₹ 10, which was oversubscribed on the first day itself on November 02, 1981

Post closure of its sugar business, the Company's focus shifted to manufacture of spirit, Indian-made foreign liquor (IMFL) and Extra Neutral Alcohol (ENA). For administrative convenience, TDI was amalgamated with MSM effective from 4<sup>th</sup> August 1993, and MSM's name was changed to Tilaknagar Industries Limited with effect from 6<sup>th</sup> August 1993.

# 1974-2000

## Beginning of new saga

After exiting the sugar business, TI promptly shifted its focus towards the IMFL business. It launched its flagship brands, including Mansion House Brandy (MHB) and Courier Napoleon Brandy (CNB), and steadily gained a foothold in the Indian market with the growing acceptance of its products.

## Backward Integration

Since good quality glass bottles were difficult to come by the Company decided to set up its own Glass Division in 1974.

In 1977, the Company set up a new Chemical Division to manufacture essential chemicals



# 2002-2015

## The Growth years

### A 20 X massive sales growth

Spread our wings in the entire Southern India states and turnover increased by a whopping 20x from ₹ 60 cr in 2002-2003 to ₹ 1,220 crores in 2015.

### Distillery expansion

Molasses multi pressure distillery plant set up in 2009

Grain distillery plant set up in 2010

### Brand strategies

TI expanded its portfolio to 40 exquisite brands.

TI enlisted itself in Canteen Stores Department (CSD) markets in 2003-2004 paving its way for new growth.

TI acquired key Alcobrew brands in 2011 and IFB Agro brands in 2015.

### Subsidiaries

TI expanded its footprints by forming strategic subsidiaries in the key states of Andhra Pradesh, Karnataka and Punjab

# 2015-2020

## The Troubled years

TI faced a series of business setbacks in certain markets leading to blockage of working capital and financial duress post 2015 onwards. Subsequently, it went through financial restructuring process that lasted for almost five long years, setting back TI's expansion plans.

Prag, a wholly owned subsidiary also went into liquidation in 2017 which further accentuated our financial crisis.

# 2020 onwards

## The turnaround story

**The come back is always stronger than the setback.**

TI with its inbuilt resilience and fighting spirit committed itself to come out of the financial stress and entered into a Master Restructuring Arrangement with Edelweiss in 2020 and financial settlements with banks.

TI raised ₹ 311 crores through three rounds of preferential issues. This turnaround helped the Company to recapitalise, deleverage, regain its volumes and propel itself to growth and expansion.

# MHFB



We will always remember 2023 for two reasons, India is now on the moon and TI is over the moon celebrating its 90<sup>th</sup> anniversary

# When our Founders walked tall amongst the tallest in the Country



Shri and Smt M. L. Dahanukar greeting Sardar Vallabhbhai Patel, the then Home Minister, soon after Independence of India, at a reception by Indian Merchants Chamber



Shri S.Radhakrishnan, President of India, Shri Jawaharlal Nehru and Shri D. M. Dahanukar addressing a gathering



A huge political gathering at M. L. Dahanukar guest house



Shri M. L. Dahanukar welcoming Shri Pandit Jawaharlal Nehru, the first Prime Minister of India



Shri Arun Dahanukar, Deputy Managing Director presenting a cheque of ₹ 50,000 as donation from the Company towards the welfare fund of the families of those jawans who laid down their lives in the Indo-Pak War in August 1965.



Shri D. M. Dahanukar and Shri Arun Dahanukar sharing a pose with Shri Lal Bahadur Shastri, former Prime Minister of India and Shri Y. B. Chavan, first Chief Minister of Maharashtra



Shri D. M. Dahanukar (Dada Saheb) was conferred the prestigious Padma Shree award by the President of India, Shri V. V. Giri, on April 21, 1970, in recognition of his yeoman services in the field of Industrialisation.



Shri V. V. Giri, President of India felicitating Shri D. M. Dahanukar on receiving the prestigious Padma Shree award at the latter's residence.



Smt. Indira Gandhi, former Prime Minister of India sharing a moment with Shri D. M. Dahanukar and Smt Malati Dahanukar at the Annual Session of the Federation of Indian Chambers of Commerce & Industry.

The story of the Maharashtra Sugar Mills Ltd is the last fifty years is a story of the creation of wealth and rural prosperity from what had once been arid dry and non-cultivable lands. It is a saga of India's enterprising spirit fired by a keen sense of patriotism kindling the Swadeshi spirit in the country and overcoming many a hurdle and difficulty. The company has been in the thick of all this. The company now is poised for further growth, and progress with courage and with confidence about the state's continued helpful measures.

*D.M. Dahanukar*  
**D.M. Dahanukar**  
 CHAIRMAN



The legendary jurist Shri Nani. A. Palkhivala as the chief guest at the Golden Jubilee anniversary of the Maharashtra Sugar Mills Limited in 1983



Shri D. M. Dahanukar, Smt Malati Dahanukar and Shri Arun Dahanukar all smiles with Shri Morarji Desai, former Prime Minister of India



Shri D. M. Dahanukar presenting a cheque of donation to Mr. J. R. D. Tata, Chairman of NCPA.

## Brand Building

# Timeless heritage, modern vibes: a journey of building a youthful brand

Ours is a brand with a rich legacy and values. In a journey of brand evolution, we have achieved a timeless transformation, embracing modern appeal that resonates with the dynamic spirit of youth while elegantly retaining our traditional essence. The seamless blend of contemporary elements and cherished traditions has resulted in a captivating brand identity that bridges the past and the present.



**1933-1992**  
The Maharashtra Sugar  
Mills Ltd



**1967-1992**  
Tilaknagar Distilleries  
and Industries Ltd



**1993-1998**  
Tilaknagar Industries Ltd



**1999-2004**  
Tilaknagar Industries Ltd



**2004-2005**  
Tilaknagar Industries Ltd



**2005-06**  
Tilaknagar Industries Ltd



**2006-2008**



**2008-2009**



**.TI.**  
TILAKNAGAR INDUSTRIES LTD  
**2009-2011**



**2011-2018**



**2018-2020**



**2021 onwards**

2006 was a defining moment in our branding history when we built an entire narrative capturing the legacy and essence that defines our brand.



The color Red signifies fire and Gold denotes precious metal, indicating our regal and aggressive approach.



The shafts of 'Wheat Grain' represent malt, raw material used in the production of high-end grain alcohol. 'Sugarcane Stalks' represent molasses, a key ingredient in the manufacture of basic neutral alcohol.



The alphabets 'TI' are graphic personification of an all-encompassing feminine form. TI lays prime emphasis on its people promoting diversity and Women Empowerment.

Sugarcane stands as a reminder to our genesis as a sugar manufacturing company.

The graphic letters 'T' & 'I' are united to represent a sword in a downward direction portraying aggression and laying emphasis on restraint and control.



The 'Open Book' is symbolic of the company's efforts to provide education to all. It also signifies knowledge and learning.



The dot on 'I' and the 'Red Circle' together denotes the moon and the sun, signifying the essential energy sources (Ying and Yang) of the universe.



'Red Ribbons' symbolize the 'Padma Shree' award that was conferred on Shri D M Dahanukar by the Government of India. The ribbons curl around the feet of the Lion and the Lioness- portrayed as restraint, thereby signifying controlled aggression.



The Sun is also a representation of the Company's environmental goals to go green and to generate power through solar energy and other non-conventional sources.



The 'Herb Leaves' denote the pharmaceutical projects of the company. The 'Water Drop' represents the water harvesting project.



On the periphery of the logo, the Lion and the Lioness with their mouths wide open suggest ferocity, aggression and synergy.



The 'Bull & Cow Elephant' represent synergy, strength and wisdom.



# Dial T for Tilaknagar

Our vision is to create iconic brands having a lasting emotional connect with consumers.

Living in your hearts since 1933

## What we stand for

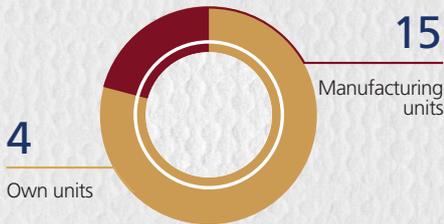


We are kings of brandy

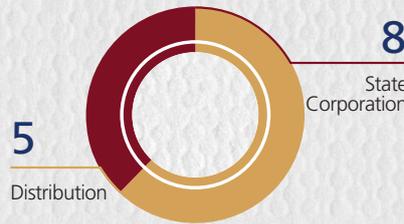
- Mansion House Brandy (MHB)
- Courier Napoleon Brandy (CNB)
- Mansion House Flandy (our latest innovation)
- Mansion House Whisky (MHW)
- Madiraa Rum

We love producing iconic brands

## Production units PAN India



## States we serve



5 Countries we serve

96.43 Cases sold (in lacs) in FY 23

3,000 Number of bottles sold (in lacs) in FY 23 to our happy consumers

## Walk the talk with our numbers

247,678 Income FY 23 (₹ in lacs)

## We are a top 1,000 listed company

718 BSE rank as on March 31, 2023



699 NSE rank as on March 31, 2023



315 Employees

101,154 Balance Sheet Size March 31, 2023 (₹ in lacs)

## Share Price

67.70 Share Price April 01, 2022



112.70 Share Price March 31, 2023

34,000 Shareholders

No guts No glory  
No legend No Story

Every second,  
10 TI bottles  
are opened



Then

Now

## How we grew over 90 years

1933-34

2022-23

₹ lacs

First ever Revenue	Our first ever Profits
1.81	0.05

₹ lacs

Our latest Revenue	Profits as you see today
247,678	14,990

Our first Share Capital	Initial Balance sheet size
5.00	8.59

Our latest Share Capital	Current Balance sheet size
18,534	101,154

## From Setback to Comeback

2015-20

Setback period

2020  
onwards

Comeback period

₹ lacs

Lowest Revenue	Highest losses
114,732	-28,786
Lowest net worth	Heaviest Balance Sheet size
-28,722	171,636

₹ lacs (FY 23)

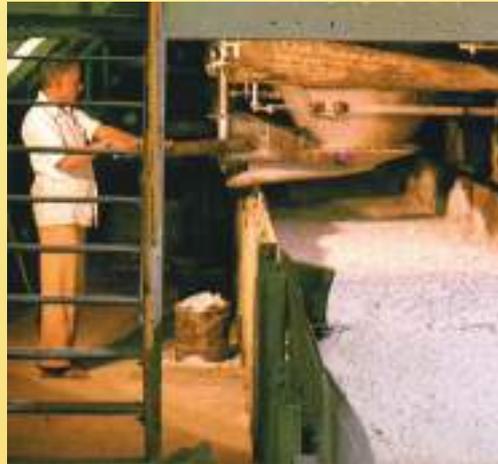
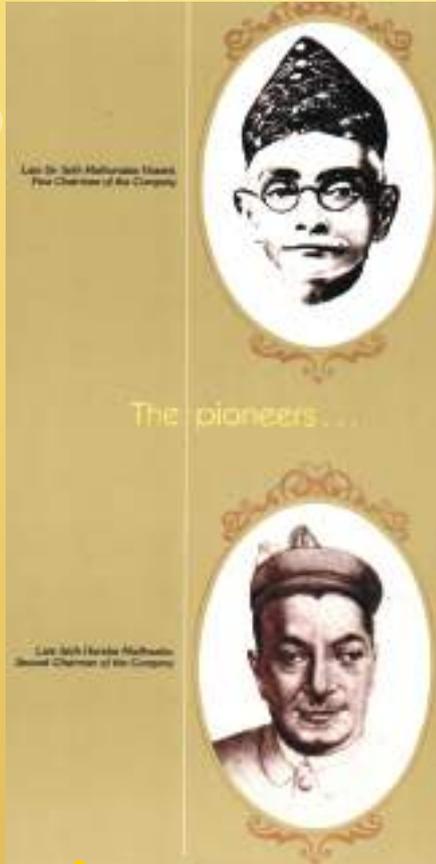
Comeback revenue	Comeback profits (before exceptional items)
247,678	7,215
Our net worth as on date	Our lightened Balance Sheet
48,292	101,154

Lowest Share price
10.33

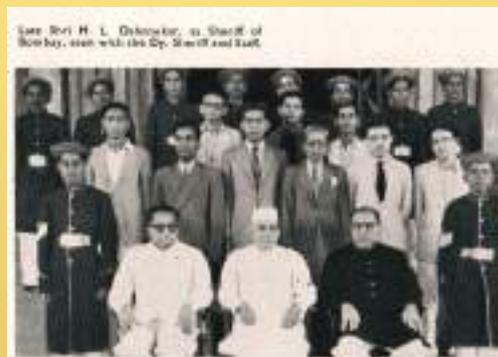
Share price
112.7



## Did you Know?



The first refined sugar factory in India was introduced by your Company in Shrirampur. "The sparkle and lustre of diamonds" was how the market described the Company's refined sugar.



Shri M. L. Dahanukar was the first sheriff of Mumbai after Independence in 1948

The first two Chairmen of the Company Shri Seth Mathurdas Vissanji and Shri Seth Haridas Madhavdas were not from the Dahanukar family.

They have a special place in our hearts as they performed ably the following difficult tasks :-

- a) Attracting capital to the new and pioneering venture
- b) Steering the Company towards growth during the years of the Great Depression.



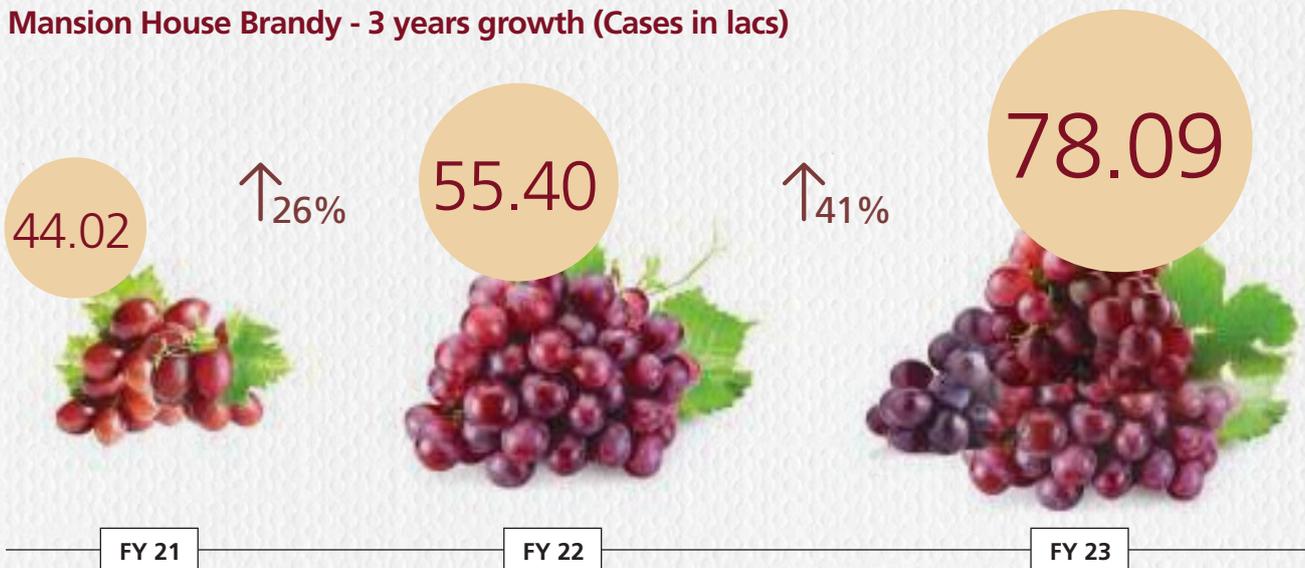
A handsome donation made by Shri Mahadev Laxman Dahanukar, resulted in Parle Commerce College being renamed as the oldest and highly sought after commerce colleges, M. L. Dahanukar College of Commerce, Vile Parle, in 1962.

## Mansion House Brandy

# Retains fortress as India's #1 and world's #2 brandy in the premium liquor market

In an extraordinary journey through time, we find ourselves immersed, relishing moments cherished and milestones conquered. Ours is an incredible legacy of passionately crafting quality liquor and mastering the art of alcohol making, which has been passed down the generations. Here's to 90 extraordinary years and counting.

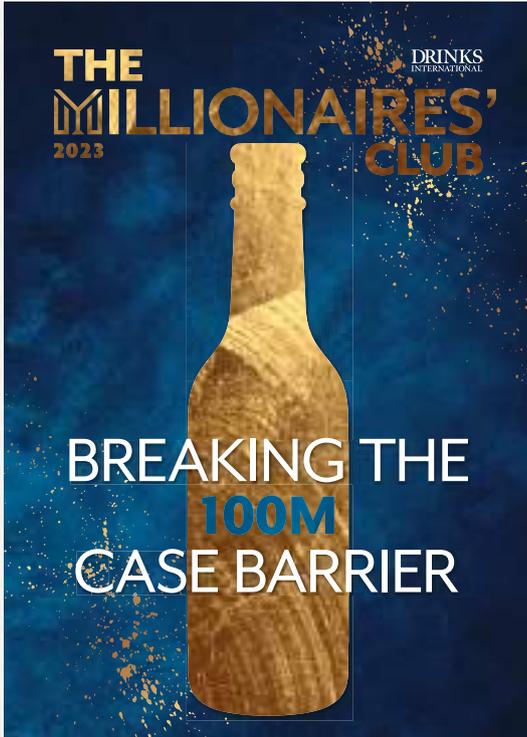
### Mansion House Brandy - 3 years growth (Cases in lacs)



FY 21				FY 22				FY 23			
State		Market Type	No. of Depots	Retail Outlets	State		Market Type	No. of Depots	Retail Outlets		
1. Andhra Pradesh	Corporation	29	4,134	6. Odisha	Corporation	9	1,912				
2. Telangana	Corporation	19	3,878	7. West Bengal	Corporation	20	3,110				
3. Karnataka	Corporation	71	11,969	8. Assam	Open	NA	1,800				
4. Kerala	Corporation	26	1,119	9. Sikkim	Open	NA	715				
5. Tamil Nadu	Corporation	43	5,300	10. Goa	Open	NA	1,234				
				11. Maharashtra	Open	NA	10,148				

Map not to scale. For illustrative purpose only

# Iconic Mansion House Brandy - Born to Win



Mansion House Brandy is the **Fastest growing Brandy globally**

Mansion House Brandy ranks **31<sup>st</sup> largest selling brand worldwide**

Mansion House Brandy is **2<sup>nd</sup> fastest growing spirits brand globally**



Mansion House is **India's biggest brandy brand by volumes**



TI's Mansion House brandy has been named the global brandy brand champion of 2023 by **The Spirits Business**

## Courrier Napoleon Brandy

# Return to the millionaire club

In FY 2022-23, Courrier Napoleon Brandy (CNB) recorded a solid growth in sales volume, to re-enter the millionaire club. It is now our second millionaire brand and is poised to become one of the fastest growing brandies in the prestige segment.

Courrier Napoleon Brandy is made using the double-distilling process in French copper pot stills. It possesses a toasty wood flavour that's intertwined with notes of vanilla, grape and a subtle fruitiness. With a smooth, light golden body and a gentle aroma of honey, the brandy is appreciated by all palates.

In its two largest markets, Kerala and Puducherry, the brand has witnessed more than 40% and 88% growth, respectively. Sold in Canteen Stores Department (CSD) and in over eight states across India, the brand has garnered a 15% market share in the highly competitive Prestige brandy segment.



### CNB GLOBAL RECOGNITION

**Millionaire club re-entry**  
1.0 million cases sold in  
CY 2022

**11<sup>th</sup>\* fastest growing  
Spirits brand globally**

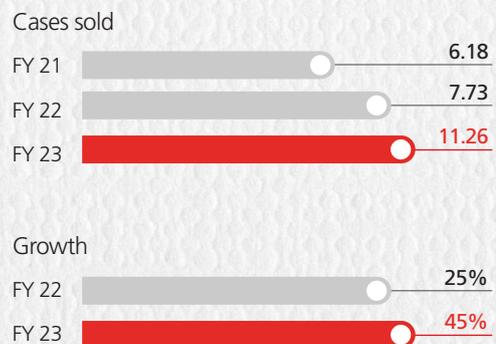
**Entry in Brandy  
Brand Champions**  
by The Spirits Business

**Top 10 selling  
brandies globally**

Source : Brand Champions

\*Source: Drinks International – The Millionaire Club's supplement

### Courrier Napoleon Brandy 3-year growth story (cases sold in lacs)



## Branding Initiatives

# Elevating brandy's visibility and aspirational value

In the dynamic landscape of the alcoholic beverage industry, the brandy category had long been waiting for a transformative shift in communication. Unlike other categories that had established their codes and messaging, brandy lacked a distinctive voice that resonated with the evolving preferences of modern consumers. Recognising this gap, Mansion House embarked on an inspiring journey to redefine not just its brand identity, but also the very perception of brandy.

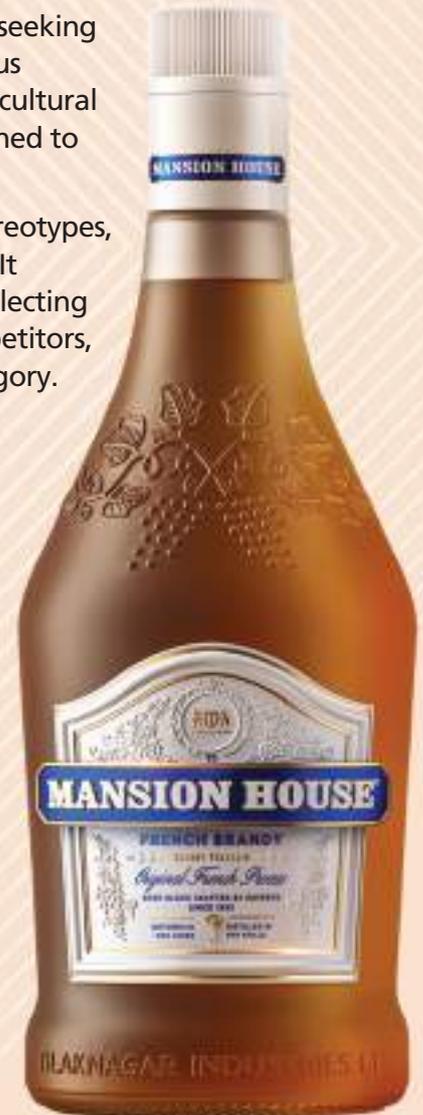
The context was thus perfectly set for a transformation with consumers seeking beyond products to meaningful experiences that mirror their values. Thus emerged the 'Warm Welcome' campaign, a thoughtful response to this cultural shift. Rooted in authenticity, inclusivity, and emotional depth, it is designed to tap into broader societal desires for genuine connections.

As the market yearned for narratives that transcended conventional stereotypes, the campaign aims to establish Mansion House as a catalyst for change. It beautifully encapsulates the essence of genuine human connections, reflecting the aspirations of a new generation. Beyond a differentiator from competitors, the campaign aspires to pioneer a paradigm shift within the entire category.

## The Brand-New Look of Mansion House Brandy Unveiling a masterpiece in a modern and contemporary avatar

Mansion House Brandy (MHB), stands tall as the unrivalled market leader in India's brandy and IMFL industry and proudly holds the position as the second largest selling brand globally. In a remarkable relaunch, we are rewriting the rules of the game and leading from the front to create a compelling narrative that can fuel the brand's popularity among the dynamic youth.

Mansion House Brandy embraces a new era with exciting, elegant packaging exuding sophistication and timeless beauty. From the stunning label to the iconic bottle shape, each element embodies aspiration and allure. The relaunch will debut in East and North Eastern markets by September 2023, to ignite excitement and anticipation among our valued consumers.



### An invitation to experience the magic of a warm welcome

MHB's new proposition 'A Warm Welcome' is an invitation to experience the exceptional. It embodies the essence of inclusivity, compassion and the power of heartfelt connection. This proposition is a jubilant celebration of the richness of shared human experiences, breaking down social barriers to foster an inclusive worldview. It serves as an avenue to connect with consumers, inspiring them to value and nurture genuine connections, while appreciating the transformative impact of warm welcomes. Transcending beyond product attributes, a warm welcome becomes a symbol of fostering authentic relationships and memorable moments.



### Mesmerising audiences with captivating campaigns

To spread the joy of welcoming, we have initiated distinctive campaigns. A film has been launched, directed by Puneet Prakash which through evocative visuals and enchanting narrative beautifully captures the essence of human connection and the joy of opening doors to cherished experiences. Inspiring re-evaluation of perspectives and embracing genuine connections, it sparks conversations around the transformative power of warm welcomes for both giver and receiver.

Thematic campaigns have also been initiated, featuring captivating imagery of friends and family in a joyous mood. It captures the essence of pure connection, enduring bonds, spirit of togetherness, and unconditional love, support and excitement.



## Experience the world of exquisite taste with all-new Mansion House Chambers Refinement unparalleled for larger-than-life experiences

Get ready to be blown away by the sheer grandeur of Mansion House Chambers, our soon to be launched esteemed and exquisitely crafted premium brandy. With a unique proposition and packaging, it unveils a realm of enchantment and opulence, where style, celebration, and legacy converge in perfect harmony. It emerges as a radiant icon of sophistication and refinement in the world of premium brandy – a cherished companion gracing life's most extraordinary moments with grandeur.



### A harmony of artistry and sophistication

Mansion House Chambers' packaging is a masterpiece of artistry and elegance. Thoughtfully curated to create larger-than-life imagery, it elevates the senses with aspiration and a desire for refined indulgence. The meticulously sculpted bottle exudes a sense of timelessness and grace. The label, adorned with its intricate design, commands attention, while the unique cuts of the bottle showcase an aura of exclusivity and prestige.

### A melodious fusion of distinctive notes

Mansion House Chambers Brandy is a masterpiece of traditional craftsmanship by brandy experts. Its alluring golden hue is reminiscent of the sun's warm embrace, and it offers an enchanting mélange of complex fruity aromas, promising a sensory journey unlike any other. With each sip, delicate oak notes are revealed, bestowing a smooth and velvety texture on the tongue. The tasteful blend culminates in a long-lasting, rich aftertaste that leaves an indelible impression.

### Welcome to the Chamber: Where luxury meets legacy

Mansion House Chambers' 'Welcome to the Chambers' proposition sets the stage for a realm of enhancement and opulence, where style, celebration, and legacy intertwine. Through premium imagery, refined messaging and an embodiment of our audience's personality, it emerges as a radiant icon of sophistication and refinement in the world of premium brandy and a cherished companion gracing life's most extraordinary moments with grandeur.



## Rolling-out the all-innovative Mansion House Premium Flavoured Brandy A celebration of now and uniqueness

A testament to Tilaknagar’s innovation and category expansion capability, Mansion House Premium Flavoured Brandy is an embodiment of Brandy (Flandy) youthfulness, energy, and vibrancy. The unique and youthful drink is an invitation to live life in the present while savouring extraordinary experiences.

### A call to Welcome the Now

In a fast-paced and ever-evolving world, Flandy's new proposition, 'Welcome the Now', encourages the youth to fully embrace the present moment. It encapsulates the idea of seizing opportunities, savouring every sip of life, and celebrating the joy of being in the moment. Welcome to the world of Flandy, where every experience is treasured, and where youthful and energetic spirit thrives.

### Youthful campaign to energise the spirit

Flandy's 'Welcome the Now' is a captivating campaign, shot by the renowned photographer, Rohan Shreshtha, meticulously crafted to awaken the youthful, energetic, and spontaneous essence inherent in us all. It is an invitation to live life in full colour, to seize the vibrant spirit of the present moment. It encapsulates the idea of seizing the opportunities that surround us, savouring every sip of life, and celebrating the joy of being in the moment.



## Blue Lagoon reimaged in a new persona Immersing all into the enchanting realm

Blue Lagoon Gin (BLG) is an ultimate mood enhancer, delivering unforgettable experiences. With a refreshed identity and exciting packaging that exudes fun and merriment, it is poised to captivate the senses and redefine the gin experience. Blue Lagoon Gin is more than a gin; it is an expression of our dedication to crafting remarkable experiences and our relentless pursuit of excellence.



### Just Dive In: a bold invitation to embrace the extraordinary

With a sense of adventure and a dash of curiosity 'Just Dive In' is an invitation to explore the delightful and refreshing experiences. It calls people to embrace the playful and vibrant world, dive in fearlessly and let the waves of fun and flavour carry one to new heights.

### All-new young, vibrant and joyful packaging

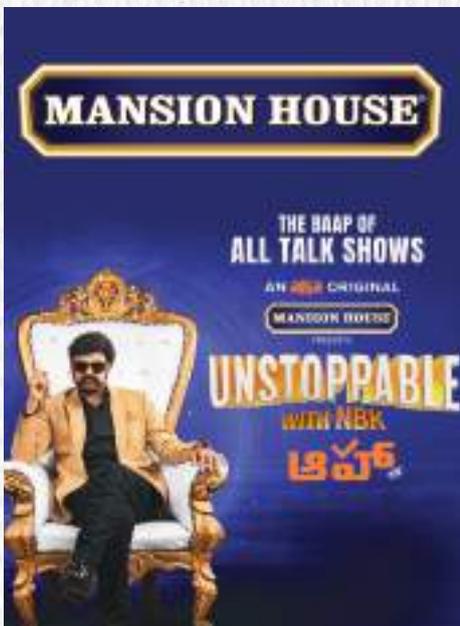
Each bottle of BLG is meticulously designed, featuring charming characters donning sunglasses, radiating joyful expressions, and adorned in vibrant colours. It serves as a gateway to embark on an unforgettable taste adventure, promising a refreshing, flavour-packed, and light-hearted experience with every sip.



## Marketing Initiatives

# Mansion House Unstoppable

Mansion House has partnered with Aha for its eagerly-awaited celebrity talk show, 'Unstoppable'. Much like our flagship brand Mansion House, the series hosted by renowned actor Nandamuri Balakrishna promises to stir up a unique, exclusive and thrilling experience for audiences, especially the youth. The star-studded chat show is one-of-a-kind opportunity for viewers to be thoroughly entertained



Mansion House Unstoppable with NBK is the show that has set gold standard in the talk show genre, presenting heartfelt conversations between the biggest names from the tinsel town, blended with a purpose and fine dose of emotions, humour and dollops of nostalgia.



Mansion house team along with few distributors and retailers had a fun filled evening on the sets of Mansion House Unstoppable with the super star Nandamuri Balakrishna.

# Mansion House Premium Flavoured Brandy Launch

With the aim of expanding its bouquet of Premium Brandy offerings, Tilaknagar Industries Ltd launched India's first premium Flavoured Brandy – Flandy. This move has helped us to cater to the existing consumers growing taste as well as welcome new younger audience in this category.

Present-day consumers are more experimental, and their tastes and preferences are evolving. Along with an increase in demand for premium products, this trend has given a significant push to flavored drinks and cocktail culture. The Mansion House Flandy aims to enhance the experience of the aspirational Indian consumer and make brandy a drink with a popular appeal



# Mansion House Packaged Drinking Water

Tilaknagar Industries Ltd. ventured into Packaged Drinking water business by launching Mansion House Packaged Drinking Water in Kerala in the month of April 2023.

The first Packaged Drinking Water tie-up unit became operational in April 2023, producing the very 1<sup>st</sup> batch of Mansion House Packaged Drinking Water on 28<sup>th</sup> April 2023. More states like Tamil Nadu and Karnataka will be added in next few months.

# Other Key Brands



## Madiraa XXX Rum

Madiraa is a fusion of roots: “Madeira”, a region of intoxicating history in Portugal from where the famous Madeira wine comes and “Madira”, a namesake from Sanskrit. Crafted from an intense blend of first generation sugarcane juice, it has an exquisite note of sweetness. Distilled and matured to perfection, it has a toasty, caramel flavour. Pulsating with life, this rum packs a punch of flavour.



## Mansion House Reserve French Brandy

The exclusive Mansion House Reserve French Brandy is made from a special kind of 'Ugni Blanc' grapes handpicked from the Sahyadris in India which impart a slightly sweetish and lingering taste to the blend.



## Mansion House Gold Whisky

The Gold Whisky is perfection personified. It is a flawless balance of rare malts and handpicked Indian grains. Cherished by connoisseurs and amateurs alike, it is matured in aged oak casks which gives a deep rich flavour with scintillating aroma. It is a full-bodied whisky that boasts of textured, oaken flavours. The golden blend is light yet delivers a rich palate that has hints of malts, a subtle fruitiness and a delicate smokiness. This superior blend reveals a distinct taste in every sip.

### Product Category-Wise Sales Volume in FY 23 (In lacs)

	FY 23	FY 22	
Brandy	89.82	63.26	42%
Rum	4.79	2.93	64%
Vodka & Gin	0.98	0.35	177%
Whisky	0.83	0.77	9%
<b>Total</b>	<b>96.43</b>	<b>67.31</b>	<b>43%</b>



# Chairman's Message



**Dear Shareholders,**

I started last year's message with the observation that "The last two years have necessitated most businesses to showcase multiple qualities; none more than the quality of tenacity". If last year was characterised by TENACITY, this year has certainly been about FOCUS. FOCUS on growth. FOCUS on profitability and cash-flows. FOCUS on cost optimisations. FOCUS on quality and innovation. FOCUS on building a team, which will not only meet our immediate and short-term targets, but also lay the foundation and hopefully, achieve our long-term vision and goals.

It is this focus which has held us in good stead, during the course of this year. FY2022-23 has been a year of acute inflationary pressures, both on raw materials as well as packing materials side. Despite this, your Company has been able to grow its EBITDA by a healthy 22.4%, whilst most of its larger alcohol peers have either seen EBITDA degrowth or low single digit growth. This growth in profitability has been through an optimal mix of cost optimisations, premiumisation and favourable brand and regional mix.

Your Company closed FY2022-23 at a volume of 9.6 mn cases. Along the way, your Company now has two 'Millionaire' brands; Mansion House Brandy and Courier Napoleon Brandy.

### Mansion House Brandy – the fastest growing brandy brand in the world

As per Drinks International's latest report, 'The Millionaires' Club 2023', your Company's flagship brand Mansion House Brandy ("MHB") became the world's fastest-growing brandy brand and the second-fastest growing brand, across categories, globally. With 7.8 mn cases sold in FY2022-23, MHB is the largest selling premium brandy in India.

### Courier Napoleon – Our second 'Millionaire' brand

Your Company's second highest selling brand, Courier Napoleon brandy also surpassed a million cases in FY2022-23, closing the year at 1.2 mn cases sold.

I am also happy to share some of other key operational highlights in FY2022-23 for your Company:

- ◆ Overall volume growth of 43% YoY vs. IMFL industry growth of around 12%; becoming one of the fastest growing IMFL companies in India
- ◆ Volumes for FY2022-23 are significantly above pre-Covid levels i.e. 45% over pre-Covid levels of FY2018-19
- ◆ During the year, your Company has also launched a premium variant of Mansion House Brandy in Tamil Nadu, the largest brandy consuming state, contributing more than 40% of the total brandy volumes in the country
- ◆ December 2022 was our best month of the year, and registered almost 1.1 mn cases of sales, our first 'million cases sold' month in more than a decade

### Revenue growth and profitability

Your Company registered its highest ever revenue for the entire year as well as for the quarter (in Q4). While net revenue for FY2022-23 increased by 48.6%, to ₹ 1,164 crore, the revenue for Q4 FY2022-23 closed at ₹ 357 crore. Your

## The next couple of years will see some very interesting and innovative products being launched from our end, not only in brandy category, but other IMFL categories as well

Company also reported a strong EBITDA at ₹ 137 crore and margin at 11.8% for FY2022-23. PAT came in at ₹ 72 crore, a 125.7% growth YoY.

### Debt reduction

As on March 31, 2023, your Company's debt decreased by almost ₹ 200 crore during the year, to ₹ 250 crore from ₹ 449 crore as on March 31, 2022. The company's net debt stands at ₹ 182 crore as on 31 March 2023. Since March 2019 i.e. over the past four years, we have been able to reduce our debt by nearly ₹ 950 crore. Your Company continues to make all efforts to further reduce high-cost debt and related finance costs.

### New products

As mentioned above, your Company launched India's first premium flavoured brandy i.e. Flandy, last year. This 'first of its kind' product has received an encouraging response, and is growing by leaps and bounds.

We also unveiled the premium variant of Mansion House Brandy, namely Mansion House Reserve. This product has been introduced in Tamil Nadu in a segment worth 2 mn+ cases per year; and we are already seeing good momentum being built in the state on the back of this launch.

In-line with our launches mentioned above, our aim is to open up the brandy category to a more experimental and aspirational audience.

The next couple of years will see some very interesting and innovative products being launched from our end, not only in brandy category, but other IMFL categories as well.

### Strategic investments

I am excited to share that we have made an investment in Spaceman Spirits Lab Private Limited ("SSLPL"), makers of premium Indian craft gin, Samsara. After the ₹ 9.75 crore investment, your Company now holds 10 per cent of the issued and paid-up share capital on a fully diluted basis in SSLPL. With this investment, your Company will also be able to participate in the booming Indian craft spirits industry, a segment that has recently witnessed a sharp rise in popularity.

Craft spirits have inspired curiosity and high interest among new-generation consumers. As an already established IMFL player, we look forward to supporting the company's endeavour of infusing creativity in this space. SSLPL, in a very short time has developed multiple expressions of its Samsara Gin; and has carved a niche and positioned itself as India's favourite Pink Gin.

In addition, your Company has also backed Incredible Spirits Private Limited ("ISPL"), a Pune-based start-up focused on developing innovative products in the Ready-to-Drink ("RTD") alcoholic shots space under the brand name SWIGGER. The brand's unique offerings will come in a 60 ml shot glass with a pull rip cap closure, ensuring a safe and unadulterated experience for consumers. The shots are being developed using a range of mother-spirits including Gin, Vodka etc. and will be blended with natural, organic flavours. SWIGGER is expected to be launched in the first half of FY2023-24. Your Company has committed an investment of ₹ 1 crore for a 19.5 per cent of the issued and paid-up share capital on a fully diluted basis in ISPL.

## Marketing and Communication

Brandy enjoys a 20%+ share of IMFL market, however its Share of Voice is very low in comparison to other IMFL categories. This stems from the fact that there has been very little investments made by industry players in the brandy category. Given our leadership position in brandy, we have now taken up the mantle to change this and invest more in marketing and communication. We have introduced our new proposition for Mansion House Brandy, "A Warm Welcome", which is an earnest invitation to experience the exceptional. The news communication can be seen accessed on our social media channels. Beyond the realm of product attributes, "A Warm Welcome" embodies the essence of human warmth, inclusivity and connection.

## Way forward

Brandy is the second largest category in IMFL and we contribute 10% of the market share in brandy across India. However, we believe there are numerous opportunities to further expand our market share, and at the same time grow the category as well.

While our focus on brandy continues on the back of our premiumisation strategy within the category, we are also looking at regional as well as category expansion. Over the course of FY2023-24 and beyond, you will see some interesting launches coming from our stable, not only in terms of new regions being launched, but also new products, across the profitable value chain.

## While our focus on brandy continues on the back of our premiumisation strategy within the category, we are also looking at regional as well as category expansion

You will also see much more focus on marketing efforts, including, creating strong category codes for brandy, which will help us in our premiumisation journey in the category. Our marketing activities will focus on making brandy more aspirational and exciting, and at the same time, more inclusive.

Our innovation drive, in terms of flavoured brandy and other initiatives, will further aid in the effectiveness of the marketing efforts.

On the profitability front, while inflationary pressures are subsiding in certain areas like packing material, we believe that we are still a few quarters away from our expected peak EBITDA margins. We have recently received price hikes in our key state of Telangana and are hopeful of getting price hikes in some of our other states. This, along with our cost optimisation efforts and growth trajectory will enable us to build on all the good work we have done in FY2022-23.

Growth is very important to us, but so is our focus on cash flow generation. While growth will bring about operating leverage, we will also continue to reduce our debt, which in turn will reduce our finance costs. Add to that the premiumisation focus; and we should have the perfect recipe for profitable growth, leading to high cash flow generation.

I would like to end by thanking all our shareholders for their continued faith and support in the management.

Best wishes,

Amit Dahanukar  
Chairman & Managing Director

## Management Speak

# Insights from Senior Management



### Ahmed Rahimtoola

Chief Marketing Officer

Brandy has a share of market of 22% in the IMFL category but has an almost negligible share of voice. Being the category leader, the onus falls on us to expand the category and give it a voice and change some of the unfavourable perceptions that have been built around the category.

### Abhinav Gupta

Chief Financial Officer

Last financial year was truly a remarkable year in the journey of your Company. Net Revenue for FY2022-23 increased 49% to ₹ 1,164 crore, making your Company one of the fastest growing alcobev companies in India. During the same period, debt reduced by almost ₹ 200 crore with gross debt as of March 31, 2023 at ~₹ 250 crore. We hope to carry forward the debt reduction journey backed by revenue growth and strong cash-flows.”



### Ameya Deshpande

President-Corporate Development & Strategy

From a short to medium term, Brandy will continue to contribute significantly to our growth, on account of product launches through premiumization and innovations, as well as market share gains. While our focus on Brandy continues, our innovation pipeline is not specific to Brandy alone; our product development pipeline for other categories in Prestige & Above segment remains strong. This strategy will hold us in good stead when it comes to regional diversification.



# Inspiring Financial Performance for FY 23



TOTAL VOLUMES

96.43 lacs

67.31 lacs  
FY 22

NET REVENUE (₹ Crores)

1,164

783 ↑ 49%  
FY 22

GROSS MARGIN (₹ Crores)

548

401 ↑ 37%  
FY 22

EBITDA (₹ Crores)

137

112 ↑ 22%  
FY 22

PBT (BEFORE EXCEPTIONAL ITEMS) (₹ Crores)

72

28 ↑ 158%  
FY 22

GROSS REVENUE (₹ Crores)

2,469

1,792 ↑ 38%  
FY 22



# Operational Performance for FY 23

## Three key highlights

TI emerges as the fastest growing spirits company in India

Healthy annual growth of more than 43% vis-à-vis industry growth of 12%

TI crossed the monthly million cases mark twice in the year

## Breaking records all over India

In Telangana, Mansion House Flandy crossed the 50k cases mark within 6 months of launch

Karnataka registers highest ever sale of over 1 mn cases

In Sikkim, MHB is now the 2<sup>nd</sup> largest selling brand.

In Goa, MHB is now the 3<sup>rd</sup> largest selling IMFL brand



## Region wise Sales (Cases in lacs)

Region	FY 23	FY 22	% ↑
South	83.15	58.21	43
East	2.84	2.02	40
West	2.74	1.60	71
Insitutional Sales (CSD plus Exports)	7.70	5.48	41
<b>Total</b>	<b>96.43</b>	<b>67.31</b>	<b>43</b>

Map not to scale. For illustrative purpose only.

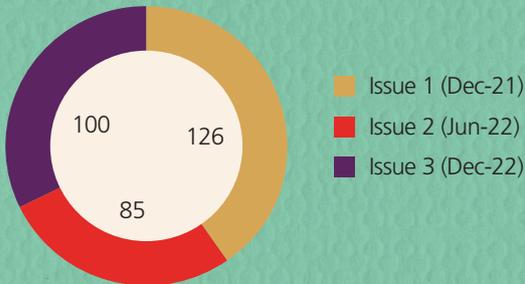
# Preferential Issues and Debt Reduction Journey

## Preferential Issues

The Company has successfully completed three rounds of preferential allotments in the last two years - FY 22 and FY 23. More than 50% of the proceeds went in repaying the high cost debt

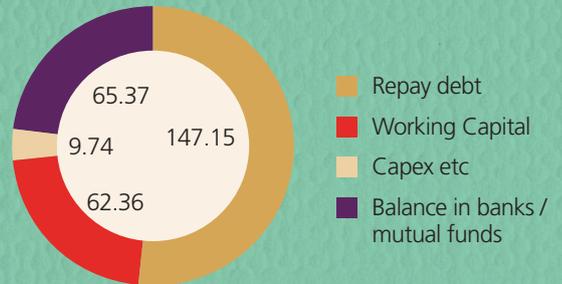
### Amounts raised

(₹ Crore)



### Amounts utilised

(₹ Crore)



Note : The Company raised upto ₹ 284.62 crores upto March 2023. The balance has been raised in FY 24.

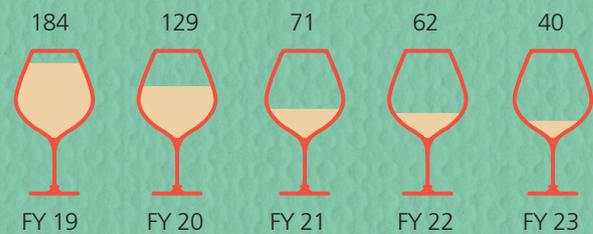
### Debt Position

(₹ Crore)



### Finance Costs

(₹ Crore)

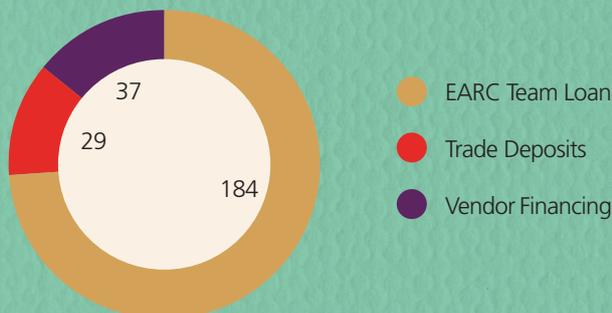


Note: Debt adjusted for EARC balance debt of ₹ 3.6 crore which would be waived off in FY24 on following the repayment schedule Debt includes interest bearing trade deposits

Total debt repayment of almost ₹ 200 crore, of which ₹ 82 crore of high-cost trade deposits (interest rate of 18-20% p.a.) repaid in FY23

### Debt as of March 31, 2023

(₹ Crore)



EARC debt is at 9% p.a.

EARC debt (along with accrued interest) was prepaid in March 23, aggregating ₹ 54.1 crore

Post prepayment, unsustainable debt of ₹ 126.6 crore has been waived by EARC and written back by Company

EARC balance debt stands at ₹ 3.6 crore as of March 31, 2023

# TI made two Strategic Investments during FY 23



## 1 Investment in Incredible Spirits Pvt. Ltd. (ISPL)

### About the Company and the product

- ◆ ISPL is founded by Arun Raina and Pranav Teredesai
- ◆ ISPL is a new-age disruptive alcohol beverage company producing India's first RTD (Ready to Drink) shots
- ◆ Initial launch with 4 variants:
  - Lychee & Cinnamon (Vodka based)
  - Vodka Mandarin & Lime (Vodka based)
  - Elderflower & Berries (Gin based)
  - Pink Grapefruit & Lime (Gin based)

### Our Deal

TI has committed ₹ 1 crore investment for a 19.5% stake in ISPL. TI completed an investment of ₹ 50 lacs out of the ₹ 1 crore investment in FY 23 and the balance in FY 24.

### Our rationale for investment

- ◆ Very disruptive product, with great packaging and brand visibility
- ◆ Convenient to carry and consume
- ◆ Versatile – can be had neat as a shot or with a mixer as a cocktail
- ◆ 'Cool' and 'aspirational' factor



## 2 Investment in Spaceman Spirits Lab Pvt. Ltd. (SSLPL)

### About the Company and the product

- ◆ SSLPL is founded by Aditya Aggarwal, Riddhi Aggarwal and Jai Prakash Chopra
- ◆ SSLPL is focused on developing Craft Alcoholic Beverage products
- ◆ They are makers of India's favourite pink gin, Samsara Pink Gin, Original (Plain) Gin and Flavoured Gin
- ◆ Samsara is one of the fastest growing and largest selling Indian Craft Gins

### Our Deal

TI has invested ₹ 4.21 crores in the form of equity shares and ₹ 5.54 crores in form of CCPS (Compulsorily Convertible Preference Shares) aggregating to ₹ 9.75 crores in FY 24.

TI will own 10% of the share capital of SSLPL on a fully diluted basis.

### Our rationale for investment

- ◆ The craft spirits industry is booming, globally as well as in India
- ◆ Samsara is the leader in Super Premium Craft Gin
- ◆ Significant synergies between TI and Samsara
- ◆ Great placement in high-end institutions, including 5-star hotels, bars and clubs.

# MEDIA COVERAGE

## The CEO Magazine

### Spirit of Innovation

In an exclusive interview with the CEO Magazine, Chairman Amit Dahanukar discusses Tilaknagar Industries' legacy of passion and innovation. He further speaks of the Company's recent challenges and the efforts to elevate the renowned spirits business to the next level.



*"It is a blend of passion and expertise with which we serve our customers... We need to be a dynamic company. We need to be able to respond quickly to the challenges in today's environment and any other challenges that might also come up along the way"*

<https://www.theceomagazine.com/executive-interviews/food-beverage/amit-dahanukar/>

## Spiritz Magazine India

### Premiumisation dominates growth strategy

Following Tilaknagar's recent successes and strategic shifts, Chairman Amit Dahanukar outlines the brand's promising outlook in a discussion with Spiritz Magazine. He speaks about the Company's performance and its drive for premiumisation, a key component of its growth strategy.

*"Today, Tilaknagar Industries has emerged as the largest premium brandy manufacturer in the country... TI already has a basket of brandy products across premium-price points and we have launched India's first premium flavoured brandy under our flagship brand, Mansion House."*

<https://spiritz.in/2022/07/20/premiumisation-dominates-our-growth-strategy/>

## yourstory.com

### Interview with Yourstory.com

While COVID-19 disrupted its operations as well, Tilaknagar Industries has been gradually recuperating. In Q3 ended December 2021, the company clocked revenue worth over ₹ 501 crore with a profit after tax (PAT) of ₹ 9.78 crore. The financial results for FY22 are yet to be released in the public domain. In an interaction with SMBStory, Amit Dahanukar, Managing Director of the National Stock Exchange-listed company, says that while the company is recovering from the pandemic and its effects, threats such as taxation and rising cases of COVID-19 continue to loom over the company and the industry at large.

<https://yourstory.com/smbstory/mumbai-liquor-alcohol-tilaknagar-industries-covid-19-pandemic-taxes>



## The Hindu Business Line Tilaknagar to strengthen presence in non-southern States

In an interaction with The Hindu Business Line, Chairman Amit Dahanukar narrates the story of Tilaknagar's expansion. He speaks of the brand's efforts of debt restructuring, the launch of new products like Mansion House Reserve and French Style flavored premium brandy and the diversification strategy.

*"Although the southern markets' percentage share of sales will continue to increase, we anticipate a decline in their saliency to total volume in the years FY23-24"*

## All Things Talent

### Work culture shift helped Tilaknagar beat financial stress

Tilaknagar's transformation and triumph over past financial challenges receive coverage in the HR portal All Things Talent. It highlights Chairman Amit Dahanukar's strategic cultural transformation strategy as a cornerstone of this turnaround, including overhauling HR policies, attracting young talent, and fostering diversity.

*"We have to get new players, new talent, and those hard-hitting batsmen so that the organisation can also take risks...I would rather focus on getting the right people into the organisation rather than spending resources on tracking how much time they are putting in and how much vacation they are taking"*

<https://spiritz.in/2022/07/20/premiumisation-dominates-our-growth-strategy/>

# Our Strategic Roadmap

## Business operations

- 1 Continue to build on our leadership position in brandy and gain further market share
- 2 Invest in advertising and sales promotion to and grow share of voice of brandy and make it more aspirational
- 3 Build on premiumisation trend within brandy, through innovative product launches
- 4 Grow share of non-brandy portfolio over the next 4-5 years

## Financials related

- 1 Become net debt free by March 2025
- 2 Double digit growth for the foreseeable future
- 3 Expand EBITDA margins through operating leverage, premiumisation, cost optimisations and favourable product and state mix
- 4 Focus on cash flow generation

# Corporate Social Responsibility

Touching lives, bringing smiles and making the world a better place to live in

## Health and Nutrition



Flagship "First 1,000 days – Maternal & Child Nutrition" program completed 21 training sessions covering **2,100** government frontline workers and NGO staff across multiple locations



Celebrated breastfeeding week online with C-TARA nutrition group IITB and Poshan Pathshala programme, reaching **40,00,000** Asha and Anganwadi frontline workers nationwide



Phone counselling and home visits to **5,000** malnourished children



The Hospital-based Infant Young Child Feeding (IYCF) Counselling Centre's OPD provided counselling on nutrition to **3,731** children and on breastfeeding to 827 lactating mothers



## Supply of R.O water



Total **90 lac Litres** of water distributed annually among 8 wadis.

## Animal Welfare



Continued welfare of abandoned and rescued animals at animal shelter and maintaining a Goshala



## Waste management, tree plantation and organic production



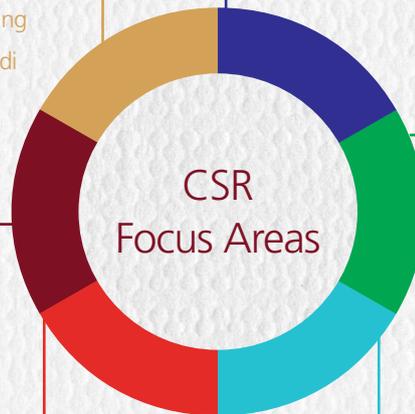
~**550** tree Miyawaki Jungle



**125,000+** trees planted in Chiplun and Shirampur forests through **100+** drives



Kitchen garden activities for **90** families for Anemia free Bharat.



## Education



Revived Zila Parishad schools in rural Shirampur and commenced computer education at the Tilaknagar school



**100/100** DVT Primary had 100% results (61 students) with no drop outs



DVT Secondary results for 10<sup>th</sup> standard was **79%**.



Encouraged **750+** children to continue education through earn-while-you-learn initiatives, improving their prospects

## Sports



**3,960** students covering 36 ZP schools and Krida Mandal benefited



Krida Mandal engages **238** youth in **13** centers in productive sporting program



## Health And Nutrition

### Focus on Maternal and Child Nutrition and Care

1. Our Health & Nutrition programmes benefited 40 lakh ICDS workers and mothers of young children in Uttar Pradesh (all 75 districts)
2. 'First 1000 days' training in Nandurbar, Maharashtra in collaboration with the Ministry of Health and Collector of Nandurbar who for the first time received a state-level award by Lokmat for reduced malnutrition
3. Outreach in Shirampur and Rahata lowered stunting rates
4. Communal celebration for Worlds Breastfeeding Week and National Nutrition Month
5. Internship program for MSW and MSc. Nutrition students

## Education: DEMS, DVT, DVSC

### Committed to Rural Education

1. Established Robotics and Bharatiya Ganita & Vigyan lab
2. Introduced Indian Knowledge System from Dharma Gurukulam Coimbatore syllabus for middle school
3. Enhanced infrastructure: new science labs, expansion of two classrooms, new IT division proposed for senior College, upgraded school facilities
4. Ensuring quality education: facilitating educational toys and sports gadgets, additional help to grade 9 and 10, initiatives towards 100% results in SSC and HSC
5. Proposal for Government Teacher

## Agriculture

### Committed to Our Environment and Land

1. Our ambitious environmental sustainability plan includes creating a Miyawaki Jungle with ~550 trees, planned to be increased by 670 more. The method ensures 10x faster tree growth due to the increased density of planting, mimicking a natural forest.
2. In Chiplun 500 native trees suited to specific climate conditions were planted, creating an enchanted forest

## Sports Welfare

### Committed to Fair Play – Learn while Playing

1. Our sports program aids rural ZP schools lacking basic sports facilities by providing training through our sports coordinators and supplying sports gear to 4,174 children in 36 centers near our factory. ZP teachers are also trained to teach sports with regular coaching sessions.
2. Krida Mandal engages 238 youth across 13 centers in our sports program curbing malpractices and reducing smoking and tobacco addiction among youths through ongoing awareness and counselling sessions

## Drinking Water for Wildlife



TI donated to Earth Brigade Foundation, a prominent NGO, towards their flagship project, Project Aquarius wherein they provide drinking water for wildlife in India's arid forest areas. TI generously funded three solar pump installations, two in Kanha Tiger Reserve, Madhya Pradesh, and one in Pilibhit Tiger Reserve, Uttar Pradesh.

## Human Capital

# Encouraging a culture of excellence and engagement

In our relentless strive for continued excellence, growth and success, our people are the driving force. We are diligently engaged in forming an incredible team of trusted professionals by actively attracting the best talent, embracing diversity and inclusion and placing their well-being and empowerment at the forefront. We are committed to nurturing an engaging and empowering workplace where every employee can thrive and have enriching experiences.



### Empowering efficiency with HR Automation

In our pursuit to automate human resources (HR) processes and leveraging technology in the HR domain, in FY23 we successfully introduced HRMS, a robust system for all our employees pan India. This comprehensive system brings together all HR modules, making HR-related functions more accessible & efficient. These include employee dashboards, streamlined onboarding process and document management, attendance and leave management, IT declarations, travel reimbursements, performance management etc.

Notably, HRMS offers a seamless and user-friendly experience, allowing anytime, anywhere access through various devices including mobile phones via an application. To ensure a smooth transition, comprehensive training programs were conducted, empowering employees to fully embrace the system's potential and optimise its benefits.

### WHAT HRMS ACHIEVES

Automation of HR processes, providing one-stop, user-friendly access to all HR-Modules

Minimized human intervention and avoidance of human errors





### Boosting motivation with employee-centric policies

Employee satisfaction and engagement are a priority to us. Towards this, we implemented various initiatives in FY23, aligned with the latest industry standards and best practices. We introduced a new attendance policy, which formally provides employees with the option to work from home (WFH) up to four days a month. We implemented FLEXIBLE Working Hours for head office employees, allowing them to leave from office after completion of just seven hours on a workday, and the option for WFH on alternate working Saturdays.



### Advancing commitment to business integrity

Business gifts and hospitality are a part of business activity to build goodwill and relationships, often creating a conflict of interest or illicit payment. We have thus formalised a Policy for Gifts and Hospitality to promote transparent practices among employees, consultants and trainees including subsidiaries. It clearly outlines guidelines and norms for accepting and offering gifts and hospitality and promotional travel. Any deviation is seen as a violation of the code of conduct, leading to disciplinary action.



### Igniting employee awareness with POSH Training

In a strategic initiative aimed at fostering a safe work environment and holistic well-being of employees, we tied up with one of the leading agencies, to conduct a series of engaging virtual sessions for our nationwide workforce. Being an interactive platform, it allowed many employees to participate actively and understand the importance of this law, reinforcing our organisational ethos of progress, equity and inclusivity.



### Building a team of trusted professionals

As our Company experiences remarkable growth and welcomes new talents and creates new positions, ensuring top-notch quality in our new hires is important. To uphold this standard, we have onboarded an agency for comprehensive background verification at all levels. This includes previous two employment check, criminal record check, document and address verification, authenticating education certifications, reference checks etc.

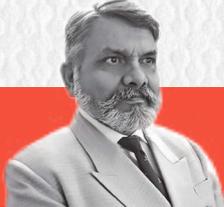
## Shrirampur Factory advances women empowerment and workplace safety

In pursuit of women empowerment, our Shrirampur Factory celebrated International Women's Day themed 'Embracing Equity' and organised around 'Of The Women, For The Women & By The Women'. The event imparted financial literacy to female employees, emphasising the importance of savings and investments etc. As a result of this financial education, most contract employees now have functional bank accounts for direct wage transfers, reducing cash disbursement. Additionally, a sanitary napkin disposal machine was also inaugurated along with creating awareness on the importance of health and hygiene.

The factory further observed National Safety Week under the theme 'Zero Harm'. The event started with flag hoisting and a pledge by the participants to integrate safety in both work and personal spheres. The weeklong event featured a Safety Road Show by a drama troupe, an emergency evacuation mock drill, helmet awareness and inter-department competitions (drawing, slogan writing and poem).

# Board of Directors

(as on March 31, 2023)

 <b>Mr. Amit Dahanukar</b> 	 <b>Mrs. Shivani Amit Dahanukar</b> 	 <b>Dr. Ravindra Bapat</b> 	 <b>Mr. C.V. Bijlani</b> 
 <b>Mr. Kishorekumar G. Mhatre</b> 	 <b>Mr. Satish Chand Mathur</b> 	 <b>Maj Gen Dilawar Singh (Retd.)</b> 	 <b>Ms. Swapna Shah</b> 
 <b>Ms. Aparna Praveen Chaturvedi</b> 		 <b>Mr. C. R. Ramesh</b> 	

	Non-Independent, Executive Directors
	Independent Directors
	Non-Independent Non-Executive Directors

Board Committees		 Chairman	 Member
	Audit Committee		Corporate Social Responsibility Committee
	Stakeholders Relationship Committee		Compensation Committee
	Nomination & Remuneration Committee		Risk Management Committee
			Share Transfer Committee
			Finance Committee

### Mr. Amit Dahanukar

Chairman & Managing Director

He is a graduate in Electrical Engineering with a Master's in Engineering Management from Stanford University, U.S.A. He provides strategic direction for TI's future initiatives and is also responsible for its various alliances and collaborations.

### Mrs. Shivani Amit Dahanukar

Executive Director

She has a Master's in Business Administration (MBA) degree from the University of San Francisco and is a graduate in Law from the Government Law College (GLC), University of Mumbai. She spearheads the community welfare activities of the Group in the fields of nutrition, primary education and healthcare.

### Dr. Ravindra Bapat

Independent Director

He is an Emeritus Professor, Department of Surgical Gastroenterology at Seth G. S. Medical College and K.E.M Hospital, Parel, Mumbai. He was former Chairman of Haffkine Bio-Pharmaceutical Corporation Ltd. and former Governing Council Member of Tata Memorial Centre.

### Mr. C.V. Bijlani

Independent Director

He is a post-graduate in Economics and started his career as a lecturer in Economics before joining banking industry. He possesses over five-decades of experience in banking and finance (project finance, capital structuring, merchant banking, investment banking, forex, mergers and acquisitions, industrial rehabilitation, joint ventures, external commercial borrowings, among others). He has held senior positions with State Bank of India and IndusInd Bank. He was awarded Udyog Gaurav Award in 1992 by All India Organizational Entrepreneurial Confederation for his contribution to the financial sector.

### Mr. Kishorekumar G. Mhatre

Independent Director

He is a graduate in Law from the GLC, University of Mumbai. An Advocate, he has over three decades of experience in the legal profession (matters relating to litigation-commercial & constitution, arbitrations, writ petitions, criminal proceedings & application, copyrights, co-operative banks and cooperative societies, public trusts, IPC – drafting & handling complaints, Consumer Protection Act, Information Technology Act, Essential Commodities Act, National Green Tribunal Act, Anti Corruption Act and Enforcement Directorate matters, among others). He is also affiliated to various social, financial and educational organisations/institutions in the capacity of trustee/legal advisor/ secretary.

### Mr. Satish Chand Mathur

Independent Director

He is a 1981-batch Indian Police Service (IPS) officer. Prior to joining the Company, he was serving as Maharashtra's Director General of Police. He earlier headed the Maharashtra's anti-corruption bureau (ACB) for three months. He also served as Commissioner of Police, Pune from March 2014 to April 2015. Between October 2002 and October 2012, he served as the Director, Air India and was instrumental in restructuring of the airline's finances and introduction of austerity measures. He also acted as Managing Director of the Maharashtra State Police Housing and Welfare Corporation.

### Maj Gen Dilawar Singh (Retd.)

Independent Director

He is a triple post graduate and an alumni of Delhi University, Chennai University, Devi Ahilya University, Osmania University and IIM Indore. He was the Head of the Largest Youth Organisation of the Government of India (NYKS), and initiated several innovations for youth development and empowerment. He has been involved with capital procurement, planning, execution and financing of major procurements for the

Indian Army. Presently, he advises the industry on defence, homeland security, youth affairs, sports and new technologies and is a part of numerous sports organisations across many countries.

### Ms. Swapna Shah

Non-Executive Director

She holds MBA degree from University of Missouri and has also studied International Business Management from Kellogg School of Management - Evanston, Illinois. She has over three decades of experience in business development, strategy, marketing, offer management, end-to-end solutions, supply chain, quality and business operations. She has held leadership positions in Lucent Technologies (USA), Alcatel-Lucent (USA), Alcatel-Lucent India, and Nokia. She also worked as a Business Partner with U.S. Telecom (USA) and Internat Chemicals & Allied Products, Inc. (USA).

### Ms. Aparna Praveen Chaturvedi

Independent Woman Director

She holds MBA degree in Finance from University of Lucknow and has also received coveted Chevening Scholarship at Manchester Business School. She has over 35 years of experience with financial institutions like UTI AMC Ltd. (Mutual Fund), ASREC (Asset Reconstruction Company) and PICUP (State Financial Corporation). She has been a member of various committees constituted by Ministry of Finance, Association of ARCs, etc. She has vast experience in fund management (domestic and offshore funds), raising offshore funds, resolution & reconstruction of non-performing and stressed assets, project appraisal & financing, credit rating, private equity investments, corporate insolvency, equity research, marketing of mutual fund products and sales resources training etc.

### Mr. C. R. Ramesh

Whole Time Director

He is a Graduate in Science having 40 years of rich and versatile experience in liquor manufacturing operations. He has considerable knowledge of various aspects relating to the Company's affairs and long business expertise.



01

# LEADERSHIP TEAM



02

# 01

In the picture,  
from left to right

**Mr. Ahmed Rahimtoola**

Chief Marketing Officer

**Mr. Abhinav Gupta**

Chief Financial Officer

**Mr. Ameya Deshpande**

President - Corporate  
Development & Strategy

**Mr. Bineet Walia**

President  
Institutional Sales

**Mr. Yuvraj Singh**

Vice President - Strategy  
& Operations

**Mr. Tarun Behl**

Vice President - Works

**Mr. Minuzeer Bamboat**

Vice President - Secretarial

# 02

In the picture,  
from left to right

**Mr. S BALAKUMAR**

General Manager  
Production and Operations

**Mr. V Srinivasa Raghavan**

Assistant Vice President  
Production and Operations

**Mr. Daulat kadam**

AVP - Works  
Production and Operations

**Mr. Sreemoy Khan**

Assistant Vice President  
Sales (East and South)

**Mr. Anish Ashesh**

Deputy General Manager  
Sales and Marketing

**Mr. Dipankar Das**

General Manager  
Sales and Marketing

**Ms. Hemangi J Joshi**

General Manager - Legal

**Mr. Shankar Pawar**

General Manager  
Accounts & Finance

# 03

In the picture,  
from left to right

**Mr. Mahesh Phansalkar**

Deputy General Manager  
Production and Operations

**Mr. Dhananjay Shukla**

General Manager  
Production & Operations

**Mr. T Sreedhar**

Deputy General Manager  
Sales and Marketing

**Mr. Udayakumar K**

Deputy General Manager  
Sales and Marketing

**Mr. Chandran Naveen**

Deputy General Manager  
Sales and Marketing

**Mr. Bhavin Desai**

Deputy General Manager  
Costing and MIS

**Mr. Sreerama Swamin**

General Manager  
National Trade Marketing

**Mr. Anand K C**

Deputy General Manager  
Accounts and Finance



03



At Safari World,  
Bangkok..  
Bahar se toh  
has raha hu magar  
andhar ka mat pucho



**BHAVIN DESAI**



On my  
salary hike,  
went for a hike..



**NIKHIL  
GAWAND**



Aaja Meri Gaadi  
Mein Baith Jaa



**GERALD  
RODRIGUES**



For a change,  
carrying flowers  
instead of files...  
completed  
15 years in TI



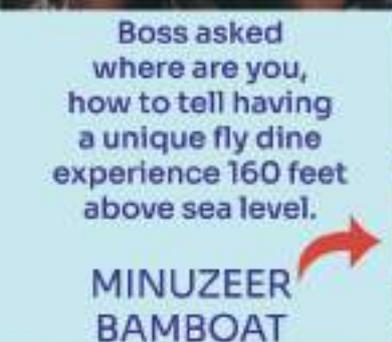
**HEMANGI  
JOSHI**



On  
my convocation  
day, now I can  
get a job at TI



**SANAYA  
DAHANUKAR**



Boss asked  
where are you,  
how to tell having  
a unique fly dine  
experience 160 feet  
above sea level.



**MINUZEER  
BAMBOAT**



Dhol bajne laga  
Tax bharne laga



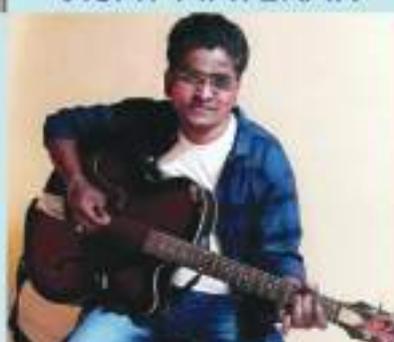
**VIJAY MATEKAR**



The horse  
didn't realise  
I am on it



**SUNITA GULE**



Geet gaat hu mein,  
payments karne ka  
vaada karta hu  
mein



**RAVINDRA  
JADHAV**



Teen ladkiyo  
me mera  
kaun sunega



**GANESH  
DEVROKHKAR**



Together  
we can  
conquer  
anything



**SANDIP  
GOTHANKAR**



Lion guard hai  
toh mein  
kyu chahiye



**GANESH  
JADHAV**





Export order mil jaye to wheel of fortune ho jaye



SOUMYAJIT DAS



Ya mein entries marti hu ya khana khati hu



PRERANA DESAI



Andhero mein roshni



RITESH SAWANT



Natsamrat



VINAYAK MORE



When my train plan to Shirampur was not approved so took a cyle...



SACHIN GADE



My support system



SAMIR BHATTE



Munna Bada Pyara Mummy Ka Dulara



SANDHYA AJAYKUMAR



Pawar Sahebancha vijay aso



SHANKAR PAWAR



Do I need to say anything further?



AANSHU SHARMA



Flandy yaari



SUSHMA WARKE



Convocation ceremony.. Proud moment



ZOYA D'COSTA



Applied for a breakthrough in Bollywood but eventually settled for a job



PRAFULL KUTE



What if the lion starts roaring



YOGANTI PATIL





With Boss,  
since Boss is  
always right



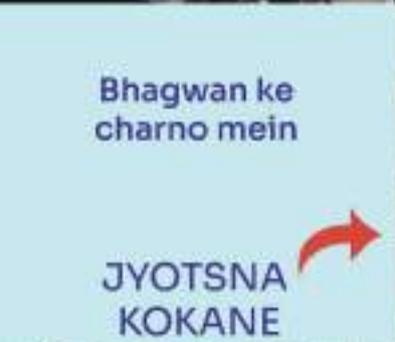
SURESH  
SAWANE



Always  
in a sea  
of thoughts



NILESH  
MANGAONKAR



Bhagwan ke  
charno mein



JYOTSNA  
KOKANE



Koi kyu nahi manta  
mein achi cricket  
player hu



GAURI BORE



Long drive pe  
chal...



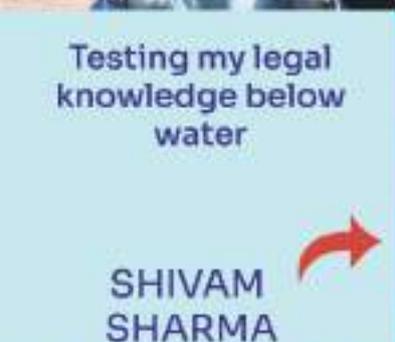
DEVENDRA  
CHAVAN



Jab tak hai jaan,  
mein nachoongi



GRISHMA  
DAMRE



Testing my legal  
knowledge below  
water



SHIVAM  
SHARMA



Yoga  
se hi Hoga



ARCHANA  
NARKAR



At Dream Run,  
catch me if you can



MARUTINANDAN  
SHARMA



The ELVIS  
in me



AHMED  
RAHIMTOOLA



Did you feel I am  
the owner of the  
building in the  
background ?



YADNESH  
VAIDYA



Itna kaam pada  
hai aur usko  
hariyali suj rahi  
hai



SACHIN  
THOMBRE



On Cloud 9



RUPESH  
KADAM





The moment when we are taking the plunge and Boss's number rings



AMEYA DESHPANDE



Aaj interview scheduled hai at HPCA Stadium, world's highest international cricket stadium



DEV RATH KADAM

Ab sab log phir se chidayenge



CHANDAN KARMAKAR



Customer dhoodne aaya tha, yaha to baraf hi mila



YOGESH GIRKAR



Production target meet nahi hua..... Ab tu hi mera sahara



DHANANJAY SHUKLA



Bank of Bramhaputra



V. SRINIVASA RAGHAVAN

Office mein AC nahi chal raha tha toh Ladakh chali gayi



VIJETA SHAH



Dance the night away



VENETIA CRASTA



Hum Niwala, Hum Pyala, Humsafar, Humraaz



DURIYA KHOKHAR



Boss ne zindagi berangi kar di but mein rang nikaal rahi hu



RUPALI CHANDERE



Mein hu khushrang Neha



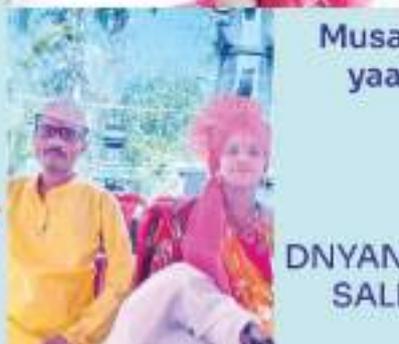
NEHA GURKHE



Band baaja baarat



UDAY SALUNKHE



Musafir hu yaaron



DNYANESHWAR SALEKAR

# Shrirampur Factory : Quality means doing it right when nobody is looking





# TI's Kodak Moments



**Our oldest associate hands over  
THE FIRST EVER ANNUAL REPORT  
and its values to the youngest employee at TI**





Which other office welcomes you with a lion at its entrance? It's the lion hearted TI

### Our TI Family



# TI's Kodak Moments



**O Womaniya.....  
TI loves empowering women**



**Mansion House celebrates its  
association with CSK Cricket Team  
(for three seasons starting from 2011-2012)**



**When all come Handy  
to celebrate launch of Flandy**



**A proud moment for TI to be sponsoring the national hockey team in 2011-2012**



**TI is well known for its classy Annual Reports and what better way to be acknowledged than by winning Gold award at the prestigious LACP awards**

### New Industrial Assurance Building, Churchgate, Our Corporate Office



**Then**



**Now**

# Corporate Information (As on March 31, 2023)

## BOARD OF DIRECTORS

### Executive Directors

**Mr. Amit Dahanukar**

Chairman & Managing Director

**Mrs. Shivani Amit Dahanukar**

Executive Director (w.e.f. June 01, 2022)

**Mr. Chemangala Ramachar Ramesh**

Whole-Time Director

### Non-Executive Director

**Ms. Swapna Vinodchandra Shah**

### Independent Directors

**Dr. Ravindra Bapat**

**Mr. C.V. Bijlani**

**Mr. Kishorekumar G.Mhatre**

**Mr. Satish Chand Mathur**

**Maj Gen Dilawar Singh (Retd.)**

**Ms. Aparna Praveen Chaturvedi**

### Chief Financial Officer

**Mr. Ajit Anant Sirsat** (till October 15, 2022)

**Mr. Abhinav Gupta** (w.e.f. February 07, 2023)

### Company Secretary

**Ms. Dipti Todkar** (till July 17, 2023)

### Statutory Auditors

**M/s. Harshil Shah & Company**

Chartered Accountants

### Internal Auditors

**M/s. NMAH & Co.**, Chartered Accountants (till March 2023)

**M/s. Akord & Co.**, Chartered Accountants (from April 2023)

### Cost Auditor

**Dr. Netra Shashikant Apte**

Cost & Management Accountant

### Secretarial Auditors

**M/s. V. M. Kundaliya & Associates**

Practicing Company Secretaries

### Advocates & Solicitors

**W.S.Kane & Co.**

**Advocate Umamaheshwar Rao**

**Holla & Holla**

### Inttl. Advocare

**Kunal Bhanage**

### Financial Institution

Edelweiss Asset Reconstruction Company Limited

### Registered Office & Works

P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra-413720, India

Tel: (02422) 265123 /265032

Fax: (02422) 265135

E-mail: regoff@tilind.com

Website: www.tilind.com

### Corporate Office

3<sup>rd</sup> Floor, Industrial Assurance Building, Churchgate, Mumbai-400020, Maharashtra, India

Tel:(022) 22831716 / 18

Fax:(022) 22046904

E-mail: tiliquor@tilind.com

### Registrar & Share Transfer Agents

Bigshare Services Pvt. Ltd.

Office No S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri East

Mumbai-400093

Tel:(022) 62638200

Fax:(022) 62638299

E-mail: investor@bigshareonline.com

Website: www.bigshareonline.com

### Shares Listed at

BSE Limited (507205)

National Stock Exchange of India Limited (TI)

### Corporate Identification Number (CIN)

L15420PN1933PLC133303

E-mail ID for Investor Correspondence

investor@tilind.com

### ANNUAL GENERAL MEETING

88<sup>th</sup> Annual General Meeting is scheduled to be held on Thursday, September 28, 2023 at 10.30 a.m. IST through Video Conferencing ('VC') /Other Audio Visual Means ('OAVM')

# Business Responsibility and Sustainability Report

## Zero

No of fatalities during the year.

All

## 315

employees and workers are paid more than Minimum wages

## No

disciplinary action during the year taken against any Director, KMP, employee and worker.

## 100%

employees are covered by code of conduct and related awareness programs

Working on  
**'Zero Harm Theme'**



The BRSR Framework is based on 9 Principles, which include conducting business with integrity, providing sustainable and safe goods and services, respecting and promoting human rights, and promoting inclusive growth and equitable development, among others.

Sanitary Pad dispensing Machine installed in our mother plant

## Nil

complaints with regards to Sexual harassment or discrimination at work

## 100%

employees and workers are covered by organizational insurance and benefits

# Management Discussions and Analysis

## ECONOMY OVERVIEW

### Global Economy Overview

The world economy showed early signs of recovery, with inflation declining and growth rates becoming steady in early 2023. China's reopened economy has also rebounded strongly. Until September 2022, macroeconomic concerns such as energy-price-driven inflation and rising interest rates, along with the war's political instability, caused declines in overall global inflation. As per the International Monetary Fund's (IMF) April 2023 outlook, the global economy would grow by 2.8% in CY 2023 as against 3.4% in CY 2022 and is predicted to grow by 3.0% in CY 2024.

Supply chain disruptions have been unwinding, while dislocations in energy and food markets caused by the war have also been receding. Concurrently, the vast and synchronised tightening of monetary policy by the majority of central banks has been anticipated to be successful, with inflation returning to target levels. The IMF report also projected that global headline inflation would decline from 8.7% in 2022 to 7.0% in 2023 as a result of falling commodity prices. The combination of robust regional growth forecasts and rising market valuation potential could result in emerging markets outperforming global markets.

### Indian Economy Overview

As per the Annual Report released by RBI in May 2023, India's real GDP is expected to have grown at 7.0 percent in FY23, driven by sustained recovery in discretionary spending, particularly in contact intensive services, restoration of consumer confidence, high festival season spending after two consecutive years of COVID-19 induced isolation and the government's thrust on capex. Inflation for FY23 rose to 6.7 percent in FY23, compared to 5.5 percent in FY22.

In terms of outlook, RBI has projected real GDP growth for FY24 at 6.5 percent, led by softer global commodity and food prices, good rabi crop prospects, sustained buoyancy in contact-intensive services, the government's continued thrust on capex, higher capacity utilisation in manufacturing, double digit credit growth, receding drag on purchasing power from high inflation and rising optimism among businesses and consumers. Additionally, RBI expects headline inflation to come at 5.2 percent in FY24, on account of a stable exchange rate and a normal monsoon.

Additionally, IMF is also projecting India's GDP to grow around 5.9 percent in FY24 and 6.3 percent in FY25 as against the earlier forecast (in October 2022) of 6.1 percent in FY24.

Basis the GDP projections from both IMF and RBI, India will continue to be one of the fastest growing economies in the world.

## INDIAN LIQUOR INDUSTRY OVERVIEW

India's liquor industry is one of the world's fastest-growing beverage markets. The growth of India's liquor market is predicted to be fueled by an increase in disposable income as well as a young demographic, with more than 10 mn people estimated to be added every year to the 'legal drinking age' population. Moreover, premiumization, introduction of flavoured variants and expansion in the out-of-home segment are also fueling the alcohol market's value growth.

As per IWSR Drinks Market Analysis Report published in May 2023 ("IWSR Report"), the overall alcobev industry was a 689 mn cases in 2022. Of this Indian Made Foreign Liquor (IMFL) is 367 mn cases and is expected to grow at a CAGR of 3.7% to approx. 441 mn cases by 2027.

From a region perspective, South India is the largest alcohol-consuming region with an almost 60% share, followed by North, West and East regions.

Amongst IMFL, Whisky is the largest category with 66% share. Brandy is the second largest category at 19%, followed by Rum at 13% (Source: IWSR Report).

The industry has overtaken pre-covid volumes, with certain companies and brands having surpassed them by a decent margin.

Over the recent past, the Covid pandemic also fast-tracked the premiumization trend in alcobev; at-home consumption of alcobev products has increased, leading to consumers starting to consume more premium products. At the same time, consumers also became more adventurous in their drink choices, including the way they consumed their alcohol; paving the way for home-grown and disruptive products like flavoured spirits, Indian craft gins, Indian Single Malts, Ready-to-Drink alcohol products, mixers etc.

Tilaknagar Industries enjoys an industry leading position in IMFL, especially brandy and is well positioned to play a leading role in making brandy more aspirational.

### Distribution and Pricing

State governments employ regulated distribution as one strategy to control the sale of alcohol. Each state has its own distribution

model, ranging from total control of the distribution network with state-run wholesaling and retailing to control over either wholesaling or retailing. In certain states, wholesale and retail distribution are handled by private entities. Additionally, states regulate distribution by prohibiting the opening of new stores in their territories. Any movement of alcoholic beverages outside of the manufacturing units has to be authorised by government officials.

Alcohol taxes increase the price of alcohol, which can be an effective tool for influencing consumption. Some states levy Value Added Taxes (VAT) in addition to excise taxes. In addition to these taxes, label registration and related operations are subject to one-time or yearly fees. The amount of tax levied under various heads is also determined by the state's distribution model and revenue maximization objective.

## RECENT DEVELOPMENTS IN THE LIQUOR INDUSTRY

### Inflationary pressures

While the IMFL industry has grown by about 12% in 2022, the industry has been plagued by acute inflationary pressures, both on raw materials as well as packing materials side. During FY2022-23, the industry saw inflation on raw material side as high as almost up to 20% and on packing materials side around 20-30%. These inflationary pressures have had an impact on the profitability of the entire industry, with brands in the "Below Prestige" segment most impacted.

### Premiumization

The premiumization trend in alcohol industry is being driven by rapid urbanization and the resultant expansion in disposable income. Also helping the premiumization trend is the favourable demographics in the country. This is evident in the introduction of new product segments like Indian craft gin, Indian single malt, flavoured spirits, RTDs etc., leading to an increasing share of Prestige & Above segment within IMFL.

### Focus on innovation

Innovations are forming the bedrock of India's alcohol transformation. From products like RTD alcoholic shots to Indian Craft Gins to industry-first flavoured brandies, the industry has seen tremendous disruption over the past few months. Additionally, the innovation drive across the industry is gaining significant traction with the induction of a large number of young professionals joining the industry across the value-chain, be it product development, marketing, distribution etc.

### Cocktail culture

Cocktail culture has really taken off in recent times, with consumers, especially young consumers looking at unique experiences in their consumption of alcohol products.

## OPPORTUNITIES

- Over the past few years, the Company has been focused on building and growing its Prestige & Above portfolio. Given the increasing trend of premiumization and our strong innovation pipeline, we are well placed to expand our market share in this profitable segment
- Despite being the second largest category in IMFL, brandy enjoys a very low share of voice, owing to very little investments made by industry players in the brandy category. Given our leadership position in brandy, we have now taken up the mantle to change this and invest more in marketing and communication. We have recently, introduced our new proposition for Mansion House Brandy, "A Warm Welcome", which is an earnest invitation to experience the exceptional. We expect this new thrust on communication to have a long-lasting impact on the overall brandy category, reinforcing our position as the India's largest and leading brandy player
- Favourable demographic dividend, income growth, rapid urbanization and low per capita consumption of alcohol will drive the overall industry growth
- Growing prevalence of at-home alcohol consumption, inclusiveness across strata and demographics is providing numerous use-cases for consumption of innovative and experimental alcohol products. Our active participation in innovation will bode well for our future growth across regions and consumer base

## CHALLENGES

### Regulatory challenges

The Indian alcohol business is highly regulated, and each state has its own rules with respect to indirect taxes and duties, which can impact business operations. In addition, there are multiple regulatory considerations with respect to pricing, licensing, plant set-up, marketing & advertising and distribution. All these rules and regulations serve to create barriers to entry for both new and existing players.

### Inflation

The past year has seen multiple inflationary headwinds, owing to the Russia-Ukraine conflict, which has further impacted profitability of the industry.

### Dependence on some state governments to get price increases

In some states, pricing decisions are decided by the respective state government, which could lead to a lag between increase in costs, owing to inflation, and increase in price for the manufacturers or brand owners.

## COMPANY OVERVIEW

Tilaknagar Industries Limited (hereafter referred to as “TI” or “the Company”), was founded in 1933 as The Maharashtra Sugar Mills Limited by Shri Mahadev L. Dahanukar. In the 1970s, the Company started making alcohol and quickly became one of the most well-known manufacturers of alcobev brands in India.

TI is the maker of India's highest-selling premium brandy, Mansion House Brandy. The Company sells over 15 different brands of brandy, whisky, gin, rum, and vodka. TI's brandy labels primarily occupy the Prestige & Above segments.

TI's manufacturing operations are carried out across 19 units, including 4 owned units and 15 contract manufacturing units, with the mother plant located in Shirampur, Ahmednagar district, Maharashtra. In Shirampur, TI also has a 100 KLPD grain-based distillery and a 50 KLPD molasses-based distillery.

TI sold over 9.6 million cases in FY23, an increase of 43.3% compared to FY22, with the southern states contributing 86% of the volume. During FY23, brandy accounted for 93% of the Company's volume.

In terms of major volume contributors, Mansion House Brandy sold 7.8 million cases sold, followed by Courier Napoleon Brandy with 1.2 million cases sold during FY23.

The Company has a strong distribution network across the country, primarily selling through state corporations, direct sales and distributors. It also exports its products to Africa, the Middle East, East and South-East Asia and Europe.

### Product Portfolio

TI's product portfolio is predominantly in the Prestige & Above segment and across categories, namely brandy, rum, whisky and gin.

- **Brandy**

Brandy contributes highest to the IMFL sales of the Company. Some of the brandy brands are:

- o **Mansion House Brandy (MHB) – the fastest growing brandy brand in the world**

As per Drinks International's latest report, 'The Millionaires' Club 2023', Mansion House Brandy became the world's fastest-growing brandy brand and the second-fastest growing brand, across categories, globally.

- Mansion House Flavoured Brandy (Flandy) – Flandy currently comes in 3 flavour variants; Orange, Cherry and Peach, with a few more

flavours to be introduced during the coming months. Flandy is India's first premium flavoured brandy and as of March 2023, selling in the states of Telangana and Puducherry.

- o **Courier Napoleon Brandy (CNB) – TI's second 'Millionaire' brand.** Variants of CNB stride across Deluxe to Super Premium segment, including TI's latest launch in the brandy portfolio, Finest CNB, which has currently been launched in Kerala.

- **Rum**

Madiraa, its rum brand, is well-known in India for the unique flavours it offers in the niche rum market. The Company has also launched White House Rum, a rum in the Semi-Premium segment, in its key state of Kerala.

- **Whisky**

Mansion House Whisky and Senate Royale Whisky are the two brands under which TI participates in the Whisky market category.

- **Gin**

Even though its contribution to total sales is modest, the Company has been expanding the distribution of its gin brands. Blue Lagoon Gin is now the fourth biggest brand in TI's brand portfolio. Currently available in Orange flavour, TI is coming out with more variants over the coming months.

### New launches planned

The new launches planned for FY 2023-24 are covered in the front end section of this Annual Report.

### Focus towards sustainability

The Company continues to reduce usage of permanent mono-cartons, with most of the new launches continuing to be developed without the use of one.

### Key strengths

- **Mansion House Brandy- An Exquisite World-Class Brand**

In FY23, the Company's leading brand, Mansion House Brandy, sold 7.8 million cases, a 41% increase over FY22 sales. The brand's market share as a proportion of IMFL increased from 2.4% to 4.3% between FY17 and FY23, and from 12.4% to 19.6% within the brandy category over the same time period.

\*The above data is for the states of Telangana, AP, Karnataka, Kerala, Puducherry and Goa i.e. states that contributed 86% of TI's total volumes in FY23.

- **State of the Art Manufacturing facility**

TI's manufacturing operations are carried out across 20 units, including 4 owned units and 16 contract manufacturing units, with its state-of-the-art mother plant located in Shrirampur, Ahmednagar district, Maharashtra. Sophisticated manufacturing facilities and bottling agreements permit the Company to serve customers throughout India.

- **Strong distribution network**

The Company sells its products through a network of around 40,000 outlets across the country.

- **Skilled Talent Pool**

The Company's conviction that human capital is the most important aspect driving strategic growth has been strengthened over the years. The Company has developed a work culture that emphasises the formation of a future-ready organisation. As of March 2023, 315 individuals were employed by the Company.

## Brand Development

TI brands are well-known for their excellent aroma, flavour, and quality. It has significant brand equity in the existing states and a large, loyal consumer base. The Company strives to serve whisky drinkers and convert them into brandy drinkers through social media interventions.

## FINANCIAL PERFORMANCE

### Consolidated results

The sales volume increased by 43.3% from 6.73 million cases in FY22 to 9.64 million cases in FY23. The Revenue from Operations (net of excise duties) increased 48.6% between FY22 and FY23, from ₹ 783.4 Crores to ₹ 1,164.4 Crores. The increase in revenues was due to an increase in both volumes and NSR per case, which rose to ₹ 1,197 per case in FY23, a 5.4% increase over FY22.

EBITDA increased by 22.4% in FY23, from ₹ 112.1 Crores to ₹ 137.2 Crores. EBITDA margin contracted 253 bps from 14.3% to 11.8%, mainly on account of inflationary pressures felt on both, raw material as well as packing material side. The reduction in EBITDA margin was minimized through operating leverage as well as cost optimization efforts and improved productivity.

Profit after tax (excluding exceptional items) increased 125.7% in FY23, from ₹ 32.0 Crores to ₹ 72.2 Crores due to significant reduction in finance costs from ₹ 61.9 Crores to ₹ 40.2 Crores, on account of reduction in debt during the year.

### Debt\*

Debt decreased by nearly ₹ 200 Crores between March 31, 2022 and March 31, 2023, from ₹ 449 Crores to ₹ 250 Crores. Net debt decreased from ₹ 361 Crores as of March 31, 2022 to ₹ 182 Crores as of March 31, 2023. In March 2023, the Company prepaid EARC debt (along with accrued interest) aggregating ₹ 54.1 Crores, leading to balance debt of ₹ 126.6 crs being waived by EARC and written back by the Company.

\* Debt as on March 31, 2023 excludes EARC balance debt of ₹ 3.6 Crores, that would be waived off in FY24 on following the repayment schedule; Debt includes interest-bearing trade deposits.

### Equity Fund raise from Investors

The Company did two fund raises in FY23 through the preferential issue route.

The first preferential issue was made to the Company's long-term channel partners in the important southern states of Kerala, Andhra Pradesh and Telangana for an amount aggregating ₹ 85 Crores; through a mix of equity shares (₹ 47.5 Crores) and warrants convertible into equity shares (₹ 37.5 Crores). The issue was done at a price of ₹ 72 per equity share / warrant.

The second preferential issue was made to Think India Opportunities Master Fund LP, a foreign portfolio investor for an amount aggregating ₹ 100 Crores. The issue was done at a price of ₹ 95 per equity share.

With the above two and the first fund raise done in end-2021, the Company has raised a total of ₹ 311 Crores through equity shares and warrants.

The objects of the above preferential issues were towards:

1. Funding business growth, capital expenditure and other strategic initiatives
2. Augmenting working capital needs of the Company
3. Repaying debt
4. For general corporate purposes

### Strategic investments

During FY23, the Company announced an investment in Spaceman Spirits Lab Private Limited ("SSLPL"), makers of premium Indian craft gin, Samsara. After the ₹ 9.75 crore investment, TI now holds 10 per cent of the issued and paid-up share capital on a fully diluted basis in SSLPL. With this investment, the Company will also be able to participate in the booming Indian craft spirits industry, a segment that has recently witnessed a sharp rise in popularity.

Craft spirits have inspired curiosity and high interest among new-generation consumers. As an already established IMFL player, the Company looks forward to supporting its endeavour of infusing creativity in this space. SSLPL, in a very short time has developed multiple expressions of its Samsara Gin; and has carved a niche and positioned itself as India's favourite Pink Gin.

In addition, the Company has also backed Incredible Spirits Private Limited ("ISPL"), a Pune-based start-up focused on developing innovative products in the Ready-to-Drink

("RTD") alcoholic shots space under the brand name SWIGGER. The brand's unique offerings will come in a 60 ml shot glass with a pull rip cap closure, ensuring a safe and unadulterated experience for consumers. The shots are being developed using a range of mother-spirits including Gin, Vodka etc. and will be blended with natural, organic flavours. SWIGGER is expected to be launched in the first half of FY2023-24. The Company has committed an investment of ₹ 1 crore for a 19.5 per cent of the issued and paid-up share capital on a fully diluted basis in ISPL.

## KEY FINANCIAL RATIOS

The change in the key ratios as also the reasons for large change compared to the immediately previous financial year is given below:-

Year	2022-23	2021-22	YoY Change	Reason for Change
Debtors Turnover	8.77	8.84	-0.80%	
Inventory Turnover	6.56	5.35	22.70%	Company is focusing on fast moving premium brands resulting in faster liquidation of inventory.
Interest Coverage Ratio	3.49	2.04	70.84%	Reduction in debt post infusion of amounts raised from preference issues, pre-payment of EARC debts.
Current Ratio	1.29	1.06	21.12%	Efficient Management of working capital and improvement in inventory control
Debt Equity Ratio	0.52	4.84	-89.18%	Reduction in debt post infusion of amounts raised from preference issues, pre-payment of EARC debt and improvement in profitability.
Operating Profit Margin (%)	47.08%	51.81%	-9.14%	
Net Profit Margin (%) (excluding exceptional items)	5.93%	3.71%	59.77%	Growth in business, focus on premium brands and reduction of debts have resulted in higher profit.

## MATERIAL DEVELOPMENTS

### Material Developments during the financial year 2022-23

- The Company launched India's first premium flavoured brandy under the Company's flagship brand, Mansion House in three flavours - Orange, Cherry and Peach.
- The Company launched Mansion House Reserve French Style Brandy, the premium variant of its flagship brand, Mansion House.
- The Company has entered in an Operations and Maintenance Services Agreement dated June 30, 2022 with Globus Spirits Limited ("GSL") to engage their services to upgrade and operate (for a service fee) the Company's Grain based ENA Plant ("the Plant") in Shirampur, Maharashtra. The upgradation of the Plant is expected to be completed in H2 FY23.
- The Company has remitted USD 11,00,011.89 equivalent of ₹ 9,25,00,000 (Rupees Nine Crores Twenty-Five Lacs only) on October 13, 2022 to its supplier, Cargill International

SA, towards the Settlement Agreement entered into between the Company and Cargill International SA

- The Company had entered into a Master Restructuring Agreement (MRA) dated February 06, 2020 with Edelweiss Asset Reconstruction Company Limited (EARC) acting as Trustee of three trusts i.e EARC Trust SC 233, EARC Trust SC 241 and EARC Trust SC 269 with respect to restructuring of the debts owed to some of the lender banks and a Financial Institution by the Company. Accordingly, the total debt owed by the Company of ₹ 52,332.37 lacs was restructured by EARC at ₹ 34,447.23 lacs as Sustainable Debt and Balance Debt of ₹ 17,885.14 lacs. A part of Balance Debt was subsequently converted into equity. The Company had been regularly paying the stipulated principal and interest of the restructured debt to all the three EARC trusts from 2020 onwards till date in accordance with the repayment schedule of MRA. During the financial year 2022-23, the Company made a prepayment of the entire outstanding principal along with accrued interest of ₹ 54.10 crores towards EARC Trust SC 233 and EARC Trust SC 269. As per terms of restructuring by EARC, the Balance Debt would remain outstanding till the time the

restructured debt was repaid. The Balance Debt along with accrued interest was to be waived by EARC once the restructured debt had been repaid. Consequent to the above prepayment, the corresponding Balance debt of the two trusts i.e EARC Trust SC 233 and EARC Trust SC 269 aggregating to ₹ 12,662.70 lacs has been waived by EARC and accordingly the same has been written back by the Company in the financial statements for the year 2022-2023. The same is disclosed under exceptional items for the year ended March 31, 2023. The total existing debt of EARC as on March 31, 2023 now stands reduced to ₹ 18,759.13 lacs (including Balance Debt of ₹ 362.45 lacs) representing debt of EARC Trust SC 241 only.

- The Company has considered and agreed to invest in tranches ₹ 1 crore in Incredible Spirits Private Limited ("ISPL") which is developing a Ready-to-Drink (RTD) Alcoholic Shots drink. Out of which the Company has invested ₹ 50,00,000 (Rupees Fifty Lakhs only) during the year 2022-23. The balance would be invested during the year 2023-24. Post the entire investment in ISPL, the Company shall hold 19.50% of the issued and paid-up share capital in ISPL on a fully diluted basis.
- Ms. Dipti Mehta, liquidator of Prag Distillery (P) Ltd (Prag), wholly owned subsidiary of the Company, has on October 08, 2022, filed an application with Hon'ble NCLT- Mumbai, seeking withdrawal of the Petition filed by the financial creditor – Standard Chartered Bank (SCB), closure of the liquidation process and for reinstating the erstwhile Board of Directors for management of the operations of Prag. The Hon'ble NCLT order is awaited. Prag will also prepare the revival plan of its operations once the order from NCLT-Mumbai is received.
- During the year under review the Company has allotted equity shares and warrants to investors on preferential basis and converted warrants of promoters and investors into equity shares. Details of the above are mentioned under the heading of Share Capital.

### **Material Developments affecting the financial position of the Company after the end of the financial year 2022-23 and till the date of this Report**

- The Board of Directors of the Company (TI) at their Board Meeting held on May 30, 2022, had approved the Composite Scheme of Amalgamation ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with relevant rules & regulations framed thereunder of four wholly-owned subsidiaries of the Company, viz. (i) Kesarval Springs Distillers Private

Limited ("KSDPL"); (ii) Mykingdom Ventures Private Limited ("MVPL"); (iii) Srirampur Grains Private Limited ("SGPL"); and (iv) Studd Projects Private Limited ("SPPL") [hereinafter collectively referred to as the "Transferor Companies" and individually referred to as the "Transferor Company"] with and into TI (Holding Company)(Transferee Company). The Transferor and Transferee Companies have complied with all the steps under the Companies Act, 2013. The final hearing for the matter was held on 12<sup>th</sup> May, 2023 before Hon'ble NCLT, Mumbai Bench-I and the Bench has reserved the matter for orders. TI awaits the pronouncement of the order by the Hon'ble NCLT. On receipt of the certified copy of the order from NCLT, the Companies will file E-Form INC-28 with Registrar of Companies for making the Scheme effective, file stamp duty adjudication application and comply with other directions of the Hon'ble NCLT, if any.

- The Company has considered and agreed to invest in two tranches an aggregate sum of ₹ 9.75 crore in the securities of Spaceman Spirits Lab Private Limited (SSLPL) which is engaged in the business of creating and marketing craft alcohol brands (particularly gin) and offering advisory services to prospective AlcoBev entrepreneurs, through a combination of Equity shares and Compulsory Convertible Preference shares (CCPS). The Company has invested ₹ 4,20,98,784 (Rupees Four Crore Twenty- Lakh Ninety-Eight Thousand Seven Hundred and Eighty- Four Only) in equity shares on April 04, 2023 and ₹ 5,54,00,862 (Rupees Five Crore Fifty-four lacs Eight Hundred and Sixty two only) in form of Compulsory Convertible Preference Shares has been invested on April 21, 2023. Post the investment in SSLPL, the Company holds 10% of the issued and paid-up share capital in SSLPL on a fully diluted basis.

### **BUSINESS OUTLOOK**

The Company is the largest player in the brandy category in India and is on track to further grow its position as a market leader in the category through further innovations and launches as well as stronger communication to grow and premiumize the brandy category. The Company is on track to deliver mid to higher teen volume growth and at the same time achieve strong EBITDA margins through a mix of growth, premiumization and cost optimizations. While inflationary pressures could persist in the short term, the Company is confident of protecting margins.

### **RISK MANAGEMENT**

Risk management is a crucial function that can have critical and severe effects on the business if it is not addressed in a timely manner. As a pan-Indian organisation with a global presence, the Company faces a number of risks. Listed below are some of the most significant risks and proposed mitigation strategies.

Sr. No.	Type of Risk	Nature of Risk	Risk Mitigation Factors/ Measures
<b>A. EXTERNAL RISKS</b>			
1	<b>Regulatory Risk</b>	The IMFL industry is a high-risk industry, primarily on account of the high taxes and innumerable regulations governing it. As a result, liquor companies suffer from low pricing flexibility and have underutilized capacities, which, in turn, lead to low margins.	Unless the regulatory authorities come out with any adverse regulations affecting the industry, the business of the Company will not be affected as the Company is complying with the applicable rules and regulations in all the States where it is present. The Company, having ensured supply side security and strong & well accepted brands will be able to strongly counter the challenges posed by any abnormal situation.
2	<b>Competition Risk</b>	The markets for IMFL industry are rapidly evolving and are highly competitive and the Company expects that competition will continue to intensify due to establishment of new capacities, expansion of existing capacities and consolidation of operations across the IMFL industry.	The Company is strongly positioned in designated markets commanding a premium for its products. The Company has adequate manufacturing and bottling facilities to ensure supply side security. The brands have a very strong loyalty and steps have been taken to maintain the supply of the high contribution brands in the most profitable markets.
<b>B. INTERNAL RISK</b>			
1	<b>Concentration Risk</b>	A large percentage of the Company's turnover is derived from Southern India, where any unfavorable regulatory policy may impact its business. Also, the major portion of revenue of the Company is derived from brandy sales, exposing the Company to category vulnerability.	The Company has entered the Northeast market where it was not present for last more than 5 years (Arunachal, Meghalaya) in the current year where the demand for brandy as well as Gin brands are good. Though in value terms, the markets continue to be small as compared to South India volumes, the company is taking small steps so as to diversify geographical risk keeping in mind the financial aspects. The company will also be exploring other markets in the coming year.
2	<b>Dependence on tie-up units</b>	The Company has arrangement with various tie-up units for manufacturing of its products due to which the Company has to depend upon third parties for its product requirements.	It is an industry practice to supplement production in own units with that in tie up units as having own production facility to cater to the entire demand will require huge capital expenditure that is neither feasible nor economical and nor desirable. Availability of bottling units in the major states where the company operates is not a constraint.
3	<b>Procurement Risk</b>	Any rise in cost of raw materials e.g., molasses and grains or packing materials e.g., glass, packaging material may affect the margins of the Company. Dependence on any supplier may expose the Company to supply risk.	The management is continuously exploring the possibilities for developing alternative/additional sources for procurement of raw material/packing materials. The company has more than one supplier for all its key raw material/packing material requirements. The company is also exploring ways to improving state wise and brand wise mix of profitable brands which would enable to negate the increase in the material cost.

## HUMAN RESOURCES

The Company's human resource management focuses on enabling each employee to realise his or her full potential and utilising that potential to achieve organizational goals. The company places a strong emphasis on helping each employee recognize and tap into their strengths. This approach acknowledges that every employee has unique skills, talents, and capabilities that can contribute to company success. This journey is facilitated by an inclusive workplace culture, flexibility and a challenging work environment which allows personal growth along with job satisfaction. The resource value is increased through employee training, along with structured learning pathways and skill enhancement. Further, with integration of technology in business processes enables individuals to focus on assignments that add value and innovate. Overall, the company's

approach is comprehensive and forward-looking, focusing on both the individual and collective growth of employees to drive organizational success.

## INFORMATION TECHNOLOGY

The Company views technology as a key pillar for organisational growth and business continuity. Innovations in technology enable processes and operational effectiveness. TI's data-driven platform with trusted software and hardware platforms drives seamless processes across the Company.

During the year, In-house hosted critical enterprise application software, SAP has been seamlessly migrated and hosted on to Cloud4C Cloud, which offers enhanced security, elasticity, improved performance and built-in automatic backups to secure data.



Cloud4C is a rated 4 datacenter with a SAP certified in SAP hosting services, and provides right combination of technology, people and services to host SAP application.

### **INTERNAL CONTROL**

The Company has designed a reliable internal financial reporting and control system to record financial and operational information in accordance with all applicable internal controls and other regulatory compliance requirements. The Company's Internal and Statutory Auditors periodically review the internal control systems to ensure that day-to-day operations are conducted with minimal risk of fraud or other discrepancies.

The Audit Committee reviews the findings of the Internal and Statutory Auditors. This ensures the sustained adequacy and efficiency of internal controls. Additionally, the Board oversees the Audit Committee's examination and ensures that prompt and adequate measures are taken to limit the risk and rectify the situation.

### **CAUTIONARY STATEMENT**

A statement in the Management Discussion & Analysis Report describing the Company's objectives, projections, estimates and expectations may be "forward-looking" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied.

# Directors' Report

Dear Members,

The Directors hereby present 88<sup>th</sup> Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2023.

## 1. FINANCIAL HIGHLIGHTS

The summary of the Company's financial results for the financial year ended March 31, 2023 is furnished below:

(₹ in lacs)

Sr. No.	Particulars	Standalone	
		Year ended 31.03.2023	Year ended 31.03.2022
<b>I</b>	<b>Revenue from Operations</b>	<b>2,46,923.37</b>	<b>1,79,205.87</b>
<b>II</b>	<b>Other Income</b>	<b>640.17</b>	<b>959.59</b>
<b>III</b>	<b>Total Income (I + II)</b>	<b>2,47,563.54</b>	<b>1,80,165.46</b>
<b>IV</b>	<b>Expenses</b>		
	(a) Cost of materials consumed	63,337.28	37,798.42
	(b) Changes in inventories of finished goods, stock-in-trade and work- in-progress	(1,716.89)	442.84
	(c) Excise duty	1,30,491.54	1,00,868.62
	(d) Employee benefits expense	3,342.87	2,078.99
	(e) Finance costs	4,018.71	5,776.41
	(f) Depreciation and amortisation expense	3,084.15	3,116.72
	(g) Other expenses	38,103.29	27,576.13
	<b>Total Expenses</b>	<b>2,40,660.95</b>	<b>1,77,658.13</b>
<b>V</b>	<b>Profit/(Loss) before Exceptional Items and Tax (III-IV)</b>	<b>6,902.59</b>	<b>2,507.33</b>
<b>VI</b>	<b>Exceptional Items</b>	9,685.34	-
<b>VII</b>	<b>Profit/(Loss) before Tax (V-VI)</b>	<b>16,587.93</b>	<b>2,507.33</b>
<b>VIII</b>	<b>Tax Expense</b>		
	(a) Current tax (including earlier years)	(0.55)	(399.69)
	(b) Deferred tax		-
	<b>Total Tax Expense</b>	<b>(0.55)</b>	<b>(399.69)</b>
<b>IX</b>	<b>Profit/(Loss) for the Period (VII-VIII)</b>	<b>16,588.48</b>	<b>2,907.02</b>
<b>X</b>	<b>Other Comprehensive Income/(Loss)</b>		
	(a) Items that will not be reclassified to Profit & Loss		
	(i) Re-measurement gain/(loss) in respect of the defined benefit Plans	(31.40)	(36.53)
	(ii) Deferred tax on re-measurement gain/(loss) in respect of defined benefit plans		-
	(b) Items that will be reclassified to Profit & Loss		-
	<b>Total Other Comprehensive Income/(Loss) for the Period [(a) +(b)]</b>	<b>(31.40)</b>	<b>(36.53)</b>
<b>XI</b>	<b>Total Comprehensive Income/(Loss) for the Period (IX+X)</b>	<b>16,557.08</b>	<b>2,870.49</b>

During the year, the revenue from operations (net of excise duty) stood at ₹ 1,16,431.83 lacs as compared to ₹ 78,337.25 lacs during the financial year ended March 31, 2022. Finance cost has decreased from 5,776.41 lacs during the financial year ended March 31, 2022 to ₹ 4,018.71 lacs during the financial year ended March 31, 2023.

The total comprehensive income stood at ₹ 16,557.08 lacs during the financial year ended March 31, 2023 as against the total comprehensive income of ₹ 2,870.49 lacs during the financial year ended March 31, 2022.

No amounts have been transferred to the Reserves for the year under review.

## 2. OPERATIONAL REVIEW

### Operations

The Company is an established player in the IMFL Space and is among India's leading alcohol business companies. It has a wide range of brands across the IMFL segment (Whisky, Brandy, Rum, Gin, and Vodka) with its core competencies across manufacturing facilities, wide distribution network and efficient marketing strategies, the Company has a predominant presence across Southern India with considerable presence in Western and Eastern India accounting for 92.02 % of the total cases sold during 2022-23. Exports & Institutions segment contributes 7.98 % to total sales volume.

### Manufacturing Facilities

The Company has ultra-modern set up with robust manufacturing facilities comprising of 1 owned facility, 3 operating liquor subsidiaries, 15 leased/tie-up units strategically located across India. It has 50 KLPD molasses based and 100 KLPD grain-based distillation plants and IMFL Bottling Plant at Shirampur (Maharashtra).

The Company has applied to the State Government authorities for dual feed permission for manufacture of ENA through molasses as well as grain at one of its ENA Plants. The Company expects to start the grain distillery plant during the financial year 2023-24 on receipt of all statutory approvals.

### Sales and Distribution

The Company is an established player in the Brandy space in India and is committed to fortify its presence in the segment with a strong portfolio of brands including Mansion House Brandy and Courier Napoleon Brandy which continue to be consumer's most preferred brandy brands in all the states where they are sold.

During the financial year 2022-23, the sales volume increased by 43.26 % to 96.43 lacs cases as compared to 67.31 lacs cases in the financial year 2021-22. Region wise, the Company has registered sales volume of 83.15 lacs cases in Southern region, 2.84 lacs cases in Eastern region, 2.74 lacs cases in Western region and 7.70 lacs cases in Exports & Institutions segment. Segment-wise, Brandy contributed 93.15 %, followed by Rum, Whisky, Vodka & Gin segments, which have contributed 4.97 %, 0.86 % and 1.02 %, respectively to the overall sales volume of the Company.

The Company ensures a seamless co-ordination of all its functions not only in production, but also in its supply chain management. From tracking market changes and market research to sourcing raw materials, manufacturing, and delivering finished goods, the Company maintains the highest efficiency. The Company markets its products across the country through three main channels viz. corporations, distributors, and direct sales. The distribution strength of the Company is built around its dispersed manufacturing facilities through 19 manufacturing units that cover large swathes of the Indian market with a strong network of 100 distributors across India and points of sales covering numerous market segments and geographies with especially pronounced presence in the South, India's largest IMFL consuming geography.

The Company is presently exporting its products to Singapore, South Korea, Rwanda, Bahrain, UAE.

### Material Developments during the financial year 2022-23

- The Company launched India's first premium flavoured brandy under the Company's flagship brand, Mansion House in three flavours - Orange, Cherry and Peach.
- The Company launched Mansion House Reserve French Style Brandy, the premium variant of its flagship brand, Mansion House.
- The Company has entered in an Operations and Maintenance Services Agreement dated June 30, 2022 with Globus Spirits Limited ("GSL") to engage their services to upgrade and operate (for a service fee) the Company's Grain based ENA Plant ("the Plant") in Shirampur, Maharashtra. The upgradation of the Plant is expected to be completed in H2 FY23.
- The Company has remitted USD 11,00,011.89 equivalent of ₹ 9,25,00,000 (Rupees Nine Crores Twenty-Five Lacs only) on October 13, 2022 to

its supplier, Cargill International SA, towards the Settlement Agreement entered into between the Company and Cargill International SA

- The Company had entered into a Master Restructuring Agreement (MRA) dated February 06, 2020 with Edelweiss Asset Reconstruction Company Limited (EARC) acting as Trustee of three trusts i.e EARC Trust SC 233, EARC Trust SC 241 and EARC Trust SC 269 with respect to restructuring of the debts owed to some of the lender banks and a Financial Institution by the Company. Accordingly, the total debt owed by the Company of ₹ 52,332.37 lacs was restructured by EARC at ₹ 34,447.23 lacs as Sustainable Debt and Balance Debt of ₹ 17,885.14 lacs. A part of Balance Debt was subsequently converted into equity. The Company had been regularly paying the stipulated principal and interest of the restructured debt to all the three EARC trusts from 2020 onwards till date in accordance with the repayment schedule of MRA. During the financial year 2022-2023, the Company made a prepayment of the entire outstanding principal along with accrued interest of ₹ 54.10 crores towards EARC Trust SC 233 and EARC Trust SC 269. As per terms of restructuring by EARC, the Balance Debt would remain outstanding till the time the restructured debt was repaid. The Balance Debt along with accrued interest was to be waived by EARC once the restructured debt had been repaid. Consequent to the above prepayment, the corresponding Balance debt of the two trusts i.e EARC Trust SC 233 and EARC Trust SC 269 aggregating to ₹ 12,662.70 lacs has been waived by EARC and accordingly the same has been written back by the Company in the financial statements for the year 2022-2023. The same is disclosed under exceptional items for the year ended March 31, 2023. The total existing debt of EARC as on March 31, 2023 now stands reduced to ₹ 18,759.13 lacs (including Balance Debt of ₹ 362.45 lacs) representing debt of EARC Trust SC 241 only.
- The Company has considered and agreed to invest in tranches ₹ 1 crore in Incredible Spirits Private Limited ("ISPL") which is developing a Ready-to-Drink (RTD) Alcoholic Shots drink. Out of which the Company has invested ₹ 50,00,000 (Rupees Fifty Lakhs only) during the year 2022-23. The balance would be invested during the year 2023-24. Post the entire investment in ISPL, the Company shall hold 19.50% of the issued and paid-up share capital in ISPL on a fully diluted basis.

- Ms. Dipti Mehta, liquidator of Prag Distillery (P) Ltd (Prag), wholly owned subsidiary of the Company, had on October 08, 2022, filed an application with Hon'ble NCLT- Mumbai, seeking withdrawal of the Petition filed by the financial creditor – Standard Chartered Bank (SCB), closure of the liquidation process and for reinstating the erstwhile Board of Directors for management of the operations of Prag. The Hon'ble NCLT order is awaited. Prag will also prepare the revival plan of its operations once the order from NCLT-Mumbai is received.
- During the year under review the Company has allotted equity shares and warrants to investors on preferential basis and converted warrants of promoters and investors into equity shares. Details of the above are mentioned under the heading of Share Capital.

**Material Developments affecting the financial position of the Company after the end of the financial year 2022-23 and till the date of this Report**

- The Board of Directors of the Company (TI) at their Board Meeting held on May 30, 2022, had approved the Composite Scheme of Amalgamation ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with relevant rules & regulations framed thereunder of four wholly-owned subsidiaries of the Company, viz. (i) Kesarval Springs Distillers Private Limited ("KSDPL"); (ii) Mykingdom Ventures Private Limited ("MVPL"); (iii) Srirampur Grains Private Limited ("SGPL"); and (iv) Studd Projects Private Limited ("SPPL") [hereinafter collectively referred to as the "Transferor Companies" and individually referred to as the "Transferor Company"] with and into TI (Holding Company) ("Transferee Company"). The Transferor and Transferee Companies have complied with all the steps under the Companies Act, 2013. The final hearing for the matter was held on 12<sup>th</sup> May, 2023 before Hon'ble NCLT, Mumbai Bench-I and the Bench has reserved the matter for orders. TI awaits the pronouncement of the order by the Hon'ble NCLT. On receipt of the certified copy of the order from NCLT, the Companies will file E-Form INC-28 with Registrar of Companies for making the Scheme effective, file stamp duty adjudication application and comply with other directions of the Hon'ble NCLT, if any.

- The Company has considered and agreed to invest in two tranches an aggregate sum of ₹ 9.75 crore in the securities of Spaceman Spirits Lab Private Limited (SSLPL) which is engaged in the business of creating and marketing craft alcohol brands (particularly gin) and offering advisory services to prospective AlcoBev entrepreneurs, through a combination of Equity shares and Compulsory Convertible Preference shares (CCPS). The Company has invested ₹ 4,20,98,784 (Rupees Four Crore Twenty- Lacs Ninety-Eight Thousand Seven Hundred and Eighty- Four Only) in Equity Shares on April 04, 2023 and ₹ 5,54,00,862 (Rupees Five Crore Fifty- Four Lacs and Eight Hundred and Sixty Two only) in Compulsory Convertible Preference Shares on April 21, 2023. Post the investment in SSLPL, the Company holds 10% of the issued and paid-up share capital in SSLPL on a fully diluted basis.

### 3. DIVIDEND

The Board has recommended final dividend at the rate of ₹ 0.25 per equity share (2.5%) for the financial year ended March 31, 2023.

### 4. SHARE CAPITAL

The Authorised Share Capital of the Company increased from ₹ 1,80,00,00,000/- (Rupees One Hundred Eighty Crores Only) divided into 18,00,00,000 (Eighteen Crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each to ₹ 2,25,00,00,000/- (Rupees Two Hundred Twenty-Five Crores Only) divided into 22,50,00,000 (Twenty- Two Crores and Fifty lacs Only) Equity Shares of ₹ 10/- (Rupees Ten Only) each.

## A) Details of equity shares issued during the year 2022-2023

The details of allotment of equity shares during the year 2022-2023 are mentioned below:

Particulars	Nos. of equity shares
<b>Equity Share Capital as on April 01, 2022</b>	<b>15,86,21,804</b>
<b>Equity shares allotted during 2022-2023</b>	
a) Equity shares issued to Promoters	50,62,893
b) Equity shares issued to Non-Promoters	2,05,26,313
c) Equity shares to its eligible employees who exercised their stock options under the prevailing Employee Stock Option Schemes of the Company at regular intervals.	11,28,989
<b>Total Equity shares allotted</b>	<b>2,67,18,195</b>
<b>Equity Share Capital as on March 31, 2023</b>	<b>18,53,39,999</b>

The paid-up equity share capital of the Company is ₹ 1,85,33,99,990 divided into 18,53,39,999 equity shares of face value of ₹ 10 each as on March 31, 2023.

## B) Details of warrants issued during the year 2022-2023

- During the year 2022-2023, after the requisite Board and shareholders' approval, the Company has issued 52,08,333 warrants issued to non-promoter groups on a preferential basis at an issue price of ₹ 72/- per warrant including a premium of ₹ 62/- per warrant.
- Further, the following warrants are outstanding as on March 31, 2023:
  - 41,82,390 warrants issued to promoter groups on a preferential basis at an issue price of ₹ 53/- per warrant including a premium of ₹ 43/- per warrant.
  - 18,05,556 warrants issued to non-promoter groups on a preferential basis at an issue price of ₹ 72/- per warrant including a premium of ₹ 62/- per warrant.

## 5. SUBSIDIARY AND ASSOCIATE COMPANIES

The Company is having eight (8) subsidiary companies falling under the purview of Section 2(87) of the Companies Act, 2013 ("the Act"). In accordance with Rule 8(1) of the Companies (Accounts) Rules, 2014, a report on their performance and financial position is presented herein below:

Sr. No.	Name of Subsidiary Companies (Stake)	Performance
<b>(A) OPERATING SUBSIDIARIES</b>		
1	<b>Vahni Distilleries Private Limited (100%)</b>	During the financial year 2022-23, the revenue from operations of Vahni stood at ₹ 465.08 lacs as compared to ₹ 393.63 lacs in the previous year. The total comprehensive income stood at ₹ 122.39 lacs during the financial year 2022-23 as compared to total comprehensive income of ₹ 82.97 lacs in the previous year.
2	<b>PunjabExpo Breweries Private Limited (100%)</b>	During the financial year 2022-23, the revenue from operations of PunjabExpo stood at ₹ 111.93 lacs as compared to ₹ 60.65 lacs in the previous year. It has incurred total comprehensive loss of ₹ 2,522.97 lacs during the financial year 2022-23 as compared to total comprehensive loss of ₹ 1,017.14 lacs in the previous year.  During the year 2022-2023, the Liquidator of Prag Distillery (P) Ltd. (Prag), a fellow subsidiary, has filed an application at NCLT- Mumbai, seeking withdrawal of the Petition filed by the financial creditor Standard Chartered Bank and closure of the liquidation process. Consequent to the capex expansion project being kept in abeyance by Prag, the Management of PunjabExpo has evaluated the current situation with respect to the advances given to Prag amounting to ₹ 2,276.34 lacs (P.Y. ₹ 2,276.34 lacs) and has arrived at the conclusion that since Prag's future growth and business prospects are curtailed, there is no certainty of recovery of the advances given to Prag and hence the Company has recorded impairment provision of the advances of ₹ 2,276.34 lacs in its book of accounts for the year ended March 31, 2023 and the same is accounted under exceptional items.
3	<b>Prag Distillery (P) Ltd. (100%) (under liquidation)</b>	During the financial year 2022-23, revenue from operations of Prag stood ₹ 313.74 lacs as compared to ₹ NIL in the previous year. The total comprehensive loss stood at ₹ 10,194.76 lacs during the financial year ended March 31, 2023 as against the total comprehensive income of ₹ 605.60 lacs during the financial year ended March 31, 2022.  Prag had undertaken a capex project in 2010 towards expansion of its bottling capacity with a view to reduce the dependency of Tilaknagar Industries Ltd (TI) group on third party bottling tie-up arrangements. The permissions from State Government was received in 2014 after a delay of several years and was subject to a licence fee payment of approx ₹ 20 crores. Meanwhile, TI group had started facing financial liquidity crunch and subsequently TI turned into Non Performing Asset. Hence, Prag could not fulfil the financial obligation necessary to acquire the requisite permissions for commencing the aforesaid project. While the Holding Company was in talks with the Banks and Financial Institutions for settlement, Prag was admitted under Honorable National Company Law Tribunal (NCLT) in June 2017. The process of settlement of financial creditors of Prag took around five years. This further stalled the commissioning of the expansion project. In the year 2022-23, the Liquidator of Prag, has filed an application at NCLT- Mumbai, seeking withdrawal of the Petition filed by the financial creditor Standard Chartered Bank and closure of the liquidation process. In the several years that elapsed, the business dynamics has changed and the external bottling capacities available in Andhra Pradesh have become sufficient and economically prudent to meet the TI group's business requirements. Subsequent to the application for closure of the liquidation process, the Management has evaluated the current situation with respect to aforesaid project and concluded that since the project has got inordinately delayed, it was no longer financially prudent to incur expenditure to increase capacity as part of the aforesaid capex project under current circumstances. Accordingly, the management has kept the Prag expansion project in abeyance and hence the Company has provided for the impairment of the capex project in its books of accounts. This impairment of the capex project of ₹ 10,021.69 lacs is disclosed under exceptional items in the books of Prag for the year ended March 31, 2023.
<b>(B) OTHER SUBSIDIARIES</b>		
4	<b>Kesarval Springs Distillers Pvt. Ltd. (100%)</b>	During the financial year 2022-23, no activities have been carried out by Kesarval and it has incurred total comprehensive loss of ₹ 0.53 lacs during the year as compared to total comprehensive loss of ₹ 1.50 lacs in the previous year.
5	<b>Mykingdom Ventures Pvt. Ltd. (100%)</b>	During the financial year 2022-23, no activities have been carried out by Mykingdom and it has incurred total comprehensive loss of ₹ 1.19 lac during the year as compared to total comprehensive loss of ₹ 1.00 lac in the previous year.

Sr. No.	Name of Subsidiary Companies (Stake)	Performance
6	<b>Studd Projects P. Ltd. (100%)</b>	During the financial year 2022-23, no activities have been carried out by Studd and it has incurred total comprehensive loss of ₹ 1.70 lacs during the year as compared to total comprehensive loss of ₹ 1.57 lacs in the previous year
7	<b>Srirampur Grains Private Limited (100%)</b>	During the financial year 2022-23, no activities have been carried out by Srirampur and it has incurred total comprehensive loss of ₹ 2.58 lacs during the year as compared to total comprehensive loss of ₹ 2.54 lacs in the previous year.
8	<b>Shivprabha Sugars Ltd. (90%)</b>	During the financial year 2022-23, no activities have been carried out by Shivprabha and it has incurred total comprehensive loss of ₹ 0.67 lacs during the year as compared to total comprehensive loss of ₹ 0.54 lacs in the previous year.

The Board of Directors of the Company (TI) at their Board Meeting held on May 30, 2022, had approved the Composite Scheme of Amalgamation ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with relevant rules & regulations framed thereunder of four wholly-owned subsidiaries of the Company, viz. (i) Kesarval Springs Distillers Private Limited ("KSDPL"); (ii) Mykingdom Ventures Private Limited ("MVPL"); (iii) Srirampur Grains Private Limited ("SGPL"); and (iv) Studd Projects Private Limited ("SPPL") [hereinafter collectively referred to as the "Transferor Companies" and individually referred to as the "Transferor Company"] with and into TI (Holding Company) ("Transferee Company"). The Transferor and Transferee Companies have complied with all the steps under the Companies Act, 2013. The final hearing for the matter was held on 12<sup>th</sup> May, 2023 before Hon'ble NCLT, Mumbai Bench-I and the Bench has reserved the matter for orders. TI awaits the pronouncement of the order by the Hon'ble NCLT. On receipt of the certified copy of the order from NCLT, the Companies will file E-Form INC-28 with Registrar of Companies for making the Scheme effective, file stamp duty adjudication application and comply with other directions of the Hon'ble NCLT, if any.

Apart from the above-mentioned subsidiary companies, the Company is having one associate company falling under the purview of Section 2(6) of the Act, viz. Mason and Summers Marketing Service Private Limited in which the Company holds 26% stake. The group had made an impairment in value of investments in the associate Company Mason & Summers Marketing Services Private Limited (MSMSPL) of ₹ 169.00 lacs, in its books of accounts during the financial year 2015-16 due to losses made by the associate. Since the Company doesn't have any obligation to fund the losses of the associate beyond the investments made, the share of loss of the associate company has not been considered in the consolidated financial statements.

During the financial year 2022-23, no company has become or ceased to be subsidiary of the Company and no material change in the nature of the business of the existing subsidiary and associate companies has taken place.

The consolidated financial statements of the Company and its subsidiaries for the financial year ended March 31, 2023, prepared in accordance with the Act and Indian Accounting Standards (Ind AS) forms part of this Annual Report and same shall also be laid in the forthcoming Annual General Meeting ("the AGM") in accordance with the provisions of Section 129(3) of the Act.

In accordance with proviso to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company and forms part of this Annual Report.

In accordance with the provisions of Section 136 of the Act, the consolidated and standalone financial statements of the Company along with the documents required to be attached/annexed thereto and separate audited financial statements in respect of its subsidiary companies are available on its website i.e. [www.tilind.com](http://www.tilind.com) and are also available for inspection at its Registered Office and Corporate Office.

## 6. DIRECTORS

During the year under review, Mrs. Shivani Amit Dahanukar was appointed as Executive Director for a period of 3 years with effect from June 01, 2022.

### At the 87th Annual General Meeting of the Company held on August 29, 2022 the Members:

- Re-appointed Ms. Swapna Shah, Non-Executive Director who retired by rotation at the said Annual General Meeting in accordance with the provisions of Section 152(6) of the Act, as a Director, liable to retire by rotation.
- Appointed and fixed the remuneration of Mrs. Shivani Amit Dahanukar as an Executive Director and KMP, from June 01, 2022 to May 31, 2025 (both days inclusive).

- c) Fixed the remuneration payable to Mr. Amit Dahanukar, Chairman & Managing Director for the period June 01, 2022 to November 06, 2023 (both days inclusive).

**At the 88th Annual General Meeting of the Company, the following appointment/re-appointment of Directors is proposed to the shareholders for their approval:**

- a) Mr. Chemangala Ramachar Ramesh (DIN: 08876738), Whole time Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.
- b) Re-appointment of Mr. Amit Dahanukar (DIN:00305636) as the Chairman & Managing Director and KMP for a period of 3 years from November 07, 2023 to November 06, 2026.
- c) Re-appointment of Mr. Chemangala Ramachar Ramesh (DIN: 08876738) as a Whole-Time Director and KMP for a period of 3 years from November 13, 2023 to November 12, 2026.

Information pursuant to Regulation 36(3) of the Listing Regulations read with Secretarial Standards with respect to Directors seeking appointment/re-appointment is appended to the Notice convening the ensuing Annual General Meeting.

All the Independent Directors have furnished respective declaration stating that they meet the criteria of independence as laid down in Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations.

**7. NOMINATION, REMUNERATION AND EVALUATION POLICY**

The Nomination, Remuneration and Evaluation Policy of the Company, adopted by the Board in accordance with the provisions of Section 178(3) of the Act based on the recommendations made by the Nomination and Remuneration Committee, lays down criteria for:

- i. determining qualifications, positive attributes required for appointment of Directors, Key Managerial Personnel and Senior Management and also the criteria for determining the independence of a Director;
- ii. appointment, tenure, removal/retirement of Directors, Key Managerial Personnel and Senior Management;

- iii. determining remuneration (fixed and performance linked) payable to the Directors, Key Managerial Personnel and Senior Management; and
- iv. evaluation of the performance of the Board and its constituents.

The contents of the abovementioned Policy have been elaborated in the Corporate Governance Report in accordance with the provisions of Section 134(3)(e) of the Companies Act, 2013. The Company has uploaded the Nomination, Remuneration and Evaluation Policy on its website, accessible at <https://tilind.com/codes-and-policies/>.

The details of the remuneration received by the Directors from the Company and its subsidiaries have been disclosed in the Corporate Governance Report which forms an integral part of this Report.

**8. BOARD EVALUATION**

In accordance with the provisions of Section 178(2) read with Schedule IV of the Act, Listing Regulations and Clause 5 of the Nomination, Remuneration and Evaluation Policy of the Company, the annual performance evaluation of the Independent Directors, Non-Independent Directors, Chairman and the Board as a whole (including its Committees) was carried out on February 07, 2023, in the manner given below:

- i. Performance evaluation of the Independent Directors was done by the entire Board (excluding the Director being evaluated);
- ii. Independent Directors, in their separate meeting, reviewed the performance of the Non-Independent Directors and the Board as a whole (including its Committees); and
- iii. Independent Directors, in their separate meeting, also reviewed the performance of the Chairman after taking into account the views of all the Directors.

After taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance and the criteria specified in the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India, a structured questionnaire was prepared and circulated among the Directors for the abovementioned evaluation.

The Nomination and Remuneration Committee reviewed the results of the annual performance evaluation carried out in the financial year 2022-23 at its meeting held on May 16, 2023 and expressed overall satisfaction on the performance of the Independent Directors, Non-Independent Directors, Chairman and the Board as a whole (including its Committees).

## 9. NUMBER OF MEETINGS OF THE BOARD

During the year under review, 5 (five) Meetings of the Board of Directors were held as per details given below:

Sr. No.	Date of Meeting
1.	May 30, 2022
2.	August 11, 2022
3.	October 03, 2022
4.	November 10, 2022
5.	February 07, 2023

The details of Directors attending the abovementioned Meetings have been furnished as a part of the Corporate Governance Report.

## 10. COMPOSITION OF AUDIT COMMITTEE

In accordance with the provisions of Section 177(8) of the Act, details of the composition of the Audit Committee have been furnished as a part of the Corporate Governance Report. There have not been any instances during the year under review, when the recommendations of the Committee were not accepted by the Board.

## 11. KEY MANAGERIAL PERSONNEL (KMP)

During the year under review, Mrs. Shivani Amit Dahanukar was appointed as an Executive Director and Key Managerial Personnel (KMP) from June 01, 2022. Mr. Ajit Anant Sirsat ceased to be the Chief Financial Officer with effect from October 15, 2022 and Mr. Abhinav Gupta was appointed as Chief Financial Officer w.e.f. February 07, 2023.

The KMPs as on March 31, 2023 are as follows:

Mr. Amit Dahanukar	Chairman and Managing Director
Mrs. Shivani Amit Dahanukar	Executive Director
Mr. Abhinav Gupta	Chief Financial Officer
Ms. Dipti Todkar	Company Secretary

## 12. AUDITORS

### Statutory Auditors and Statutory Audit Report

In accordance with the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. Harshil Shah & Company, Chartered Accountants

(ICAI Firm Registration No. 141179W) were appointed as Statutory Auditors of the Company at the 84<sup>th</sup> AGM for a term of 5 years from the conclusion of the 84<sup>th</sup> AGM till the conclusion of the 89<sup>th</sup> AGM of the Company at a remuneration of ₹ 11,00,000/- (Rupees Eleven Lacs Only) per annum plus tax as applicable and reimbursement of out-of-pocket expenses as may be incurred by them for conducting the Statutory Audit.

No frauds have been reported by the Statutory Auditors during the financial year 2022-23 pursuant to the provisions of Section 143(12) of the Act.

With reference to the Statutory Auditors' qualified opinion, matter of emphasis and observations in the Auditors' Report, the explanation/comments of the Board in accordance with the provisions of Section 134(3)(f) of the Act are set out in Annexure 'H' to this Report.

### Cost Records, Cost Auditor and Cost Audit Report

As per Section 148 (1) of the Companies Act, 2013 the Company is required to maintain cost records and accordingly, has made and maintained such accounts and records for the financial year 2022-23.

Based on the recommendation of the Audit Committee, the Board of Directors has appointed CMA Dr. Netra Shashikant Apte (Membership No. 11865 and Firm Registration No. 102229) as Cost Auditor for conducting the audit of cost accounting records maintained by the Company relating to manufacturing of the products covered under the Companies (Cost Records and Audit) Rules, 2014 at a remuneration of ₹ 1,50,000/- (Rupees One Lac Fifty Thousand Only) plus tax as applicable and reimbursement of out-of-pocket expenses as may be incurred by her for conducting the Cost Audit for the financial year 2023-24.

In view of the requirements of Section 148 of the Act, the Company has obtained from the Cost Auditor written consent along with certificates with respect to compliance with the conditions specified under Rule 6(1A) of the Companies (Cost Records and Audit) Rules, 2014 and certifying her independence and arm's length relationship with the Company.

In terms of the provisions of Section 148(3) of the Act read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, a resolution seeking Members' ratification for

the remuneration payable to the Cost Auditor forms part of the Notice convening the ensuing Annual General Meeting.

The Company has filed the Cost Audit Report for the financial year ended March 31, 2022 submitted by CMA Dr. Netra Shashikant Apte, Cost Auditor.

### **Secretarial Auditors and Secretarial Audit Report**

In accordance with the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. V. M. Kundaliya & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for the financial year 2022-23.

The Secretarial Audit Report issued by M/s. V. M. Kundaliya & Associates, Practicing Company Secretaries for the financial year ended March 31, 2023 is set out in Annexure 'A' to this Report. No observations were reported by the secretarial auditors.

### **Internal Auditors and Internal Audit Report**

The Company had appointed M/s. NMAH & Co., Chartered Accountants as its Internal Auditors in accordance with the provisions of Section 138(1) of the Act as the Internal Auditors of the Company for the period covering the period from October, 2021 to March, 2023.

The Board of Directors appointed M/s. Akord & Co., Chartered Accountants firm to conduct the internal audit for the period April 2023 to March 2024.

The Audit Committee reviews the observations made by the Internal Auditors in their report on quarterly basis and makes necessary recommendations to the management.

## **13. DETAILS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Details with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are set out in Annexure 'B' to this Report.

## **14. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Particulars of employees and related disclosures as required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014 is set out in Annexure 'C' to this Report.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014, is provided in Annexure D forming a part of this Report. Further, the Annual Report is being sent to the members excluding the aforesaid Annexure. In terms of Section 136 of the Act, the said Annexure will be available for inspection of the members through electronic mode by sending an email to the Company at [investor@tilind.com](mailto:investor@tilind.com).

## **15. ANNUAL RETURN**

In accordance with the provisions of Section 134(3) (a) of the Act, the Company has uploaded the Annual Return for the financial year ended March 31, 2023 on its website, accessible at <https://tilind.com/investors-filings-reports/>.

## **16. EMPLOYEE STOCK OPTION SCHEMES**

The Company has implemented ESOP Scheme 2008, ESOP Scheme 2010 and ESOP Scheme 2012 compliant with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to reward and retain the qualified and skilled employees and to give them an opportunity to participate in the growth of the Company. These Schemes are administered by the Compensation Committee of the Company. During the year under review, the Compensation Committee vide circular resolution passed on September 23, 2022 amended the ESOP Scheme 2008, ESOP Scheme 2010 and ESOP Scheme 2012.

A certificate from the Secretarial Auditors of the Company as required under Regulation 13 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 shall be placed at the ensuing Annual General Meeting for inspection by the Members. The disclosures as required pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 read with Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 are set out in Annexure 'E' to this Report and are also uploaded on Company's website, accessible at <https://tilind.com/others/>.

## **17. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company has constituted a CSR Committee in accordance with Section 135(1) of the Companies Act,

2013, the details of which have been provided in the Corporate Governance Report forming part of this Annual Report. The Board of Directors has approved the CSR policy which is available on the website of the Company, accessible at <https://tilind.com/codes-and-policies/>. The Annual Report on CSR activities as required to be given under Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided in an Annexure 'F' which forms part of the Directors' Report and is available on the website of the Company, accessible at <https://tilind.com/others/>.

## 18. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34(2)(e) of the Listing Regulations, Management Discussion and Analysis Report containing the details as required under Schedule(V)(B) of the said Regulations is annexed hereto and forms an integral part of this Report.

## 19. CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34(3) of the Listing Regulations, Corporate Governance Report containing the details as required under Schedule (V)(C) of the said Regulations along with a certificate from the Practicing Company Secretary regarding the compliance of the conditions of corporate governance by the Company as required under Schedule(V)(E) of the said Regulations is annexed hereto and forms an integral part of this Report.

## 20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

In accordance with the provisions of Sections 134(3)(g) and 186(4) of the Companies Act, 2013, full particulars of loans given, investments made, guarantees given and securities provided, if any, along with the purpose for which the loan or guarantee or security was proposed to be utilized by the recipient have been disclosed in the financial statements.

## 21. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to provide a healthy environment to all its employees and has zero tolerance for sexual harassment at workplace. In order to prohibit, prevent and redress complaints of sexual harassment at workplace, it has complied with the provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of

2013]. Also, during the financial year 2022-23, virtual sessions on POSH Awareness were conducted by the Company for all staff members.

The Company has not received any complaint of sexual harassment during the financial year 2022-23.

## 22. PUBLIC DEPOSITS

As on April 01, 2022, the Company was not having any outstanding deposit falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposit covered under said Chapter during the financial year 2022-23. As on March 31, 2023, the Company was not having any outstanding deposit falling under the scope of the said Chapter.

## 23. TRANSFER OF UNCLAIMED DIVIDEND/SHARES/ UNCLAIMED BONUS SHARES TO INVESTOR EDUCATION & PROTECTION FUND

In accordance with the provisions of Section 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend lying unclaimed in the unpaid dividend account for a period of 7 (Seven) years is required to be transferred by the Company to the Investor Education & Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The details of unclaimed dividend for the financial year 2022-2023 is available on the website of the Company.

During the year 2022-23, there was no dividend and shares transferred to the IEPF Authority.

## 24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There are no particulars to be furnished in Form AOC-2 as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 with respect to the contracts or arrangements entered into by the Company with related parties falling under the purview of Section 188(1) of the Act, during the year under review. Approval of the Audit Committee and the Board of Directors as required under the Listing Regulations, 2015 has been obtained for all related party transactions. Further, no transactions have been entered into by the Company with related parties during the financial year 2022-23, qualifying as material transactions under the provisions of the Listing Regulations.

## 25. RISK MANAGEMENT

In accordance with the provisions of the Companies Act, 2013, the Company has adopted a Risk Management Policy to identify and evaluate elements of business risks. The Policy defines the risk management approach, establishes various levels of accountability for risk management/mitigation within the Company and reviewing, documentation and reporting mechanism for such risks.

The key business risks, which in the opinion of the Board may threaten the existence of the Company, along with mitigation strategies adopted by the Company are enumerated herein below:

Sr. No.	Type of Risk	Nature of Risk	Risk Mitigation Factors/ Measures
<b>A. EXTERNAL RISKS</b>			
1	<b>Regulatory Risk</b>	The IMFL industry is a high-risk industry, primarily on account of the high taxes and innumerable regulations governing it. As a result, liquor companies suffer from low pricing flexibility and have underutilized capacities, which, in turn, lead to low margins.	Unless the regulatory authorities come out with any adverse regulations affecting the industry, the business of the Company will not be affected as the Company is complying with the applicable rules and regulations in all the States where it is present. The Company, having ensured supply side security and strong & well accepted brands will be able to strongly counter the challenges posed by any abnormal situation.
2	<b>Competition Risk</b>	The markets for IMFL industry are rapidly evolving and are highly competitive and the Company expects that competition will continue to intensify due to establishment of new capacities, expansion of existing capacities and consolidation of operations across the IMFL industry.	The Company is strongly positioned in designated markets commanding a premium for its products. The Company has adequate manufacturing and bottling facilities to ensure supply side security. The brands have a very strong loyalty and steps have been taken to maintain the supply of the high contribution brands in the most profitable markets.
<b>B. INTERNAL RISK</b>			
1	<b>Concentration Risk</b>	A large percentage of the Company's turnover is derived from Southern India, where any unfavorable regulatory policy may impact its business. Also, the major portion of revenue of the Company is derived from brandy sales, exposing the Company to category vulnerability.	The Company has entered the Northeast market where it was not present for last more than 5 years (Arunachal, Meghalaya) in the current year where the demand for brandy as well as Gin brands are good. Though in value terms, the markets continue to be small as compared to South India volumes, the company is taking small steps so as to diversify geographical risk keeping in mind the financial aspects. The company will also be exploring other markets in the coming year.
2	<b>Dependence on tie-up units</b>	The Company has arrangement with various tie-up units for manufacturing of its products due to which the Company has to depend upon third parties for its product requirements.	It is an industry practice to supplement production in own units with that in tie up units as having own production facility to cater to the entire demand will require huge capital expenditure that is neither feasible nor economical and nor desirable. Availability of bottling units in the major states where the company operates is not a constraint.
3	<b>Procurement Risk</b>	Any rise in cost of raw materials e.g., molasses and grains or packing materials e.g., glass, packaging material may affect the margins of the Company. Dependence on any supplier may expose the Company to supply risk.	The management is continuously exploring the possibilities for developing alternative/additional sources for procurement of raw material/packing materials. The company has more than one supplier for all its key raw material/packing material requirements. The company is also exploring ways to improving state wise and brand wise mix of profitable brands which would enable to negate the increase in the material cost.

## 26. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Internal, Statutory and Secretarial Auditors and external consultants; reviews performed by the Management and relevant Board Committees including the Audit Committee, the Board is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2022-23.

## 27. VIGIL MECHANISM

Pursuant to the requirement of Section 177(9) & (10) of the Act, the Whistle Blower Policy of the Company, adopted by the Board, provides mechanism to its directors, employees and other stakeholders to raise concerns about any violation of legal or regulatory requirements, misrepresentation of any financial statement and to report actual or suspected fraud or violation of the Code of Conduct of the Company.

The Policy allows the whistleblowers to have direct access to the Chairman of the Audit Committee in exceptional circumstances and also protects them from any kind of discrimination or harassment. During the financial year 2022-23, no employee was denied access to the Audit Committee and there was no incidence of whistleblowing. The Whistle Blower Policy of the Company is accessible at <https://tilind.com/codes-and-policies/>.

## 28. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Act and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state that:

- a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in

accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively; and
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 29. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

In accordance with the Securities and Exchange Board of India (SEBI) Notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021, it has mandated the inclusion of "Business Responsibility and Sustainability Report" (BRSR) in the specific format from the financial year 2022-2023, as part of Annual Report for top 1000 listed entities based on market capitalization at the BSE Limited (BSE) and the National Stock Exchange of India Ltd. (NSE).

Accordingly, in terms of Regulation 34(2)(f) of the Listing Regulations, the BRSR describing the initiatives taken by the Company from an environmental, social and governance perspective is set out in Annexure 'G' to this Report. It has also been uploaded on the website of the Company, accessible at <https://tilind.com/others/>.

## 30. CREDIT RATINGS

During the financial year 2022-23, no credit rating was done. The last rating, BWR BB- (pronounced as BWR Double B minus with negative outlook) for Term Loan and Cash Credit, was assigned to the Company in December, 2015 by Brickwork Ratings. The details of credit ratings are available on the website of the Company, accessible at <https://tilind.com/others/>.

## 31. DIVIDEND DISTRIBUTION POLICY

The dividend distribution policy as per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is uploaded on the website of the Company, accessible at <https://tilind.com/codes-and-policies/>.

### 32. COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with all the applicable provisions of Secretarial Standards i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively issued by the Institute of Company Secretaries of India.

### 33. RESIDUARY DISCLOSURES

- i. During the financial year 2022-23, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;
- ii. During the financial year 2022-23, the Company has not issued sweat equity shares to its employees. Hence, disclosure under Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;
- iii. During the financial year 2022-23, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5) (vii) of the Companies (Accounts) Rules, 2014 is not applicable;
- iv. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report except mentioned in Point 2 of the Directors' Report;
- v. During the financial year 2022-23, there has been no change in the nature of business of the Company.

Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

- vi. There is no one time settlement with any Banks or Financial Institutions during the financial year 2022-2023, and hence details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable; and
- vii. No new application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the financial year 2022-23 in respect of the Company.

### 34. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and cooperation received from all the members, regulatory authorities, customers, financial institutions, bankers, lenders, vendors and other business associates.

The Directors also recognize and appreciate all the employees for their commitment, commendable efforts, teamwork, professionalism and continued contribution to the growth of the Company.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 16, 2023

**Amit Dahanukar**  
Chairman & Managing Director

# Annexure A to the Directors' Report

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**TILAKNAGAR INDUSTRIES LIMITED**  
P. O. Tilaknagar, Tal. Shrirampur,  
Ahmednagar- 413720, Maharashtra.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tilaknagar Industries Limited** (Hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit period covering the Financial Year ended on March 31, 2023 ('Audit Period') generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not Applicable during the Financial Year under review;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not Applicable during the Financial Year under review;**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable during the Financial Year under review;** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable during the Financial Year under review.**

(vi) For the other applicable laws:

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The Acts, Laws and Regulations as specifically applicable to the Company out of the list of major head/groups as identified and confirmed by the management are given below:

- (i) The Trade Marks Act, 1999;
- (ii) Food Safety and Standards Act, 2006;
- (iii) The Indian Boilers Act, 1923;
- (iv) The Bombay Prohibition Act, 1949;
- (v) The Emblems and Names (Prevention of Improper Use) Act, 1950;
- (vi) Environments Laws.

I further report that, for all the above laws, I rely on the Certificates given by Independent Consultants, Independent Professionals and Management/respective Department Heads and placed before the Board on quarterly basis and accepted by the Board of Directors in their respective Meetings.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable.

I further report that, the compliance by the Company of applicable financial laws, like direct and indirect tax law, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place

during the period under review were carried out in compliance with the provisions of the Act.

I further report that as per the information provided, the Company has generally given adequate notice to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that as per the information provided and as per minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are generally adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the Management is responsible for compliances of all business laws and other applicable laws. This responsibility includes maintenance of Statutory Registers/files as required by the concerned authorities and internal control of the concerned department.

I further report that during the Audit Period under review, the Company had following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.;

1. The Shareholders of the Company in their Annual General Meeting held on 29<sup>th</sup> August, 2022 have inter alia approved the following:
  - a) Appointment and remuneration of Mrs. Shivani Amit Dahanukar (DIN: 00305503) as Executive Director (whole time) and Key Managerial Personnel for a period of three (3) years with effect from June 01, 2022 to May 31, 2025.
  - b) Final dividend at the rate of Re. 0.10 per Equity Share (1%) for the Financial Year 2021-2022.
2. The Shareholders of the Company vide Extra Ordinary General Meeting held on 29<sup>th</sup> June, 2022 have approved following:
  - a) Issue of 65,97,221 (Sixty-five Lakhs Ninety-seven Thousand Two Hundred and Twenty one) Equity Shares of face value ₹ 10/- (Rupees Ten Only) each

- for cash at a price of ₹ 72/- (including a premium of ₹ 62/- per share) for an amount of ₹ 47,49,99,912/- to Investors (Non-Promoters) on Preferential basis,
- b) Issue of 52,08,333 (Fifty-two Lakhs Eight Thousand Three Hundred and Thirty- Three) convertible warrants at a price of ₹ 72/- per Warrant of the face value of ₹ 10/- (Rupees Ten Only) each of the Company at a premium of ₹ 62/- per share for each Warrant within a period of 12 (Twelve) months from the date of allotment of the Warrants, for an amount ₹ 37,49,99,976/- to Investors (Non-Promoters) on Preferential basis;
3. The Shareholders of the Company vide Extra Ordinary General Meeting held on 07<sup>th</sup> December, 2022 have inter alia approved following:
    - a) Increase in Authorized Share Capital and Consequential alteration of Memorandum of Association.
    - b) Issue of 1,05,26,315 Equity Shares having face value of ₹ 10/- (Rupees Ten Only) each for cash at a price of ₹ 95/- (including a premium of ₹ 85/- per share) for an amount aggregating to ₹ 99,99,99,925 to Think India Opportunities Master Fund LP, Non-Promoters on Preferential basis
  4. The Board of Directors at their Board Meeting held on 30<sup>th</sup> May, 2022 have approved the Composite Scheme of Amalgamation ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with relevant rules & regulations framed thereunder. The Scheme, inter alia, provides for amalgamation by way of absorption and vesting of four wholly-owned subsidiaries of the Company, viz. (i) Kesarval Springs Distillers Private Limited; (ii) Mykingdom Ventures Private Limited; (iii) Srirampur Grains Private Limited; and (iv) Studd Projects Private Limited with and into the Company.
 

The final hearing was held on 12<sup>th</sup> May, 2023 before the Hon'ble National Company Law Tribunal (NCLT), Mumbai and the matter was reserved for pronouncement of order by NCLT.
  5. The Board of Directors in their Meeting held on 30<sup>th</sup> May, 2022 have approved allotment of 1,40,111 Equity Shares having face value of ₹ 10/- each for cash to the option grantees who have exercised the Stock Options vested on them under ESOP Scheme – 2010 and ESOP Scheme – 2012.
  6. The Board of Directors vide circular resolution dated 01<sup>st</sup> July, 2022 have (i) Allotted 65,97,221 Equity Shares of face value ₹ 10/- each for cash at a price of ₹ 72/- (including a premium of ₹ 62/- per share) for an amount of ₹ 47,49,99,912/- to Investors (Non-Promoters) on Preferential basis & (ii) Allotted 52,08,333 Convertible Warrants at a price of ₹ 72/- per Warrant of the face value of ₹ 10/- (Rupees Ten Only) each of the Company at a premium of ₹ 62/- per share for each Warrant for an amount ₹ 37,49,99,976/- to Investors (Non-Promoters) on Preferential basis.
  7. The Board of Directors vide Circular Resolution dated 03<sup>rd</sup> September, 2022 have approved allotment of 5,53,027 Equity Shares having face value of ₹ 10/- each for cash to the option grantees who have exercised the Stock Options vested on them under ESOP Scheme – 2010 and ESOP Scheme – 2012.
  8. The Board of Directors in their Meeting held on 03<sup>rd</sup> October, 2022 have approved allotment of 50,62,893 Equity Shares having face value of ₹ 10/- each upon conversion of 50,62,893 warrants to Promoter Group.
  9. The Board of Directors in their Meeting held on 10<sup>th</sup> November, 2022 have approved allotment of 3,32,772 Equity Shares having face value of ₹ 10/- each for cash to the option grantees who have exercised the Stock Options vested on them under ESOP Scheme – 2010 and ESOP Scheme – 2012.
  10. The Board of Directors vide circular resolution dated 16<sup>th</sup> December, 2022 have allotted 1,05,26,315 equity shares having face value of ₹ 10/- each for cash at a price of ₹ 95/- (including a premium of ₹ 85/- per share) for an amount aggregating to ₹ 99,99,99,925 to Investors (Non-Promoter) on Preferential basis.
  11. The Board of Directors vide Circular Resolution dated 03<sup>rd</sup> January, 2023 have approved allotment of 34,02,777 Equity Shares having face value of ₹ 10/- each upon conversion of 34,02,777 warrants to Investors (Non Promoters).
  12. The Board of Directors in their Meeting held on 07<sup>th</sup> February, 2023 have approved allotment of 1,03,079 Equity Shares having face value of ₹ 10/- each for cash to the option grantees who have exercised the Stock Options vested on them under ESOP Scheme – 2010 and ESOP Scheme – 2012.

13. In few instances the Designated Persons under The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 have violated the Code of Conduct against which the Compliance Officer of the Company has taken necessary action and informed the SEBI about the said violation as required under Schedule B Clause 13 of the said regulations.
14. Mr. Ajit Sirsat resigned as Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company w.e.f 15<sup>th</sup> October, 2022.
15. Mr. Abhinav Gupta was appointed as Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company w.e.f. 07<sup>th</sup> February, 2023.

For **V. M. Kundaliya & Associates**  
Company Secretaries

**Vicky M. Kundaliya**

Proprietor

FCS-7716/C. P. No. 10989

Peer Review Certificate No. 1245/2021

UDIN: F007716E000313043

ICSI Unique Code: S2012MH183100

Place: Mumbai

Date: 16<sup>th</sup> May, 2023

#### **Notes:-**

1. This Report is limited to the Statutory Compliances on laws/regulations/guidelines listed in our Report which have been complied by the Company up to the date of this Report pertaining to Financial Year 2022-2023.
2. This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.



## ANNEXURE A

To,  
The Members,  
**TILAKNAGAR INDUSTRIES LIMITED**

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **V. M. Kundaliya & Associates**  
Company Secretaries

**Vicky M. Kundaliya**  
Proprietor

FCS-7716/C. P. No. 10989  
Peer Review Certificate No. 1245/2021  
UDIN: F007716E000313043  
ICSI Unique Code: S2012MH183100

Place: Mumbai  
Date: 16<sup>th</sup> May, 2023

## Annexure B to the Directors' Report

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

#### (A) CONSERVATION OF ENERGY

##### (i) Steps taken or impact on conservation of energy:

The Company acknowledges the importance of conserving energy and accords high priority to the same in its operations. In order to conserve energy, following steps have been taken by the Company:

- a) Circuit breakers are installed in each of the major machinery/equipment to reduce the idle run of machinery. Routine maintenance of capacitor bank has been increased to maintain the power factor of 0.99 which results in energy credits in the electrical bills;
- b) Gravity Liquor Flow systems are installed in all the process areas for lesser consumption of energy; and
- c) Environment friendly Turbo Vents for natural ventilation and transparent Poly Coat sheets for natural lighting are installed on the roof of the new Bottling Hall.

##### (ii) Steps taken by the Company for utilizing alternate sources of energy:

Rising energy prices and concerns about long term sustainability have once again brought alternate energy sources to the forefront. As a part of its commitment towards the environment and to reduce its dependence on coal, a polluting and non-renewable source of energy, the Company has been utilizing biogas generated by it, mainly, for steam generation in boiler.

A statement of biogas generated, consumed and the resultant saving of coal during the financial year 2022-23 as compared to financial year 2021-22 is given herein below:

Sr. No.	Particulars	Unit	Year ended 31.03.2023	Year ended 31.03.2022
1	Biogas generation	Lac M <sup>3</sup>	---	---
2	Spent-wash treated	Lac M <sup>3</sup>	---	---
3	Ratio of biogas generation to spent-wash treated	M <sup>3</sup> /M <sup>3</sup>	---	---
4	Biogas utilization:		---	---
	a. for steam generation in boiler	Lac M <sup>3</sup>		
	b. biogas flared during start-up & interruptions	Lac M <sup>3</sup>		
5	Coal saved:		---	---
	a. quantity	MT		
	b. value	₹ (lacs)		

#### Note:

The Company is in the Process of Total Revamping of the Bio-gas Productions System which has resulted in the Digesters not being available for generation of Bio-gas.

##### (iii) Capital investment on energy conservation equipments:

During the financial year 2022-23, no capital investment was made by the Company on energy conservation equipments.

## (B) TECHNOLOGY ABSORPTION

- (i) Efforts made towards technology absorption: Nil
- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution: Nil
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):
  - a. **details of technology imported:** The Company has not imported any technology during the last three financial years.
  - b. **year of import:** Not Applicable
  - c. **whether the technology has been fully absorbed:** Not Applicable
  - d. **if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:** Not Applicable
- (iv) **Expenditure incurred on research and development:**

During the financial year 2022-23, neither capital nor revenue expenditure was incurred by the Company on research and development.

## (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2022-23, the foreign exchange earned in terms of actual inflows was ₹ 647.43 lacs (P.Y. ₹ 355.63 lacs) and the foreign exchange outgo during the financial year 2022-23, in terms of actual outflows, was ₹ 11.37lacs, (P.Y. ₹ 895.05 lacs, including repayment of foreign currency loan of subsidiary ₹ 865.87 lacs).

For and on behalf of the Board of Directors

Place: Mumbai  
Date : May 16, 2023

**Amit Dahanukar**  
Chairman & Managing Director

## Annexure C to the Directors' Report

### [STATEMENT OF DISCLOSURE OF REMUNERATION PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

(i) **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2022-23:**

Sr. No.	Name	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase/ (decrease) in remuneration
1	Mr. Amit Dahanukar	Chairman & Managing Director	61.6	400
2	Mrs. Shivani Amit Dahanukar	Executive Director	37.19	NA (Refer Notes below)
3	Dr. Ravindra Bapat	Independent Director	-	-
4	Mr. C. V. Bijlani	Independent Director	-	-
5	Mr. Kishorekumar G. Mhatre	Independent Director	-	-
6	Mr. Satish Chand Mathur	Independent Director	-	-
7	Maj Gen Dilawar Singh (Retd.)	Independent Director	-	-
8	Ms. Aparna Praveen Chaturvedi	Independent Director	-	-
9	Ms. Swapna Shah	Non-Executive Director	-	-
10	Mr. C R Ramesh	Whole-time Director	19.65	20
11	Mr. Ajit Anant Sirsat	Chief Financial Officer	29.19	NA (Refer Notes below)
12	Ms. Dipti Todkar	Company Secretary	8.49	NA (Refer Notes below)
13	Mr. Abhinav Gupta	Chief Financial Officer	15.31	NA (Refer Notes below)

#### Notes:

- Mrs. Shivani Amit Dahanukar was appointed as Executive Director w.e.f June 01, 2022. Hence, percentage increase / decrease in the remuneration during the financial year 2022-2023 is not applicable, hence not stated.
- Ms. Dipti Todkar was appointed as the Company Secretary & Compliance officer w.e.f. March 30, 2022. Hence, percentage increase / decrease in the remuneration during the financial year 2022-2023 is not applicable, hence not stated.
- Mr. Ajit Anant Sirsat ceased to be the Chief Financial Officer w.e.f. October 15, 2022. Hence, percentage increase / decrease in the remuneration during the financial year 2022-2023 is not applicable, hence not stated.
- Mr. Abhinav Gupta was appointed as President - Finance w.e.f. October 03, 2022 and was later designated as Chief Financial Officer w.e.f. February 07, 2023. Hence, percentage increase / decrease in the remuneration during the financial year 2022-2023 is not applicable, hence not stated.
- The Non-Executive and Independent Directors were paid only sitting fees during the financial year 2022-23. However Ms. Swapna Shah was also paid advisory fees during the financial year 2022-23.

(ii) **The percentage increase in the median remuneration of employees in the financial year 2022-23:**

The median remuneration of employees in the financial year 2022-23 has increased by 66.83% as compared to the previous year.

(iii) **The number of permanent employees on the rolls of Company:**

As on March 31, 2023, 315 permanent employees were on the rolls of the Company.



**(iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

In order to provide for increased cost of living/inflation, average percentile increase of 16.83% was made in the salaries of employees other than the managerial personnel during the financial year 2022-23, in accordance with the Remuneration Policy of the Company.

**(v) Affirmation that the remuneration is as per the remuneration policy of the Company:**

It is hereby affirmed that the remuneration paid during the financial year 2022-23 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place: Mumbai  
Date : May 16, 2023

**Amit Dahanukar**  
Chairman & Managing Director

# Annexure E to the Directors' Report



## STATEMENT PURSUANT TO RULE 12(9) OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 READ WITH REGULATION 14 OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021

Sr. No.	Particulars	ESOP Scheme 2008		ESOP Scheme 2010		ESOP Scheme 2012	
		Date of shareholders' approval	Total number of stock options approved (post adjustment of Bonus)	Date of approval	Total number of stock options approved (post adjustment of Bonus)	Date of approval	Total number of stock options approved (post adjustment of Bonus)
1	Date of shareholders' approval	August 6, 2008	51,36,363	September 20, 2010	48,46,500	May 24, 2012	60,00,088
2	Total number of stock options approved (post adjustment of Bonus)						
3	Vesting requirements	Out of the total options granted, 10% options vest after 1 <sup>st</sup> year, 20% after 2 <sup>nd</sup> year, 30% after 3 <sup>rd</sup> year and 40% after 4 <sup>th</sup> year from the date of respective grant.		Out of the total options granted, 30% options vest after 1 <sup>st</sup> year, 30% after 2 <sup>nd</sup> year and 40% after 3 <sup>rd</sup> year from the date of respective grant.		Out of the total options granted, 30% options vest after 1 <sup>st</sup> year, 30% after 2 <sup>nd</sup> year and 40% after 3 <sup>rd</sup> year from the date of respective grant.	
4	Pricing Formula	The exercise price shall be calculated at a discount of 75% of the average of the daily high and low of the prices for the Company's equity shares quoted on BSE Limited, during the 15 days preceding the date of vesting of stock options subject to minimum exercise price as given below:		The exercise price shall be calculated at a discount of 75% of the average of the daily high and low of the prices for the Company's equity shares quoted on BSE Limited, during the 15 days preceding the date of vesting of stock options subject to minimum exercise price as given below:		The exercise price shall be calculated at a discount of 75% of the average of the daily high and low of the prices for the Company's equity shares quoted on BSE Limited, during the 15 days preceding the date of vesting of stock options subject to minimum exercise price as given below:	
		<b>Date of Grant</b>	<b>Minimum Exercise Price (₹)</b>	<b>Date of Grant</b>	<b>Minimum Exercise Price (₹)</b>	<b>Date of Grant</b>	<b>Minimum Exercise Price (₹)</b>
		July 02, 2009	13.33	January 15, 2011	60.00	May 28, 2012	42.00
		January 28, 2010	25.00	August 01, 2011	38.00	February 04, 2013	60.00
		June 25, 2010	36.67	October 21, 2011	25.00	May 30, 2013	45.00
		August 07, 2010	50.00	November 11, 2011	25.00	May 26, 2014	46.00
				July 05, 2016	13.00	July 05, 2016	13.00
				June 14, 2018	15.00	June 14, 2018	15.00
				May 27, 2021	32.00	August 14, 2021	31.00
				August 14, 2021	31.00	September 23, 2022	67.00
						October 19, 2022	74.00
5	Maximum term of stock options granted	4 years		3 years		3 years	
6	Source of shares (primary, secondary or combination)	Primary		Primary		Primary	
7	Variation in terms of stock options	Nil		Nil		Nil	

Sr. No.	Particulars	ESOP Scheme 2008	ESOP Scheme 2010	ESOP Scheme 2012
8	Number of stock options outstanding at the beginning of the period	Nil	26,23,982	24,51,058
9	Number of stock options granted during the year	Nil	0	9,50,000
10	Number of stock options forfeited/ lapsed/ cancelled during the year	Nil	5,13,806	5,36,781
11	Number of stock options vested during the year	Nil	Refer Note 32 to the Standalone Financial Statements	Refer Note 32 to the Standalone Financial Statements
12	Number of stock options exercised during the year	Nil	5,38,122	5,90,867
13	Number of shares arising as a result of exercise of stock options	Nil	Nil	Nil
14	Money realized by exercise of stock options during the year	Nil	1,62,58,970	1,17,40,387
15	Loan repaid by the Trust during the year from exercise price received	Not Applicable	Not Applicable	Not Applicable
16	Number of stock options outstanding at the end of the year	Nil	15,72,054	22,73,410
17	Number of stock options exercisable at the end of the year	Nil	Refer Note 32 to the Standalone Financial Statements	Refer Note 32 to the Standalone Financial Statements
18	Stock options granted to Senior Managerial Personnel/Key Managerial Personnel: 9,50,000			
19	Employees who were granted in the year stock options amounting to 5% or more of the stock options granted during the year: Nil			
20	Identified employees who were granted stock options, during the year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	Nil	Nil
21	Disclosure in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant Accounting Standards	Refer Note 32 of the Notes to Standalone Financial Statements		
22	Diluted Earnings Per Share (EPS) on issue of shares pursuant to all the Schemes in accordance with Ind AS	Refer Note 32 to the Standalone Financial Statements		
23	Method used to account for ESOS – Intrinsic or fair value	Fair Value Method		
24	The difference between the intrinsic value of the stock options and the fair value of the stock options and its impact on profits and on EPS	Not Applicable		

Sr. Particulars No.	ESOP Scheme 2008	ESOP Scheme 2010	ESOP Scheme 2012
25	Weighted-average exercise prices and weighted-average fair values of stock options, separately for stock options whose exercise price either equals or exceeds or is less than the market price of the stock	Refer Note 32 of the Notes to Standalone Financial Statements	
26	<p>A description of the method and significant assumptions used during the year to estimate the fair value of stock options, including the following information:</p> <ul style="list-style-type: none"> <li>a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;</li> <li>b) the method used and the assumptions made to incorporate the effects of expected early exercise;</li> <li>c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and</li> <li>d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition.</li> </ul>	Refer Note 32 of the Standalone Financial Statements	

Place: Mumbai  
Date : May 16, 2023

For and on behalf of the Board of Directors

**Amit Dahanukar**  
Chairman & Managing Director

# Annexure F to the Directors' Report

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-2023

[Pursuant to Section 134(3)(o) of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

### 1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

The Company is committed to ensure a healthy environment and empowered community around it and has, accordingly, adopted a triple bottom line approach of people, planet and profit. The Company has embraced the United Nation's (UN) Millennium Development Goals (MDG) and directs its efforts towards Poverty Reduction, Health, Education and Environment Conservation.

The Company, in fulfillment of its role as a Socially Responsible Corporate Citizen and in line with its philosophy to spread the largest good to the widest number, has chosen to intervene in those areas where it can strengthen the base, enable people to lead a healthier and happier life and spread cheers for the better good of the community in which it operates, through its services, conduct and initiatives.

CSR projects, programs or activities that may be undertaken by the Company in line with Schedule VII of the Companies Act, 2013 and pursuant to the CSR Policy approved by the Board of Directors are enumerated below:

#### A) Eradicate Extreme Poverty, Hunger and Malnutrition by:

- i. operating annakshetra (Community Kitchen) at various locations;
- ii. supplying mid-day meals to schools, orphanages etc.;
- iii. providing monthly pensions to poor and needy;
- iv. managing clinics for treatment of malnutrition;
- v. conducting outreach programs for prevention and eradication of malnutrition; and
- vi. providing training to village and government representatives for prevention of malnutrition.

#### B) Promotion of Education by:

- i. supporting the administration of educational institutions directly or through Trusts;
- ii. providing services of supplementary teaching staff free of cost to various educational institutions;
- iii. undertaking various educational awareness activities;
- iv. promoting sports and fitness among school children; and
- v. promoting arts and culture among school children.

#### C) Promotion of Rural Sports by:

- i. providing sports training through Zilla Parishad schools or other educational institutes;
- ii. undertaking sporting tournaments and training camps; and
- iii. undertaking various sports awareness activities.

#### D) Empowerment of Women, Senior Citizens, Differently Abled and Socially and Economically Backward Section of Society by:

- i. forming Self Help Groups to promote financial inclusion;
- ii. identifying and training differently abled persons for skill building and improve livelihoods;
- iii. conducting vocational training programs for women through NGOs, institutions, government bodies etc.;
- iv. promoting savings and increasing financial literacy; and
- v. providing marketing support for existing rural micro enterprises.

**E) Promoting Preventive Healthcare, Sanitation and Making Available Safe Drinking Water by:**

- i. creating awareness in villages and conducting training programs for NGOs/Institutions on improving maternal health;
- ii. distributing medicines, supplements and therapeutic foods for improving health and nutrition;
- iii. managing dispensaries and mobile clinics;
- iv. organizing awareness programs on preventive healthcare in educational institutions and communities;
- v. providing medical sponsorships for HIV/AIDS patients; and
- vi. providing financial assistance to NGOs addressing the treatment of above illnesses.

**F) Ensuring Environmental Sustainability by:**

- i. conducting afforestation drives across the country through own or other plant nurseries;
- ii. promoting environmental conservation through promotion of sustainable farming;
- iii. demonstrating sustainable farming and waste management methods on its lands to communities;
- iv. training farmers, government agencies and NGOs on sustainable farming and waste management;

- v. undertaking/promoting cultivation of organic foods; and

- vi. undertaking water conservation and promoting the need for the same in communities.

**G) Animal Welfare by:**

- i. constructing and managing goshalas, animal shelters and veterinary clinics to address animal care;
- ii. conducting veterinary camps in villages for prevention and cure of animals in the villages;
- iii. conducting awareness and sensitization camps to improve community outlook towards animal welfare;
- iv. undertaking adoption camps for animals under shelter and/or elsewhere;
- v. conducting medication and immunization for animals; and
- vi. supporting NGOs engaged in animal welfare or those running animal shelters or goshala.

TI undertakes a slew of CSR activities along with its implementing agency SMDT (Smt. Malati Dahanukar Trust). TI – SMDT strives to achieve sustainable and inclusive development through scalable models by undertaking initiatives across diverse spheres.

Details of the CSR projects, programs or activities undertaken by the Company during the financial year 2022-23 are provided under the 'Corporate Social Responsibility' Section of the Directors' Report forming part of the Annual Report.

**2. COMPOSITION OF CSR COMMITTEE:**

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Shivani Amit Dahanukar	Chairperson	3	1
2	Dr. Ravindra Bapat	Member	3	1
3	Mr. C.V. Bijlani	Member	3	3
4	Ms. Swapna Shah	Member	3	3
5	Ms. Aparna Praveen Chaturvedi	Member	3	1

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:**

<https://tilind.com/>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):**

In terms of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the requirement of conducting an impact assessment of its CSR Projects is not applicable to the Company.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
Not Applicable			

**6. Average net profit / (Loss) of the company as per section 135(5): Average Profits ₹ 10,153.21 lacs**

**7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 203.06 lacs**

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: ₹ Nil

(c) Amount required to be set off for the financial year, if any: ₹ Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 203.06 lacs

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹ Lacs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (₹ In lacs)	Date of transfer	Name of the Fund	Amount	Date of transfer
132.65	72.00	April 28, 2023	-	-	-

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project State District	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation-Through Implementing Agency Name CSR Registration number
Not applicable										

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (₹ in lacs)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Literacy	Promoting education	Yes	Maharashtra	Ahmednagar	37.71	No	Shrimati Malti Dahanukar Trust	CSR00013822
2	Healthcare Treatment/ Sponsorship and Awareness camps	Promoting preventive health care & Sanitation	Yes	Maharashtra	Ahmednagar	53.91	Yes (Direct & Through implementing Agency)	Direct & Shrimati Malti Dahanukar Trust	CSR00013822
3	Supply of R.O water	Promoting preventive health care & Sanitation	Yes	Maharashtra	Ahmednagar	0.40	No	Shrimati Malti Dahanukar Trust	CSR00013822
4	Sports and fitness to engage the unemployed youth	Promoting rural sports	Yes	Maharashtra	Ahmednagar	5.95	No	Shrimati Malti Dahanukar Trust	CSR00013822
5	Waste management, tree plantation and organic production	Ensuring environmental sustainability	Yes	Maharashtra	Ahmednagar	11.26	Yes (Direct & Through implementing Agency)	Direct & Shrimati Malti Dahanukar Trust	CSR00013822
6	Animal welfare centre	Animal welfare	Yes	Maharashtra	Ahmednagar	23.42	Yes	Direct	Not Applicable

The detailed CSR activity report as submitted by the implementing agency is enclosed as Annexure 1.

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 132.65 lacs

(g) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (₹ in lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	203.06
(ii)	Total amount spent for the Financial Year	132.65
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ In lacs)	Amount spent in the reporting Financial Year (₹ In lacs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in lacs)	Amount spent on the project in the reporting Financial Year (₹ in lacs)	Cumulative amount spent at the end of reporting Financial Year (₹ in lacs)	Status of the project (Completed /Ongoing)
Not Applicable								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year**

- (a) Date of creation or acquisition of the capital asset(s).- Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset.- Not Applicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).- Not Applicable

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5).**

The Company has transferred ₹ 72 lacs in Unspent CSR Account as per Section 135(6) of the Companies Act, 2013. The above amount is with respect to the ongoing CSR project of the Company based at Shirampur. The Company shall spend the amount during the course of the project.

For and on behalf of the Board of Directors

For and on behalf of the CSR Committee

**Amit Dahanukar**

Chairman & Managing Director

Place: Mumbai

Date: May 16, 2023

**Shivani Amit Dahanukar**

Chairperson – CSR Committee

## ANNEXURE 1 – CSR

### CSR ACTIVITY REPORT PRESENTED BY SHRIMATI MALATI DAHANUKAR TRUST (SMDT)

The Company is committed to operate and grow its business in a socially responsible way. We aim to bring about sustainable development by balancing the commercial and economic progress with the social and environment development. Our CSR initiatives are focused to reduce the impact of our business and improve the quality of lives of the communities residing in the vicinity of our breweries. The Company is committed to ensure a healthy environment and empowered community around it and has, accordingly, adopted a triple bottom line approach of people, planet and profit. The Company has embraced the United Nation's (UN) Sustainable Development Goals (SDG) and is mainly directing its efforts towards health & nutrition, education & environment conservation.

The details of the CSR programs or activities undertaken by the Company along with its implementing agency Shrimati Malati Dahanukar Trust (SMDT) during the financial year 2022- 2023 are as follows:

#### Healthcare Treatment/Sponsorship and Awareness camps

With a vision of having 100% healthy and intelligent children in the villages surrounding the plant of the Company, efforts continue to focus on promoting the first 1,000 days program through Maternal Infant and Young Child Nutrition (MIYCN) empowerment of the community by implementing the following activities:

Mother and Child nutrition centers (free of cost) are running in Shirampur and outreach centers among different villages around Shirampur. At these centers, the doctors, nutritionists along with local community workers support women in the community in practicing the essential nutrition actions needed for the first 1,000 days. Anthropometric assessments are conducted for the children to determine their nutritional status and mothers are counseled on correct breastfeeding and complementary feeding techniques. In 2022 to 2023

- Total Phone calls counseling – 3,000 beneficiaries
- 7,035 beneficiaries attended online nutrition seminars of different categories
- 700 (0-6 years) children addressed this year
- 2,000 home visits done this year- during home visits we do nutrition counseling, show spoken tutorial videos on tabs and hygiene counseling

- 127 pregnant mother addressed this year through 20 pregnancy club activity
- Women's day celebration done at five different places 267 participants attended the program
- Breast feeding week celebrated online with CITARA nutrition group IITB all over India with an remarkable reach over 40,00,000 Asha, Anganwadi frontline workers.
- Special IYCF training done for Shirampur block 100 AWW

#### a) Community nutrition raising activities

In addition to the Mother and Child Nutrition Centres, outreach activities viz. nutritional cooking demonstrations, health videos screening, talks, celebration of National Nutrition Week and World Breastfeeding Week etc. have been conducted during the financial year 2022-23 to raise awareness regarding maternal and child health among different villages and areas in and around the plant of the Company in Shirampur. 389 beneficiaries benefitted in 10 dry cooking demos and 838 beneficiaries benefitted through 20 monthly activities.

#### b) Hospital-based Infant Young Child Feeding (IYCF) Counseling Centre

The Company continues to support an IYCF counseling center (a weekly outpatient clinic) at Pravara Medical Trust (PMT), Loni. Breastfeeding and complementary feeding counseling on OPD basis is conducted by the health and nutrition team. The team also visits the delivery and pediatric wards to provide lactation counseling to the admitted mothers. At OPD, 125 children benefited from nutrition counseling and 30 lactating mothers benefited through breastfeeding counseling.

#### c) Training on "First 1,000 days – Maternal & Child Nutrition"

The health and nutrition team successfully completed 6 training programs for 678 government frontline workers and NGO staff at various locations, in partnership with Seva trust Gujarat, Plan India, ICDS Melghat, ICDS Shirampur, Mahila Housing trust Gujarat, Mahan Trust Gujarat.

One of our most visible goals is to act upon the nutritional needs of children and improve the maternal health of pregnant mothers. We know that by focusing on these

avenues, we can better the mental, emotional and physical health of the future generations of India.

We work on the nutritional needs of children aged between 0-6 years and are educating young girls on practices related to reproductive health and pregnancy. Our contact programs and community engagement initiatives are designed to ensure that women and parents are able to make informed choices regarding health and nutrition.

Some other topics of focus include preventing the occurrences of water-borne diseases, practicing good personal hygiene, sanitizing areas around and at home; knowing how to identify and avoid breast cancer and spreading awareness on the harmful effects of tobacco and other harmful substances.

By prioritizing the nutrition of children and pregnant mothers, we can better the mental, emotional and physical health of future generations.

### Literacy

The Company continues to support the Dahanukar Vidyalay, Tilaknagar (DVT) school and the Balvarg Sarv Anand shala. Multi grade Multi level (MGML) and Activity Base learning (ABL) teaching methods introduced under which standard 1 students of different learning abilities, physical abilities and social classes learn together, were successfully implemented during the year under review.

Education not only empowers children to a better future, but it also changes the course of the world. Education is a right and not a privilege. Keeping this fundamental belief at heart, we have been tirelessly working for the past six decades to revive education amongst the villages in India. This journey has begun with the revival of Zilla Parishad schools in the rural parts of Shrirampur and the commencement of computer education at the Tilaknagar school.

To keep children engaged and motivated towards their education, our curriculum integrates art, culture and sports with experiential learning. We intend to offer a learning environment that pushes every child to become an independent learner and to think critically. Our earn-while-you-learn programs have encouraged over 750 children to stay in school and vastly improve their future prospects.

**Sarv Anand Shala – 18 students** - Year 2017 In Sarv Anand shala teaching method is MGML(Multi grade Multi level) and ABL (Activity Base learning) In year 2017 we started from std.1<sup>st</sup> and this year we conducted for std. 3<sup>rd</sup> and 4<sup>th</sup>.

**DVT Primary – 61 students** – Std. 1<sup>st</sup> to std 4<sup>th</sup> for result use grade method. Result was 100%. 0 drop outs.

**DVT Secondary – 129 students** - Std. 5<sup>th</sup> to std 8<sup>th</sup> for result use grade method. For Std.10<sup>th</sup> 79% result. 0 drop outs.

### Community kitchen

Nutritious, healthy and wholesome complete meal comprising of rice, dal and vegetable is cooked daily at the community kitchen and is served to the children.

### Supply of R.O water

The Company supplies safe drinking (R.O) water to various wadis. Total **90,00,000 Litres** water distributed among 8 places like Dighi road, Girame wasi, Eklahare, Ranjankhol, Labour colony, Khandagale wasti, Factory and Staff colony, Daily 25,000 Litres water distributed to those wadis.

### Sports and fitness to engage the unemployed youth Sports outreach

Sport is the best preserver of health. It is the easiest way to unite communities and motivate the youth. By promoting sports and fitness activities around small communities, we aim to ensure the overall wellness of children and young people and provide them an opportunity to explore their interests in various sports.

For the last 6 decades, the Tilaknagar gymkhana has been home to a multitude of diverse sports such as cricket, tennis, volleyball, kabaddi, chess, carrom and more. Here, children and young people from rural communities have showcased their talent in multiple tournaments at the district, state, and national levels.

The Company continues to support training of the sports faculty of schools, distribution of sports equipment, maintenance of playgrounds at ZP schools and conducting various inter village matches in order to develop sports talent that lies hidden in the villages. 3960 students were benefited from this program that covered 36 ZP schools and Kridamandal in the area. The Company has also organized inter school sports event. The second activity that is carried out under the sports outreach program is "Kridamandal" aimed at engaging youth and unemployed in sports to keep them away from addiction towards tobacco, alcohol etc. this year we have Taken online YOGA for all SMDT Staff and students.

Tilaknagar Industries Limited sports club has inoculated the love of sports in over 6,588 children.

## **Waste management, tree plantation and organic production**

### Environmental conservation

All of us share the same earth – the same air and the same skies. It is everyone’s prerogative to ensure that the earth is looked after for this and future generations.

The Company does its efforts towards tree conservation, water conservation and pivoting towards natural energy sources.

For the last five years, we have worked in alignment with UNs Billion Tree program to improve the biodiversity of our forests. This has also included the rearing of native multipurpose trees in a central nursery and enabling the local communities to plant and protect trees in their local forests.

In the districts of Ahmednagar and Umardhed we have engaged our efforts towards the conservation of water by building dams, watersheds and rainwater harvesting. At the remote villages of Shirampur Taluka, we have battled the energy crisis by installing over 100 solar powered street lights.

By partnering with local communities, we have planted over 1,25,000 trees in the forests of Maharashtra Chiplun and Shirampur.

The Company believes in organic and sustainable farming and grows sugarcane, wheat fruits, vegetables – cabbage

and chillies, maize, ginny grass, jowar grass, Bajara, sweetcorn and garlic grass, strawberry etc. in its land besides maintaining a flower and show plant nursery. Additionally, with support of the in-house school students and the Company’s employees, more than 100 trees plantation drives were undertaken during the year under review. Kitchen garden activities for 30 families for Anemia free Bharat.

- For fodder purpose - Maize, Ginny grass, Jawar, Bajara, Sugarcane, Wheat and grass
- For cash crop – sugarcane, fruits, vegetables, Nursery, sweet corn, Strawberry and wheat,
- Waste management
- Tree plantation – 100 nos.
- Fodder production 1,41,560 KG (Maize, Ginny grass, Jawar, Sugarcane, lasurn grass and Bajara)
- Kitchen garden activities for 30 families for Anemia free Bharat.
- Distributed Grocery to 500 families (Rice, Dal, Peanuts, cooking oil, Rawa and spices)

## **Animal Welfare Centre**

The Company continues to take care of abandoned and rescued animals in its animal shelter as well as maintains a Goshala.

# Annexure G to the Directors' Report

## Business Responsibility & Sustainability Reporting

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L15420PN1933PLC133303
2. Name of the Listed Entity	Tilaknagar Industries Ltd
3. Year of incorporation	1933
4. Registered office address	P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Shrirampur- 413 720
5. Corporate address	3 <sup>rd</sup> floor, Industrial Assurance Building, Churchgate, Mumbai - 400020
6. E-mail	<a href="mailto:investor@tilind.com">investor@tilind.com</a>
7. Telephone	022831716
8. Website	<a href="http://www.tilind.com">www.tilind.com</a>
9. Financial year for which reporting is being done	2022-23
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India
11. Paid-up Capital	₹ 185,33,99,990
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Abhinav Gupta, Tel: 022831716 <a href="mailto:investor@tilind.com">investor@tilind.com</a>
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	All the disclosures made in this report are on standalone basis for Tilaknagar Industries Limited.

#### II. Products/services

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

Description of Main Activity	Description of Business Activity	% of Turnover of the entity
Manufacturing	The company is engaged in manufacture of Indian Made Foreign Liquor(IMFL) and Extra Neutral Alcohol (ENA)	99.64%

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

Product/Service	NIC Code	% of total Turnover contributed
Indian made foreign liquor (IMFL)	2208	99.64%

#### III Operations

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

Location	Number of plants	Number of offices	Total
National	19	6	25
International	NA	NA	NA

##### 17. Markets served by the entity:

###### a. Number of locations

Locations	Number	
National (No. of States and Union Territories)	28	Including states and union territories, where our brands are sold to Canteen Stores Dept (CSD).
International (No. of Countries)	5	

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

Particulars	₹ in Lacs
Export Turnover upon net turnover	0.54%

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

The company is an established player in the Indian Made Foreign Liquor (IMFL) sector and is among India's leading alcohol business companies. It has a wide range of brands across the IMFL segments (Whisky, Brandy, Rum and Gin).

**A) State Corporation Markets**

In certain states in conformity with the state policies, the company supplies Indian Made Foreign Liquor (IMFL) brands manufactured by it to the public limited companies, controlled by the government of that state ("State Corporation"). The State Corporation, in turn sells the same to retailers, for final sale to end consumers.

**B) Private Markets**

In few states where permissible, the Company sells its products to retailers through distributor channels.

**C) Canteen Stores Department (CSD)**

The Company also supplies its brands to the Canteen Stores Department (CSD) in various states.

**D) International Consumers**

The Company also supplies its products in overseas markets.

**IV Employees**

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

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

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	225	201	89.33%	24	10.67%
2.	Other than Permanent (E)	0	0		0	
3.	<b>Total employees (D + E)</b>	<b>225</b>	<b>201</b>	<b>89.33%</b>	<b>24</b>	<b>10.67%</b>
<b>WORKERS</b>						
4.	Permanent (F)	90	84	93.33%	6	6.67%
5.	Other than Permanent (G)	0	0		0	
6.	<b>Total workers (F + G)</b>	<b>90</b>	<b>84</b>	<b>93.33%</b>	<b>6</b>	<b>6.67%</b>

**b. Differently abled Employees and workers**

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Differently abled employees</b>						
1.	Permanent (D)					
2.	Other than Permanent (E)					
3.	<b>Total differently abled employees (D + E)</b>			Nil		
<b>Differently abled workers</b>						
4.	Permanent (F)					
5.	Other than permanent (G)					
6.	<b>Total differently abled workers (F + G)</b>			NIL		

## 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	11	3	27.27%
Key Management Personnel	4	2	50%

## 20. Turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.95%	13.33%	16.54%	16.72%	6.06%	15.66%	16.88%	22.22%	17.31%
Permanent Workers	9.09%	0.00%	8.51%	3.49%	0.00%	3.26%	6.06%	15.38%	6.74%

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

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

Sr. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Prag Distillery (P) Ltd.	Subsidiary	100	No
2.	Vahni Distilleries Private Limited	Subsidiary	100	No
3.	Kesarval Springs Distillers Pvt. Ltd.	Subsidiary	100	No
4.	PunjabExpo Breweries Private Limited	Subsidiary	100	No
5.	Mykingdom Ventures Pvt. Ltd.	Subsidiary	100	No
6.	Studd Projects P. Ltd.	Subsidiary	100	No
7.	Srirampur Grains Private Limited	Subsidiary	100	No
8.	Shivprabha Sugars Ltd.	Subsidiary	90	No
9.	Mason and Summers Marketing Service Private Limited	Associate	26	No

**Note: All the disclosures made in this report are on standalone basis for Tilaknagar Industries Limited.**

## VI. CSR DETAILS

22. (i)	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii)	Turnover (in ₹)	2,46,072.31 (₹ in Lacs)
(iii)	Net worth (in ₹)	48,636.39 (₹ in Lacs)

## VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, a mechanism is in place to interact with our designated officials to understand and address their concerns, if any.	Nil	Nil	Nil	Nil	Nil	Nil

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors (other than shareholders)	Yes, a mechanism is in place to interact with our designated officials to understand and address their concerns, if any.	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Refer Note*	12	Nil	Nil	Nil	Nil	Nil
Employees and workers	Yes <a href="https://tilind.com/codes-and-policies/">https://tilind.com/codes-and-policies/</a>	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes, a mechanism is in place to interact with our designated officials to understand and address their concerns, if any.	89	Nil	Nil	114	Nil	Nil
Value Chain Partners	Yes, a mechanism is in place to interact with our designated officials to understand and address their concerns, if any.	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)		Nil	Nil	Nil	Nil	Nil	Nil

\*The shareholders write an email on [investor@tilind.com](mailto:investor@tilind.com) or directly contact the secretarial team for any matters related to shareholder grievances.

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Energy Optimization and Management	Opportunity	Optimization of energy use leads to improve resource efficiency, cost saving, cleaner environment	<ol style="list-style-type: none"> <li>Usage of energy saving devices.</li> <li>Responsible usage of electricity and key initiatives to optimise energy efficiency.</li> <li>Usage of innovative technologies to optimize and improve energy efficiency in distillation processes</li> </ol>	Positive Implication
2.	Business Ethics	Risk	This may impact the corporate brand and trust of all our stakeholders	TI Code of Conduct monitors mechanism to ensure Ethical and transparent business conduct.	Negative Implications
3.	Health & Safety	Risk	In liquor industry, Health & Safety can directly impact people and community at large and disrupt the operations of the Company	Health & Safety Management Plan, Efficient Processes Safety and Risk Management	Negative Implications
4.	Responsible Consumption	Risk	Impact on Consumer	All our packaging and promotional items contain comprehensive details to promote responsible consumption amongst its consumers	Negative Implications
5.	Employee Development	Opportunity	Improvement of employee competence, skills and knowledge are a key for organisational growth	Upgrading skills, Learning and development opportunities for all levels of employees	Positive Implications

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	<a href="https://tilind.com/codes-and-policies/">https://tilind.com/codes-and-policies/</a>								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 14001:2015 ISO 9001: 2015								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The company stands committed to enhanced manufacturing standards, consumer experience and overall organizational excellence.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of each of the principles is reviewed periodically by the management committee of the Company.								
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	<ul style="list-style-type: none"> <li>• TI is committed to make concerted efforts towards building a brighter future that transcends beyond the mainstream approach of profitability to sustainability, inclusivity, and prosperity.</li> <li>• TI stands committed to integrating environmental, social and governance (ESG) principles into its businesses which is central to improving the quality of life of the communities it serves.</li> <li>• The company believes in continual improvement of its different policies and processes to keep on achieving excellence in its manufacturing processes, environment and social responsibility along with ethical and transparent governance.</li> <li>• TI aims at enhancing health, safety and environmental impacts of its products across its lifecycle.</li> <li>• We strive to retain the trust of our stakeholders, and build a greener tomorrow. The BRSR report allows us to share the progress of our sustainability-related activities with our stakeholders and strengthen stakeholder trust.</li> <li>• The Company is committed to conducting beneficial and fair business practices to the labour, human capital and to the community. It provides employees and business associates with safe and healthy working conditions.</li> <li>• Our leadership team and the office staff are involved in multiple environmental and social welfare initiatives</li> <li>• We, at TI, take pride in our strong risk and opportunities-based process framework which helps our organization to proactively identify the risks and effectively mitigate the same to acceptable levels, while ensuring adequate leverage from the inherent opportunities to consistently drive our organization on the path of continual improvements.</li> <li>• The BRSR initiatives foster a culture of inclusion, diversity, ethical behavior and an opportunity to reduce our environmental footprint.</li> <li>• At the heart of our corporate purpose, we look forward to developing a sustainable growth trajectory that allows for a shared future for all our stakeholders.</li> </ul>								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Chairman & Managing Director, under the guidance of the Board of Directors, is responsible for implementation and oversight of the Business Responsibility Policies.								
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Currently, TI has not appointed a separate ESG Committee, however, we are under the process to evaluate and constitute the committee in next year.								
10. Details of Review of NGRBCs by the Company:									
<b>Subject for Review</b>	<b>Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee</b>				<b>Frequency (Annually/Half yearly/Quarterly/Any other – please specify)</b>				
Performance against above policies and follow up action –	All the Policies under the principles are reviewed periodically or on a need basis, by the respective department heads and Senior Management.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances –	The Company is in compliance with the existing regulations as applicable and a Statutory Compliance Certificate on applicable laws is provided by the Managing Director/Chief Financial Officer/Company Secretary to the Board of Directors.								
11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	TI has not carried out an independent assessment/evaluation of the working of its policies by an external agency. However, the Company conducts periodic review of the policies internally by the Senior Management which drives the policies, projects and performance of the laid down aspects of business responsibility and sustainability.								
12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:									
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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

#### Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	Recent Amendments in Companies Act, 2013: Key Amendments in Disclosures in Financial Statements and CARO	100%
Key Managerial Personnel	1	Recent Amendments in Companies Act, 2013: Key Amendments in Disclosures in Financial Statements and CARO	100%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Employees other than BoD and KMPs	6	1. Details of Insider Trading - Dos and Don'ts. 2. POSH Training 3. First Aid Training. 4. Road Safety 5. Safety Mock drill 6. Fire fighting training	90.6%
Workers	4	1. First Aid Training. 2. Road Safety 3. Safety Mock drill 4. Fire fighting training	36.25%

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

**Monetary**

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

**Non-Monetary**

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

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

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
	Not Applicable

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

Yes, the Company has formulated Code of Conduct, to conduct the business in an ethical manner as well as to create a work environment that is conducive to all stakeholders.

Further, the Company has adopted a Whistle Blower Policy through which its stakeholders can report their genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. It also provides adequate safeguards against victimisation of persons who uses such mechanism.

The policy is available on the following web link: <https://tilind.com/wp-content/uploads/2022/04/Code-of-conduct-Policy-1.pdf>

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

	FY 2022-23	FY 2021-22
Directors	No disciplinary action was taken by any law enforcement agency on our directors, KMPs, staff & workers for the charges of bribery/corruption.	
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Not applicable	Nil	Not applicable
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Not applicable	Nil	Not applicable

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

Nil as there were no fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

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

### Essential Indicators

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

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	Nil	Nil	NA
Capex	Nil	Nil	NA

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

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

The Company strives regularly to source materials locally like Extra Neutral Alcohol (ENA), Pet Bottles, Labels and Shipping Cartons.

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

Sr. No	Category	Processes in Place
1.	Plastics (including packaging)	Plastics (including packaging) are sent to Registered Scrap Dealers who directly sell to Re-Processors for Re-use.
2.	E-Waste	E-Waste are sent to authorised recyclers.
3.	Hazardous Waste	Used Oils are sent to authorised recyclers.
4.	Other Waste	Not Applicable

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

Extended Producer Responsibility (EPR) is currently not applicable to our company.

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

#### Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	
<b>Permanent Employees</b>											
Male	201	201	100%	201	100%	Nil	Nil	Nil	Nil	Nil	Nil
Female	24	24	100%	24	100%	24	100%	Nil	Nil	Nil	Nil
<b>Total</b>	<b>225</b>	<b>225</b>	<b>100%</b>	<b>225</b>	<b>100%</b>	<b>24</b>	<b>10.67%</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Other than Permanent employees</b>											
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

b. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	
<b>Permanent Employees</b>											
Male	84	84	100%	84	100%	Nil	Nil	Nil	Nil	Nil	Nil
Female	6	6	100%	6	100%	All	All	Nil	Nil	Nil	Nil
<b>Total</b>	<b>90</b>	<b>90</b>	<b>100%</b>	<b>90</b>	<b>100%</b>			<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Other than Permanent employees</b>											
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

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

Benefits	FY 2022-23			Y	FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)		No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	98.67%	100%		Y	99.43%	100%	Y
Gratuity	100%	100%		Y	100%	100%	Y
ESI	13.78%	43.33%		Y	16.47%	Nil%	Y
Others – please specify							

3. Accessibility of workplaces

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

Both head office and factory offices continue in its endeavors to make its premises accessible to differently abled employees and workers.

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

Yes. TI code of conduct includes equal opportunities for all.

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

No parental leave was taken in the financial year 2022-23.

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

	<b>Yes/No (If Yes, then give details of the mechanism in brief)</b>
Permanent Workers	All workers and employees address their grievances to corporate HR and local HR for redressal.
Other than Permanent Workers	The Company has a Whistle-blower policy under which the employees and workers are encouraged to report violations of applicable laws and regulations and the Code of Conduct without fear of any retaliation.
Permanent Employees	
Other than Permanent Employees	

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

Category	FY 2022-23			FY 2021-22		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Permanent Employees</b>						
- Male	Nil	Nil	Nil	Nil	Nil	NA
- Female	Nil	Nil	Nil	Nil	Nil	NA
<b>Permanent Workers</b>	90	90	100%	99	99	100%
- Male	84	84	100%	93	93	100%
- Female	06	06	100%	06	06	100%

8. Details of training given to employees and workers:

	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	201	69	34.33%	Nil	Nil	155	10	6.45%		
Female	24	18	75%	Nil	Nil	49	2	4.08%		
<b>Total</b>	<b>225</b>	<b>87</b>	<b>38.67%</b>			<b>204</b>	<b>12</b>	<b>5.88%</b>		
<b>Workers</b>										
Male	84	65	77.38%	Nil	Nil	92	6	6.52%		
Female	6	6	100%	Nil	Nil	6	3	50%		
<b>Total</b>	<b>90</b>	<b>71</b>	<b>78.88%</b>			<b>98</b>	<b>9</b>	<b>9.18%</b>		

Note: Although there were no formal skill upgradation programmes, the Departmental and Functional Heads regularly upgrade the skills of its employees to improve their productivity.

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

Category	FY 2022-23			FY 2021-2022		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	201	201	100%	155	155	100%
Female	24	24	100%	49	49	100%
<b>Total</b>	<b>225</b>	<b>225</b>	<b>100%</b>	<b>204</b>	<b>204</b>	<b>100%</b>
<b>Workers</b>						
Male	84	84	100%	92	92	100%
Female	06	06	100%	06	06	100%
<b>Total</b>	<b>90</b>	<b>90</b>	<b>100%</b>	<b>98</b>	<b>98</b>	<b>100%</b>

10. Health and safety management system:

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

The company has adequate Environment and Health Policy (EHS) in place to ensure health & safety aspects are taken care of.

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

Currently, there is no established formal system, however, every new job that involves a risk assessment before commencing, entails obtaining the essential approvals & work permits.

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

While there is no formal process as such, but appropriate measures are taken to address any identified risk based on visual observation or assessment, ensuring its elimination or mitigation.

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

Yes. TI understands the significant impact of its employees' physical and mental well-being on the company's growth objectives and success. In addition to provide competitive salaries, we believe in rendering a supportive work environment. As part of our commitment to their overall well-being, all employees are entitled to a variety of health and wellness perks, such as accident and medical insurance coverage.

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

Safety Incident/Number	Category	FY 2022-23	FY 2021-2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees		
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		Nil
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

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

- International Women’s Day on 08<sup>th</sup> March, 2023 was celebrated with zeal and enthusiasm. All the women of Shirampur Factory were imparted training in financial education thereby empowering their financial literacy, inculcate savings habit and making them financially independent.
- In order to promote hygiene and safety amongst women, a sanitary pad dispensing machine was installed in the premises of Shirampur Factory.
- A Safety week from 04<sup>th</sup> March, 2023 to 11<sup>th</sup> March, 2023 was conducted in Shirampur with the theme of “Zero Harm” along with Flag Hoisting & Safety Pledge, Stage Play on Road Safety, Mock Drill, and Helmet Awareness & Rewards.

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

	FY 2022-23			FY 2021-2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions						
Health & Safety			Nil			

14. Assessments for the year:

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

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

Not applicable as no incident requiring any corrective action was reported during the reporting period.

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

**Essential Indicators**

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

In order to meet stakeholders’ expectations and company strategies, the company identifies and interacts with variety of stakeholders. Employees, Shareholders, Suppliers, communities, Government Authorities and Vendors/Suppliers among the internal and external groupings of important stakeholders defined based on their immediate impact on the operations and working of the company.

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

Stakeholder Group	Whether Identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (SMS, Email, Newspaper, Advertisement, Community meetings , Notice Board, Website)	Frequency of Engagement (Annually / Half Yearly / Quarterly, others – please specify)	Purpose and Scope of Engagement including Key topics and concern raised during such engagement
Shareholders	No	Email, Newspapers, website, advertisements	As stipulated by law	a) Updating the financial results, sending general meeting notices, letters for completion of KYC and nomination details and such other statutory communication b) To keep investors updated about the organisations performance and corporate developments

Stakeholder Group	Whether Identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (SMS, Email, Newspaper, Advertisement, Community meetings, Notice Board, Website)	Frequency of Engagement (Annually / Half Yearly / Quarterly, others – please specify)	Purpose and Scope of Engagement including Key topics and concern raised during such engagement
Employees	No	Emails, SMS, Meetings, Feedback, Letters, Website and HRMS	Ongoing	a) To understand and motivate employees by periodically interacting with them and seeking their opinions and feedback b) To keep employees informed about the organisation's vision, targets, plans and procedures
Customers	No	Emails and telephonic calls	Ongoing	Product quality and availability and responding to market needs.
Suppliers	No	Meetings, Annual Reports or Compliance Filings	Ongoing	To improve service levels, delivery schedules from the suppliers and address their commercial issues.
Government	No	Website / portal, Emails, Filings.	Ongoing	To ensure compliance and seek permissions/ approval wherever necessary
Communities	No	Meetings, Field visits by programme teams	Ongoing	Creating awareness of nutrition programmes, education and waste management methods

## PRINCIPLE 5: Businesses should respect and promote human rights

### Essential Indicators

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

	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	225	225	100%	204	204	100%
Other than permanent	Nil	Nil	NA	Nil	Nil	NA
<b>Total Employees</b>	<b>225</b>	<b>225</b>	<b>100%</b>	<b>204</b>	<b>204</b>	<b>100%</b>
<b>Workers</b>						
Permanent	90	90	100%	98	98	100%
Other than permanent	Nil	Nil	NA	Nil	Nil	NA
<b>Total Workers</b>	<b>90</b>	<b>90</b>	<b>100%</b>	<b>98</b>	<b>98</b>	<b>100%</b>

**Note:** TI Code of Conduct and our Complaint Committee for dealing with complaints of sexual harassment in work place in accordance with the statutory guidelines laid down, covers the aspects of human rights. All our employees are mandated to abide by these policies before joining the company. Additionally, we prohibit child/bonded Labour from being employed at any of our offices and factories.

2. Details of minimum wages paid to employees and workers :

	FY 2022-23				FY 2021-22					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	<b>225</b>			<b>225</b>	<b>100%</b>	<b>176</b>			<b>176</b>	<b>100%</b>
Male	201			201	100%	156			156	100%
Female	24			24	100%	20			20	100%
<b>Other Permanent</b>	<b>Nil</b>			<b>Nil</b>		<b>Nil</b>			<b>Nil</b>	
Male	Nil			Nil		Nil			Nil	
Female	Nil			Nil		Nil			Nil	
<b>Workers</b>										
<b>Permanent</b>	<b>90</b>			<b>90</b>	<b>100%</b>	<b>98</b>			<b>98</b>	<b>100%</b>
Male	84			84	100%	92			92	100%
Female	6			6	100%	6			6	100%
<b>Other Permanent</b>										
Male	Nil			Nil		Nil			Nil	
Female	Nil			Nil		Nil			Nil	

All our employees and workers are paid as per statutory minimum wages or more than minimum wages.

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

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	2	5,902,106	1	15,346,145
Key Managerial Personnel	1	6,326,454	1	3,514,167
Employees other than BoD and KMP	198	563,110	22	518,748
Workers	84	388,718	6	543,267

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

The individuals can raise their concerns related to human rights issues with the HR function at the Head Office and respective factories.

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

- TI regards respect for human rights as one of its fundamental and core values and strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed.
- We are committed to maintain a safe and harmonious business environment and workplace for everyone and has aimed to provide reasonable safeguards for the benefit of employees at the workplace, while having due regard for their privacy and dignity.
- TI has zero tolerance towards and prohibit all forms of slavery, child labour, human trafficking, violence or physical, and all kinds of sexual, psychological or verbal abuse.
- Grievances related to human rights are handled by HR function as and when the complaints are received.

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment						
Discrimination at workplace						
Child Labour						
Forced Labour/Involuntary Labour						Nil
Wages						
Other human rights related issues						

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

To promote a culture of transparency and accountability, we have implemented a robust Whistleblower policy. This policy enables individuals to confidently raise concerns or complaints on any matter without a fear of reprisal. As a company, we prioritize maintaining the confidentiality and anonymity of the complainant, ensuring that their identity remains protected throughout the process.

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

(Yes/No)

Yes. TI Code of conduct has broad aspects of human rights covered in all its pecuniary transactions with its stakeholders.

9. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Not assessed - as TI does not have child labour in employment.
Forced/involuntary labour	Not assessed – as there is no forced/involuntary labour in employment.
Sexual harassment	100% by TI's Complaints Committee.
Discrimination at workplace	100% assessed by our HR department.
Wages	100% by our internal auditors.

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

Nil

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

**Essential Indicators**

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

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	38,45,997	32,55,809
Total fuel consumption (B)	35,516	25,531
Energy consumption through other sources (C)	1,04,288	56,384
<b>Total energy consumption(A+B+C)</b>	<b>39,85,801</b>	<b>33,37,724</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)		
Energy intensity (optional) – the relevant metric may be selected by the entity		

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

No independent assessment has been carried out by an external agency.

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

Not Applicable.

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

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water	4,36,079	4,07,762
(iv) Seawater/desalinated water		
(v) Others		
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	4,36,079	4,07,762
<b>Total volume of water consumption (in kilolitres)</b>		
<b>Water intensity per rupee of turnover</b> (Water consumed/turnover)		
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity		

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

**No independent assessment has been carried out by an external agency.**

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

Yes, we have implemented a mechanism for Zero Liquid Discharge as per the details given below:

#### Effluent Treatment and disposal Plant (ETP) Details (ZLD)

##### Effluent Treatment Plant-

Effluent treatment through anaerobic digestion or bio-methanation: TI has installed and commissioned three anaerobic reactors or digesters having combined treatment capacity of 400 Kilo Liters (KL) effluent (Raw Spent Wash) per day.

##### Effluent Disposal Systems-

- A] Separation of clear water from BME through Disc Tube Reverse Osmosis (DTRO) Separation System: TI has installed a DTRO plant having treatment capacity of 250 KL effluent per day.
- B] Effluent disposal through Concentration and Incineration System:
- Effluent Concentration through Multiple Effect Evaporator (MEE) plant: TI has installed Multiple Effect Evaporator for the concentration of effluent. Its installed treatment capacity is 475 KL effluent per day.
  - Effluent Incineration in bagasse-fired boiler: TI has installed and commissioned a bagasse-fired boiler which is specially designed to use a mixture of effluent concentrate and bagasse.

To achieve this, effluent concentrate coming out of MEE plant and bagasse is mixed manually in the proportion of 40:60. The mixture is dried and used as fuel in boiler.

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

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	Mg/Nm <sup>3</sup>	4.48	4.22
Sox	Mg/Nm <sup>3</sup>	7.68	5.93
Particulate matter (PM)	Mg/Nm <sup>3</sup>	26.29	23.50
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	NA	NA
Hazardous air pollutants (HAP)	-	NA	NA
Others – please Specify	-	NA	NA

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

Yes, Polytest Laboratories (Pune) - an external agency had carried out an independent assessment/evaluation/assurance.

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

Parameter	Unit	FY 2022-23	FY 2021-22
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> Equivalent	NA	NA
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> Equivalent	NA	NA
<b>Total Scope 1 and Scope 2 emissions per rupee of Turnover</b>			
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity			

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

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

Not Applicable

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

Parameter	FY 2022-23	FY 2021-22
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	NIL	NIL
E-waste (B)	NIL	NIL
Bio-medical waste (C)	NIL	NIL
Construction and demolition waste (D)	NIL	NIL
Battery waste (E)	NIL	NIL
Radioactive waste (F)	NIL	NIL
Other Hazardous waste. Please specify, if any. (G)	NIL	NIL
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Coal Ash - 1285.920 MT Yeast sludge - 272.49 MT	Coal ash 1327.00 MT Yeast sludge 666 MT
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>1558.41 MT</b>	<b>1993 MT</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	NIL	NIL
(ii) Re-used	NIL	NIL
(iii) Other recovery operations	NIL	NIL
<b>Total</b>		

Parameter	FY 2022-23	FY 2021-22
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	NIL	NIL
(ii) Landfilling	NIL	NIL
(iii) Other disposal operations	Coal Ash - 1285.920 MT used for bricks manufacture Yeast Sludge 272.49 MT used as manure	Coal ash 1327.00 MT used for bricks manufacture Yeast sludge 666 MT used as manure
<b>Total</b>	<b>1558.41</b>	<b>1993</b>

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

No independent assessment/evaluation/assurance has been carried out by an external agency.

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

Not Applicable.

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

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	FO TILAKNAGAR	Molasses based distillery	Y
2	FO TILAKNAGAR	Grain based Distillery	Y

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

Name and brief details of Project	EIA Notification No	Date	Whether Conducted by Independent Agency(Yes/No)	Results Communicated in Public Domain (Yes/No)	Relevant Web Link
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As per Environment Impact Assessment (EIA) notification, the establishment or expansion of an integrated manufacturing facility is required to conduct an EIA study. However, no projects underwent environmental impact assessments for the fiscal year 2022-23.

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the company is in compliance with the applicable environmental related applicable laws.

S. No.	Specify the Law/regulation guidelines which was not complied with	Provide details of the Non -Compliance	Any fines/penalties/actions taken by regulatory agencies such as pollution control boards or by court	Corrective action taken, if any
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Nil as there were no non-compliances/fines/penalties/actions taken by regulatory agencies.

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

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.  
The company is affiliated with three trade and industry chambers/associations.
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	ISWAI (International Spirits & Wines Association of India)	National
2	CIABC (Confederation of Indian Alcoholic Beverage Companies)	National
3	Association for Distilleries and IMFL Manufacturers	State (Andhra Pradesh, Telangana, Karnataka and Maharashtra)

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

Name of authority	Brief of the case	Corrective action taken
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Nil as there are no adverse orders from regulatory authorities

## PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

### Essential Indicators

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

Name and brief details of Project	SIA Notification no	Date of notification	Whether conducted by independent agency (Yes/No)	Result communicated in public domain (Yes/No)	Relevant web link
Not applicable					

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

Sr. No	Name of Project which R&R in on going	State	District	No of Project affected families(PAF)	% of PAF covered by R&R	Amt paid to PAF in the FY
Not applicable						

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

Our CSR processes keep in mind the specific needs of the communities that it operates in. Accordingly, the Company finalises its community initiatives after an understanding of the specific needs of each community through stakeholder engagement. We also strive to employ contractors and workmen from the local communities.

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

	FY 2022-23 ₹ in lacs	FY 2021-22 ₹ in lacs
Directly sourced from MSMEs/small producers	12,264.63	6,461.62
Sourced directly from within the district and neighbouring districts	Not available	Not available

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

### Essential Indicators

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

The Company receives and responds to consumer complaints and obtains feedback through a) Telephonic calls and b) Emails on Customer Care ID.

- Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

#### As a percentage to total turnover

a) Environmental and Social parameters relevant to the Product	Not applicable. However, the information pertinent to environment and social parameters are printed on labels as well as secondary packaging of our brands
b) Safe and responsible usage	
c) Recycling and/or safe disposal	

- Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	NIL	NIL	NIL	NIL	NIL	
Advertising	NIL	NIL	NIL	NIL	NIL	
Cyber-security	NIL	NIL	NIL	NIL	NIL	
Delivery of essential Services	NIL	NIL	NIL	NIL	NIL	
Restrictive Trade Practices	NIL	NIL	NIL	NIL	NIL	
Unfair Trade Practices	NIL	NIL	NIL	NIL	NIL	
Other	89	NIL	NIL	114	NIL	

- Details of instances of product recalls on account of safety issues:

	Number	Reason for Recall
Voluntary recalls		
Forced recalls		NIL

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

The Company has a comprehensive IT Risk Management policy which addresses the issues related to risk management of TI's Information Assets and supporting infrastructures. The web link of the IT Risk Management Policy can be accessed at <https://tilind.com/codes-and-policies/>

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

Nil as there were no penalty/action taken by regulatory authorities on safety of products/services.

## Annexure H to the Directors' Report

### BOARD OF DIRECTORS' RESPONSES TO THE OBSERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS IN AUDITORS' REPORT ON THE STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to Section 134(3)(f) of the Companies Act, 2013]

With reference to the Statutory Auditors' Observations, Qualifications and Adverse Remarks in their Audit Reports on the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2023, the Board of Directors provides its explanations / comments as under:

**i. Auditors' observations under paragraph a of 'Basis for Qualified Opinion' of the Auditors' Report to the standalone and consolidated financial statements:**

The Company has not carried out impairment assessment of one of the ENA plants as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets' though there is an indication of impairment. Reference is invited to note no. 42 of the standalone financial statements.

Same observations have been given with respect to Note No. 43 of the consolidated financial statements.

**Board's response:** The Company expects to restart the grain distillery plant during the financial year 2023-24 and has also received the permission for operating the fermentation section till March 31, 2024. It is expected that permission for operating the distillation section also will be received soon. In view of this, the management believes that there is no impairment in value of its ENA Plant and hence the recoverable amount of the ENA Plant is not required to be estimated.

**ii. Auditors' observations under paragraph b of 'Basis for Qualified Opinion' of the Auditors' Report to the consolidated financial statements:**

The following paragraph in respect of Basis for Qualified Opinion was included in the audit report dated May 15, 2023 issued on the Financial Statements of Prag Distillery (P) Ltd ("Prag"), a subsidiary company of the Holding Company issued by an Independent Firm of Chartered Accountants, is reproduced as under:

We draw attention to note no. 34 (a) of the financial statements which states that there are unsecured overdue trade receivables of ₹ 586.55 lacs and deposits of ₹ 182.05 lacs from Andhra Pradesh Beverage Corporation Ltd and unsecured advances given to suppliers of ₹ 210.99 lacs which are long overdue and doubtful of recovery. The management has not considered any provision for allowance on doubtful trade receivables, deposits and advances though it is long overdue. In absence of sufficient appropriate audit evidence and balance confirmations, we are unable to verify the recoverability amount of the trade receivables, deposits and advances.

Same observations have been given with respect to Note No. 47 (a) of the consolidated financial statements.

**Board's response:** Trade Receivables of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company ("Prag"), include ₹ 586.55 lacs ( P.Y. ₹ 586.55 lacs) receivable from Andhra Pradesh Beverage Corporation Ltd. towards sale of IMFL made by Prag in FY 2018-2019 and FY 2019-2020. Prag, through the Liquidator has obtained approval from National Company Law Tribunal to initiate legal action against Andhra Pradesh Beverage Corporation Ltd. for recovery of the same. The Management believes that no provision for doubtful debts is required to be made against this receivable as the amount is expected to be received. The Earnest Money Deposit of ₹ 182.05 lacs (P.Y. ₹ 182.05 lacs) and the advances to suppliers of ₹ 210.99 lacs (P.Y. ₹ 210.99 lacs) are pursued for recovery by the Liquidator / Management.

For and on behalf of the Board of Directors

Place: Mumbai  
Date : May 16, 2023

**Amit Dahanukar**  
Chairman & Managing Director

# Corporate Governance Report

The Report on Corporate Governance for the financial year ended March 31, 2023 containing, inter-alia, the matters as specified in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) is presented hereunder:

## 1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance is an embodiment of systems, processes and principles which ensures conduct of business with fairness, transparency and accountability in the best interest of all the stakeholders.

The Company believes in good corporate governance and has well established systems, policies and practices to ensure transparency, integrity, professionalism and accountability at the highest level in its operations through application of best management practices, compliance of laws in letter and spirit, adherence to the ethical standards for effective management and discharge of its social responsibilities for sustainable development.

In line with the principles set out in Chapter II of the Listing Regulations, the Company ensures equitable treatment to all its shareholders, protects and facilitates exercise of their rights and provides them with adequate and timely information. The Company also endeavors to increase co-operation with all its stakeholders and recognizes their rights established by law or through mutual agreements. The Company acknowledges its accountability towards its stakeholders and ensures dissemination of timely and

accurate information on all material matters in such a way that same is accessible to them in equal, timely and cost-efficient manner.

The compliance with the applicable corporate governance requirements specified under Regulations 17 to 27 and 46(2)(b) to (i) and para C, D & E of Schedule V of the Listing Regulations during the financial year ended March 31, 2023 is elaborated hereunder:

## 2. BOARD OF DIRECTORS

The Board of Directors (“the Board”) represents a fine blend of professionals possessing relevant qualifications and experience in general corporate management, finance, banking, administration and other allied fields which enable the Board to discharge its responsibilities more effectively. The Board, fully acquainted with its functions, duties and responsibilities as stipulated under Regulation 4(2)(f) of the Listing Regulations and the Companies Act, 2013, endeavors its best to discharge the same in the interest of all the stakeholders and provides strategic direction, sets performance goals for the management and monitors their achievement with a view to optimize the performance of the Company and maximize shareholders’ wealth.

In line with the provisions of Regulation 17 of the Listing Regulations, the Company had 10 Directors as on March 31, 2023, with an optimum combination of Executive, Non-Executive, Independent and Women Directors. The Company has disclosed profiles of its Directors on its website, accessible at <https://tilind.com/board-members/>.

**Composition of the Board along with the number of other Directorships/Committee positions held as on March 31, 2023 by the Directors is as follows:**

Name of the Director	Director Identification Number	No. of Directorship in other public companies*	No. of Committee positions held in other public companies#		Other listed entities where the Directors of the Company held directorship	
			Member	Chairperson	Name of the listed entity	Category of Directorship
<b>Executive Directors</b>						
Mr. Amit Dahanukar, Chairman & Managing Director	00305636	1 **	Nil	Nil	Nil	Nil
Mr. C. R. Ramesh, Whole-time Director	08876738	Nil	Nil	Nil	Nil	Nil
Mrs. Shivani Amit Dahanukar, Executive Director	00305503	1**	Nil	Nil	Nil	Nil
<b>Non-Independent, Non-Executive Director</b>						
Ms. Swapna Shah	08807901	Nil	Nil	Nil	Nil	Nil
<b>Independent Directors</b>						
Dr. Ravindra Bapat	00353476	Nil	Nil	Nil	Nil	Nil
Mr. C.V. Bijlani	02039345	Nil	Nil	Nil	Nil	Nil
Mr. Kishorekumar G. Mhatre	07527683	Nil	Nil	Nil	Nil	Nil
Mr. Satish Chand Mathur	03641285	6	Nil	Nil	Indiabulls Housing Finance Limited	Independent, Non-Executive Director
					Kesar Petroproducts Limited	Additional Director (Independent, Non-Executive Director)
Maj Gen Dilawar Singh (Retd.)	08216047	Nil	Nil	Nil	Nil	Nil
Ms. Aparna Praveen Chaturvedi	00028647	Nil	Nil	Nil	Nil	Nil

\* Private limited companies (other than subsidiary of public company), foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded for the above purpose.

\*\* Includes membership of Suspended Board of Directors of Prag Distillery (P) Ltd., (wholly owned subsidiary of the Company) which is under liquidation.

# Only Audit Committee and Stakeholders Relationship Committee have been considered for the above purpose

No Director is, inter-se, related to any other Director on the Board except Mr. Amit Dahanukar and Mrs. Shivani Amit Dahanukar, who are related to each other as spouse.

No Director holds directorship in more than 20 companies or in more than 10 public companies or in more than 7 listed companies.

In terms of the provisions of Regulation 26 of the Listing Regulations, the Directors have made necessary disclosures with respect to committee positions held by them in all public limited companies and none of them is a Member of more than 10 committees or Chairperson of more than 5 committees prescribed in the said Regulation.

All the Independent Directors have furnished declarations stating that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation

16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations the Independent Directors have also confirmed that they are not aware of any circumstances or situations, which exist or may be reasonably anticipated, that can impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

The maximum tenure of the Independent Directors is in accordance with the provisions of the Companies Act, 2013 and they are not liable to retire by rotation. The Company has issued formal letter of appointment to its Independent Directors and has disclosed the terms & conditions of the same on its website, accessible at <https://tilind.com/tc-of-appointment-of-independent-directors/>.

The Board has met 5 times during the financial year 2022-23 as per details given below:

Sr. No.	Date of Meeting
1.	May 30, 2022
2.	August 11, 2022
3.	October 03, 2022
4.	November 10, 2022
5.	February 07, 2023

**The attendance of the Directors at the Board Meetings held during the financial year 2022-23 and the last Annual General Meeting held on August 29, 2022 are as follows:**

Name of the Director	Category	Attendance at the Meetings held during FY 2022-23	
		Board Meetings	Annual General Meeting
Mr. Amit Dahanukar	Chairman & Managing Director	5	Yes
Mr. C. R. Ramesh	Whole-Time Director	4	Yes
Mrs. Shivani Amit Dahanukar	Executive Director	2	Yes
Ms. Swapna Shah	Non-Executive Director	5	Yes
Dr. Ravindra Bapat	Independent Director	1	No
Mr. C.V. Bijlani	Independent Director	5	Yes
Mr. Kishorekumar G. Mhatre	Independent Director	4	Yes
Mr. Satish Chand Mathur	Independent Director	3	Yes
Maj Gen Dilawar Singh (Retd.)	Independent Director	5	Yes
Ms. Aparna Praveen Chaturvedi	Independent Director	3	Yes

To enable the Board to discharge its responsibilities effectively and take informed decisions, comprehensive agenda and notes along with background materials, wherever required, are circulated well in advance to the Directors in accordance with the applicable Secretarial Standards. The Board periodically reviews the compliance reports in respect of all laws and regulations applicable to the Company along with the minimum information prescribed under Part A of the Schedule II of the Listing Regulations placed before it on quarterly basis. The minutes of the Board meetings and all significant transactions and arrangements entered into by the subsidiary companies are also reviewed by the Board.

### Performance Evaluation of the Directors

The Nomination, Remuneration and Evaluation Policy of the Company, adopted by the Board based on the recommendations made by the Nomination and Remuneration Committee contains the criteria for performance evaluation of all the Independent and Non-Independent Directors as given hereunder:

- accomplishment of the Company's mission, objectives and strategic results for which the Executive Director is responsible;
- adherence by the Executive Director to operational policies approved by the Board;
- ability to contribute and monitor Company's Corporate Governance practices;
- ability to contribute by introducing best practices to address top-management issues;

- active participation in long-term strategic planning; and
- commitment to the fulfillment of their obligations and fiduciary responsibilities (including participation and attendance at the Board/Committee/ General Meetings).

The mechanism adopted by the Company for the annual performance evaluation of all its Directors, Chairman, Board as a whole (including its Committees) has been explained in detail in the Directors' Report forming part of the Annual Report.

### Remuneration of Directors

The Nomination and Remuneration Policy of the Company states that Non-Executive /Independent Directors of the Company may receive remuneration by way of sitting fees for participation in the Meetings of the Board or Committee thereof and profit related commission, as per limits prescribed under the Companies Act, 2013 and approved by the Shareholders. There is no pecuniary or business relationship between the Non-Executive Director/ Independent Directors and the Company except for the sitting fees paid to them during the year and advisory fees paid to Ms. Swapna Shah, Non-Executive Director during the year.

Mr. Amit Dahanukar, Chairman & Managing Director, Mrs. Shivani Amit Dahanukar, Executive Director and Mr. C. R. Ramesh, Whole-Time Director of the Company were paid managerial remuneration as approved by the shareholders during the financial year 2022-23.

### Remuneration paid to the Directors for the financial year 2022-23 is as follows:

(₹ in Lacs)

Name of the Director	Category	Salaries Allowances & Perquisites	Contribution to SA/PF	Sitting Fees
Mr. Amit Dahanukar	Chairman & Managing Director	242.52	12.48	Nil
Mr. C.R. Ramesh	Whole-Time Director	57.54	1.72	2.00
Mrs. Shivani Amit Dahanukar	Executive Director	145.46	8.00	Nil
Ms. Swapna Shah	Non-Executive Director	18.00 <sup>^</sup>	Nil	6.00
Dr. Ravindra Bapat	Independent Director	Nil	Nil	1.75
Mr. C.V. Bijlani	Independent Director	Nil	Nil	8.00
Mr. Kishorekumar G. Mhatre	Independent Director	Nil	Nil	5.25
Mr. Satish Chand Mathur	Independent Director	Nil	Nil	1.75
Maj Gen. Dilawar Singh (Retd.)	Independent Director	Nil	Nil	4.75
Ms. Aparna Praveen Chaturvedi	Independent Director	Nil	Nil	2.50

<sup>^</sup>Consultancy fees (holding office in place of profit) were paid during the financial year 2022-23.

Apart from the above remuneration, gratuity and leave encashment are payable to the Chairman & Managing Director and Executive Directors as per rules of the Company. During the financial year 2022-23, no performance linked incentives were paid to the Directors of the Company.

Mr. Amit Dahanukar was paid remuneration of ₹ 163.09 Lacs till May 31, 2022 from PunjabExpo Breweries Private Limited, wholly owned subsidiary company and Mrs. Shivani Amit Dahanukar, Executive Director was paid remuneration of ₹ 95.76 Lacs till May 31, 2022 from PunjabExpo Breweries Private Limited, wholly owned subsidiary company.

### Equity Shares/Employee Stock Options (ESOPs) of the Company held by the Directors are as follows:

Name of the Director	Category	Number of Equity Shares held		Number of ESOPs held	
		As on March 31, 2023	As on March 31, 2022	As on March 31, 2023	As on March 31, 2022
Mr. Amit Dahanukar	Chairman & Managing Director	29,844,552	29,844,552	Nil	Nil
Mr. C. R. Ramesh	Whole-time Director	139,700	99,700	3,00,000	40,000
Mrs. Shivani Amit Dahanukar	Executive Director	32,976,043	32,976,043	Nil	Nil
Ms. Swapna Shah	Non-Executive Director	Nil	Nil	Nil	Nil
Dr. Ravindra Bapat	Independent Director	32,250	32,250	Nil	Nil
Mr. C.V. Bijlani	Independent Director	15,000	20,000	Nil	Nil
Mr. Kishorekumar G. Mhatre	Independent Director	Nil	Nil	Nil	Nil
Mr. Satish Chand Mathur	Independent Director	Nil	Nil	Nil	Nil
Maj Gen Dilawar Singh (Retd.)	Independent Director	Nil	Nil	Nil	Nil
Ms. Aparna Praveen Chaturvedi	Independent Director	Nil	Nil	Nil	Nil

Since the Companies Act, 2013 prohibits grant of ESOPs to the Independent Directors, no ESOPs were granted to Independent Directors during the financial year 2022-2023.

## Code of Conduct

The Code of Conduct applicable to all the Board Members and Senior Management Personnel, adopted by the Board in accordance with the provisions of Regulation 17(5) of the Listing Regulations, has been uploaded on the website of the Company, accessible at <https://tilind.com/codes-and-policies/>.

In accordance with the provisions of Regulation 26(3) of the Listing Regulations, all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the said Code of Conduct for the financial year ended March 31, 2023. A declaration to this effect signed by Mr. Amit Dahanukar, Chairman & Managing Director of the Company is annexed hereto and forms an integral part of this Report.

## Codes under Prohibition of Insider Trading Regulations

The 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and 'TI Code of Conduct for Prevention of Insider Trading' are formulated in accordance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The abovementioned codes ensure fair disclosure of events and occurrences that could impact price discovery in the market for shares of the Company and prevention of dealing in its shares by the employees and other connected persons, while they are exposed to or expected to be exposed to unpublished price sensitive information.

## Separate Meeting of Independent Directors

In accordance with the provisions of Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Directors, chaired by Mr. C.V. Bijlani, was held on February 07, 2023, without the presence of Non-Independent Directors or Members of the management, to review the performance of Non- Independent Directors, Chairman and the Board as a whole (including its Committees) and assess the quality, quantity and timeliness of flow of information between the management

and the Board. All the Independent Directors were present at the Meeting except Dr. Ravindra Bapat who had conveyed his inability to attend the meeting in advance.

## Familiarization Programs for Independent Directors

The Independent Directors are familiarized with their roles, rights and responsibilities in the Company, nature of the industry in which it operates, its business model and changes in the regulations applicable to the Company through familiarization programs conducted by the management as well as external consultants. The Company has disclosed details of such programs on its website, accessible at <https://tilind.com/familiarisation-of-independent-directors/>.

## 3. COMMITTEES OF THE BOARD

The following committees have been constituted by the Board in compliance with the applicable provisions of the Listing Regulations and the Companies Act, 2013 with composition, terms of reference and role as mentioned herein below:

### A) Audit Committee

The Audit Committee, constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the Listing Regulations, comprised of 4 Directors as on March 31, 2023 having knowledge/expertise in the areas of accounting/financial management.

The Audit Committee met 5 times during the financial year 2022-2023 as per details given herein below:

Sr. No.	Date of Meeting
1.	May 30, 2022
2.	August 11, 2022
3.	October 03, 2022
4.	November 10, 2022
5.	February 07, 2023

## The composition of the Audit Committee as on March 31, 2023 and attendance of the Committee Members at the Audit Committee Meetings held during the financial year 2022-23 are as follows:

Name of the Member	Designation	Qualification	No. of Meetings Attended
Mr. C.V. Bijlani	Chairman	M.A., C.A.I.I.B.	5
Dr. Ravindra Bapat	Member	M.S., M.B.A., F.I.S.C.	1
Mr. Kishorekumar G. Mhatre	Member	LL.B.	4
Ms. Swapna Shah	Member	M.B.A., IBM	5

Note: Ms. Aparna Praveen Chaturvedi, Independent Director has been appointed as a Member of the Audit Committee from May 16, 2023.

The Chairman & Managing Director, Chief Financial Officer, Internal Auditor and Statutory Auditor are permanent invitees to the Audit Committee Meetings.

The Cost Auditor is also invited to attend the Meetings, as and when required. The Company Secretary is the Secretary to the Committee. Mr. C.V. Bijlani, Chairman of the Audit Committee, attended the Annual General Meeting of the Company held on August 29, 2022.

The terms of reference of the Committee are as follows:

- i. overseeing the Company's financial reporting process and disclosure of financial information to ensure presentation of correct, sufficient and credible financial statements;
- ii. recommending to the Board, the appointment, remuneration and terms of appointment of auditors of the Company;
- iii. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to the following:
  - matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of Section 134(3) of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings, if any;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions; and
  - modified opinion(s) in the draft audit report;
- iv. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- v. reviewing, with the management, the statement of use/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this regard;
- vi. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- vii. approval or any subsequent modification of transactions of the Company with related parties;
- viii. scrutinizing inter-corporate loans and investments;
- ix. valuation of undertakings or assets of the Company, wherever it is necessary;
- x. evaluating the internal financial controls and risk management systems;
- xi. reviewing, with the management, performance of Statutory and Internal Auditors and adequacy of the internal control systems;
- xii. reviewing the adequacy of internal audit function, including the structure of the internal audit department, if any, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiii. discussing with Internal Auditors of any significant findings and follow up thereon;
- xiv. reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- xv. discussion with Statutory Auditors before the commencement of audit about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvi. looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xvii. reviewing the functioning of the Whistle Blower mechanism;
- xviii. approving the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

- xix. reviewing the following information:
- management discussion and analysis of financial conditions and results of operations;
  - statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - management letters/letters of internal control weaknesses issued by the Statutory Auditors; and
  - internal audit reports relating to internal control weaknesses
- xx. reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditors, if any;
- xxi. reviewing the utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- xxii. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and
- xxiii. carrying out such other functions as may be assigned by the Board from time to time.

The Committee is vested with necessary powers to discharge the abovementioned roles and responsibilities. There have not been any instances during the year when the recommendations of the Committee were not accepted by the Board.

## B) Stakeholders Relationship Committee

The Stakeholders Relationship Committee, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 of the Listing Regulations, comprised of 5 Directors as on March 31, 2023.

The Stakeholders Relationship Committee met 4 times during the financial year 2022-23 as per the details given herein below:

Sr. No.	Date of Meeting
1.	May 30, 2022
2.	August 11, 2022
3.	November 10, 2022
4.	February 07, 2023

Ms. Dipti Todkar, Company Secretary is the Compliance officer of the Company and Secretary to the Committee.

### The composition of the Stakeholders Relationship Committee as on March 31, 2023 and attendance of the Committee Members at the Stakeholders Relationship Committee Meetings held during the financial year 2022-23 are as follows:

Name of the Member	Designation	No. of Meetings Attended
Mr. C.V. Bijlani	Chairman	4
Mr. Amit Dahanukar	Member	4
Dr. Ravindra Bapat	Member	1
Ms. Aparna Praveen Chaturvedi	Member	2
Maj Gen Dilawar Singh (Retd.)	Member	4

Mr. C.V. Bijlani, Independent Director and Chairman of the Stakeholders Relationship Committee, attended the Annual General Meeting of the Company held on August 29, 2022.

The terms of reference of the Committee are as follows:

- overseeing the performance of the Registrar and Share Transfer Agents;
- resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
- resolving any other grievances of the security holders.

### Statement of various complaints received and resolved during the financial year 2022-23 is as follows:

Nature of Complaint	Opening balance as on April 01, 2022	Received during the year	Resolved during the year	Closing balance as on March 31, 2023
Non-receipt of share certificates lodged for transfer	Nil	Nil	Nil	Nil
Non-receipt of dividend warrants	Nil	Nil	Nil	Nil
Non-receipt of annual reports	Nil	Nil	Nil	Nil
Non-receipt of demat rejected share certificates	Nil	Nil	Nil	Nil
Non-receipt of demat credit of shares	Nil	Nil	Nil	Nil
Non-receipt of bonus shares certificates	Nil	Nil	Nil	Nil
Non receipt of remat share certificates	Nil	Nil	Nil	Nil
SEBI/ROC/Stock Exchanges	Nil	12	12	Nil
<b>Total</b>	<b>Nil</b>	<b>12</b>	<b>12</b>	<b>Nil</b>

There are no instances of complaints not solved to the satisfaction of shareholders.

### C) Nomination and Remuneration Committee

The Nomination and Remuneration Committee, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the Listing Regulations, comprised of 4 Independent Directors as on March 31, 2023.

The Nomination and Remuneration Committee met 4 times during the financial year 2022-23 as per the details given herein below:

Sr. No.	Date of Meeting
1.	May 30, 2022
2.	October 03, 2022
3.	November 10, 2022
4.	February 07, 2023

### The composition of the Nomination and Remuneration Committee as on March 31, 2023 and attendance of the Committee Members at the Nomination and Remuneration Committee Meeting held during the financial year 2022-23 are as follows:

Name of the Member	Designation	No. of Meetings Attended
Mr. C.V. Bijlani	Chairman	4
Dr. Ravindra Bapat	Member	1
Mr. Kishorekumar G. Mhatre	Member	3
Maj Gen Dilawar Singh (Retd.)	Member	4

The Company Secretary is the Secretary to the Committee. Mr. C.V. Bijlani, Chairman of the Nomination and Remuneration Committee, attended the Annual General Meeting of the Company held on August 29, 2022.

The terms of reference of the Committee are as follows:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommending a policy to the Board, relating to the remuneration for the directors, key managerial personnel and other employees ensuring that:
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- 1A. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;

- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
2. identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and specifying the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
  3. devising a policy on diversity of Board of Directors;
  4. extension and/or continuance of the terms of appointment of the independent Directors, on the basis of the report of performance evaluation of Independent Directors; and
  5. recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

There have not been any instances during the year when the recommendations of the Committee were not accepted by the Board.

Based on the recommendations of the Nomination and Remuneration Committee, the Board has formulated the following policies:

#### **i. Nomination, Remuneration and Evaluation Policy**

The Policy seeks to harmonize the aspirations of human resources consistent with the Company's goals by achieving the following objectives:

- formulation of the criteria for determining qualifications, positive attributes required for appointment of Directors, Key Managerial Personnel and Senior Management and also the criteria for determining the independence of a Director;
- setting up the framework for tenure, removal/retirement of Directors, Key Managerial Personnel and Senior Management;
- setting up the framework for determining remuneration (fixed and performance linked) payable to the Directors, Key Managerial Personnel and Senior Management; and
- setting up the framework for evaluation of the performance of the Board and its constituents.

The key principles pertaining to Directors' appointment and remuneration as contained in the Policy are as follows:

- The Nomination and Remuneration Committee shall have regard to integrity, qualification, expertise and experience in general corporate management, finance, banking or other allied fields appropriate to the business of the Company while nominating a candidate for Directorship, so as to have a diverse Board;
- The Committee, while nominating a candidate as Independent Director, shall also satisfy itself that such candidate meets the criteria of independence as prescribed in Regulation 16(1) (b) of the Listing Regulations and Section 149(6) of the Companies Act, 2013;
- The Committee, while recommending remuneration structure for the Directors, shall ensure that the same is based on the prevailing industry norms, performance of the Company, track record, potential and performance of Directors and is suitably rewarding and sufficient to attract, retain and motivate them to achieve superior operational results;
- The Committee shall ensure that the remuneration of the Executive Directors aims at striking a balance between fixed pay and incentive pay (commission) reflecting short and long term performance objectives appropriate to the working of the Company and its goals; and
- The Committee may also recommend payment of commission to Non-Executive Directors (including Independent Directors) based on the Company's performance apart from sitting fees payable to them for attending the Board/Committee meetings.

The Company has uploaded the Nomination, Remuneration and Evaluation Policy on its website, accessible at <https://tilind.com/codes-and-policies/>.

#### **ii. Board Diversity Policy**

The Board Diversity Policy casts responsibility on the Nomination and Remuneration Committee to review the structure, size and composition of the Board and the appointment of new Directors for ensuring that the Board has a balanced composition of skills, experience and expertise, appropriate to the requirements of the business of the Company.

The Company has uploaded the Board Diversity Policy on its website, accessible at <https://tilind.com/codes-and-policies/>.

Pursuant to the provisions of Clause (h) of Part C of Schedule V of the Listing Regulations, the list of core skills/expertise/competencies identified by the Board as required in the context of its business and sector for it to function effectively and those actually available with the Board are mentioned herein below:

Sr. No.	Core skills/expertise/competencies	AD	CR	SAD	SS	RB	CVB	KGM	SCM	MGDS	APC
1.	Entrepreneurship	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2.	Business Management	✓	✓	✓	✓	-	✓	✓	✓	-	✓
3.	Strategy Planning	✓	✓	✓	✓	-	✓	✓	-	✓	✓
4.	Community Welfare	-	-	✓	✓	✓	-	-	-	✓	✓
5.	Financial Planning and Financial Modelling	-	-	-	✓	-	✓	-	-	-	✓
6.	Legal and Compliance Management	-	-	✓	-	-	-	✓	✓	-	✓
7.	General Administration	✓	✓	✓	-	✓	-	✓	-	-	-
8.	Procurement and Planning	✓	✓	-	✓	-	-	-	-	✓	-
9.	Accounting and Financial Management	-	-	-	-	-	✓	-	✓	✓	✓
10.	Operations management	✓	✓	-	✓	-	-	-	✓	-	-

Note: AD- Mr. Amit Dahanukar; CR- Mr. C. R. Ramesh, SAD- Mrs. Shivani Amit Dahanukar; SS- Ms. Swapna Shah; RB- Dr. Ravindra Bapat; CVB- Mr. C.V. Bijlani; KGM- Mr. Kishorekumar G. Mhatre; SCM- Mr. Satish Chand Mathur; MGDS- Maj Gen Dilawar Singh (Retd.), and APC- Ms. Aparna Praveen Chaturvedi.

### iii. Succession Policy

The Succession Policy casts responsibility on the Nomination and Remuneration Committee to ensure orderly identification and selection of new Directors or Senior Management Personnel in the event of any vacancy, whether such vacancy exists by reason of an anticipated retirement, an unanticipated departure, expansion of the size of the Company, or otherwise.

The Company has uploaded the Succession Policy on its website, accessible at <https://tilind.com/codes-and-policies/>.

## D) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (CSR Committee), constituted in accordance with the provisions of Section 135 of the Companies Act, 2013, comprised of 5 Directors as on March 31, 2023.

The Committee met three times during the financial year 2022-23 as per the details given herein below:

Sr. No.	Date of Meeting
1.	May 30, 2022
2.	August 11, 2022
3.	November 10, 2022

The Company Secretary is the Secretary to the Committee.

### The composition of the CSR Committee as on March 31, 2023 and attendance of the Committee Members at the CSR Committee Meeting held during the financial year 2022-23 are as follows:

Name of the Member	Designation	No. of Meetings Attended
Mrs. Shivani Amit Dahanukar	Chairperson	1
Mr. C.V. Bijlani	Member	3
Dr. Ravindra Bapat	Member	1
Ms. Swapna Shah	Member	3
Ms. Aparna Praveen Chaturvedi	Member	1

The terms of reference of the CSR Committee are as follows:

- to formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) which shall indicate, inter-alia, the CSR activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 as amended from time to time;
- to recommend and obtain approval of the Board for the amount of expenditure that can be incurred on the activities referred to in clause(i);
- to ensure that the activities as are included in CSR Policy of the Company are undertaken by the Company;
- to prepare a transparent monitoring mechanism for ensuring implementation of the CSR projects/programs/ activities being undertaken/proposed to be undertaken by the Company;

- v. to oversee matters concerning the implementation of the Company's Business Responsibility Policy, to ensure compliance with the provisions relating to Business Responsibility Report contained in the SEBI Circular No. CIR/CFD/CMD/10/2015 dated November 04, 2015 and to decide on any matter or doubt with respect to the applicability, interpretation, operation and implementation of the said Policy; and
- vi. to discharge such other functions as may be assigned by the Board from time to time.

The Committee has been entrusted with necessary powers to discharge the above-mentioned roles and responsibilities.

The Company has uploaded the CSR Policy and the Annual Report on CSR Activities for the financial year 2022-2023 on its website, accessible at <https://tilind.com/codes-and-policies/> and <https://tilind.com/investors-financial-reporting/>.

#### E) Compensation Committee

The Compensation Committee, constituted in accordance with the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, comprised of 4 Directors as on March 31, 2023.

The Committee met once during the financial year 2022-2023 on May 30, 2022.

**The composition of the Compensation Committee as on March 31, 2023 and attendance of the Committee Members at the Compensation Committee Meetings held during the financial year 2022-23 are as follows:**

Name of the Member	Designation	No. of Meetings Attended
Mr. C. V. Bijlani	Chairman (from May 30, 2022)	Nil
Dr. Ravindra Bapat	Member	Nil
Mrs. Shivani Amit Dahanukar	Member (upto May 30, 2022)	Nil
Mr. Kishorekumar G. Mhatre	Member	1
Ms. Swapna Shah	Member	1

The Company Secretary is the Secretary to the Committee.

The terms of reference of the Committee are as follows:

- i. granting of Stock Options to the eligible employees;

- ii. ascertaining the detailed terms and conditions for such grants;
- iii. administering the Employee Stock Option Schemes of the Company; and
- iv. exercising the powers and performing the duties as prescribed under SEBI (Share Based Employee Benefits) Regulations, 2014.

The Committee is vested with necessary powers to discharge the abovementioned roles and responsibilities.

#### F) Risk Management Committee

The Risk Management Committee is constituted as per Regulation 21 of the Listing Regulations.

The Committee met 4 times during the financial year 2022-2023 as per the details given herein below:

Sr. No.	Date of Meeting
1.	May 30, 2022
2.	August 11, 2022
3.	November 10, 2022
4.	February 07, 2023

**The composition of the Risk Management Committee as on March 31, 2023 and attendance of the Committee Members at the Risk Management Committee Meetings held during the financial year 2022-23 are as follows:**

Name of the Member	Designation	No. of Meetings attended
Mr. Amit Dahanukar	Chairman	4
Mr. C.V. Bijlani	Member	4
Mrs. Shivani Amit Dahanukar	Member	1

The Company Secretary is the Secretary to the Committee.

The terms of reference of the Committee are as follows:

- i. identification of risk and developing risk mitigation plans & systems;
- ii. implementing risk reduction/mitigation strategies; and
- iii. reviewing the effectiveness of the Risk Management Policy.

The Committee apprises the Audit Committee periodically about key risks associated with the business of the Company and the measures taken to mitigate them. The risk management framework of the Company has been explained in detail in the Directors' Report forming part of the Annual Report.

#### G) Share Transfer Committee

The Share Transfer Committee, constituted in accordance with the provisions of Regulation 40(2) of the Listing Regulations, comprised of 4 Directors as on March 31, 2023.

The terms of reference of the Share Transfer Committee include, inter-alia, ensuring timely approval and processing of requests received from Members with respect to share transfer/ transmission, issue of duplicate share certificates, demat/remat, split/consolidation of shares, etc.

The composition of the Share Transfer Committee as on March 31, 2023 is as follows:

Name of the Member	Designation
Mr. Amit Dahanukar	Chairman
Mrs. Shivani Amit Dahanukar	Member
Mr. C.V. Bijlani	Member
Mr. Satish Chand Mathur	Member

The Company Secretary is the Secretary to the Committee.

The requests, if any, received from the Members are dealt by the Committee on required basis. The Report on transfer/transmission etc. of shares approved by the Committee is placed in the Meeting of the Board of Directors.

#### H) Finance Committee

The Finance Committee comprises of 4 members to deal with specific matters delegated by the Board of Directors.

The composition of the Finance Committee as on March 31, 2023 is as follows:

Name of the Member	Designation
Mr. Amit Dahanukar	Chairman
Mrs. Shivani Amit Dahanukar	Member
Ms. Swapna Shah	Member
Mr. Abhinav Gupta*	Member

\*Appointed on October 03, 2022 consequent to resignation of Mr. Ajit Sirsat with effect from October 15, 2022.

The Company Secretary is the Secretary to the Finance Committee.

#### 4. SUBSIDIARY COMPANIES

The Company has 8 subsidiary companies and none of them is falling under the definition of "material subsidiary". The Audit Committee reviews the financial statements and, in particular, the investments made by the subsidiary companies. The minutes of the board meetings of the subsidiary companies are periodically placed before the Board. The Board is periodically informed about all significant transactions and arrangements entered into by all the subsidiary Companies.

The Policy for determining 'material subsidiaries', adopted by the Board in accordance with the provisions of Regulation 16 of the Listing Regulations, has been uploaded on the website of the Company, accessible at <https://tilind.com/codes-and-policies/>.

- The Liquidator of Prag, has filed an application at NCLT-Mumbai, on October 08, 2022, seeking withdrawal of the Petition filed by the financial creditor SCB and closure of the liquidation process and for reinstating the Board of Directors for management of the operations of Prag. The order from NCLT- Mumbai is awaited.
- The Board of Directors of the Company (TI) at their Board Meeting held on May 30, 2022, had approved the Composite Scheme of Amalgamation ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with relevant rules & regulations framed thereunder of four wholly-owned subsidiaries of the Company, viz. (i) Kesarval Springs Distillers Private Limited ("KSDPL"); (ii) Mykingdom Ventures Private Limited ("MVPL"); (iii) Srirampur Grains Private Limited ("SGPL"); and (iv) Studd Projects Private Limited ("SPPL") [hereinafter collectively referred to as the "Transferor Companies" and individually referred to as the "Transferor Company"] with and into TI (Holding Company) (Transferee Company). The Transferor and Transferee Companies have complied with all the steps under the Companies Act, 2013. The final hearing for the matter was held on 12<sup>th</sup> May, 2023 before Hon'ble NCLT, Mumbai Bench-I and the Bench has reserved the matter for orders. TI awaits the pronouncement of the order by the Hon'ble NCLT.

On receipt of the certified copy of the order from NCLT, the Companies will file E-Form INC-28 with Registrar of Companies for making the Scheme effective, file stamp

duty adjudication application and comply with other directions of the Hon'ble NCLT, if any.

## 5. SECRETARIAL AUDIT

In accordance with the provisions of Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of the Listing Regulations, the Secretarial Audit Report of the Company for the financial year ended March 31, 2023 obtained from M/s. V. M. Kundaliya & Associates, Practicing Company Secretaries is annexed to the Directors' Report.

## 6. CMD/CFO CERTIFICATION

A certificate given by the Chairman & Managing Director and Chief Financial Officer of the Company to the Board, in accordance with the provisions of Regulation 17(8) of the Listing Regulations, on the accuracy of the financial statements for the financial year ended March 31, 2023 and adequacy of internal controls is annexed hereto and forms an integral part of this Report.

## 7. COMPLIANCE REPORTS/CERTIFICATES FROM PRACTICING COMPANY SECRETARY

- During the financial year 2022-23, quarterly compliance reports on corporate governance had been submitted by the Company to the stock exchanges within the time limit prescribed under Regulation 27(2) of the Listing Regulations. The same were also placed before the Board for its review and also uploaded on the website of the Company.
- The Company has obtained an Annual Secretarial Compliance Report from M/s. V. M. Kundaliya & Associates., Practicing Company Secretaries, regarding compliances with all applicable SEBI Regulations, Circulars and Guidelines for the financial year ended March 31, 2023.
- A certificate regarding the compliance of the conditions of corporate governance by the Company as required under Schedule V (E) of the Listing Regulations obtained from M/s. V. M. Kundaliya & Associates., Practicing Company Secretaries is annexed hereto and forms an integral part of this Report.
- A certificate pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continue as directors of companies by SEBI/Ministry of Corporate

Affairs or any such statutory authority obtained from M/s. V. M. Kundaliya & Associates, Practicing Company Secretaries is annexed hereto and forms an integral part of this Report.

## 8. DISCLOSURES

### A) Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large

The Company has not entered into any materially significant transaction with related parties having potential conflict with its interest at large during the financial year 2022-23. The statements containing the transactions entered into by the Company with related parties at arm's length basis and in the ordinary course of business are reviewed by the Audit Committee on quarterly basis including transactions entered with related parties pursuant to omnibus approval granted by the Committee.

The Policy on related party transactions, which provides the criteria for determining the materiality of related party transactions and also the manner of dealing with related party transactions, adopted by the Board in accordance with the provisions of Regulation 23(1) of the Listing Regulations, has been uploaded on the website of the Company, accessible at <https://tilind.com/codes-and-policies/>.

### B) Disclosure of Accounting Treatment

The Company has prepared the financial statements for the financial year 2022-23 in accordance with Indian Accounting Standards (IND AS) to comply with the Accounting Standards as specified under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act, as applicable.

### C) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Markets, during the last three years

- (i) During the financial year 2020-21, there was no Independent Woman Director on the Board from April 01, 2020 to July 30, 2020 pursuant to Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the Company falls within top 1000 listed entities as per NSE by market capitalisation. The Company appointed Ms. Aparna Praveen Chaturvedi as an Independent Woman Director with effect from July 31, 2020. The

Company had paid the fine of ₹ 177,000/- under the protest in this regard to NSE. The Company had applied for waiver of fine with NSE. Partial waiver of fine was approved by NSE on September 02, 2021.

- (ii) During the financial year 2020-21, the audited financial results (consolidated and standalone) for the financial year ended March 31, 2020 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/106 dated June 24, 2020, were filed by the Company on September 15, 2020 i.e beyond the prescribed time (July 31, 2020) and the Company had paid the fine of ₹ 94,400/- each to NSE and BSE in this regard;
- (iii) During the financial year 2020-21, the un-audited financial results (consolidated and standalone) for the quarter ended June 30, 2020 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/140 dated July 29, 2020 were filed by Company on October 06, 2020 i.e beyond the prescribed time (September 15, 2020) and Company had paid the fine of ₹ 123,900/- each to NSE and BSE in this regard;

#### D) Whistle Blower Policy

The Whistle Blower Policy of the Company, adopted by the Board, provides mechanism to its Directors, employees and other stakeholders to raise concerns about any violation of legal or regulatory requirements, misrepresentation of any financial statement and to report actual or suspected fraud or violation of the Code of Conduct of the Company.

The Policy allows the whistleblowers to have direct access to the Chairman of the Audit Committee in exceptional circumstances and also protects them from any kind of discrimination or harassment. During the financial year 2022-23, no employee was denied access to the Audit Committee and no incidence of whistleblowing was reported. The Whistle Blower Policy of the Company can be accessed at <https://tilind.com/codes-and-policies/>.

#### E) Disclosure by Senior Management Personnel

No material financial and/or commercial transactions were entered into by the Company with the Senior Management Personnel, where they could have had personal interest conflicting with its interest at large.

#### F) Reconciliation of Share Capital Audit

Reconciliation of Share Capital Audit Report pursuant to Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 submitted by M/s. V. M. Kundaliya & Associates, Practicing Company Secretaries confirms that as on March 31, 2023, the aggregate number of equity shares of the Company held in demat form with NSDL, CDSL and in physical form were reconciled with the total number of issued/paid-up shares of the Company.

#### G) Commodity Price Risks and Commodity Hedging Activities

The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out during the financial year 2022-23. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

#### H) Utilisation of Funds raised through Preferential Allotment or Qualified Institutions Placement

The Company has raised ₹ 28,462 Lacs through preferential allotment during the financial year 2021-22 and 2022-23. The utilization of funds till March 31, 2023 is as follows:

Sr. No	Objects	Funds utilized (₹ in lacs)
1.	Fund business growth, capital expenditure and other strategic initiatives	233
2.	Augment working capital needs of the Company	6236
3.	Repay debt	14,715
4.	For general corporate purposes	741
<b>Total</b>		<b>21,925</b>

#### I) Confirmation with respect to acceptance of recommendations of Committees

The Board of Directors confirms that during the year, it has accepted all the recommendations received from all its Committees.

#### J) Fees for all services paid to the Statutory Auditors and all entities in the network firm of the Statutory Auditors

During the financial year 2022-23, a total fees of ₹ 14.56 Lacs, for all services, was paid by the Company to M/s. Harshil Shah & Co, Statutory Auditors.

**K) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company is committed to provide a healthy environment to all its employees and has zero tolerance for sexual harassment at workplace. In order to prohibit, prevent and redress complaints of sexual harassment at workplace, it has complied with the provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013].

The Company has not received any complaint of sexual harassment during the financial year 2022-23.

**L) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount**

There are no loans and advances in the nature of loans to firms/companies in which directors are interested as on March 31, 2023 except loans and advances given by the Company to its subsidiaries which are disclosed in the notes to the financial statements.

**M) Details of Material Subsidiaries of the listed entity, including the date and place of incorporation and the name and date of appointment of the Statutory Auditors of such subsidiaries**

There are no material subsidiaries of the listed entity as on March 31, 2023.

**N) Compliance with mandatory requirements and adoption of the non-mandatory requirements**

The Company has complied with all the applicable mandatory requirements relating to Corporate Governance

as prescribed under the Listing Regulations as disclosed in the relevant sections of this Report.

The status of adoption of the non-mandatory requirements as prescribed in Schedule II (E) of the Listing Regulations is provided herein below:

**i. The Board**

This Clause is not applicable to the Company as the Chairman of the Board is an Executive Director.

**ii. Shareholder Rights**

The Company publishes its quarterly/half yearly and annual financial results in English and Marathi newspapers having wide circulation. The financial results and significant events, if any, are communicated by the Company to the Stock Exchanges and are also uploaded on its website i.e. [www.tilind.com](http://www.tilind.com). The same are not sent to the Members individually.

**iii. Modified opinion(s) in audit report**

There are certain observations, qualifications and adverse remarks in the Audit Reports submitted by the Statutory Auditors for the financial year ended March 31, 2023 which are disclosed in the Directors' Report along with explanation/comments of the Board thereon.

**iv. Separate Posts of Chairperson and The Managing Director or the Chief Executive Officer**

The Company is not having separate post of Chairman and Managing Director. Mr. Amit Dahanukar is the Chairman & Managing Director of the Company.

**v. Reporting of Internal Auditors**

Internal Auditors of the Company report directly to the Audit Committee of the Company.

**9. GENERAL BODY MEETINGS**

**a) Details of last 3 Annual General Meetings held along with Special Resolutions passed are as under:**

Financial Year	Day, Date & Time	Venue	Particulars of Special Resolutions passed
2021-22	Monday, August 29, 2022 at 10.30 a.m.	Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM')	A) Appointment and remuneration of Mrs Shivani Amit Dahanukar (DIN: 00305503) as an Executive Director B) Remuneration payable to Mr. Amit Dahanukar, Chairman & Managing Director for the period June 01, 2022 to November 06, 2023
2020-21	Thursday, September 30, 2021 at 10.30 a.m.	Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM')	Re-appointment of Ms. Aparna Praveen Chaturvedi (DIN:00028647) as an Independent Woman Director.

Financial Year	Day, Date & Time	Venue	Particulars of Special Resolutions passed
2019-20	Tuesday, December 29, 2020 at 10.30 a.m.	Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM')	<p>A) Re-appointment of Mr. Kishorekumar G Mhatre (DIN:07527683) as an Independent Director.</p> <p>B) Re-appointment of Mr. Amit Dahanukar (DIN:00305636) as the Chairman &amp; Managing Director.</p> <p>C) Appointment of Mr. C. R. Ramesh (DIN:08876738) as a Whole-time Director.</p> <p>D) Alteration in the Articles of Association</p> <p>E) Issuance of the equity shares on Preferential Basis.</p>

All special resolutions set out in the notices for the Annual General Meetings were passed by the shareholders at the respective meetings with requisite majority.

**b) Details of Extra-Ordinary General Meetings held during the financial year 2022-2023 along with Special Resolutions passed are as under:**

Financial Year	Day, Date & Time	Venue	Particulars of Special Resolutions passed
2022-23	Wednesday, June 29, 2022 at 11.00 a.m.	Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM')	<p>A) Issue of Equity Shares of the Company to Investors on preferential basis.</p> <p>B) Issue of Convertible Warrants to Investors on preferential basis.</p>
2022-23	Wednesday, December 07, 2022 at 11.00 a.m.	Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM')	<p>A) To approve the revised remuneration Of Mr. Chemangala Ramachar Ramesh, Whole Time Director for the period April 01, 2022 to November 12, 2023.</p> <p>B) To increase the Authorised Share Capital and consequent alteration in the Memorandum of Association.</p> <p>C) To approve the Issue of Equity Shares on preferential allotment.</p>

All special resolutions set out in the notice for the Extra-Ordinary General Meeting was passed by the shareholders at the meeting with requisite majority.

**Passing of Resolution by Postal Ballot**

During the financial year 2022-2023, no special resolution was passed through postal ballot. At the ensuing Annual General Meeting, no resolution is proposed to be passed through postal ballot.

**10. MEANS OF COMMUNICATION**

**i. Quarterly/Half Yearly/Annual Results**

Quarterly/Half Yearly/Annual Results of the Company are regularly submitted to the Stock Exchanges through NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre. The same are also published in the newspapers viz. The Financial Express/ Business Standard and Navshakti /Kesari.

**ii. Website**

The Company posts its Quarterly/Half Yearly/Annual Results, Annual Report, official news releases, presentations made to investors and transcripts of the meetings with institutional investors/analysts, if any, on its website i.e.

[www.tilind.com](http://www.tilind.com). This website contains the basic information about the Company e.g. details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances and such other details as prescribed under Regulation 46 of the Listing Regulations. The Company ensures that the contents of its website are updated at all times.

**iii. Designated e-mail id**

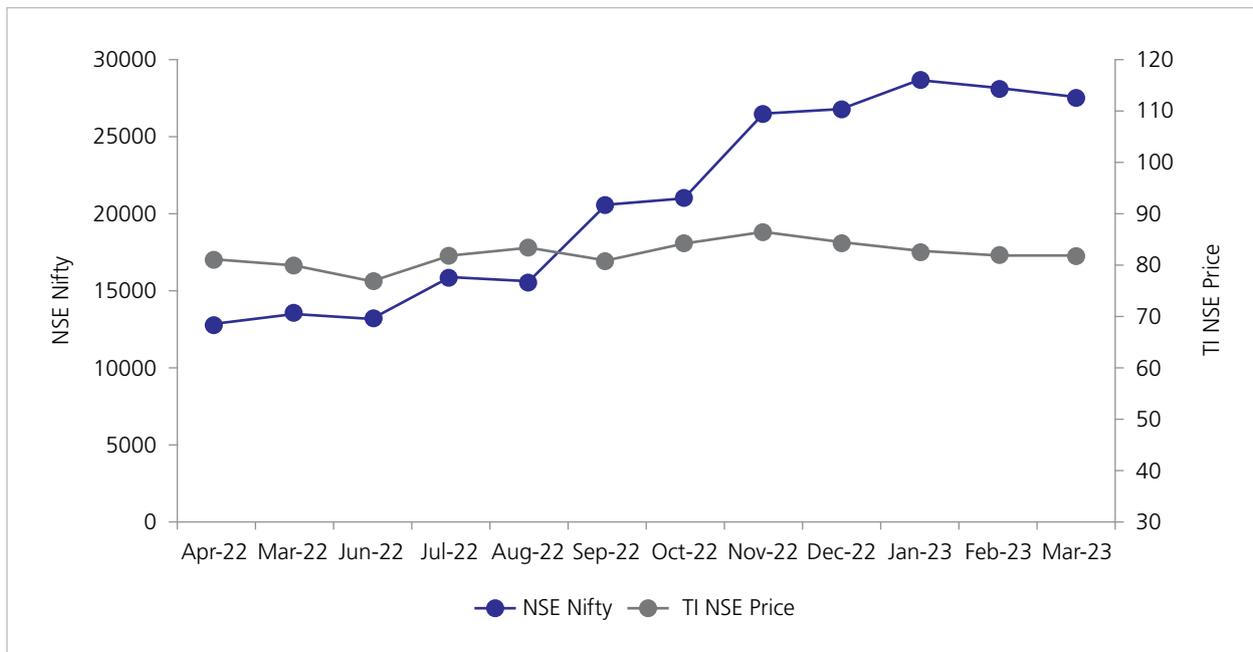
The Company has designated an e-mail id viz. [investor@tilind.com](mailto:investor@tilind.com) to enable the Members to register their complaints, if any, for expeditious redressal.

## 11. GENERAL SHAREHOLDER INFORMATION

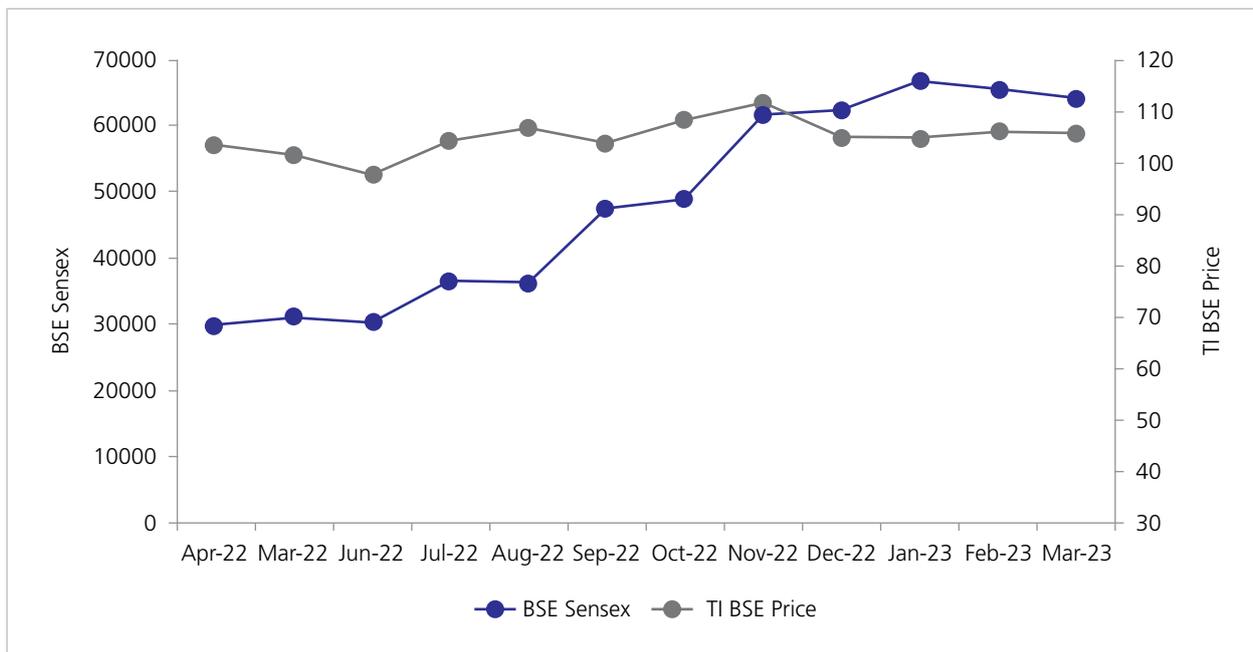
<b>I</b>	<b>88th Annual General Meeting</b>	
	Day, Date and Time	: Thursday, September 28, 2023 at 10.30 a.m.
	Venue	: To be held through Video Conference (VC) or Other Audio Visual Means (OAVM)
<b>II</b>	<b>Financial Calendar</b>	
	Financial Year	: April 01, 2023 to March 31, 2024
	Financial reporting of results	
	<ul style="list-style-type: none"> <li>Quarterly unaudited results (other than last quarter)</li> </ul>	: 1 <sup>st</sup> quarter – on or before August 14, 2023 : 2 <sup>nd</sup> quarter – on or before November 14, 2023 : 3 <sup>rd</sup> quarter – on or before February 14, 2024
	<ul style="list-style-type: none"> <li>Annual audited results</li> </ul>	: on or before May 30, 2024
<b>III</b>	<b>Book Closure Date</b>	: Friday, September 22, 2023 to Thursday, September 28, 2023 (both days inclusive) for the 88 <sup>th</sup> Annual General Meeting
<b>IV</b>	<b>Dividend Payment Date</b>	: The Directors have recommended dividend for the financial year 2022-23. The dividend shall be paid within 30 days from the date of annual general meeting.
<b>V</b>	<b>Registrar and Share Transfer Agents</b>	: Bigshare Services Pvt. Ltd. Unit: Tilaknagar Industries Ltd. Office No. S6-2, 6 <sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai - 400093 Ph: (022) 62638200 Fax: (022) 62638299 Email: investor@bigshareonline.com Website: www.bigshareonline.com
<b>VI</b>	<b>Share Transfer System</b>	: The power to consider and approve share transmission/transposition/consolidation/subdivision, etc., has been delegated to the Share Transfer Committee indicated in para 3(G) of this Report. The requests, if any, received from the Members are dealt by the Committee on fortnightly basis. All request(s) received for share transmission(s) are processed and share certificate(s) duly endorsed are returned within the period stipulated under Regulation 40(9) of the Listing Regulations, provided the documents are valid and complete in all respects.  SEBI has mandated the transfer/transmission/ transposition of securities / issue of duplicate certificates etc. of listed entities to be carried out only in dematerialised form. In view of the aforesaid SEBI mandate and in order to eliminate the risks associated with physical holding of shares, Members who are holding shares in physical form are hereby requested to dematerialise their holdings. Further Members are requested to update their PAN, KYC and Nomination details in Form No. ISR 1 and Form SH-13 through RTA agent on or before October 31, 2023 to avoid freezing of the relevant folios by RTA of the Company.  Please also note that after December 31, 2025, the frozen folios shall be referred, by RTA/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and / or Prevention of Money Laundering Act, 2002.  The Company obtains yearly certificate from M/s. V. M. Kundaliya & Associates, Practicing Company Secretaries confirming the compliance by the Company of the timelines specified under Regulation 40(9) of the Listing Regulations for registering Transfer, subdivision, consolidation etc. and files the same with the stock exchanges in the prescribed timeline.
<b>VII</b>	<b>Corporate Identification Number (CIN)</b>	: L15420PN1933PLC133303

<b>VIII Listing on Stock Exchanges</b>	: BSE Limited (Scrip Code: 507205) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, Maharashtra - 400 001 National Stock Exchange of India Limited (Scrip Code: TI) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra - 400 051  The Company has paid the annual listing fees for the financial year 2023-24 to the abovementioned stock exchanges in the prescribed timelines.
<b>IX Dematerialisation of Shares &amp; Liquidity</b>	: Trading in equity shares of the Company is permitted only in dematerialised form. The Company's shares are held in dematerialised form to the extent of 99.54% of the total issued and paid-up shares as on March 31, 2023. The promoters hold their entire shareholding in dematerialised form.
<b>X Demat ISIN For Equity Shares</b>	: INE133E01013  The Company has paid the Annual custodian fees for the financial year 2023-24 to NSDL and CDSL in the prescribed timelines.
<b>XI Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion date and likely impact on equity</b>	: As on March 31, 2023, 41,82,390 convertible warrants issued to promoter group and 18,05,556 convertible warrants issued to Investors (Non-Promoter Group) are pending for conversion. Post conversion of warrants, the paid up share capital of the Company shall increase to that extent.
<b>XII Plant Locations</b>	: (i) Tilaknagar Industries Ltd., P.O. Tilaknagar, Tal. Shirampur, Dist. Ahmednagar, Maharashtra - 413 720  (ii) Prag Distillery (P) Ltd., (under liquidation) R.S. No. 199/1, 200/2, Bicca Bolu, Rajanagaram Road, Nallamilli, Rangampeta Mandal, East Godavari District, (Andhra Pradesh) – 533 343  (iii) Vahni Distilleries Private Limited, No. 140, Tavaregera Village, Kushtagi Taluka, Koppal District, Karnataka – 584 131  (iv) PunjabExpo Breweries Private Limited, Plot No. 237, 238, Village Jeoli, Tehsil Derabassi, Dist. Mohali, Punjab – 140 507
<b>XIII Commodity price risk or foreign exchange risk &amp; hedging activities</b>	: The Company's exposure towards commodity price risk is minimal. The Company manages the foreign exchange risk in accordance with its Foreign Exchange Risk Management Policy.  The details of foreign exchange exposures as on March 31, 2023 are disclosed in the Notes to the financial statements.
<b>XIV List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year</b>	: Brickwork Ratings: BWR BB- (pronounced as BWR Double B minus with negative outlook) for Term Loan and Cash Credit.  The details of the Credit Ratings obtained by the Company have been uploaded on the website of the Company, accessible at <a href="https://tilind.com/others/">https://tilind.com/others/</a> .  During the financial year 2022-23, the Company has neither obtained any new credit rating nor any revision in the existing credit ratings.
<b>XV Address for Correspondence</b>	: The Company Secretary, Tilaknagar Industries Ltd., Corporate Office: 3 <sup>rd</sup> Floor, Industrial Assurance Building, Churchgate, Mumbai - 400 020.Tel: (022) 2283 1716/18 Fax: (022) 2204 6904 Website: <a href="http://www.tilind.com">www.tilind.com</a> Email: <a href="mailto:investor@tilind.com">investor@tilind.com</a>

### XVI Stock Performance in comparison to NSE Nifty



### XVII Stock Performance in comparison to BSE Sensex



The shares of the Company are traded in Group B category at BSE and are also actively traded on NSE.

## XVIII Market Price Data

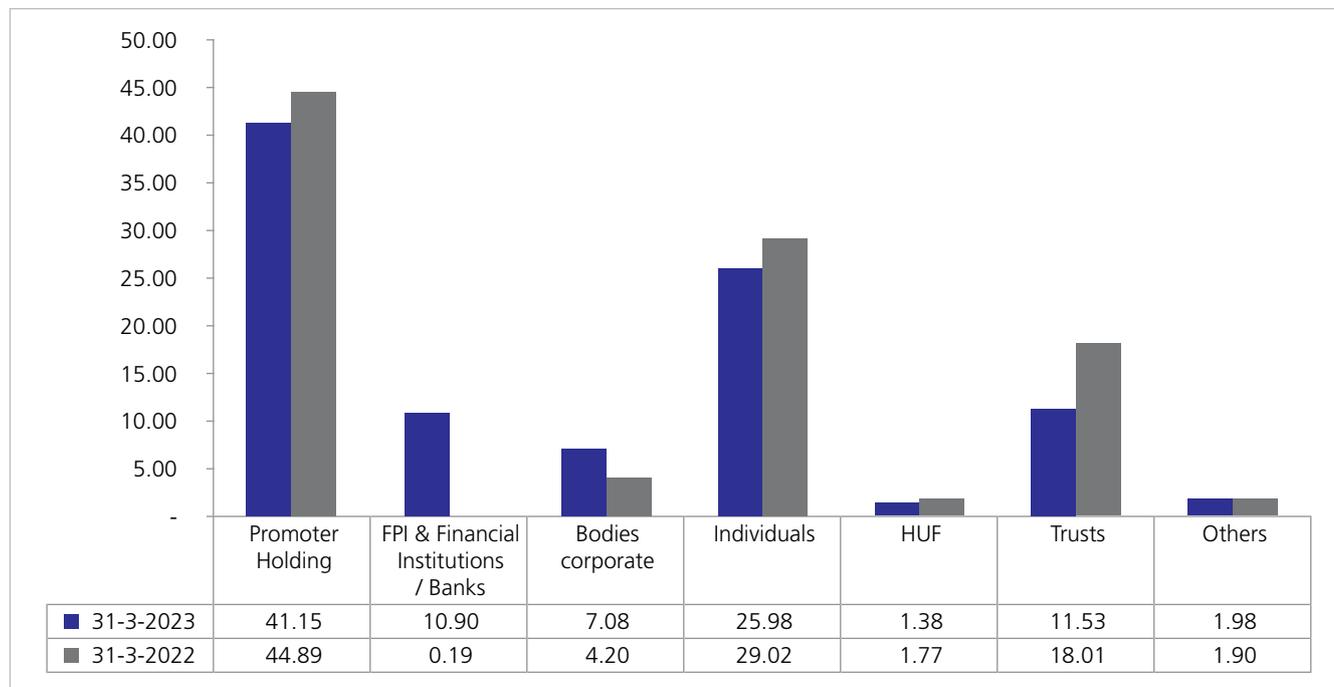
Period	Monthly High and Low Quotes and Volume of Shares traded at BSE and NSE					
	BSE			NSE		
	High Price (₹)	Low Price (₹)	Volume (Nos.) (in lacs)	High Price (₹)	Low Price (₹)	Volume (Nos.) (in lacs)
<b>2022</b>						
April	75.90	64.65	3.17	75.50	66.75	29.70
May	73.35	50.75	5.05	73.40	50.65	48.08
June	77.35	64.60	10.38	77.30	64.80	38.70
July	84.35	70.00	7.45	84.70	70.00	48.22
August	85.70	70.25	4.76	83.90	72.00	35.59
September	97.00	75.90	23.13	97.40	72.85	105.96
October	109.70	90.55	14.25	109.85	90.00	159.89
November	109.25	90.95	7.85	109.25	90.85	53.95
December	114.70	92.65	9.10	114.70	92.60	67.73
<b>2023</b>						
January	127.05	104.30	12.09	127.10	104.25	95.51
February	125.50	104.80	7.53	125.35	104.25	61.27
March	120.25	95.50	10.75	120.50	98.20	74.21

## XIX Shareholding Pattern

Category	As on March 31, 2023*			As on March 31, 2022*		
	No. of Share Holders	No. of Shares held	%	No. of Share holders	No. of Shares held	%
Promoter Holding	6	7,62,76,070	41.15	6	7,12,13,177	44.89
Public Holding						
• Mutual Funds/UTI	-	-	-	-	-	-
• Financial Institutions/Banks	11	14,274	0.01	11	14,274	0.01
• Foreign Portfolio Investors	17	2,01,89,225	10.89	6	2,94,226	0.19
• Bodies Corporate	233	1,31,26,837	7.08	220	66,69,632	4.20
• Individuals	32,656	4,81,29,977	25.98	31,681	4,60,37,271	29.02
• HUF	633	25,53,955	1.38	616	28,04,170	1.77
• Clearing Members	47	6,03,240	0.33	51	2,82,549	0.18
• NRI	397	23,56,409	1.27	291	20,23,772	1.28
• Overseas Bodies Corporate	-	-	-	-	-	-
• Trusts	5	2,13,77,178	11.53	5	2,85,69,844	18.01
• TI – Unclaimed Suspense Account	-	-	-	-	-	-
• IEPF	1	7,11,759	0.38	1	7,11,759	0.45
• NBFCs registered with RBI	1	1,075	0.00	1	1,075	0.00
• Others	-	-	-	1	55	0.00
<b>Total Public Shareholding</b>	<b>34,001</b>	<b>10,90,63,929</b>	<b>58.85</b>	<b>32,884</b>	<b>8,74,08,627</b>	<b>55.11</b>
<b>Total Shareholding</b>	<b>34,007</b>	<b>18,53,39,999</b>	<b>100.00</b>	<b>32,890</b>	<b>15,86,21,804</b>	<b>100.00</b>

\* Shareholding clubbed on the basis of PAN

## Shareholding Pattern



## XX Distribution of Shareholding as on March 31, 2023

\* Shareholding not clubbed on the basis of PAN

Category	Number of Shareholders	% of total number of Shareholders	Total Number of Shares	% of total number of shares
1 to 5000	27,916	80.28	32,10,527	1.73
5001 to 10,000	2,769	7.96	22,69,300	1.22
10,001 to 20,000	1,693	4.87	26,10,189	1.41
20,001 to 30,000	646	1.86	16,47,803	0.89
30,001 & 40,000	329	0.95	11,76,020	0.64
40,001 & 50,000	346	1.00	16,38,423	0.88
50,001 & 1,00,000	471	1.35	35,20,413	1.90
1,00,001 & above	603	1.73	16,92,67,324	91.33
<b>Total</b>	<b>34,773</b>	<b>100.00</b>	<b>18,53,39,999</b>	<b>100.00</b>

## XXI Top Ten Shareholders (other than Promoters) as on March 31, 2023

Sr. No.	Name of the Shareholders	No. of Shares held	% of Holding
1	Barclays Wealth Trustees India Pvt Ltd (acting as a Trustee of Lotus Family Trust)	1,18,86,792	6.41
2	Think India Opportunities Master Fund LP	1,05,26,315	5.68
3	BOFA Securities Europe SA – ODI	64,13,394	3.46
4	S. S. Spirits LLP	52,08,333	2.81
5	Edelweiss Asset Reconstruction Company Limited	46,73,220	2.52
6	Edelweiss Asset Reconstruction Company Limited	34,50,594	1.86
7	Amit Roy Sharma	27,42,000	1.48
8	Anandkumar Ramesh Gupta	21,45,601	1.16
9	M&S Bottling Company Private Limited	17,36,111	0.94
10	Amireddy Jaipal Reddy	17,21,042	0.93
<b>Total</b>		<b>5,05,03,402</b>	<b>27.25</b>



## DECLARATION ON CODE OF CONDUCT

To,  
The Board of Directors,  
**Tilaknagar Industries Ltd.,**  
Corp office: 3<sup>rd</sup> Floor, Industrial Assurance Building,  
Churchgate, Mumbai – 400 020

Dear Sir(s),

This is to confirm that the Board has, as per the requirements of Regulation 17(5) of the Listing Regulations, laid down a Code of Conduct applicable to all the Board Members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the Company.

In accordance with the provisions of Schedule V (D) of the said Regulations, it is further confirmed that all Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2023, as envisaged in Regulation 26(3) thereof.

For **Tilaknagar Industries Ltd**

Place: Mumbai  
Date : May 16, 2023

**Amit Dahanukar**  
Chairman & Managing Director



## CORPORATE GOVERNANCE CERTIFICATE

To,  
The Members of  
**TILAKNAGAR INDUSTRIES LIMITED**  
P. O. Tilaknagar, Tal. Shrirampur,  
Ahmednagar- 413720, Maharashtra.

We have examined the compliance of conditions of Corporate Governance of **Tilaknagar Industries Limited ("the Company")** for the Financial Year ended March 31, 2023, as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("**Regulations 2015**") basis examination of documents provided in **Annexure I**.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs.

For **V. M. Kundaliya & Associates**  
Company Secretaries

**Vicky M. Kundaliya**  
Proprietor

FCS-7716/C. P. No. 10989  
Peer Review Certificate No. 1245/2021  
UDIN: F007716E000312196  
ICSI Unique Code: S2012MH183100

Place: Mumbai  
Date: 16<sup>th</sup> May, 2023

## ANNEXURE I

1. Signed Minutes and Agenda Papers of
  - Board Meetings;
  - Audit Committee Meetings;
  - Nomination and Remuneration Committee Meetings;
  - Stakeholders Relationship Committee Meetings;
  - Corporate Social Responsibility Committee Meetings;
  - Risk Management Committee Meetings;
  - Annual General Meetings and Extra Ordinary General Meetings;
2. Policies as available on Website;
3. Annual Disclosures received from Directors pursuant to Section 184(1);
4. Declaration by Independent Directors;
5. Details of Remuneration paid to Directors;
6. Terms of reference of the Committees of the Board;
7. Draft CG Report for FY 2022-2023;
8. Details of other directorship as reflecting in Director's Master Data on MCA and stock exchanges filing for Corporate Governance.

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
**TILAKNAGAR INDUSTRIES LIMITED**  
P. O. Tilaknagar, Tal. Shrirampur,  
Ahmednagar- 413720, Maharashtra.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Tilaknagar Industries Limited** having **CIN L15420PN1933PLC133303** and having registered office at P. O. Tilaknagar, Tal. Shrirampur, Ahmednagar-413720, Maharashtra (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Amit Dahanukar	00305636	07 <sup>th</sup> November, 2009
2.	Mr. C R Ramesh	08876738	13 <sup>th</sup> November, 2020
3.	Mr. C. V. Bijlani	02039345	02 <sup>nd</sup> July, 2009
4.	Mr. Kishorekumar G. Mhatre	07527683	09 <sup>th</sup> June, 2016
5.	Maj Gen Dilawar Singh (Retd.)	08216047	31 <sup>st</sup> October, 2018
6.	Ms. Swapna Shah	08807901	31 <sup>st</sup> July, 2020
7.	Mrs. Shivani Amit Dahanukar	00305503	28 <sup>th</sup> September, 2006
8.	Dr. Ravindra Bapat	00353476	28 <sup>th</sup> September, 2006
9.	Mr. Satishchand Mathur	03641285	31 <sup>st</sup> October, 2018
10.	Ms. Aparna Chaturvedi	00028647	31 <sup>st</sup> July, 2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **V. M. Kundaliya & Associates**  
Company Secretaries

**Vicky M. Kundaliya**

Proprietor

FCS-7716/C. P. No. 10989

Peer Review Certificate No. 1245/2021

UDIN: F007716E000312231

ICSI Unique Code: S2012MH183100

Place: Mumbai

Date: 16<sup>th</sup> May, 2023



## CMD CFO CERTIFICATION

To,  
The Board of Directors,  
**TILAKNAGAR INDUSTRIES LTD.,**  
Corp. Office: 3<sup>rd</sup> Floor,  
Industrial Assurance Building,  
Churchgate, Mumbai 400 020

Dear Sir(s),

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement of Tilaknagar Industries Ltd. ("the Company") for the financial year ended March 31, 2023 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2023 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) significant changes, if any, in internal control over financial reporting during the financial year ended March 31, 2023;
  - (ii) significant changes, if any, in accounting policies during the financial year ended March 31, 2023 and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Tilaknagar Industries Ltd.**

**Amit Dahanukar**  
Chairman & Managing Director

Place: Mumbai  
Date: May 16, 2023

For **Tilaknagar Industries Ltd.**

**Abhinav Gupta**  
Chief Financial Officer

# Independent Auditor's Report

To the Members of **Tilaknagar Industries Ltd.**

## Report on the Audit of the Consolidated Financial Statements

### QUALIFIED OPINION

We have audited the accompanying consolidated financial statements of **Tilaknagar Industries Ltd.** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries collectively referred to as "the Company" or "the Group"), and an associate which comprise the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in basis for qualified opinion paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### BASIS FOR QUALIFIED OPINION

- a. The Holding Company has not carried out impairment assessment of one of the ENA plants as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets' though there is an indication of impairment. Reference is invited to Note no. 43 of the consolidated annual financial statements.
- b. The following paragraph in respect of Basis for Qualified Opinion was included in the audit report dated May 15, 2023 issued on the Financial Statements of Prag Distillery (P) Ltd ("Prag"), a subsidiary company of the Holding Company issued by an Independent Firm of Chartered Accountants, is reproduced as under:
  - We draw attention to note no. 34(a) of the financial statements which states that there are unsecured

overdue trade receivables of ₹ 586.55 lacs and deposits of ₹ 182.05 lacs from Andhra Pradesh Beverage Corporation Ltd and unsecured advances given to suppliers of ₹ 210.99 which are long overdue and doubtful of recovery. The management has not considered any provision for allowance on doubtful trade receivables (expected credit loss) and advances though it is long overdue. In absence of sufficient appropriate audit evidence and balance confirmations, we are unable to verify the recoverability amount of the trade receivables and advances.

Note no. 34(a) of Prag as described above is reproduced as note no. 47(a) to the consolidated audited financial statements.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### MATERIAL UNCERTAINTY RELATED TO GOING CONCERN IN RESPECT OF SUBSIDIARIES:

- a. The following paragraph in respect of material uncertainty related to going concern was included in the audit report dated May 15, 2023 issued on the financial statements of PunjabExpo Breweries Pvt. Ltd. ("PunjabExpo"), a subsidiary company of the Holding Company issued by an Independent firm of Chartered Accountants, is reproduced as under:

We draw attention to Note no. 33 of the financial statements which indicates that the Company has incurred a net loss of ₹ 2,522.97 lacs during the current year. The Company has

accumulated losses of ₹ 5,431.63 lacs and its net worth has been fully eroded as at March 31, 2023. These conditions indicate that a material uncertainty exists that may cast a significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of this matter.

Note no. 33 of Punjab expo as described above is reproduced as note no. 45 to the consolidated audited financial statements.

- b. The following paragraph in respect of Material uncertainty related to going concern was included in the audit report dated May 15, 2023 issued on the financial statements of Prag Distillery (P) Ltd ("Prag"), a subsidiary company of the Holding Company issued by an Independent firm of Chartered Accountants, is reproduced as under:

We draw attention to note no. 34(b) in the financial statements which states that the Company has filed an application for withdrawal of Liquidation under the provisions of Insolvency and Bankruptcy Code 2016 (the Code) and the Board of Directors of the Company have been suspended. Further the Company has accumulated losses of ₹ 11,399.50 lacs and net worth has been fully eroded as at March 31, 2023. The uncertainty of the outcome of the NCLT proceedings and other events as mentioned above, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Note no. 34(b) of Prag as described above is reproduced as note no. 47(b) to the consolidated audited financial statements.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

## PROVISIONS FOR CONTINGENCIES AND LITIGATIONS AND DISCLOSURE OF CONTINGENT LIABILITIES

### Description of Key Audit Matter:

As at March 31, 2023, the Group has exposures towards litigations relating to various matters as set out in the Notes below. Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws / regulations, it is considered to be a Key Audit Matter.

Refer Note no. 30, 44 and 1.4 (vii) of financial statements and accounting policies for contingent liabilities, provisions, and related disclosures.

### Auditor's response:

Our audit procedures included the following:

- We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations;
- We have reviewed the legal and other professional expenses and enquired with the management for recent developments and the status of the material litigations which were reviewed;
- We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities / other significant litigations disclosed in the standalone financial statements;
- We used auditor's experts / specialists to gain an understanding and to evaluate the disputed tax matters;
- We considered external legal opinions, where relevant, obtained by management;
- We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates / judgements;
- We evaluated management's assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered to be remote by the management; and
- We assessed the adequacy of the Group's disclosures

Based on the above work performed, the assessment in respect of litigations and related disclosures relating to contingent liabilities / other significant litigations in the standalone financial statements is considered to be reasonable.

### **INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Management and Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we are made available the Board Report, if based on the work performed and based on the work done / audit report of other auditors we conclude that there is a material misstatement of this other information we are required to report the fact.

### **RESPONSIBILITY OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether

due to fraud or error, which have been used for the purposes of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, management of the respective Companies included in the Group are responsible for assessing the ability of the respective Companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management and Boards of Directors either intend to liquidate their respective Companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary Companies incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the entity included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub-paragraph (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

## OTHER MATTERS

- a) We did not audit the financial statements / information of 8 subsidiaries included in the consolidated financial statements whose Ind AS financial statements include total assets of ₹ 3,764.51 lacs as at March 31, 2023 and total revenue of ₹ 1,053.47 lacs and total loss of ₹ 12,602.00 lacs including other comprehensive income for the year ended March 31, 2023 as considered in the consolidated annual financial statements. These Financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the Consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of section 143 (3) of the Act insofar as it relates to the aforesaid subsidiaries is based solely on the reports of such auditors. Our opinion on the consolidated Ind As financial statements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of other auditors.
- b) The Consolidated financial statements also include Group's share of loss / profit ₹ Nil for the year ended March 31, 2023 as considered in the consolidated financial statements in respect of 1 Associate whose financial statements have not been audited by us. The Financial Statements / information of the Associate is not available and the Group has provided its share of loss to the extent of the Investment. In our opinion and according to the information and explanation given to us by the management this financial statements / information are not material to the Group. Our opinion is not modified in respect of the above matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company and its subsidiaries incorporated in India and relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Company and reports other auditors.
  - c) The consolidated balance sheet, the statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account maintained by the Company and its subsidiaries incorporated in India including the relevant records relating to the preparation of the aforesaid consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India, none of the directors of the Company and its subsidiaries incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act except for Prag Distillery Private Limited, which has filed an application for withdrawal from the liquidation process under the Insolvency and Bankruptcy Code 2016 (the Code) and the Board of Directors of Prag are under suspension. Hence no written representations are received from the directors of Prag as on March 31, 2023 in terms of Section 164 (2) of the Act.
  - g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of such controls.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the Holding Company to the directors during the year is in accordance with the provisions of section 197 of the Act.

- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group.

- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company.

- iv. (a) The respective Managements of the Holding Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Holding Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiary from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. (a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Holding Company did not declare any interim dividend in the current year.
- (c) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Holding Company and its subsidiaries with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023
2. With respect to the matters specified in paragraphs 3(XXI) and 4 of the Companies (Auditor’s Report) Order, 2020 (the “Order”/ “CARO”) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor’s report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except as below.

Name of the entity	CIN	Relationship	Clause number of the CARO report.
Tilaknagar Industries Ltd.	L15420PN1933PLC133303	Holding Company	Clause iii ^
PunjabExpo Breweries Private Limited	U15531PN1997PTC143390	Wholly owned Subsidiary	Clause iii ^ Clause xvii ^^ Clause xix ^^^
Prag Distillery Private Limited	U15512PN2005PTC133636	Wholly owned Subsidiary	Clause xvii ^^ Clause xix ^^^

^Clause pertains to loans granted to parties

^^Clause pertains to cash losses incurred

^^^Clause pertains to material uncertainty related to going concern

For **Harshil Shah & Company**  
Chartered Accountants  
ICAI Firm Reg. No. 141179W

**Harshil Shah**  
Partner

Membership No. 124146

ICAI UDIN : 23124146BGWXGP8748

Place : Mumbai

Date : May 16, 2023

## Annexure - A to the Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

#### OPINION

In conjunction with our audit of the consolidated financial statements of **Tilaknagar Industries Ltd.** (herein after referred to as "the Holding Company) as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and its subsidiaries incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over

Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls system over Financial Reporting with reference to Consolidated Financial statements.

#### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and



directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods

are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Harshil Shah & Company**  
Chartered Accountants  
ICAI Firm Reg. No. 141179W

**Harshil Shah**  
Partner

Place : Mumbai

Membership No. 124146

Date : May 16, 2023

ICAI UDIN : 23124146BGWXGP8748

# Consolidated Balance Sheet

as at March 31, 2023

		(₹ in lacs)	
	Note No.	As at March 31, 2023	As at March 31, 2022
<b>I ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2a	41,752.21	43,876.18
Capital Work-in-Progress	2a(i)	10.62	10,021.69
Right of Use Assets	2b	219.16	17.74
Other Intangible Assets	2c	31.22	33.74
Financial Assets			
Investments	3	53.79	3.77
Loans	4	13.39	-
Other Financial Assets	5	2,850.38	4,144.50
Deferred Tax Assets (Net)	6	-	-
Other Non-Current Assets	7	645.91	915.08
Non-Current Tax Assets (Net)	28	428.89	312.52
		<b>46,005.57</b>	<b>59,325.22</b>
<b>Current Assets</b>			
Inventories	8	11,620.93	7,231.90
Financial Assets			
Investments	3	2,206.98	-
Trade Receivables	9	33,881.17	23,676.60
Cash and Cash Equivalents	10a	3,481.43	4,274.01
Other Bank Balances	10b	935.88	2,788.47
Loans	4	1.61	-
Other Financial Assets	5	771.15	1,699.76
Other Current Assets	7	2,248.92	2,332.13
		<b>55,148.07</b>	<b>42,002.87</b>
<b>TOTAL ASSETS</b>		<b>101,153.64</b>	<b>101,328.09</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	11	18,534.00	15,862.18
Other Equity	12	29,757.64	(2,510.77)
		<b>48,291.64</b>	<b>13,351.41</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	13	2,400.65	38,099.47
Lease Liabilities	31	213.75	7.37
Other Financial Liabilities	14	6,427.29	4,018.06
Provisions	15	410.09	474.03
Deferred Tax Liabilities (Net)	6	-	-
Other Non-Current Liabilities	16	-	1,452.50
		<b>9,451.78</b>	<b>44,051.43</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	13	22,910.91	20,398.02
Lease Liabilities	31	28.34	13.04
Trade Payables			
Total outstanding dues of micro & small enterprises	17	3,441.94	2,372.01
Total outstanding dues of creditors other than micro & small enterprises	17	9,473.41	14,758.61
Other Financial Liabilities	14	2,959.71	1,774.68
Provisions	15	3,371.60	2,628.98
Current Tax Liabilities (Net)	28	-	-
Other Current Liabilities	16	1,224.31	1,979.91
		<b>43,410.22</b>	<b>43,925.25</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>101,153.64</b>	<b>101,328.09</b>

Significant accounting policies

1

The accompanying notes are an integral part of the financial statements

2-52

As per our Report of even date annexed.

For and on behalf of the Board of Directors

**For Harshil Shah & Company**

Chartered Accountants  
Firm Registration No.141179W

**Harshil Shah**

Partner  
Membership No.124146

**Amit Dahanukar**

Chairman & Managing Director  
(DIN: 00305636)

**Abhinav Gupta**

Chief Financial Officer

**C. V. Bijlani**

Director  
(DIN:02039345)

**Dipti Todkar**

Company Secretary

Place : Mumbai

Date : May 16, 2023

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
(₹ in lacs)			
<b>INCOME</b>			
Revenue from Operations			
Sale of Products	18	246,072.31	178,805.91
Other Operating Income	18.1	855.54	399.96
Other Income	19	750.32	1,046.79
<b>Total Income</b>		<b>247,678.17</b>	<b>180,252.66</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	20	63,328.52	37,798.42
(Increase) / Decrease in Inventories	21	(1,697.75)	442.84
Excise Duty		130,491.54	100,868.62
Employee Benefit Expense	22	3,759.12	3,208.53
Finance Cost	23	4,018.68	6,186.88
Depreciation and Amortisation	2	3,234.60	3,274.25
Other Expenses	24	37,328.06	25,675.43
<b>Total Expenses</b>		<b>240,462.77</b>	<b>177,454.97</b>
<b>Profit / (loss) before exceptional items and tax</b>		<b>7,215.40</b>	<b>2,797.69</b>
Add / (less) : Exceptional Items	46	7,773.94	1,321.51
<b>Profit / (Loss) Before Tax</b>		<b>14,989.34</b>	<b>4,119.20</b>
Less : Tax Expense			
1) Current Tax		-	-
2) Taxes for Earlier Years	28	(0.55)	(399.52)
3) Deferred Tax	27	-	-
<b>Total Tax Expense</b>		<b>(0.55)</b>	<b>(399.52)</b>
<b>Profit / (Loss) After Tax</b>		<b>14,989.89</b>	<b>4,518.72</b>
Less : Share of loss of Joint Venture & Associates		-	-
<b>Profit / (Loss) After Tax</b>		<b>14,989.89</b>	<b>4,518.72</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit &amp; Loss</b>			
Remeasurement of Defined Benefit Plans	32	(51.35)	(39.38)
Tax On Above		-	-
<b>Items that will be reclassified to Profit &amp; Loss</b>			
<b>Total Other Comprehensive Income / (Loss)</b>		<b>(51.35)</b>	<b>(39.38)</b>
<b>Total Comprehensive Income For The Year</b>		<b>14,938.54</b>	<b>4,479.34</b>
<b>Profit / (Loss) After Tax For The Year Attributable To :</b>			
Owners of the Company		14,989.89	4,518.72
Non-Controlling Interest		-	-
<b>Profit / (Loss) After Tax For The Year</b>		<b>14,989.89</b>	<b>4,518.72</b>
<b>Other Comprehensive Income / (Loss) for the Year attributable to :</b>			
Owners of the Company		(51.35)	(39.38)
Non-Controlling Interest		-	-
<b>Other Comprehensive Income / (Loss) For The Year</b>		<b>(51.35)</b>	<b>(39.38)</b>
<b>Total Comprehensive Income For The Year attributable to :</b>			
Owners of the Company		14,938.54	4,479.34
Non-Controlling Interest		-	-
<b>Total Comprehensive Income For The Year</b>		<b>14,938.54</b>	<b>4,479.34</b>
Earnings per equity share	40		
1) Basic		8.79	3.15
2) Diluted		8.56	3.08

Significant accounting policies

The accompanying notes are an integral part of the financial statements

1  
2-52

As per our Report of even date annexed.

For and on behalf of the Board of Directors

**For Harshil Shah & Company**

Chartered Accountants  
Firm Registration No.141179W

**Amit Dahanukar**

Chairman & Managing Director  
(DIN: 00305636)

**C. V. Bijlani**

Director  
(DIN:02039345)

**Harshil Shah**

Partner  
Membership No.124146

**Abhinav Gupta**

Chief Financial Officer

**Dipti Todkar**

Company Secretary

Place : Mumbai

Date : May 16, 2023

# Consolidated Statement of Cash Flow

for the year ended March 31, 2023

(₹ in lacs)

	Year ended March 31, 2023		Year ended March 31, 2022	
<b>A) Cash flow from Operating activities</b>				
Net profit (Loss) before tax		14,989.34		4,119.20
Adjustment for:				
Exceptional Items-Creditors - Written Back	(5,132.93)		-	
Exceptional Items- unsustainable balance debts -Written Back / gain on write back on loans	(12,662.71)		(1,321.51)	
Exceptional Items- Provision	10,021.69		-	
Depreciation & Amortisation	3,234.60		3,274.25	
Loss / (Profit) on sale of assets	3.26		(1.12)	
Unrealised (Gain) / Loss on Investment	(31.56)		-	
Loss / (Profit) on sale of investments	(75.85)		(32.50)	
Excess Provision written back	(424.19)		(466.52)	
Allowance for doubtful advances / Deposits	23.04		673.34	
Bad Debts	20.93		-	
Provision for non-moving and obsolete inventories	46.95		296.55	
Advances written off	5.77		37.79	
Sundry balances written back	-		(75.97)	
Expected Credit Loss / (Write Back)	335.66		(242.60)	
Unrealised Foreign Exchange Fluctuation (Gain) / Loss	6.91		170.93	
Employee stock option expenses	349.55		364.91	
Finance Costs	4,018.67		6,186.88	
Dividend Income	(0.03)		-	
Interest income	(205.77)	(466.01)	(175.07)	8,689.36
<b>Operating Profit before working capital changes</b>		<b>14,523.33</b>		<b>12,808.56</b>
Adjustment for:				
(Decrease) / Increase in trade payables, current liabilities, provisions and other financial liabilities	6,096.21		(5,089.38)	
(Increase) / Decrease in financial assets, loans and advances and other assets	1,629.26		3,969.59	
(Increase) / Decrease in inventories	(4,435.98)		(320.84)	
(Increase) / Decrease in trade receivables	(10,568.07)	(7,278.58)	(5,323.82)	(6,764.45)
Direct taxes (net) refund / (paid)		(115.82)		466.48
<b>Net Cash from Operating activities</b>		<b>7,128.93</b>		<b>6,510.59</b>
<b>B) Cash Flow from Investing activities</b>				
Purchase of property, plant and equipment	(1,087.89)		(334.92)	
Sale of property, plant and equipment	19.49		2.54	
Investment in equity shares of other entity	(50.02)		-	
Purchase of investments in Mutual Fund	(8,499.58)		(6,999.65)	
Sale of investments in Mutual Fund	6,400.00		7,032.15	
(Increase) / Decrease in other bank balances	1,850.38		(2,463.98)	
Loans given to employees	(15.00)		-	
Dividend received	0.03		-	
Interest Received	205.77		175.07	
<b>Net Cash from Investing Activities</b>		<b>(1,176.82)</b>		<b>(2,588.79)</b>

# Consolidated Statement of Cash Flow

For the year ended March 31, 2023

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>C) Cash Flow from Financing activities</b>		
Proceeds from issue of shares including application money	19,817.49	9,219.02
Proceeds from borrowings	2,325.00	7,629.47
Repayment of borrowings including current maturities	(24,942.51)	(15,077.51)
Principal payment of lease liabilities	(52.91)	(51.84)
Payment of dividend / unclaimed dividend	(160.96)	(11.85)
Finance costs paid	(3,730.80)	(5,841.48)
<b>Net Cash from Financing Activities</b>	<b>(6,744.69)</b>	<b>(4,134.19)</b>
<b>Net increase in Cash &amp; Cash equivalents (A+B+C)</b>	<b>(792.58)</b>	<b>(212.39)</b>
Opening cash & cash equivalents	4,274.01	4,486.40
<b>Closing cash &amp; cash equivalents</b>	<b>3,481.43</b>	<b>4,274.01</b>

## Notes :

### (a) Cash and cash equivalents comprises of

(₹ in lacs)

	As at March 31, 2023	As at March 31, 2022
i) Balances with Banks		
In Current Accounts	515.98	4,189.36
ii) Short-Term Bank Deposits (Maturity within 3 months)	2,956.18	73.95
iii) Cash on Hand	9.27	10.70
	<b>3,481.43</b>	<b>4,274.01</b>

### (b) Change in liability arising from financing activities

(₹ in lacs)

Change in liability arising from financing activities	As at April 01, 2022	Cash Flow (net)	Non Cash Flow	As at Mar 31, 2023
Borrowings (Refer Note 13)	58,497.49	(26,348.31)	(6,837.62)	25,311.56

(c) the above Consolidated statement of cash flow have been prepared under the "indirect method" as set out in Ind AS 7, "Statement of cash flow"

(d) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

#### For Harshil Shah & Company

Chartered Accountants  
Firm Registration No.141179W

#### Harshil Shah

Partner  
Membership No.124146

Place : Mumbai

Date : May 16, 2023

For and on behalf of the Board of Directors

#### Amit Dahanukar

Chairman & Managing Director  
(DIN: 00305636)

#### Abhinav Gupta

Chief Financial Officer

#### C. V. Bijlani

Director  
(DIN:02039345)

#### Dipti Todkar

Company Secretary

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

## A) EQUITY SHARE CAPITAL

(₹ in lacs)

	As at March 31, 2023	As at March 31, 2022
<b>Balance as at April 01</b>	<b>15,862.18</b>	<b>12,543.46</b>
Changes in equity share capital due to prior period errors	-	-
<b>Restated balance as at April 01</b>	<b>15,862.18</b>	<b>12,543.46</b>
Changes in equity share capital during the year	2,671.82	3,318.72
<b>Balance as at March 31</b>	<b>18,534.00</b>	<b>15,862.18</b>

## B) OTHER EQUITY

### 1) Current Reporting Period (2022-2023)

(₹ in lacs)

	Reserves and Surplus						Total
	Securities Premium Account	General Reserve	Capital Reserve	Share Based Payments Reserve	Retained Earnings	Money Received against Share Warrants	
<b>Balance at the beginning of the current reporting period</b>	<b>29,699.61</b>	<b>1,599.12</b>	<b>18.97</b>	<b>460.81</b>	<b>(35,514.28)</b>	<b>1,225.00</b>	<b>(2,510.77)</b>
Changes in Accounting Policies or prior period errors	-	-	-	-	-	-	-
<b>Restated balances at the beginning of the current reporting period</b>	<b>29,699.61</b>	<b>1,599.12</b>	<b>18.97</b>	<b>460.81</b>	<b>(35,514.28)</b>	<b>1,225.00</b>	<b>(2,510.77)</b>
Profit / (Loss) after tax	-	-	-	-	14,989.89	-	14,989.89
Remeasurement of defined benefit plans	-	-	-	-	(51.35)	-	(51.35)
Exercise of Employee Stock Options	197.50	-	-	(197.50)	-	-	-
Share based payment reserve created during the year	-	-	-	349.55	-	-	349.55
Transfer to General Reserve	-	-	-	-	-	-	-
Allotment of shares to employees & Others	17,491.51	-	-	-	-	-	17,491.51
Further warrants issued	-	-	-	-	-	937.50	937.50
Conversion of warrants into equity shares	-	-	-	-	-	(1,283.33)	(1,283.33)
Dividend on Equity Shares	-	-	-	-	(165.36)	-	(165.36)
<b>Balance at the end of the current reporting period</b>	<b>47,388.62</b>	<b>1,599.12</b>	<b>18.97</b>	<b>612.86</b>	<b>(20,741.10)</b>	<b>879.17</b>	<b>29,757.64</b>

# Consolidated Statement of Changes in Equity

For the year ended March 31, 2023

## 2) Previous Reporting Period (2021-2022)

(₹ in lacs)

	Reserves and Surplus						Total
	Securities Premium Account	General Reserve	Capital Reserve	Share Based Payments Reserve	Retained Earnings	Money Received against Share Warrants	
<b>Balance at the beginning of the previous reporting period</b>	<b>19,950.43</b>	<b>1,520.24</b>	<b>18.97</b>	<b>388.68</b>	<b>(39,993.62)</b>	-	<b>(18,115.30)</b>
Changes in Accounting Policies or prior period errors	-	-	-	-	-	-	-
<b>Restated balances at the beginning of the current reporting period</b>	<b>19,950.43</b>	<b>1,520.24</b>	<b>18.97</b>	<b>388.68</b>	<b>(39,993.62)</b>	-	<b>(18,115.30)</b>
Profit / (Loss) after tax	-	-	-	-	4,518.72	-	4,518.72
Remeasurement of defined benefit plans	-	-	-	-	(39.38)	-	(39.38)
Exercise of Employee Stock Options	213.90	-	-	(213.90)	-	-	-
Share based payment reserve created during the year	-	-	-	364.91	-	-	364.91
Transfer to General Reserve	-	78.88	-	(78.88)	-	-	-
Allotment of shares to employees & Others	9,535.28	-	-	-	-	-	9,535.28
Further warrants issued	-	-	-	-	-	1,575.00	1,575.00
Conversion of warrants into equity shares	-	-	-	-	-	(350.00)	(350.00)
<b>Balance at the end of the previous reporting period</b>	<b>29,699.61</b>	<b>1,599.12</b>	<b>18.97</b>	<b>460.81</b>	<b>(35,514.28)</b>	<b>1,225.00</b>	<b>(2,510.77)</b>

As per our Report of even date annexed.

**For Harshil Shah & Company**  
Chartered Accountants  
Firm Registration No.141179W

**Harshil Shah**  
Partner  
Membership No.124146

Place : Mumbai  
Date : May 16, 2023

For and on behalf of the Board of Directors

**Amit Dahanukar**  
Chairman & Managing Director  
(DIN: 00305636)

**Abhinav Gupta**  
Chief Financial Officer

**C. V. Bijlani**  
Director  
(DIN:02039345)

**Dipti Todkar**  
Company Secretary

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 1.1 CORPORATE INFORMATION

Tilaknagar Industries Ltd. ('TI' or 'the 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act and its equity is listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associates. The Group is primarily involved in manufacturing and sale of Indian Made Foreign Liquor (IMFL). The Group has a strong and diverse portfolio of brands in various liquor categories including brandy, whisky, vodka, gin, and rum.

## 1.2 BASIS OF CONSOLIDATION

### a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter Company transactions, balances and unrealised gains on transactions between Group Companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### b) Non - controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### c) Associates

Associates are all entities over which the Group has significant influence but not control or joint control over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees until the date on which significant influence ceases.

### d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

### e) Transactions eliminated on consolidation

Intra Group balances and transactions, and any unrealised income and expenses arising from intra Group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the Investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## f) Subsidiaries and associate companies considered in the consolidated financial statements :

Name of the Company	Country of incorporation	Ownership Interest (in %)		Principal Business
		March 31, 2023	March 31, 2022	
Prag Distillery (P) Ltd.	India	100%	100%	Contract Manufacturing of Indian Made Foreign Liquor
Vahni Distilleries Private Limited	India	100%	100%	Contract Manufacturing of Indian Made Foreign Liquor
Kesarval Springs Distillers Pvt. Ltd.	India	100%	100%	Other Allied activities
PunjabExpo Breweries Private Limited	India	100%	100%	Contract Manufacturing of Indian Made Foreign Liquor
Mykingdom Ventures Pvt. Ltd.	India	100%	100%	Other Allied activities
Studd Projects P. Ltd.	India	100%	100%	Other Allied activities
Srirampur Grains Private Limited	India	100%	100%	Other Allied activities
Shivprabha Sugars Ltd.	India	90%	90%	Other Allied activities
Mason & Summers Marketing Services Pvt. Ltd.	India	26%	26%	Other Allied activities

## g) Principles of consolidation :

These consolidated financial statements have been prepared by consolidation of the financial statements of the Company and its subsidiaries on a line-by-line basis after fully eliminating the inter Company transactions.

## 1.3 BASIS OF PREPARATION

### a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Group's financial statements up to and for the year ended March 31, 2023 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on May 16, 2023.

Details of the Group's accounting policies are included in Note 1.4.

### b) Functional and presentation currency

These financial statements are presented in Indian Rupees (₹) which is also the Group's functional currency. All amounts have been rounded off to two decimal places to the nearest lacs, unless otherwise indicated.

## c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

## d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- 1) Useful life of Property, plant and equipment.
- 2) Useful life of Intangible Assets
- 3) Employee benefit plans
- 4) Provisions and contingent liabilities
- 5) Lease classification
- 6) Income tax

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2023 is included in the following notes:

Note No 30- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

## e) Measurement at fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

**Level 1** : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2** : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

**Level 3** : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## 1.4 SIGNIFICANT ACCOUNTING POLICIES

### i) Property, plant and equipment

#### a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of profit or loss.

#### b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

#### c) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful Life as per Schedule II of the Companies Act, 2013
Factory Buildings	30	30
Plant and equipment (other than ENA plants)	15	15
ENA Plants	20	15
Furniture and Fixtures	10	10
Motor Vehicles	8	8
Office Equipments	5	5
Computers	3	3
Computer server	6	6
Electrical Installations	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

## ii) Intangible assets

### a) Acquired intangible assets

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

### b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in Statement of profit or loss as incurred.

### c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

## iii) Inventories

Inventories are measured at the lower of cost and net realisable value after provision for obsolescence where appropriate. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable values.

The comparison of cost and net realisable value is made on an item-by-item basis.

Scrap is valued at net realisable value.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## iv) Foreign currency transactions

The Group's financial statements are presented in INR, which is also the Group's functional currency.

### Transactions and balances

Monetary items are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## v) Impairment of non-financial assets

An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency. Recoverable value is the higher of the 'Value in Use' and fair value as reduced by cost of disposal. Test of impairment of PPE (Property, Plant & Equipment), investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets and Investment Properties it is undertaken in asset specific context. Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## vi) Employee Benefits

### a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### b) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed

contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

### c) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in statement of profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## d) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

## vii) Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

## viii) Leases

### As a lessee

The Group's leases primarily consist of leases of office premises, warehouses and guest houses. The Group

assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Group recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and / or low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of 3-5 years based on lease term being lower of lease term and estimated useful life of underlying assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in statement of cash flows.

### As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

## ix) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## x) Revenue Recognition

Revenue comprises revenue from contracts with customers for sale of goods. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes, Goods and Services Tax (GST) and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customer, as below:

### a) Revenue from sale of products:

Revenue is recognised at transaction price on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

### b) Income from Royalty and Contract manufacturing

Income from royalties and contract manufacturing are recognised on an accrual basis in accordance with the substance of relevant agreement.

### c) Revenue from manufacture and sale of products from tie-up manufacturing arrangements:

The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), wherein TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from / payable to TMUs are recognised under other financial assets / other financial liabilities respectively.

### d) Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest

income is included under the head "Other income" in the statement of profit and loss.

### e) Dividend

Dividend income is recognized when the Group's right to receive the payment is established, which is generally when the shareholders approve the dividend.

## xi) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the statement of profit and loss on a systematic basis over the periods to which they relate. When the grant relates to an asset, it is treated as deferred income and recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

## xii) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

### a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

### b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Group offsets the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

## xiii) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss after tax attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss after tax attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

## xiv) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. Cash and cash equivalents are cash, balances with bank and short-term (three months or less from the date of placement), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

## Amendment to Ind AS 7

Effective April 1, 2017, the Group adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

## xv) Share based payments

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. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## xvi) Financial instruments

### a) Recognition and initial measurement

The Group initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

### b) Classification and subsequent measurement

#### Financial assets

##### Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

## Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

In case, the fair value of a financial asset or financial liability, at initial recognition, differs from the transaction price, the difference between the fair value at initial recognition and the transaction price -

- (i) is recognised as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation.
- (ii) is deferred and is recognised as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. The unamortised portion of the deferred fair value gain / loss difference as on reporting date, is disclosed under other current / non-current assets / liabilities as the case may be.

## c) Derecognition

### Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the

contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Group assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

- 12 months expected credit losses, or
- Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the Group does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

## Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

## d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## xvii) Recent amendments to Indian Accounting Standards:

On March 31, 2023, Ministry of Corporate Affairs ('MCA') issued the Companies (Indian Accounting Standards) Amendment Rules, 2023 ('the Rules'), applicable for annual reporting periods beginning on or after April 01, 2023, which are as below:

### 1 Ind AS 1 – Presentation of Financial Statements:

Entities are required to disclose its 'material accounting policy information' instead of its 'significant accounting policies'. Guidance has been added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material. The amendments also clarify that –

- a. accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- b. accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- c. if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

These amendments are not expected to have a material impact on the financial statements of the Company and the management will evaluate the disclosures requirements for the subsequent annual financial reporting

### 2 Ind AS 8 – Accounting policies, Changes in Accounting estimates and Error:

The definition of 'change in accounting estimates' is replaced with a definition of 'accounting estimates'. As per the new definition accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The amendments have also added explanation for treatment and recognition of changes in accounting estimates.

These amendments are not expected to have a material impact on the financial statements of the Company.

### 3 Ind AS 12 – Income taxes:

Transactions which give rise to equal taxable and deductible temporary differences (at time of the transaction) have been added to exceptions to the initial recognition exemption provided in the Ind AS 12. The amendments also apply to taxable and deductible temporary differences associated with right-of-use assets and lease liabilities, and decommissioning obligations and corresponding amounts recognised as assets at the beginning of the earliest comparative period presented and requires recognition of the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The Company is in the process of evaluating the impact of these amendments, however, these amendments are not expected to have a material impact on the financial statements of the Company as the Company already recognised the deferred taxes associated with right-of-use assets and lease liabilities that are already aligned with the proposed amendments.

### 4 Amendments pertaining to other Ind AS

[i.e. Ind AS 101 – First Time Adoption of Indian Accounting Standards, Ind AS 102 – Share-based Payments, Ind AS 103 – Business Combinations, Ind AS 107 – Financial Instruments Disclosures, Ind AS 109 – Financial Instruments and Ind AS 115 – Revenue from Contracts with Customers] contained the said Rules are in the nature of either certain corrections of errors or consequential cross reference in respect of the above mentioned amendments and do not have impact on accounting principles.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 2 PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

	Gross Block		Depreciation and Amortisation				Net Block	
	As at April 01, 2022	As at Mar 31, 2023	As at April 01, 2022	For the year	As at Mar 31, 2023	As at Mar 31, 2022	As at Mar 31, 2023	
<b>a) Property, Plant and Equipment</b>								
Land	13,698.16	13,826.16	-	-	-	-	13,698.16	
Buildings	10,202.82	10,202.82	3,739.83	280.06	4,019.89	6,182.93	6,462.99	
Roads & Bridges	182.69	843.98	148.29	25.45	173.74	670.24	34.40	
Leasehold Improvement	42.00	42.00	33.09	4.03	37.12	4.88	8.91	
Plant and Equipment	51,733.67	51,953.75	28,761.68	2,674.82	31,430.13	20,523.60	22,971.99	
Tools & Equipments	0.37	0.37	0.23	0.02	0.25	0.12	0.14	
Furniture and Fixtures	337.98	361.26	290.63	18.65	309.28	51.98	47.35	
Motor Vehicles	392.91	329.65	336.04	4.58	298.10	31.55	56.87	
Office Equipment	322.09	330.36	303.90	3.52	307.42	22.94	18.19	
Computers	929.76	957.72	887.62	9.48	897.10	60.62	42.14	
Electrical Installation	1,859.80	1,859.80	1,325.01	157.85	1,482.86	376.94	534.79	
Library Books	0.28	0.28	0.28	-	0.28	-	-	
Live Stock	0.25	0.25	-	-	-	0.25	0.25	
<b>Total Property, Plant and Equipment</b>	<b>79,702.78</b>	<b>80,708.40</b>	<b>35,826.60</b>	<b>3,178.46</b>	<b>38,956.17</b>	<b>41,752.21</b>	<b>43,876.18</b>	
<b>b) Right Of Use Asset</b>								
Premises	118.47	373.52	100.74	53.62	154.36	219.16	17.74	
<b>Total Right Of Use Asset</b>	<b>118.47</b>	<b>373.52</b>	<b>100.74</b>	<b>53.62</b>	<b>154.36</b>	<b>219.16</b>	<b>17.74</b>	
<b>c) Intangible Assets</b>								
Brands	3,345.07	3,345.07	3,345.07	-	3,345.07	-	-	
Software	600.49	600.49	566.75	2.52	569.27	31.22	33.74	
Product Development	173.94	173.94	173.94	-	173.94	-	-	
<b>Total Intangible Assets</b>	<b>4,119.50</b>	<b>4,119.50</b>	<b>4,085.76</b>	<b>2.52</b>	<b>4,088.28</b>	<b>31.22</b>	<b>33.74</b>	
<b>Grand Total</b>	<b>83,940.75</b>	<b>85,201.42</b>	<b>40,013.10</b>	<b>3,234.60</b>	<b>43,198.81</b>	<b>42,002.59</b>	<b>43,927.66</b>	

Note: The title deeds of the immovable properties are held in the name of the Company.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

## 2 PROPERTY, PLANT AND EQUIPMENT (Previous Financial Year 2021-22)

(₹ in lacs)

	Gross Block			Depreciation and Amortisation			Net Block	
	As at April 01, 2021	Additions	Deductions	As at April 01, 2021	For the year	As at Mar 31, 2022	As at Mar 31, 2022	As at March 31, 2021
<b>a) Property, Plant and Equipment</b>								
Land	13,698.16	-	-	-	-	-	13,698.16	13,698.16
Buildings	10,202.82	-	-	3,459.77	280.06	3,739.83	6,462.99	6,743.05
Roads & Bridges	182.69	-	-	114.89	33.40	148.29	34.40	67.80
Lease Hold Improvement	42.00	-	-	29.06	4.03	33.09	8.91	12.94
Plant and Equipment	51,405.62	328.05	-	26,049.23	2,712.45	28,761.68	22,971.99	25,356.39
Tools & Equipments	0.37	-	-	0.21	0.02	0.23	0.14	0.16
Furniture and Fixtures	337.39	0.59	-	272.31	18.32	290.63	47.35	65.08
Motor Vehicles	421.38	-	28.47	349.97	13.12	336.04	56.87	71.41
Office Equipment	319.84	2.25	-	300.69	3.21	303.90	18.19	19.15
Computers	927.23	2.53	-	880.93	6.69	887.62	42.14	46.30
Electrical Installation	1,859.80	-	-	1,163.74	161.27	1,325.01	534.79	696.06
Library Books	0.28	-	-	0.28	-	0.28	-	-
Live Stock	0.25	-	-	-	-	-	0.25	0.25
<b>Total Property, Plant and Equipment</b>	<b>79,397.83</b>	<b>333.42</b>	<b>28.47</b>	<b>32,621.08</b>	<b>27.05</b>	<b>35,826.60</b>	<b>43,876.18</b>	<b>46,776.75</b>
<b>b) Right Of Use Asset</b>								
Premises	121.05	17.04	19.62	76.66	13.83	100.74	17.74	44.39
<b>Total Right Of Use Asset</b>	<b>121.05</b>	<b>17.04</b>	<b>19.62</b>	<b>76.66</b>	<b>13.83</b>	<b>100.74</b>	<b>17.74</b>	<b>44.39</b>
<b>c) Intangible Assets</b>								
Brands	3,345.07	-	-	3,345.07	-	3,345.07	-	-
Software	598.98	1.51	-	562.98	3.77	566.75	33.74	36.00
Product Development	173.94	-	-	173.94	-	173.94	-	-
<b>Total Intangible Assets</b>	<b>4,117.99</b>	<b>1.51</b>	<b>-</b>	<b>4,081.99</b>	<b>3.77</b>	<b>4,085.76</b>	<b>33.74</b>	<b>36.00</b>
<b>Grand Total</b>	<b>83,636.87</b>	<b>351.97</b>	<b>48.09</b>	<b>36,779.73</b>	<b>40.88</b>	<b>40,013.10</b>	<b>43,927.66</b>	<b>46,857.14</b>

Note: The title deeds of the immovable properties are held in the name of the Company.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 2a(i) CAPITAL WORK-IN-PROGRESS

(₹ in lacs)

	Year Ended, March 31, 2023	Year Ended, March 31, 2022
<b>Opening Carrying value as at April 1</b>	<b>10,021.69</b>	<b>10,010.03</b>
Additions / Adjustments	10.62	11.66
Transfer to property , Plant and Equipment	-	-
Impairment of Capital Work in Progress	(10,021.69)	-
<b>Closing Carrying value as at March 31</b>	<b>10.62</b>	<b>10,021.69</b>

### Ageing Schedule

As on March 31, 2023

(₹ in lacs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project Temporarily Suspended		11.66	(25.94)	10,035.97	10,021.69
(Including forex adjustment)					-
Project in Progress	10.62	-	-	-	10.62
<b>Total</b>	<b>10.62</b>	<b>11.66</b>	<b>(25.94)</b>	<b>10,035.97</b>	<b>10,032.31</b>
Less: Impairment					(10,021.69)
<b>Total</b>					<b>10.62</b>

### Ageing Schedule

As on March 31, 2022

(₹ in lacs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project Temporarily Suspended	11.66	(25.94)	119.21	9,916.76	10,021.69
(Including forex adjustment)					
<b>Total</b>	<b>11.66</b>	<b>(25.94)</b>	<b>119.21</b>	<b>9,916.76</b>	<b>10,021.69</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 3 INVESTMENTS

(₹ in lacs)

	As at March 31, 2023		As at March 31, 2022	
<b>Non-Current Investments</b>				
<b>I) Investments measured at Cost</b>	<b>Nos.</b>		<b>Nos.</b>	
<b>Investment in Associate (Unquoted)</b>				
<b>Investment in Equity Instruments</b>				
<b>Equity shares of ₹ 10/- each</b>				
Mason & Summers Marketing Services Pvt. Ltd.	130,000	169.00	130,000	169.00
Less: Impairment in value of Investments		(169.00)		(169.00)
		-		-
<b>II) Investments measured at Amortised Cost</b>				
<b>Investment in Government Securities (Unquoted)</b>				
7 Year National Savings Certificates (Certificates worth ₹ 44,000/- deposited with Government authorities)		0.51		0.51
6 Year National Savings Certificates (deposited with Government authorities)		0.04		0.04
		<b>0.55</b>		<b>0.55</b>
<b>III) Investments measured at Fair Value through other comprehensive income (FVOCI)</b>				
<b>Investment in Equity Instruments (Unquoted)</b>				
<b>Equity shares of ₹ 100/- each</b>				
Mula Pravara Electric Co-operative Society Ltd.	2,462	2.53	2,462	2.53
Shree Suvarna Sahakari Bank Ltd.	20	0.02	20	0.02
Maharashtra State Financial Corporation	115	0.12	115	0.12
Rupee Co-op Bank Ltd.	1,000	0.25	1,000	0.25
Shamrao Vithal Co-operative Bank Ltd.	3,000	0.30	3,000	0.30
<b>Equity shares of ₹ 10/- each</b>				
Incredible Spirits P. Ltd.	1,599	50.02	-	-
		<b>53.24</b>		<b>3.22</b>
		<b>53.79</b>		<b>3.77</b>
<b>Aggregate of unquoted investments</b>		53.79		3.77
<b>Category wise Non-Current Investments</b>				
Financial Investments measured at Cost		169.00		169.00
Financial Investments measured at Amortised Cost		0.55		0.55
Financial Investments measured at Fair Value through other comprehensive income (FVOCI)		53.24		3.22
Impairment in value of Investments		(169.00)		(169.00)
		<b>53.79</b>		<b>3.77</b>
<b>Current Investments</b>				
<b>Investment measured at fair value through Profit &amp; Loss</b>				
<b>Investment in Mutual Fund (Quoted)</b>				
HDFC Mutual Funds	66,306.80	2,206.98	-	-
		<b>2,206.98</b>		-
<b>Aggregate of quoted investments</b>		2,206.98		-

**Note:-**

# During the year company purchased and sold Mutual Funds of ₹ 8,499.58 lacs (P.Y. ₹ 6,999.65) and ₹ 6,400.00 (P.Y. ₹ 7,032.15 lacs) respectively.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 4 LOANS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Unsecured,</b>				
Considered good				
Employee Loan	13.39	-	1.61	-
	<b>13.39</b>	<b>-</b>	<b>1.61</b>	<b>-</b>

## 5 OTHER FINANCIAL ASSETS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Term Bank Deposits	183.63	1,733.99	-	-
(Maturity exceeding 12 months)				
Advance to Employees	-	-	17.70	22.19
Deposits	4,759.29	4,503.05	-	-
Others	1,511.93	1,511.93	753.45	1,677.57
	<b>6,454.85</b>	<b>7,748.97</b>	<b>771.15</b>	<b>1,699.76</b>
Less : Allowance for doubtful deposits	(2,108.42)	(2,108.42)	-	-
Less : Allowance for doubtful other financial assets	(1,496.05)	(1,496.05)	-	-
	<b>2,850.38</b>	<b>4,144.50</b>	<b>771.15</b>	<b>1,699.76</b>

### 5.1 Movement in loss allowance for doubtful deposits is provided below :

(₹ in lacs)

Particulars	Non-Current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Balance at the beginning of the year</b>	<b>2,108.42</b>	<b>2,078.42</b>	-	-
Loss allowance (net)	-	30.00	-	-
Write off	-	-	-	-
<b>Balance at the end of the year</b>	<b>2,108.42</b>	<b>2,108.42</b>	-	-

### 5.2 Movement in loss allowance for doubtful other financial assets is provided below :

(₹ in lacs)

Particulars	Non-Current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Balance at the beginning of the year</b>	<b>1,496.05</b>	<b>1,488.20</b>	-	-
Loss allowance (net)	-	7.85	-	-
Write off	-	-	-	-
<b>Balance at the end of the year</b>	<b>1,496.05</b>	<b>1,496.05</b>	-	-

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 6 DEFERRED TAX ASSETS / LIABILITIES (NET)

(₹ in lacs)

Particulars	Non-Current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Deferred Tax Assets / Liabilities (Net) (Refer Note 27)	-	-	-	-

## 7 OTHER ASSETS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good</b>				
Capital advances	213.95	103.40	-	-
Balance with Government Authorities / Others	608.93	1,061.31	550.98	1,233.28
Deposits with Court	4.33	4.33	-	-
Advances to Suppliers	-	-	5,661.88	5,217.53
Prepaid Expense	-	-	977.34	667.89
	<b>827.21</b>	<b>1,169.04</b>	<b>7,190.20</b>	<b>7,118.70</b>
Less : Allowance for doubtful advances / Balance with Government Authorities	(181.30)	(253.96)	(4,941.28)	(4,786.57)
	<b>645.91</b>	<b>915.08</b>	<b>2,248.92</b>	<b>2,332.13</b>

### 7.1 Movement in loss allowance for Balance with Government Authorities & doubtful advances is provided below :

(₹ in lacs)

Particulars	Non-Current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Balance at the beginning of the year</b>	<b>253.96</b>	<b>181.30</b>	<b>4,786.57</b>	<b>4,546.47</b>
Loss allowance (net)	-	72.66	154.71	240.10
Write off	(72.66)	-	-	-
<b>Balance at the end of the year</b>	<b>181.30</b>	<b>253.96</b>	<b>4,941.28</b>	<b>4,786.57</b>

## 8 INVENTORIES

(₹ in lacs)

	As at March 31, 2023	As at March 31, 2022
(At lower of cost and net realisable value)		
Raw Materials	1,284.57	1,525.81
Stores, Spares and Packing Materials	4,786.46	1,853.95
Work-In-Progress	461.59	356.80
Finished Goods	5,088.31	3,495.34
	<b>11,620.93</b>	<b>7,231.90</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 8.1 Amounts recognised in the Statement of Profit and Loss:

Provision for non-moving and obsolete inventories for the year amounting to ₹ 46.95 lacs (P.Y ₹ 296.55 lacs) has been recognised as an expense during the year and is included in Other Expenses in the Statement of Profit and Loss.

## 9 TRADE RECEIVABLES

(₹ in lacs)

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	34,314.11	23,830.64
Significant Credit Risk	669.49	612.73
Credit Impaired	-	-
	<b>34,983.60</b>	<b>24,443.37</b>
Less: Expected Credit Loss	1,102.43	766.77
	<b>33,881.17</b>	<b>23,676.60</b>

**Movement in Expected Credit Loss for Trade Receivables is provided below :**

(₹ in lacs)

Particulars	March 31, 2023	March 31, 2022
<b>Balance at the beginning of the year</b>	<b>766.77</b>	<b>1,009.37</b>
Loss allowance (net)	335.66	(242.60)
Write off	-	-
<b>Balance at the end of the year</b>	<b>1,102.43</b>	<b>766.77</b>

## Ageing Schedule (2022-2023)

(₹ in lacs)

Particulars	Outstanding for following periods from due date of payment							Total Outstanding
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	29,500.97	534.25	131.56	2,666.01	175.39	1,305.93	34,314.11
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	56.25	0.18	613.06	669.49
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total Trade Receivables</b>	<b>-</b>	<b>29,500.97</b>	<b>534.25</b>	<b>131.56</b>	<b>2,722.26</b>	<b>175.57</b>	<b>1,918.99</b>	<b>34,983.60</b>
Less: Expected Credit Loss								1,102.43
<b>Total Trade Receivables after Expected Credit Loss</b>								<b>33,881.17</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## Ageing Schedule (2021-2022)

(₹ in lacs)

Particulars	Outstanding for following periods from due date of payment							Total Outstanding
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	21,661.45	602.73	88.03	172.30	1,116.90	189.23	23,830.64
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	97.17	2.66	512.90	612.73
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total Trade Receivables</b>	<b>-</b>	<b>21,661.45</b>	<b>602.73</b>	<b>88.03</b>	<b>269.47</b>	<b>1,119.56</b>	<b>702.13</b>	<b>24,443.37</b>
Less: Expected Credit Loss								766.77
<b>Total Trade Receivables after Expected Credit Loss</b>								<b>23,676.60</b>

## 10 CASH AND BANK BALANCES

(₹ in lacs)

	As at March 31, 2023	As at March 31, 2022
<b>a) Cash and Cash Equivalents</b>		
i) Balances with Banks		
In Current Accounts	515.98	4,189.36
ii) Short-Term Bank Deposits (Maturity within 3 months)	2,956.18	73.95
iii) Cash on Hand	9.27	10.70
	<b>3,481.43</b>	<b>4,274.01</b>
<b>b) Other Bank Balances</b>		
i) Earmarked Balances with Banks (Unpaid Dividend Accounts)	2.20	-
ii) Short-Term Bank Deposits (Maturity within 12 months)	933.68	2,788.47
	<b>935.88</b>	<b>2,788.47</b>
	<b>4,417.31</b>	<b>7,062.48</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 11 EQUITY SHARE CAPITAL

(₹ in lacs)

	As at March 31, 2023	As at March 31, 2022
<b>Authorised Shares</b>		
225,000,000 equity shares of ₹ 10/- each	22,500.00	18,000.00
(P.Y. 180,000,000 equity shares of ₹ 10/- each)		
<b>Issued, subscribed and paid up shares</b>		
185,339,999 equity shares of ₹ 10/- each fully paid up	18,534.00	15,862.18
(P.Y. 158,621,804 Equity Shares of ₹ 10/- each fully paid up)		
Of the above shares :-		
86,176,200 equity shares of ₹ 10/- each fully paid-up		
bonus shares issued by capitalisation of share premium, capital reserve and general reserve		
	<b>18,534.00</b>	<b>15,862.18</b>

### a) Reconciliation of the number of shares outstanding

(Nos in lacs)

	As at March 31, 2023	As at March 31, 2022
Number of Equity Shares at the beginning of the year	1,586.22	1,254.35
Equity shares issued during the year	267.18	331.87
Number of Equity Shares at the end of the year	<b>1,853.40</b>	<b>1,586.22</b>

### b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

### c) Details of shareholders holding more than 5% shares in the Company

(Nos in lacs)

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Shivani Amit Dahanukar	329.76	17.79%	329.76	20.79%
Amit Dahanukar	298.45	16.10%	298.45	18.82%
Barclays Wealth Trustees India Pvt Ltd (acting as a Trustee of Lotus Family Trust)	118.87	6.41%	118.87	7.49%
Think India Opportunities Master Fund LP	105.26	5.68%	-	-
<b>Total</b>	<b>852.34</b>	<b>45.99%</b>	<b>747.08</b>	<b>47.10%</b>

# Refer Note No.48

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## d) Disclosures of Shareholding of Promoters - Shares held by the Promoters

(Nos in lacs)

Name of the shareholder	As at March 31, 2023		As at March 31, 2022		% Change in during the year
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding	
Shivani Amit Dahanukar	329.76	17.79%	329.76	20.79%	-3.00%
Amit Dahanukar	298.45	16.10%	298.45	18.82%	-2.71%
Priyadarshini A Dahanukar	5.38	0.29%	5.38	0.34%	-0.05%
Anupama Arun Dahanukar	4.58	0.25%	4.58	0.29%	-0.04%
<b>Promoter Group</b>					
M L Dahanukar And Co Pvt Ltd	53.25	2.87%	35.64	2.25%	0.63%
Arunoday Investments Pvt Ltd	71.34	3.85%	38.32	2.42%	1.43%
<b>Total</b>	<b>762.76</b>	<b>41.15%</b>	<b>712.14</b>	<b>44.90%</b>	

## 12 OTHER EQUITY

(₹ in lacs)

	As at March 31, 2023	As at March 31, 2022
<b>a) Securities Premium Account</b>		
Balance at the beginning of the year	29,699.61	19,950.43
Allotment of shares	17,491.51	9,535.28
Exercise of Employee Stock Options	197.50	213.90
Balance at the end of the year	<b>47,388.62</b>	<b>29,699.61</b>
<b>b) General Reserve</b>		
Balance at the beginning of the year	1,599.12	1,520.24
Transfer from Share Based Payment Reserve Account	-	78.88
Balance at the end of the year	<b>1,599.12</b>	<b>1,599.12</b>
<b>c) Capital Reserve</b>		
Balance at the beginning and at the end of the year	<b>18.97</b>	<b>18.97</b>
<b>d) Share Based Payments Reserve Account</b>		
Balance at the beginning of the year	460.81	388.68
Transfer to General Reserve	-	(78.88)
Exercise of Employee Stock Options	(197.50)	(213.90)
Share based payment reserve created during the year	349.55	364.91
Balance at the end of the year	<b>612.86</b>	<b>460.81</b>
<b>e) Money Received against Share Warrants</b>		
Balance at the beginning of the year	1,225.00	-
Add : Further warrants issued	937.50	1,575.00
Less : Conversion of warrants into equity shares	(1,283.33)	(350.00)
Balance at the end of the year	<b>879.17</b>	<b>1,225.00</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in lacs)

	As at March 31, 2023	As at March 31, 2022
<b>f) Retained Earnings</b>		
Balance at the beginning of the year	(35,514.28)	(39,993.62)
Proposed Dividend	(165.36)	-
Add: Profit / (Loss) after tax for the year	14,989.89	4,518.72
Add: Remeasurement of defined benefit plans	(51.35)	(39.38)
Balance at the end of the year	<b>(20,741.10)</b>	<b>(35,514.28)</b>
	<b>29,757.64</b>	<b>(2,510.77)</b>

## Footnote:

- The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. It is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.
- The general reserve represents amounts appropriated out of retained earnings based on the provisions of the Act prior to its amendment.
- This reserve has been transferred to the company in the course of business combinations and can be utilised in accordance with the provisions of the Companies Act, 2013.
- The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Grants Outstanding Account. The expenses in respect of the Company's ESOP scheme will be charged against the Reserve for employee compensation expense as per court Scheme.
- Amount received against warrants.
- Retained earnings are the profits that Company has earned till date less transfers to general reserve dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans (net of taxes) that will not be reclassified to the Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

## 13 BORROWINGS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Secured Loans</b>				
<b>From Asset Reconstruction Company</b>				
Rupee Term Loans	-	23,702.17	18,396.68	5,440.00
Balance Debts	-	10,282.14	322.03	-
<b>Unsecured</b>				
Vendor Financing	2,400.65	4,115.16	1,257.13	456.79
From other parties	-	-	2,935.07	14,501.23
	<b>2,400.65</b>	<b>38,099.47</b>	<b>22,910.91</b>	<b>20,398.02</b>

- The loans from Asset Reconstruction Company ("term loans") are secured against all the tangible / intangible assets and current assets of the Company, both present and future.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- b) The term loans are also secured against all the fixed assets and current assets, both present and future of the wholly owned subsidiary companies i.e. Vahni Distilleries Private Limited and PunjabExpo Breweries Private Limited. The said security creation is pending.
- c) The term loans are further secured by way of first charge of unpledged shareholding of the Company held by the Promoter, second charge by way of pledge of already pledged shareholding of the Company held by the Promoter and pledge of 100% shareholding of the Subsidiary Companies. The said security creation is pending.
- d) The term loans outstanding at the end of the financial year have been guaranteed by the personal guarantee of Chairman & Managing Director of the Company.
- e) Subsidiary Companies i.e. Vahni Distilleries Private Limited and PunjabExpo Breweries Private Limited are the Corporate Obligor to the term loans from Edelweiss Asset Reconstruction Company (EARC).
- f) The term loans from Edelweiss Asset Reconstruction Company (EARC) are repayable by March 31, 2024 as per the repayment schedule provided by EARC. Interest is payable on Quarterly basis @ 9.00% (compounded quarterly).
- g) Maturity profile of term loans from Edelweiss Asset Reconstruction Company (EARC) are as set out as below:

(₹ in lacs)	
Lender trusts	Current
	Less than 1 year
EARC trust SC 241	18,396.68
<b>Total</b>	<b>18,396.68</b>

## 14 OTHER FINANCIAL LIABILITIES

(₹ in lacs)				
	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade Deposits & Others (Unsecured)	6,427.29	4,018.06	-	-
Payable for purchase of Fixed Assets	-	-	33.14	59.92
Employee dues	-	-	528.89	785.00
Unclaimed Dividend	-	-	2.20	-
Other Payables	-	-	2,395.48	929.76
	<b>6,427.29</b>	<b>4,018.06</b>	<b>2,959.71</b>	<b>1,774.68</b>

## 15 PROVISIONS

(₹ in lacs)				
	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity (Refer note 32)	332.66	391.70	121.36	74.05
Provision for Leave Encashment	77.43	82.33	21.99	20.98
Provision for Excise Duty on Finished Goods	-	-	3,228.25	2,533.95
	<b>410.09</b>	<b>474.03</b>	<b>3,371.60</b>	<b>2,628.98</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 16 OTHER LIABILITIES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Payable towards Statutory Liabilities	-	-	1,132.28	549.87
Deferred Fair Value Gain	-	1,452.50	40.42	1,290.52
Advance from Customers	-	-	51.61	139.52
	-	<b>1,452.50</b>	<b>1,224.31</b>	<b>1,979.91</b>

## 17 TRADE PAYABLES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro & small enterprises (Refer Note 38)	-	-	3,441.94	2,372.01
Total outstanding dues of creditors other than micro & small enterprises	-	-	9,473.41	14,758.61
	-	-	<b>12,915.35</b>	<b>17,130.62</b>

### Ageing Schedule (2022-2023)

(₹ in lacs)

Particulars	Outstanding for following periods from due date of payments						Total Outstanding
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
MSME	-	2,034.73	1,297.21	84.90	8.06	17.04	3,441.94
Others	-	6,068.23	2,804.10	162.32	42.43	396.33	9,473.41
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
<b>Total</b>	-	<b>8,102.96</b>	<b>4,101.31</b>	<b>247.22</b>	<b>50.49</b>	<b>413.37</b>	<b>12,915.35</b>

### Ageing Schedule (2021-2022)

(₹ in lacs)

Particulars	Outstanding for following periods from due date of payment						Total Outstanding
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
MSME	-	864.47	859.17	192.55	215.23	240.59	2,372.01
Others	-	2,771.01	5,281.04	478.40	269.08	5,959.08	14,758.61
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
<b>Total</b>	-	<b>3,635.48</b>	<b>6,140.21</b>	<b>670.95</b>	<b>484.31</b>	<b>6,199.67</b>	<b>17,130.62</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 18 REVENUE FROM OPERATIONS

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue from contracts with customers</b>		
Sales of products	246,072.31	178,805.91
	<b>246,072.31</b>	<b>178,805.91</b>

### Reconciliation of Gross Revenue with Revenue from Contracts with Customers

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Contract price	247,718.38	180,142.51
Less: Discount / Demurrage	1,646.07	1,336.60
Revenue recognised	<b>246,072.31</b>	<b>178,805.91</b>

### 18.1 Other Operating Income

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Sale of by products, scrap and other income	434.11	216.68
Royalty Income	255.68	143.39
Contract Manufacturing Income	165.75	39.89
	<b>855.54</b>	<b>399.96</b>

## 19 OTHER INCOME

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Duty drawback on exports	1.02	0.30
Sundry balance written back	1.18	75.97
Excess provision written back	424.19	466.52
Interest income on margin money / fixed deposits / others	205.77	175.07
Unrealised Profit on sale of Investments	31.56	-
Profit on Sale of Investments	75.85	32.50
Reversal of Expected Credit Loss on trade receivables	-	242.60
Profit on sale of fixed assets	0.28	1.12
Dividend Income	0.03	-
Miscellaneous receipts	10.44	52.71
	<b>750.32</b>	<b>1,046.79</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 20 COST OF MATERIALS CONSUMED

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
i) Raw Material Consumption		
Inventories at the beginning of the year	1,525.81	1,149.46
Add: Purchases	29,390.94	18,320.66
Less: Inventories at the end of the year	1,284.57	1,525.81
	<b>29,632.18</b>	<b>17,944.31</b>
ii) Packing Materials & Consumables	33,696.34	19,854.11
	<b>63,328.52</b>	<b>37,798.42</b>

## 21 (INCREASE) / DECREASE IN INVENTORIES

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year		
i) Work-In-Progress	356.81	292.85
ii) Finished Goods	3,495.34	4,002.13
	<b>3,852.15</b>	<b>4,294.98</b>
Less : Inventories at the end of the year		
i) Work-In-Progress	461.59	356.80
ii) Finished Goods	5,088.31	3,495.34
	<b>5,549.90</b>	<b>3,852.14</b>
<b>(Increase) / Decrease in Inventories</b>	<b>(1,697.75)</b>	<b>442.84</b>

## 22 EMPLOYEE BENEFIT EXPENSE

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, Wages and Bonus	3,055.81	2,581.51
Employee Stock Option Expenses	349.55	364.91
Contribution to provident fund and family pension fund (Refer Note 32)	188.67	114.44
Staff welfare expenses	103.44	95.48
Gratuity (Refer Note 32)	61.65	52.19
	<b>3,759.12</b>	<b>3,208.53</b>

## 23 FINANCE COST

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Term Loans	2,416.11	2,893.31
Interest on Cash Credits / Working Capital Demand Loan	-	392.21
Interest on Lease Liabilities	19.55	5.81
Others *	1,583.02	2,895.55
	<b>4,018.68</b>	<b>6,186.88</b>

\* Includes unwinding of discount of ₹ 967.19 lacs (P.Y ₹ 1,586.49 lacs) and amortisation of deferred fair value gains of ₹ 967.19 lacs (P.Y ₹ 1,586.49 lacs)

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 24 OTHER EXPENSES

	(₹ in lacs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Power and fuel	581.81	475.42
Repairs & maintenance		
i) Plant & Equipment	55.41	20.22
ii) Buildings	3.79	-
iii) Others	299.94	249.55
Insurance	96.81	110.30
Rent (Refer Note 31)	29.21	12.69
Contract manufacturing cost	6,258.47	4,000.34
Legal and professional charges	824.42	598.08
Auditor's Remuneration (Refer Note 37)	25.62	25.82
Rates and taxes	2,935.61	2,351.23
Freight, transport charges & other expenses	3,642.18	3,075.12
<b>Selling expenses [Sales Promotion &amp; Advertising etc.]</b>	<b>19,737.25</b>	<b>12,276.42</b>
Travelling and conveyance expenses	117.13	72.54
Printing and stationery	36.54	19.84
Communication expenses	78.29	43.85
Vehicle running expenses	19.23	11.17
Director sitting fees (Refer Note 35)	34.30	49.83
Expected Credit Loss on trade receivables	335.66	-
Loss on Sale of Assets	3.54	-
Donation	15.00	1.00
Corporate Social Responsibility	204.65	46.85
Foreign Exchange Fluctuation Loss	455.85	170.93
Provision for non-moving and obsolete inventories	46.95	296.55
Allowance for doubtful advances / deposits	23.04	673.34
Bad Debts	20.93	-
Advances written off	5.77	37.79
Miscellaneous expenses	1,440.66	1,056.55
	<b>37,328.06</b>	<b>25,675.43</b>

## 25 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATION AND FAIR VALUE MEASUREMENTS

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) **The following methods and assumptions were used to estimate the fair value:**

- 1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.
- 2) Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

**c) The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:**

**Level 1 :** Quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2 :** Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

**Level 3 :** Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy :

**As at March 31, 2023**

(₹ in lacs)

Particulars	Carrying amount				
	Financial assets - FVTPL	FVOCI - Equity Instruments	Financial assets - cost / amortised cost	Financial liabilities - cost / amortised cost	Total carrying amount
<b>Financial assets measured at fair value</b>					
Investments	2,206.98	53.24	-	-	2,260.22
	<b>2,206.98</b>	<b>53.24</b>	-	-	<b>2,260.22</b>
<b>Financial assets not measured at fair value</b>					
Investments	-	-	0.55	-	0.55
Trade Receivables	-	-	33,881.17	-	33,881.17
Cash and Cash Equivalents	-	-	3,481.43	-	3,481.43
Other Bank Balances	-	-	935.88	-	935.88
Loans	-	-	15.00	-	15.00
Other Financial Assets	-	-	3,621.53	-	3,621.53
	-	-	<b>41,935.56</b>	-	<b>41,935.56</b>
<b>Financial liabilities not measured at fair value</b>					
Borrowings	-	-	-	25,311.56	25,311.56
Lease Liabilities	-	-	-	242.09	242.09
Trade Payables	-	-	-	12,915.35	12,915.35
Other Financial Liabilities	-	-	-	9,387.00	9,387.00
	-	-	-	<b>47,856.00</b>	<b>47,856.00</b>

The Group has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## As at March 31, 2022

(₹ in lacs)

Particulars	Carrying amount				
	Financial assets - FVTPL	FVOCI - Equity Instruments	Financial assets - cost / amortised cost	Financial liabilities - cost / amortised cost	Total carrying amount
<b>Financial assets measured at fair value</b>					
Investments	-	3.22	-	-	3.22
	-	<b>3.22</b>	-	-	<b>3.22</b>
<b>Financial assets not measured at fair value</b>					
Investments	-	-	0.55	-	0.55
Trade Receivables	-	-	23,676.60	-	23,676.60
Cash and Cash Equivalents	-	-	4,274.01	-	4,274.01
Other Bank Balances	-	-	2,788.47	-	2,788.47
Loans	-	-	-	-	-
Other Financial Assets	-	-	5,844.26	-	5,844.26
	-	-	<b>36,583.89</b>	-	<b>36,583.89</b>
<b>Financial liabilities not measured at fair value</b>					
Borrowings	-	-	-	58,497.49	58,497.49
Lease Liabilities	-	-	-	20.41	20.41
Trade Payables	-	-	-	17,130.62	17,130.62
Other Financial Liabilities	-	-	-	5,792.74	5,792.74
	-	-	-	<b>81,441.26</b>	<b>81,441.26</b>

The Group has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

## Fair Value Measurement Hierarchy :

(₹ in lacs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Asset</b>	-	-	-	-	-	-
Non current Investments	-	-	53.24	-	-	3.22
Current Investment	-	2,206.98	-	-	-	-

## 26 FINANCIAL RISK MANAGEMENT

### Objectives and policies

#### Risk management framework

The Group's management has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group conducts yearly risk assessment activities to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

The Group has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Group has exposure to the following risks arising from financial instruments :

- Credit risk
- Liquidity risk
- Market risk
- Interest risk

## a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

Particulars	(₹ in lacs)	
	As at March 31, 2023	As at March 31, 2022
Trade Receivables	33,881.17	23,676.60
Cash and Cash Equivalents	3,481.43	4,274.01
Other Bank Balances	935.88	2,788.47
Loans	15.00	-
Other Financial Assets	3,621.53	5,844.26
<b>Total</b>	<b>41,935.01</b>	<b>36,583.34</b>

## Trade receivables

Customer credit risk is managed as per Group's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. 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. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

	(₹ in lacs)		
	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
As at March 31, 2023	33,881.17	33,881.17	-
As at March 31, 2022	23,676.60	23,676.60	-

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## Bank balances and deposits with banks

Credit risk from balances with banks is managed by the Group's finance department as per Group's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

## b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2023

(₹ in lacs)

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	25,311.56	22,910.91	2,400.65
Lease Liabilities	242.09	28.34	213.75
Trade Payables	12,915.35	12,915.35	-
Other Financial Liabilities	9,387.00	2,959.71	6,427.29
	<b>47,856.00</b>	<b>38,814.31</b>	<b>9,041.69</b>

As at March 31, 2022

(₹ in lacs)

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	58,497.49	20,398.02	38,099.47
Lease Liabilities	20.41	13.04	7.37
Trade Payables	17,130.62	17,130.62	-
Other Financial Liabilities	5,792.74	1,774.68	4,018.06
	<b>81,441.26</b>	<b>39,316.36</b>	<b>42,124.90</b>

## c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The Group manages market risk through a risk management committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing / mitigation them accordingly to Group's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## Currency risk

The Group is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Group. The Group has export sales primarily denominated in US dollars.

## Exposure to currency risk

The Group's exposure to currency risk as reported to the management is as follows:

	(₹ in lacs)	
	As at March 31, 2023	As at March 31, 2022
	USD in lacs	USD in lacs
Export receivables	0.25	0.22
Overseas payables	-	(74.28)
<b>Total</b>	<b>0.25</b>	<b>(74.06)</b>

## Foreign currency sensitivity

1% increase in foreign exchange rates will have the following impact on profit before tax:

	(₹ in lacs)	
	As at March 31, 2023	As at March 31, 2022
Increase / (decrease) in profit	0.20	(55.93)
<b>Total increase / (decrease) in profit</b>	<b>0.20</b>	<b>(55.93)</b>

A 1% decrease in foreign exchange rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

## d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments is as follows:

	(₹ in lacs)	
	As at March 31, 2023	As at March 31, 2022
<b>Fixed rate instruments</b>		
<b>Financial liabilities</b>		
Borrowings / Other Financial Liabilities	31,624.85	62,401.55
<b>Total</b>	<b>31,624.85</b>	<b>62,401.55</b>
<b>Variable-rate instruments</b>		
<b>Financial liabilities</b>		
Borrowings / Other Financial Liabilities	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## Cash flow sensitivity analysis for variable-rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

(₹ in lacs)

Particulars	Profit or loss
<b>March 31, 2023</b>	
Variable-rate instruments	-
<b>Cash flow sensitivity</b>	-
<b>March 31, 2022</b>	
Variable-rate instruments	-
<b>Cash flow sensitivity</b>	-

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

## 27 DEFERRED TAX ASSETS / (LIABILITIES)

The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet :

(₹ in lacs)

Movement in deferred tax assets / (liabilities) during the year	Contractual cash flows		
	Opening Balance as at 01-04-2022	Recognised in Statement of Profit & loss	Closing Balance as at 31-03-2023
<b>Deferred Tax liabilities in relation to</b>			
Property Plant & Equipment	(5,475.93)	295.51	(5,180.42)
<b>Total A</b>	<b>(5,475.93)</b>	<b>295.51</b>	<b>(5,180.42)</b>
<b>Deferred Tax Assets in relation to</b>			
Lease Liabilities / ROU assets	0.67	5.10	5.77
Employee Benefit obligation	164.97	(5.73)	159.24
Provision / Impairment for Doubtful Debts / Advances / Deposits	4,364.71	568.36	4,933.07
Impairment in value of Investments	80.29	(80.29)	-
MAT Credit	28.96	9.64	38.60
Business Losses / Unabsorbed depreciation	836.33	(792.59)	43.74
<b>Total B</b>	<b>5,475.93</b>	<b>(295.51)</b>	<b>5,180.42</b>
<b>Total (A+B)</b>	-	-	-

**27.1** Deferred tax asset on tax losses and unabsorbed depreciation under Income Tax Act, has been recognised to the extent it is probable that future taxable income will be available against which these can be utilised. Accordingly, deferred tax assets have not been created on balance carried forward business losses and unabsorbed depreciation of ₹ 31,365.18 Lacs as on March 31, 2023 (P.Y. ₹ 34,187.87 Lacs).

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 28 INCOME TAXES

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>a) Income Tax recognised in the Statement of Profit and Loss</b>		
<b>Current Tax</b>		
In respect of current year	-	-
Adjustments in respect of previous years	(0.55)	(399.52)
<b>Deferred Tax</b>		
In respect of current year	-	-
Adjustments in respect of deferred tax of previous years	-	-
<b>Total</b>	<b>(0.55)</b>	<b>(399.52)</b>
<b>b) Income tax expense recognised in Other Comprehensive Income</b>		
Income tax expense on remeasurement of defined benefit plans	-	-

(₹ in lacs)

	As at March 31, 2023	As at March 31, 2022
<b>c) Current Tax Liabilities</b>		
Provision for Taxation (Net of Advance Tax)		
<b>d) Non-Current Tax Assets</b>		
Advance Tax (Net of Provision for Taxation)	428.89	312.52

## 29 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Group monitors capital based on the following ratio :-

(₹ in lacs)

	As at March 31, 2023	As at March 31, 2022
Total Net Debt	21,830.13	54,223.48
Total Equity	48,291.64	13,351.41
Debt to Equity Ratio	0.45	4.06

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 30 CONTINGENT LIABILITY NOT PROVIDED FOR:

(₹ in lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Bank guarantees issued on behalf of the Company	317.11	89.95
b) In respect of disputed Indirect Tax matters, pending before the appropriate tax authorities, contested by the Company		
i) Sales Tax		
F.Y. 2010-2011 (MVAT)	-	36.94
F.Y. 2010-2011 (Central Sales Tax)	-	244.96
F.Y. 2013-2014 (MVAT)	-	1,290.65
F.Y. 2013-2014 (Central Sales Tax)	-	1,201.20
F.Y. 2014-2015 (MVAT)	-	57.85
F.Y. 2014-2015 (Central Sales Tax)	-	27.29
F.Y. 2015-2016 (MVAT)	94.35	94.35
F.Y. 2015-2016 (Central Sales Tax)	146.72	146.72
F.Y. 2016-2017 (MVAT)	52.93	52.93
F.Y. 2016-2017 (Central Sales Tax)	-	42.87
F.Y. 2013-2014 (CST- Kerala)	-	6.24
F.Y. 2017-2018 (MVAT)	51.58	-
F.Y. 2017-2018 (Central Sales Tax)	74.76	-
F.Y. 2014-2015 (CST - AP)	-	0.09
F.Y. 2015-2016 (CST - AP)	0.03	0.03
F.Y. 2015-2016 (Entry Tax - KTEG Act 1979)	22.00	22.00
F.Y. 2017-2018 (KVAT-Karnataka)	22.04	22.04
F.Y. 2017-2018 (KTEG-Karnataka)	2.17	2.17
F.Y. 2017-2018 (CST-Karnataka)	1.42	1.42
F. Y. 2013-14 PVT Punjab	0.10	0.10
F. Y. 2013-14 CST Punjab	24.65	24.65
F. Y. 2014-15 CST Punjab	122.08	122.08
F. Y. 2015-16 PVT Punjab	3.47	-
F. Y. 2015-16 CST Punjab	37.36	-
ii) Central Excise / Service tax		
April 2012 - January 2016 (Central Excise)	1.84	1.84
March 2015 - June 2017 (Central Excise)	828.55	828.55
F.Y. 2015-2017 (Service Tax)	65.69	67.35
iii) Goods and Service Tax		
F.Y. 2017-2018 (GST)	-	1.08
		-

Contingent liabilities above represent estimates made mainly for probable claims arising out of litigation and disputes pending with tax authorities. The probability and timing of outflow with regard to these matters depend on the final outcome of litigations / disputes. Hence the Company is not able to reasonably ascertain the timing of the outflow.

In addition to above, the Company is also subject to legal proceedings and claims which arise in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's operations or financial condition.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 31 OPERATING LEASE:

- a) The company has taken certain office premises and warehouse under cancellable operating leases. In the rent agreements there are no terms for purchase option or any restriction such as those concerning dividend and additional debts. Lease agreements of the company do not contain any variable lease payment or any residual value guarantees.

Information in respect of leases for which right-of-use assets and corresponding lease liabilities have been recognised are as follows:

Particulars	(₹ in lacs)	
	As at March 31, 2023	As at March 31, 2022
Carrying amount right-of-use assets at beginning of the year	17.74	44.39
Additions to right-of-use assets during the year	255.05	17.04
Deletions to right-of-use assets during the year	-	5.78
Amortisation of right-of-use assets during the year	53.62	37.91
Interest expense (unwinding of discount) on lease liabilities	19.55	5.81
Total cash outflows in respect of leases	52.91	51.84
Carrying amount right-of-use assets at year end	219.16	17.74

- b) Lease rentals of ₹ 29.21 lacs (P.Y. ₹ 12.69 lacs) in respect of short term lease have been recognised in the statement of profit and loss as rent expense.
- c) The Company has taken bottling units under short term cancellable operating lease at various locations and during the financial year ₹ 91.44 lacs (P.Y. ₹ Nil) paid towards lease rentals has been charged to Statement of Profit and Loss under Contract manufacturing cost.
- d) Maturity profile :

Maturities of Lease Liabilities	Carrying amount	(₹ in lacs)			
		Less than 1 year	1 to 3 years	3 to 5 years	above 5 years
Lease Liabilities	242.09	28.34	199.30	14.45	-

## 32 THE DISCLOSURE OF IND AS 19 "EMPLOYEE BENEFITS" IS AS FOLLOWS:

### Defined Contribution Plan

The Company has charged in the Statement of Profit and Loss during the financial year an amount of ₹ 188.67 lacs (P.Y. ₹ 114.44 lacs) under defined contribution plan as employer's contribution to Provident Fund.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## Defined Benefit Plan

The Employees' gratuity fund scheme managed by LIC is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method (PUCM), which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the manner as gratuity.

(₹ in lacs)

The net value of the defined commitment is detailed below:	As at March 31, 2023		As at March 31, 2022	
	Funded Gratuity	Unfunded Gratuity	Funded Gratuity	Unfunded Gratuity
Present Value of obligation	420.04	102.28	407.72	121.65
Fair Value of Plans	68.30	-	63.62	-
<b>Net Liability in the balance sheet</b>	<b>351.74</b>	<b>102.28</b>	<b>344.10</b>	<b>121.65</b>
<b>Defined Benefit Obligations</b>	-	-	-	-
Balance at the beginning of the year	407.72	121.65	359.93	106.54
Interest expenses	27.32	8.60	22.53	7.16
Current service cost	22.71	7.29	18.71	7.26
Past service cost	-	-	-	-
(Liability Transferred Out / Divestments)	16.34	(16.35)	-	-
Benefit paid directly by the employer	(85.87)	(38.86)	(34.77)	(2.16)
Benefit paid directly from the fund	-	-	-	-
Actuarial (gain) / loss-Due to change in Demographic Assumptions	-	-	(0.09)	(0.09)
Actuarial (gain) / loss-Due to change in Financial assumptions	(11.05)	(2.49)	(6.75)	(3.51)
Actuarial (gain) / loss- Due to Experience	42.87	22.44	48.16	6.45
Balance at the end of the year	<b>420.04</b>	<b>102.28</b>	<b>407.72</b>	<b>121.65</b>
<b>Plan Assets</b>				
Balance at the beginning of the year	63.62	-	55.38	-
Interest Income	4.26	-	3.47	-
Expected return on plan assets	0.42	-	4.77	-
Paid Funds	-	-	-	-
Actuarial (gain) / loss	-	-	-	-
<b>Balance at the end of the year</b>	<b>68.30</b>	<b>-</b>	<b>63.62</b>	<b>-</b>

(₹ in lacs)

The net value of the defined commitment is detailed below:	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Funded Gratuity	Unfunded Gratuity	Funded Gratuity	Unfunded Gratuity
<b>Return on Plan Assets</b>				
Expected return on plan assets	0.42	-	4.77	-
Actuarial (gain) / loss	-	-	-	-
<b>Actual Return on Plan Assets</b>	<b>0.42</b>	<b>-</b>	<b>4.77</b>	<b>-</b>
<b>Expenses Recognised in the Statement of Profit or Loss on defined benefit plan</b>				
Current service costs	22.71	7.29	18.71	7.26
Past service cost	-	-	-	-
Interest expense	27.31	8.60	22.53	7.16
Interest Income	(4.26)	-	(3.47)	-
Expected return on plan assets	-	-	-	-
<b>Expenses Recognised</b>	<b>45.76</b>	<b>15.89</b>	<b>37.77</b>	<b>14.42</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in lacs)

The net value of the defined commitment is detailed below:	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Funded Gratuity	Unfunded Gratuity	Funded Gratuity	Unfunded Gratuity
<b>Expenses Recognised in the Other Comprehensive Income (OCI) on defined benefit plan</b>				
Actuarial (gain) / loss	31.82	19.95	41.30	2.85
Expected return on plan assets	(0.42)	-	(4.77)	-
<b>Net (Income) / Expense for the period Recognised in OCI</b>	<b>31.40</b>	<b>19.95</b>	<b>36.53</b>	<b>2.85</b>

## Maturity Analysis of the Benefit Payments: From the Employer / Fund

(₹ in lacs)

Projected Benefits Payable in Future Years From the Date of Reporting	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Funded Gratuity	Unfunded Gratuity	Funded Gratuity	Unfunded Gratuity
1 <sup>st</sup> Following Year	112.11	6.01	116.29	4.61
2 <sup>nd</sup> Following Year	45.53	6.45	52.34	9.64
3 <sup>rd</sup> Following Year	55.30	5.55	50.88	11.23
4 <sup>th</sup> Following Year	40.21	9.21	43.61	9.26
5 <sup>th</sup> Following Year	35.51	6.88	33.80	11.69
Sum of Years 6 to 10	164.61	51.17	129.08	58.32
Sum of Years 11 and above	148.10	136.92	126.92	36.92

(₹ in lacs)

Sensitivity Analysis	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Funded Gratuity	Unfunded Gratuity	Funded Gratuity	Unfunded Gratuity
Projected Benefits Obligations on Current Assumptions	420.04	102.28	407.72	121.65
Delta Effect +1% Change in Rate of Discounting	(15.74)	-8.07	(14.35)	(9.02)
Delta Effect -1% Change in Rate of Discounting	17.30	9.25	15.77	10.27
Delta Effect +1% Change in Rate of Salary Increase	16.61	9.39	15.15	9.00
Delta Effect -1% Change in Rate of Salary Increase	(15.52)	-8.32	(14.06)	(5.68)
Delta Effect +1% Change in Rate of Employee Turnover	2.05	1.77	1.50	1.73
Delta Effect -1% Change in Rate of Employee Turnover	(2.25)	-1.96	(1.65)	(1.91)

Investments Details	% Invested	% Invested	% Invested	% Invested
	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
Funds Managed by Life Insurance Corporation	100	-	100	-
Public Sector Unit Bonds	-	-	-	-
State / Central Guaranteed securities	-	-	-	-
Special deposit schemes	-	-	-	-
Other (excluding bank balances)	-	-	-	-
	100	-	100	-

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Actuarial assumptions	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Funded Gratuity	Unfunded Gratuity	Funded Gratuity	Unfunded Gratuity
Mortality (LIC)	2006-08 Ultimate	2006-08 Ultimate	2006-08 Ultimate	2006-08 Ultimate
Discount rate (per annum)	7.35%	7.40%	6.70%	6.83%
Expected rate of return on plan assets (per annum)	7.35%		6.70%	
Rate of escalation in salary (per annum)	5.00%	4.00%	5.00%	4.00%

## Defined Contribution Plan

Present value of DBO, Fair Value of Plan Assets, Deficit / (Surplus), Experience Adjustments for current and earlier periods:

(₹ in lacs)

Funded Gratuity for the year ended	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Present value of DBO	420.04	407.72	359.93	376.99	354.36
Fair value of plan assets	68.30	63.62	55.38	51.68	51.29
Deficit / (Surplus)	351.74	344.10	304.55	325.31	303.07

(₹ in lacs)

Unfunded Gratuity for the year ended	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Present value of DBO	102.28	121.65	106.54	92.66	79.50
Fair value of plan assets	-	-	-	-	-
Deficit / (Surplus)	102.28	121.65	106.54	92.66	79.50

## 33 EMPLOYEE STOCK OPTION SCHEME

- a) The Shareholders of the Company at the Annual General Meetings held on August 06, 2008 and September 20, 2010 had approved the Employee Stock Option Scheme (ESOP) 2008 and Employee Stock Option Scheme (ESOP) 2010 respectively and also approved Employee Stock Option Scheme (ESOP) 2012 on May 24, 2012 by way of Postal Ballot.
- b) During the financial year ended March 31, 2023 the following schemes were in operation :

### A) Employee Stock Option Scheme 2010

(Nos.)

Particulars	Grant 6	Grant 7	Grant 8
Date of Grant	June 14, 2018	May 27, 2021	August 14, 2021
Date of the Board Approval	June 14, 2018	May 27, 2021	August 14, 2021
Date of the Shareholders Approval	Sept 20, 2010	Sept 20, 2010	Sept 20, 2010
Number of options granted till March 31, 2023	1,200,000	1,075,000	1,363,500
Number of options cancelled till March 31, 2023	68,000	-	-
Number of options lapsed till March 31, 2023	615,153	250,000	175,000
Number of options exercised till March 31, 2023	516,843	125,450	316,000
Net options outstanding as on March 31, 2023	4	699,550	872,500
Vesting period from the date of grant	3 years	3 years	3 years
Exercise period from the date of vesting	2 years	2 years	2 years

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## B) Employee Stock Option Scheme 2012

Particulars	(Nos.)			
	Grant 6	Grant 7	Grant 8	Grant 9
Date of Grant	June 14, 2018	August 14, 2021	Sept 23, 2022	Oct 20, 2022
Date of the Board Approval	June 14, 2018	August 14, 2021	Sept 23, 2022	Oct 20, 2022
Date of the Shareholders Approval	May 24, 2012	May 24, 2012	May 24, 2012	May 24, 2012
Number of options granted till March 31, 2023	2,600,000	1,775,000	850,000	100,000
Number of options cancelled till March 31, 2023	111,016	-	-	-
Number of options lapsed till March 31, 2023	718,589	220,000	140,000	-
Number of options exercised till March 31, 2023	1,591,743	270,242	-	-
Net options outstanding as on March 31, 2023	178,652	1,284,758	710,000	100,000
Vesting period from the date of grant	3 years	3 years	3 years	3 years
Exercise period from the date of vesting	2 years	2 years	2 years	2 years

## C) The details of the options as on March 31, 2023 are as under:

Particulars	(Nos. in lacs)	
	ESOP Scheme 2010	ESOP Scheme 2012
<b>Financial Year 2021-22</b>		
<b>Options outstanding as on April 01, 2021</b>	<b>10.67</b>	<b>26.83</b>
Options granted from April 01, 2021 to March 31, 2022	24.39	17.75
Options cancelled from April 01, 2021 to March 31, 2022	-	0.64
Options lapsed from April 01, 2021 to March 31, 2022	3.45	5.04
Options exercised April 01, 2021 to March 31, 2022	5.37	14.39
<b>Options outstanding as on March 31, 2022</b>	<b>26.24</b>	<b>24.51</b>
<b>Financial Year 2022-23</b>		
<b>Options outstanding as on April 01, 2022</b>	26.24	24.51
Options granted from April 01, 2022 to March 31, 2023		9.50
Options cancelled from April 01, 2022 to March 31, 2023		
Options lapsed from April 01, 2022 to March 31, 2023	5.14	5.37
Options exercised April 01, 2022 to March 31, 2023	5.38	5.91
<b>Options outstanding as on March 31, 2023</b>	<b>15.72</b>	<b>22.73</b>

D) The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

### a) Employee Stock Option Scheme 2010

Particulars	Grant 5	Grant 6	Grant 7	Grant 8
Dates of Grant	Jul 05, 2016	June 14, 2018	May 27, 2021	August 14, 2021
Market Price (₹ per share) on the dates of grant	15.80	20.65	42.95	41.60
Volatility	51.21%	57.12%	55.22%	55.04%
Risk free rate	6.57%	7.90%	5.00%	5.08%
Exercise price	13	15	32	31
Time to maturity (years)	3	3	3	3
Dividend yield	0.91%	0.00%	0.00%	0.00%
Option fair value (₹ per share)	7.04	11.45	22.01	21.3

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## b) Employee Stock Option Scheme 2012

Particulars	Grant 5	Grant 6	Grant 7	Grant 8	Grant 9
Dates of Grant	Jul 05, 2016	June 14, 2018	August 14, 2021	September 23, 2022	October 20, 2022
Market Price (₹ per share) on the dates of grant	15.80	20.65	41.60	91.35	94.7
Volatility	51.21%	57.12%	55.04%	53.17%	53.01%
Risk free rate	6.57%	7.90%	5.08%	7.16%	7.25%
Exercise price	13	15	31	67	74
Time to maturity (years)	3	3	3	3	3
Dividend yield	0.91%	0.00%	0.00%	0.00%	0.00%
Option fair value (₹ per share)	7.04	11.45	21.3	48.29	48.15

## 34 SEGMENT REPORTING:

The Company is predominantly engaged in the business of manufacture and sale of Indian Made Foreign Liquor and its related products which constitute a single business segment.

During the year ended March 31, 2023, three customers contributed 10% or more than to the Company's revenue.

## 35 RELATED PARTY DISCLOSURES:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" are as under:

- a) Key Managerial Personnel (KMP) and Directors
- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>: Mr. Amit Dahanukar</li> <li>: Mrs. Shivani Amit Dahanukar</li> <li>: Dr. Ravindra Bapat</li> <li>: Mr. C V Bijlani</li> <li>: Mr. Kishorekumar Mhatre</li> <li>: Maj.Gen. Dilawar Singh (Retd.)</li> <li>: Mr. Satish Chand Mathur</li> <li>: Ms. Aparna Chaturvedi</li> <li>: Ms. Swapna Shah</li> <li>: Mr. C R Ramesh</li> <li>: Mr. Ajit Anant Sirsat</li> <li>: Mr. Abhinav Gupta</li> <li>: Mr. Shekhar Singh</li> <li>: Ms. Dipti Todkar</li> </ul> | <ul style="list-style-type: none"> <li>- Chairman &amp; Managing Director (KMP)</li> <li>- Executive Director (w.e.f. June 01, 2022) (KMP)</li> <li>- Independent Director</li> <li>- Independent Director</li> <li>- Independent Director</li> <li>- Independent Director</li> <li>- Independent Director</li> <li>- Independent Director</li> <li>- Independent Woman Director</li> <li>- Non-Executive Director</li> <li>- Whole time Director (KMP)</li> <li>- Chief Financial Officer (upto October 15, 2022) (KMP)</li> <li>- Chief Financial Officer (w.e.f. February 07, 2023) (KMP)</li> <li>- Company Secretary (up to September 30, 2021) (KMP)</li> <li>- Company Secretary (w.e.f. March 30, 2022) (KMP)</li> </ul> |
|---|--|
- Relative of Key Managerial Personnel
- |   |
|---|
| <ul style="list-style-type: none"> <li>: Dr. Priyadarshini A. Dahanukar</li> <li>: Ms. Sanaya Amit Dahanukar</li> </ul> |
|---|
- b) Entities controlled by Key Managerial Personnel
- |  |
|--|
| <ul style="list-style-type: none"> <li>: M.L. Dahanukar &amp; Co. Pvt. Ltd.</li> <li>: Arunoday Investments Pvt. Ltd.</li> <li>: Maharashtra Sugar Mills Pvt. Ltd.</li> <li>: Smt. Malati Dahanukar Trust</li> <li>: Dahanukar Vidyalyaya Trust (Dahanukar English Medium School)</li> </ul> |
|--|

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in lacs)

Nature of Transaction (excluding reimbursements)	Parties referred in (a) above		Parties referred in (b) above	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
<b>Corporate Social Responsibility</b>				
Smt. Malati Dahanukar Trust	-	-	79.35	24.00
<b>Total</b>	-	-	<b>79.35</b>	<b>24.00</b>
<b>Payments to Key Managerial Personnel</b>				
Remuneration and Sitting Fees to Executive Directors / Relatives of Holding Company	473.11	87.57	-	-
Remuneration to Chief Financial Officer / Company Secretary	176.79	56.70	-	-
Remuneration and Sitting Fees to Executive Directors of Subsidiary Companies**	259.45	693.81	-	-
Sitting Fees and Consultancy Charges to Non-Executive Director / Independent Director of Holding Company and Subsidiary Companies	49.20	60.13	-	-
Rent to Executive Directors / Relatives	47.48	40.80	-	-
<b>Total</b>	<b>1,006.03</b>	<b>939.01</b>	-	-
<b>Outstanding Receivable (Rent Deposit)</b>				
Mr. Amit Dahanukar	800.00	800.00	-	-
Dr. Priyadarshini A. Dahanukar	203.66	203.66	-	-
M.L. Dahanukar & Co. Pvt. Ltd.	-	-	15.00	15.00
<b>Total</b>	<b>1,003.66</b>	<b>1,003.66</b>	<b>15.00</b>	<b>15.00</b>

## Notes :

- a) All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis.
- b) \*\* Remuneration and Sitting Fees to Executive Directors of Subsidiary Companies includes the remuneration and sitting fees paid to Mr. Amit Dahanukar and Mrs. Shivani Amit Dahanukar who are also holding position as Chairman & Managing Director and Executive Director respectively in its Holding Company, Tilaknagar Industries Ltd.

(₹ in lacs)

c) <b>Compensation of key management personnel and directors of the Company ***</b>	Year ended March 31, 2023	Year ended March 31, 2022
	Short-term employee benefits	753.28
Directors sitting fees / Consultancy Charges	51.80	65.83
<b>Total compensation of key management personnel and directors of the Company</b>	<b>805.08</b>	<b>898.21</b>

\*\*\*1 Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

\*\*\*2 The compensation of key management personnel of PunjabExpo Breweries Private Limited (wholly owned subsidiary of Tilaknagar Industries Ltd) includes the full and final payment (including post-employment benefits) of Mr. Amit Dahanukar and Mrs. Shivani Amit Dahanukar who have resigned as Chairman & Managing Director and Executive Director respectively from July 14, 2022.

- 36** In accordance with proviso to Section 129(3) read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 37 AUDITOR'S REMUNERATION CHARGED TO ACCOUNTS:

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
a) Audit fees	18.21	18.21
b) Limited review fees	7.13	7.13
c) Reimbursement of expenses	0.28	0.48
	<b>25.62</b>	<b>25.82</b>

38 Micro & Small enterprises have been identified by the Company on the basis of the information received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The Company has amounts due to Micro & Small enterprises under the MSMED Act as follows:

(₹ in lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	3,518.45	2,573.91
b) the amount of interest paid by the buyer in terms of section 16 of the Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Act;	-	-
d) the amount of interest accrued and remaining unpaid at the end of year; and	76.51	201.90
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act.	-	-

## 39 EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

In accordance with the provisions of section 135 of the Act, the Board of Directors of the Holding Company had constituted a CSR committee. The details for CSR activities are as follows:

(₹ in lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
i) Gross amount required to be spent by the Group during the year	203.06	87.10
ii) Amount spent during the year on the following:	-	-
(a) For construction / acquisition of any assets - -	-	-
(b) For purposes other than (a) above	53.30	22.85
iii) Amount unspent / (overspent) during the year and deposited in a scheduled bank (in case of unspent)	72.00	-
iv) Amount spent during the year pertaining to previous year - -	-	-
v) Shortfall / (Excess) at the end of the year -	-	-
vi) Surplus arising out of CSR Project or activities of the previous financial years	-	44.83
vii) Reason of Shortfall	-	-
viii) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-
a) Smt. Malati Dahanukar Trust	79.35	24.00
<b>Total</b>	<b>204.65</b>	<b>91.68</b>

Nature of CSR activities : Animal welfare, Healthcare and sanitation, Literacy, promoting Sports and Fitness, solid waste management

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 40 EARNINGS PER SHARE:

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Profit / (Loss) After Tax	14,989.89	4,518.72
Weighted average number of shares	1,706.14	1,435.13
Basic Earnings Per Share (in ₹)	8.79	3.15
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	1,750.61	1,466.80
Diluted Earnings Per Share (in ₹)	8.56	3.08
Face Value per Equity Share (in ₹)	10.00	10.00

- 41 The Group does not enter into any derivative instruments for trading or speculative purposes. The foreign currency exposure not hedged as at March 31, 2023 are as under:

	As at March 31, 2023			As at March 31, 2022	
	Currency	FC Amount in lacs	(₹ in lacs)	FC Amount in lacs	(₹ in lacs)
Receivable - Debtors	USD	0.25	19.54	0.22	16.50
Payable - Creditors	USD	-	-	74.28	5,609.11

- 42 The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs) wherein TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from / payable to TMUs are recognised under other financial assets / other financial liabilities respectively.

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Profit and Loss</b>		
Revenue from operations / Other Income	12,370.64	73,010.67
<b>Total Income</b>	<b>12,370.64</b>	<b>73,010.67</b>
Cost of materials consumed / (Increase) / decrease in Inventories	4,436.42	21,267.30
Excise Duty	5,587.62	26,119.96
Finance Cost / Other expenses	695.25	2,168.56
<b>Total expenses</b>	<b>10,719.29</b>	<b>49,555.82</b>
<b>Profit / (Loss)</b>	<b>1,651.35</b>	<b>23,454.85</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

In Balance Sheet	(₹ in lacs)	
	As at March 31, 2023	As at March 31, 2022
<b>Assets</b>		
Inventory	706.36	2,146.64
Trade Receivables	5,225.86	15,387.42
Cash and Bank Balances	110.43	1,911.74
Other Financial Assets	-	191.34
Other Assets	719.77	2,108.82
<b>Liabilities</b>		
Trade Payables	1,269.08	3,825.83
Provisions	73.68	900.47
Other Liabilities	218.81	232.60

- 43** The Company expects to restart the grain distillery plant during the financial year 2023-2024 and has also received the permission for operating the fermentation section till March 31, 2024. It is expected that permission for operating the distillation section also will be received soon. In view of this, the management believes that there is no impairment in value of its ENA Plant and hence the recoverable amount of the ENA Plant is not required to be estimated.
- 44** a) Anupama Wine Distributors has filed a suit before the City Civil Court, Bangalore claiming approximately ₹ 731.10 lacs towards refund of security deposit and other dues. The Hon'ble Court vide its Order dated December 22, 2007 dismissed their application for attachment of property for recovery of the above dues. The Company has filed a counter claim for the sum of approximately ₹ 1,193.00 lacs against Anupama Wine Distributors and the matter is pending before City Civil Court, Bangalore. The matter is posted for filing evidence by Anupama Wine Distributors. The Company has filed an application to club both the matters related to Anupama Wine Distributors and Anupama Distributors as the evidences are the same and also an application to transfer both the suits in same court. The application for transfer of both the suits in same Court has been allowed and now both the suits are heard in the same Court. Examination in chief and cross examination of both the parties has been completed in the suit no. 8311. The concerned suit has been stayed because of order in writ petition filed by Anupama against an order rejecting their prayer for filing their evidence in the counter claim filed by Tilaknagar Industries Ltd.
- b) A body corporate has filed a legal suit on the Company to obtain restraining order on the use of certain trademarks owned by the Company. An interim order was passed by the Bombay High Court upholding the ownership of the Company in the aforesaid trade marks and allowing the Company continuous and uninterrupted use of the said trademarks without any restraint. The interim order continues and the appeal filed by the body corporate against the Company is pending. Whereas the body corporate has been restrained by an order of Bombay High Court from launching the concerned trade marks before obtaining the leave of the Court.
- 45** The net worth of PunjabExpo Breweries Private Limited ("PunjabExpo"), a subsidiary of Tilaknagar Industries Ltd., has been eroded and has incurred net loss during the current year. PunjabExpo has rationalized its administrative overheads substantially during the financial year 2022-2023 thereby having a favourable impact on its profitability. It is in talks with the Holding Company for increasing the capacity utilisation during the coming years along with increasing the contract manufacturing rates. The Board of Directors have assessed the above conditions and indicators and have come to the conclusion that no material uncertainty exists that may cast significant doubt on the PunjabExpo's ability to continue as a going concern taking into account the plans management has put in place and the other mitigating factors described above. Hence, the accounts of PunjabExpo have been prepared on a going concern basis.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 46 EXCEPTIONAL ITEMS INCLUDE THE FOLLOWING :

	₹ in lacs
a) The Company had remitted USD 11,00,011.89 equivalent of ₹ 925 lacs on October 13, 2022 to its supplier, Cargill International SA, against credit balance outstanding of ₹ 6,057.93 lacs (equivalent USD 74,28,300) as on September 30, 2022 on receipt of the statutory approval from Reserve Bank of India dated October 06, 2022, towards the Settlement Agreement entered into between the Company and Cargill International SA, wherein it was mutually agreed, inter alia, that the principal outstanding amount of USD 74,28,300 would be settled in full and final at USD value equivalent of ₹ 925 lacs. Consequent to the full and final payment during the financial year 2022-2023, the Company has written back ₹ 5,132.93 lacs being the difference between the settlement amount and the total dues outstanding in the books of accounts. The same is disclosed under exceptional items for the year ended March 31, 2023.	5,132.93
b) The Company had entered into a Master Restructuring Agreement (MRA) dated February 06, 2020 with Edelweiss Asset Reconstruction Company Limited (EARC) acting as Trustee of three trusts i.e EARC Trust SC 233, EARC Trust SC 241 and EARC Trust SC 269 with respect to restructuring of the debts owed to some of the lender banks and a Financial Institution by the Company. Accordingly, the total debt owed by the Company of ₹ 52,332.37 lacs was restructured by EARC at ₹ 34,447.23 lacs as Sustainable Debt and Balance Debt of ₹ 17,885.14 lacs. A part of Balance Debt was subsequently converted into equity. The Company had been regularly paying the stipulated principal and interest of the restructured debt to all the three EARC trusts from 2020 onwards till date in accordance with the repayment schedule of MRA. During the financial year 2022-2023, the Company made a prepayment of the entire outstanding principal along with accrued interest of ₹ 54.10 crores towards EARC Trust SC 233 and EARC Trust SC 269. As per terms of restructuring by EARC, the Balance Debt would remain outstanding till the time the restructured debt was repaid. The Balance Debt along with accrued interest was to be waived by EARC once the restructured debt had been repaid. Consequent to the above prepayment, the corresponding Balance debt of the two trusts i.e EARC Trust SC 233 and EARC Trust SC 269 aggregating to ₹ 12,662.70 lacs has been waived by EARC and accordingly the same has been written back by the Company in the financial statements for the year 2022-2023. The same is disclosed under exceptional items for the year ended March 31, 2023. The total existing debt of EARC as on March 31, 2023 now stands reduced to ₹ 18,759.13 lacs (including Balance Debt of ₹ 362.45 lacs) representing debt of EARC Trust SC 241 only.	12,662.70
c) Prag Distillery Pvt Ltd. a wholly owned subsidiary, referred as Prag had undertaken a capex project in 2010 towards expansion of its bottling capacity with a view to reduce the dependency of TI group on third party bottling tie-up arrangements. The permissions from State Government was received in 2014 after a delay of several years and was subject to a licence fee payment of approx ₹ 20 crores. Meanwhile, TI group had started facing financial liquidity crunch and subsequently TI turned into Non Performing Asset. Hence, Prag could not fulfil the financial obligation necessary to acquire the requisite permissions for commencing the aforesaid project. While the Holding Company was in talks with the Banks and Financial Institutions for settlement, Prag was admitted under Honorable National Company Law Tribunal (NCLT) in June 2017. The process of settlement of financial creditors of Prag took around five years. This further stalled the commissioning of the expansion project. In the year 2022-23, the Liquidator of Prag, has filed an application at NCLT- Mumbai, seeking withdrawal of the Petition filed by the financial creditor Standard Chartered Bank and closure of the liquidation process. In the several years that elapsed, the business dynamics has changed and the external bottling capacities available in Andhra Pradesh have become sufficient and economically prudent to meet the TI group's business requirements. Subsequent to the application for closure of the liquidation process, the Management has evaluated the current situation with respect to aforesaid project and concluded that since the project has got inordinately delayed, it was no longer financially prudent to incur expenditure to increase capacity as	(10,021.69)

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

₹ in lacs

part of the aforesaid capex project under current circumstances. Accordingly, the management has kept the Prag expansion project in abeyance and hence Prag has provided for the impairment of the capex project in its books of accounts. This impairment of the capex project of ₹ 10,021.69 lacs is disclosed under exceptional items for the year ended March 31, 2023.

## Total exceptional items

**7,773.94**

- 47** a) Trade Receivables of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company ("Prag"), include ₹ 586.55 lacs (P.Y. ₹ 586.55 lacs) receivable from Andhra Pradesh Beverage Corporation Ltd. towards sale of IMFL made by Prag in FY 2018-2019 and FY 2019-2020. Prag, through the Liquidator has obtained approval from National Company Law Tribunal to initiate legal action against Andhra Pradesh Beverage Corporation Ltd. for recovery of the same. The Management believes that no provision for doubtful debts is required to be made against this receivable as the amount is expected to be received. The Earnest Money Deposit of ₹ 182.05 lacs (P.Y. ₹ 182.05 lacs) and the advances to suppliers of ₹ 210.99 lacs (P.Y. ₹ 210.99 lacs) are pursued for recovery by the Liquidator / Management.
- b) The Liquidator of Prag, has filed an application at NCLT- Mumbai, on October 08, 2022, seeking withdrawal of the Petition filed by the financial creditor SCB and closure of the liquidation process and for reinstating the Board of Directors for management of the operations of Prag. The order from NCLT- Mumbai is awaited. Meanwhile, Prag had entered into a lease agreement with the Holding Company and the bottling operations at Prag had restarted. Prag will also prepare the revival plan of its operations once the order from NCLT-Mumbai is received. On account of the above, the accounts of Prag have been prepared on a going concern basis.

**48 During the year 2022-2023, after the requisite Board and shareholders' approval, the Company has allotted the following equity shares :-**

- a) 50,62,893 equity shares of face value of ₹ 10/- each to promoters / promoter group at an issue price of ₹ 53/- per equity share including a premium of ₹ 43/- per share
- b) 99,99,988 equity shares of face value of ₹ 10/- each to entities at an issue price of ₹ 72/- per equity share including a premium of ₹ 62/- per share,
- c) 1,05,26,315 equity shares of face value of ₹ 10/- each to an entity at an issue price of ₹ 95/- per equity share including a premium of ₹ 85/- per share

**Further, the following warrants are outstanding as on March 31, 2023 :**

- a) 41,82,390 warrants issued to promoter group on a preferential basis at an issue price of ₹ 53/- per warrant including a premium of ₹ 43/- per warrant.
- b) 18,05,556 warrants issued to non-promoter group on a preferential basis at an issue price of ₹ 72/- per warrant including a premium of ₹ 62/- per warrant.

- 49** The Board of Directors of Tilaknagar Industries Limited ("TI" or the Transferee Company") at their Board Meeting held on May 30, 2022, have inter alia, approved the Composite Scheme of Amalgamation ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with relevant rules & regulations framed thereunder. The Scheme, inter alia, provides for amalgamation by way of absorption and vesting of four wholly-owned subsidiaries of the Company, viz. (i) Kesarval Springs Distillers Private Limited ("KSDPL"); (ii) Mykingdom Ventures Private Limited ("MVPL"); (iii) Srirampur Grains Private Limited ("SGPL"); and (iv) Studd Projects Private Limited ("SPPL") [hereinafter collectively referred to as the "Transferor Companies" and individually referred to as the "Transferor Company"] with and into TI.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

The "appointed date" as per the scheme is the 1<sup>st</sup> day of April, 2022 or such other date as may be approved by the Honourable National Company Law Tribunal(s), for the purposes of this Scheme. The Scheme as aforesaid shall be subject to necessary approvals by the Shareholders, Creditors, Jurisdictional Bench of National Company Law Tribunal ("NCLT") and such other statutory and regulatory approvals as may be required. Pending such approvals, the financials have been prepared without giving any effect to the said Scheme.

**50** The Board of Directors at its meeting held on May 16, 2023 has proposed a final dividend of ₹ 0.25 per equity share of Face value ₹ 10/- each for the financial year ended March 31, 2023.

## **51 OTHER STATUTORY INFORMATION:**

- i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.
- ii) The Group does not have any immovable property (other than properties where the group is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.
- iii) The Company does not have any transactions with the struck off Companies.
- iv) The Group does not have any charges or satisfaction of charges which are yet to be registered with ROC beyond the statutory period except for satisfaction of charges in one of the subsidiary companies which was under liquidation process. The subsidiary company is facing technical errors in MCA website for filing satisfaction of charges with ROC.
- v) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- vi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:-
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:-
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- viii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- ix) The Group has not made any Loans or Advances in the nature of loans that are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are :-
  - (a) repayable on demand or
  - (b) without specifying any terms or period of repayment.
- x) The Group has not been declared as a wilful defaulter.
- xi) The Group did not have sanctioned working capital limits during the year from any banks / lenders.

**52** Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

**For Harshil Shah & Company**

Chartered Accountants  
Firm Registration No.141179W

**Harshil Shah**

Partner  
Membership No.124146

Place : Mumbai

Date : May 16, 2023

For and on behalf of the Board of Directors

**Amit Dahanukar**

Chairman & Managing Director  
(DIN: 00305636)

**Abhinav Gupta**

Chief Financial Officer

**C. V. Bijlani**

Director  
(DIN:02039345)

**Dipti Todkar**

Company Secretary

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG WITH ANNUAL AUDITED FINANCIAL RESULTS (CONSOLIDATED)

### Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) ₹ in lacs	Adjusted Figures (audited figures after adjusting for qualifications) ₹ in lacs
	1	Turnover/Total income	2,47,678.17	247,678.17
	2	Total Expenditure	2,40,462.77	2,41,442.36
	3	Exceptional Items	7,773.94	7,773.94
	4	Net Profit/(Loss) after tax	14,989.89	14,010.3
	4	Earnings Per Share (In ₹)	8.79	8.21
	5	Total Assets	1,01,153.64	1,00,174.05
	6	Total Liabilities	52,862.00	52,862.00
	7	Net Worth	48,291.64	47,312.05
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
<b>II. Audit Qualification (each audit qualification separately):</b>				
a.	<b>Details of Audit Qualification:</b> (i) The Holding Company has not carried out impairment assessment of one of the ENA plants as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets' though there is an indication of impairment. Reference is invited to note no. 5 of the consolidated annual financial results.			
	(ii) The following paragraph in respect of Basis for Qualified Opinion was included in the audit report dated May 15, 2023 issued on the Financial Statements of Prag Distillery (P) Ltd ("Prag"), a subsidiary company of the Holding Company issued by an Independent Firm of Chartered Accountants, is reproduced as under:			
	<ul style="list-style-type: none"> <li>We draw attention to note in the financial statement which states that there are unsecured overdue trade receivables of ₹ 586.55 lacs and deposits of ₹ 182.05 from Andhra Pradesh Beverage Corporation Ltd and unsecured advances given to suppliers of ₹ 210.99 lacs which are long overdue and doubtful of recovery. The management has not considered any provision for allowance on doubtful trade receivables, deposits and advances though it is long overdue. In absence of sufficient appropriate audit evidence and balance confirmations, we are unable to verify the recoverability amount of the trade receivables deposits and advances.</li> </ul>			
b.	<b>Type of Audit Qualification:</b>	Qualified Opinion		
c.	<b>Frequency of qualification:</b>	Point (i) - Appearing eighth time Point (ii) - Appearing fourth time		
d.	<b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>	Response to Point (II)(a)(ii) <ul style="list-style-type: none"> <li>Trade Receivables of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company ("Prag"), include ₹ 586.55 lacs (P.Y. ₹ 586.55 lacs) receivable from Andhra Pradesh Beverage Corporation Ltd. towards sale of IMFL made by Prag in FY 2018-2019 and FY 2019-2020. Prag, through the Liquidator has obtained approval from National Company Law Tribunal to initiate legal action against Andhra Pradesh Beverage Corporation Ltd. for recovery of the same. The Management believes that no provision for doubtful debts is required to be made against this receivable as the amount is expected to be received. The Earnest Money Deposit of ₹ 182.05 lacs (P.Y. ₹ 182.05 lacs) and the advances to suppliers of ₹ 210.99 lacs (P.Y. ₹ 210.99 lacs) are pursued for recovery by the Liquidator / Management.</li> </ul>		

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

**(i) Management's estimation on the impact of audit qualification:** Nil for the reasons given at para 2(e)(i) below

**(ii) If management is unable to estimate the impact, reasons for the same:** Response to Point (II)(a)(i)  
The Company expects to restart the grain distillery plant during the financial year 2023-24 and has also received the permission for operating the fermentation section till March 31, 2024. It is expected that permission for operating the distillation section also will be received soon. In view of this, the management believes that there is no impairment in value of its ENA Plant and hence the recoverable amount of the ENA Plant is not required to be estimated.

**(iii) Auditors' Comments on (i) or (ii) or (iii) above:** Refer II (a) above

**III. Signatories:**

• <b>CEO/Managing Director</b>	Amit Dahanukar
• <b>CFO</b>	Abhinav Gupta
• <b>Audit Committee Chairman</b>	C.V. Bijlani
• <b>Statutory Auditor</b>	For <b>Harshil Shah &amp; Company</b> Harshil Shah (Partner)

Place: Mumbai

Date : May 16, 2023

# Independent Auditor's Report

To the Members of **Tilaknagar Industries Ltd.**

## Report on the Audit of the Standalone Financial Statements

### QUALIFIED OPINION

We have audited the accompanying standalone financial statements of **Tilaknagar Industries Ltd.** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in basis for qualified opinion paragraph, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profits and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### BASIS FOR QUALIFIED OPINION

The Company has not carried out impairment assessment of one of the ENA plants as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets' though there is an indication of impairment. Reference is invited to note no. 42 of the standalone financial statements.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient

and appropriate to provide a basis for our audit opinion on the financial statements.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

### PROVISIONS FOR CONTINGENCIES AND LITIGATIONS AND DISCLOSURE OF CONTINGENT LIABILITIES

#### Description of Key Audit Matter:

As at March 31, 2023, the Company has exposures towards litigations relating to various matters as set out in the Notes below. Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws / regulations, it is considered to be a Key Audit Matter.

Refer Note no. 29, 43 and 1.3(vii) of standalone financial statements and accounting policies for contingent liabilities, provisions and related disclosures.

#### Auditor's response:

Our audit procedures included the following:

- We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations;
- We have reviewed the legal and other professional expenses and enquired with the management for recent developments and the status of the material litigations which were reviewed;
- We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities / other significant litigations disclosed in the standalone financial statements;

- We used auditor's experts / specialists to gain an understanding and to evaluate the disputed tax matters;
- We considered external legal opinions, where relevant, obtained by management;
- We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates / judgements;
- We evaluated management's assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered to be remote by the management; and
- We assessed the adequacy of the Company's disclosures

Based on the above work performed, the assessment in respect of litigations and related disclosures relating to contingent liabilities / other significant litigations in the standalone financial statements is considered to be reasonable.

### **INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive

income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most

significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
  - d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f) On the basis of the written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g) The qualification relating to the maintenance of accounts and other matters connected therewith

are as stated in the Basis for Qualified Opinion paragraph above.

h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigation on its financial position as at March 31, 2023.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Company did not declare any interim dividend in the current year.

(c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

For **Harshil Shah & Company**  
Chartered Accountants  
ICAI Firm Reg. No. 141179W

**Harshil Shah**  
Partner

Place : Mumbai Membership No. 124146  
Date : May 16, 2023 ICAI UDIN : 23124146BGWXGN5380

## Annexure - A to the Independent Auditors' Report

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of **Tilaknagar Industries Ltd.** of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

i In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all items of Property, Plant and Equipment are verified once in every two years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the said programme, certain items of Property, Plant and Equipment were physically verified during the year and no material discrepancies were observed on such verification.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, capital work-in progress, according to the information and explanations given to us and based on the examination of the registered sale deed / title deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable.

(e) According to the information and explanations given to us, no proceedings have been initiated, or were pending, during the year against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, with regards to the nature and size of its inventories, the coverage and procedure of such physical verification carried out during the year were appropriate. Discrepancies noted during such physical verification were less than 10% of respective inventory classes. All discrepancies noted during the year were properly dealt with in the books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.

iii (a) The Company has, during the year, made investments in companies and mutual fund schemes and granted unsecured loans companies and employees. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans to subsidiaries and to parties other than subsidiaries are as per the table given below:

Particulars	Loans* (₹ In lacs)
Aggregate amount granted during the year	
- Subsidiaries	628.05
- Others	15.00
Balance outstanding as at Balance sheet date	
- Subsidiaries	628.05
- Others	15.00

\*The amounts reported are at gross amounts, without considering provisions made.

(b) In respect of the aforesaid investments and loans, the terms and conditions under which such investments were made and loans were granted are not prejudicial to the Company's interest, based on the information and explanations provided by the Company.

- (c) In respect of loans granted outstanding during the year, the schedule of repayment of principal and payment of interest has not been stipulated. The repayments of principal amounts and receipts of interest are not regular.
- (d) In our opinion in respect of loans granted and outstanding, we are unable to comment on the overdue amount remaining outstanding as at balance
- (f) The Company has granted loans during the year and outstanding balance of earlier years to subsidiaries which are repayable on demand as stated below:

Name of Party	Amount in lacs outstanding as at balance sheet date	% of total loans
Prag Distilleries Pvt Ltd <sup>^</sup>	9,761.20	93.57%
PunjabExpo Breweries Pvt Ltd <sup>^</sup>	565.79	5.42%
Mykingdom Ventures Pvt Ltd	10.29	0.10%
Studd Projects Pvt Ltd	18.33	0.18%
Srirampur Grains Pvt Ltd	29.53	0.28%
Shivprabha Sugars Pvt Ltd	47.17	0.45%

<sup>^</sup>The amounts are fully provided in the books

Further, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties. No loans were granted during the year to Promoters.

- iv In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v According to information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
- vi We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, in respect of its products and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, income tax and other material statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us, statutory dues relating to Goods and Service Tax, Excise Duty, Sales Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Nature of Statute	Nature of dues	Amount (₹ In lacs)*	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	830.39	April 2012 - June 2017	CESTAT
Sales Tax Act	MVAT (Maharashtra)	94.35	2015-2016	Joint Commissioner (Appeals)
Sales Tax Act	CST (Maharashtra)	146.72	2015-2016	Joint Commissioner (Appeals)
Sales Tax Act	MVAT (Maharashtra)	52.93	2016-2017	Joint Commissioner (Appeals)
Sales Tax Act	MVAT (Maharashtra)	51.58	2017-2018	Joint Commissioner (Appeals)
Sales Tax Act	CST (Maharashtra)	74.76	2017-2018	Joint Commissioner (Appeals)

\*As represented by Management.

- viii According to the information and explanations given to us, no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which was not recorded in the books of account. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate as defined under the Act.
- x (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.
- (b) The company has made preferential allotment of equity shares and fully convertible warrants during the year and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.
- xi (a) According to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, in our opinion and based on the audit procedures performed by us, no report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was filed with the Central Government during the year or upto the date of the Report.
- (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
- xii In our opinion and according to the information and explanations given to us, the Company is not a 'Nidhi' company and it has not accepted any deposits. Accordingly, paragraph 3(xii)(a), paragraph 3(xii)(b) and paragraph 3(xii)(c) of the Order is not applicable.
- xiii According to the information and explanations given to us and based on the audit procedures performed by us, the Company is in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued upto the date of this Report, for the period under audit.
- xv According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, provisions of section 192 of the Act and paragraph 3(xv) of the Order is not applicable.

- xiv (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clauses 3(xvi)(a) of the Order are not applicable.
- (b) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not conducted any Non-Banking Financial activities during the year without a valid certificate of registration (CoR) from the RBI. Further as represented by the Management, the Company has not engaged in Housing Finance Activities.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Direction 2016) does not have any Core Investment Companies (CICs).
- xvii The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx (a) There are no unspent amounts towards Corporate Social Responsibility ("CSR") on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent CSR amount as at the end of the financial year, to a Special account within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Companies Act, 2013.

For **Harshil Shah & Company**  
Chartered Accountants  
ICAI Firm Reg. No. 141179W

**Harshil Shah**  
Partner

Place : Mumbai  
Date : May 16, 2023

Membership No. 124146  
ICAI UDIN : 23124146BGWXGN5380

## Annexure - B to the Auditors' Report

(referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of the Company of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

#### OPINION

We have audited the Internal Financial Controls over financial reporting of **Tilaknagar Industries Ltd.** ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over

Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

#### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance



regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over

financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Harshil Shah & Company**

Chartered Accountants

ICAI Firm Reg. No. 141179W

**Harshil Shah**

Partner

Place : Mumbai

Membership No. 124146

Date : May 16, 2023

ICAI UDIN : 23124146BGWXGN5380

# Standalone Balance Sheet

as at March 31, 2023

		(₹ in lacs)	
	Note No.	As at March 31, 2023	As at March 31, 2022
<b>I ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2a	40,094.15	42,174.66
Capital Work-in-Progress	2a(i)	10.62	-
Right of Use Assets	2b	219.17	17.74
Other Intangible Assets	2c	30.67	33.19
<b>Financial Assets</b>			
Investments	3	2,190.12	6,363.85
Loans	4	13.39	-
Other Financial Assets	5	2,549.22	3,826.91
Deferred Tax Assets (Net)	26	-	-
Other Non-Current Assets	6	461.96	730.45
Non-Current Tax Assets (Net)	27	280.62	250.01
		<b>45,849.92</b>	<b>53,396.81</b>
<b>Current Assets</b>			
Inventories	7	11,620.93	7,164.04
<b>Financial Assets</b>			
Investments	3	2,206.98	-
Trade Receivables	8	33,256.51	23,051.93
Cash and Cash Equivalents	9a	3,301.29	3,544.70
Other Bank Balances	9b	895.78	2,748.19
Loans	4	107.41	640.40
Other Financial Assets	5	1,646.44	5,950.52
Other Current Assets	6	1,660.82	1,753.30
		<b>54,696.16</b>	<b>44,853.08</b>
<b>TOTAL ASSETS</b>		<b>100,546.08</b>	<b>98,249.89</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	10	18,534.00	15,862.18
Other Equity	11	30,102.39	(3,784.56)
		<b>48,636.39</b>	<b>12,077.62</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	12	2,400.65	38,099.47
Lease Liabilities	30	213.75	7.37
Other Financial Liabilities	13	6,427.29	4,018.06
Provisions	14	306.79	320.08
Deferred Tax Liabilities (Net)	26	-	-
Other Non-Current Liabilities	15	-	1,452.50
		<b>9,348.48</b>	<b>43,897.48</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	12	22,796.91	20,284.02
Lease Liabilities	30	28.34	13.04
Trade Payables			
Total outstanding dues of micro & small enterprises	16	3,432.63	2,107.08
Total outstanding dues of creditors other than micro & small enterprises	16	9,179.20	14,051.26
Other Financial Liabilities	13	2,668.20	1,270.48
Provisions	14	3,364.62	2,619.38
Other Current Liabilities	15	1,091.31	1,929.53
		<b>42,561.21</b>	<b>42,274.79</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>100,546.08</b>	<b>98,249.89</b>

Significant accounting policies

The accompanying notes are an integral part of the financial statements

1  
2-51

As per our Report of even date annexed.

For and on behalf of the Board of Directors

**For Harshil Shah & Company**

Chartered Accountants  
Firm Registration No.141179W

**Harshil Shah**

Partner  
Membership No.124146

Place : Mumbai

Date : May 16, 2023

**Amit Dahanukar**

Chairman & Managing Director  
(DIN: 00305636)

**Abhinav Gupta**

Chief Financial Officer

**C. V. Bijlani**

Director  
(DIN:02039345)

**Dipti Todkar**

Company Secretary

# Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in lacs)

	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<b>INCOME</b>			
Revenue from Operations			
Sale of Products	17	246,072.31	178,805.91
Other Operating Income	17.1	851.06	399.96
Other Income	18	640.17	959.59
<b>Total Income</b>		<b>247,563.54</b>	<b>180,165.46</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	19	63,337.28	37,798.42
(Increase) / Decrease in Inventories	20	(1,716.89)	442.84
Excise Duty		130,491.54	100,868.62
Employee Benefit Expense	21	3,342.87	2,078.99
Finance Cost	22	4,018.71	5,776.41
Depreciation and Amortisation	2	3,084.15	3,116.72
Other Expenses	23	38,103.29	27,576.13
<b>Total Expenses</b>		<b>240,660.95</b>	<b>177,658.13</b>
<b>Profit / (loss) before exceptional items and tax</b>		<b>6,902.59</b>	<b>2,507.33</b>
Add / (less) : Exceptional Items	44	9,685.34	-
<b>Profit / (Loss) Before Tax</b>		<b>16,587.93</b>	<b>2,507.33</b>
Less : Tax Expense			
1) Current Tax		-	-
2) Taxes for Earlier Years	27	(0.55)	(399.69)
3) Deferred Tax	26	-	-
<b>Total Tax Expense</b>		<b>(0.55)</b>	<b>(399.69)</b>
<b>Profit / (Loss) After Tax</b>		<b>16,588.48</b>	<b>2,907.02</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit &amp; Loss</b>			
Remeasurement of Defined Benefit Plans	31	(31.40)	(36.53)
<b>Items that will be reclassified to Profit &amp; Loss</b>			
		-	-
<b>Total Other Comprehensive Income / (Loss)</b>		<b>(31.40)</b>	<b>(36.53)</b>
<b>Total Comprehensive Income for the year</b>		<b>16,557.08</b>	<b>2,870.49</b>
<b>Earnings per equity share</b>			
	39		
1) Basic		9.72	2.03
2) Diluted		9.48	1.98

Significant accounting policies

1

The accompanying notes are an integral part of the financial statements

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As per our Report of even date annexed.

For and on behalf of the Board of Directors

**For Harshil Shah & Company**

Chartered Accountants  
Firm Registration No.141179W

**Harshil Shah**

Partner  
Membership No.124146

Place : Mumbai

Date : May 16, 2023

**Amit Dahanukar**

Chairman & Managing Director  
(DIN: 00305636)

**Abhinav Gupta**

Chief Financial Officer

**C. V. Bijlani**

Director  
(DIN:02039345)

**Dipti Todkar**

Company Secretary

# Standalone Statement of Cash Flow

for the year ended March 31, 2023

(₹ in lacs)

	Year ended March 31, 2023		Year ended March 31, 2022	
<b>A) Cash flow from Operating activities</b>				
Net profit (Loss) before tax		<b>16,587.93</b>		<b>2,507.33</b>
Adjustment for:				
Exceptional Items - Creditors - Written Back	(5,132.93)		-	
Exceptional Items - unsustainable balance debts -Written Back	(12,662.71)		-	
Exceptional Items - Provision	8,110.29		-	
Depreciation / Amortisation	3,084.15		3,116.72	
Loss / (Profit) on sale of assets	(0.28)		(1.12)	
Unrealised (Gain) / Loss on Investment	(31.56)			
Loss / (Profit) on sale of Investment	(75.85)		(32.50)	
Excess provision written back	(270.79)		(417.37)	
Allowance for doubtful advances / deposits	619.37		2,609.63	
Provision for non-moving and obsolete inventories	23.39		296.55	
Advances written off	6.29		36.26	
Bad Debts	20.93		-	
Sundry balance written back	-		(75.79)	
Expected Credit Loss / (Write Back) on trade receivables	335.66		(242.60)	
Unrealised Foreign Exchange Fluctuation (Gain) / Loss	6.91		170.93	
Employee stock option expenses	349.55		364.91	
Finance costs	4,018.71		5,776.41	
Interest income	(250.27)	(1,849.14)	(181.13)	11,420.90
<b>Operating Profit before working capital changes</b>		<b>14,738.79</b>		<b>13,928.23</b>
Adjustment for:				
(Decrease) / Increase in trade payables, current liabilities, provisions and other financial liabilities	6,814.81		(5,101.47)	
(Increase) / Decrease in financial assets, loans and advances and other assets	1,955.15		4,467.25	
(Increase) / Decrease in inventories	(4,480.28)		(320.84)	
(Increase) / Decrease in trade receivables	(10,568.07)	<b>(6,278.39)</b>	(5,323.82)	<b>(6,278.88)</b>
Direct taxes (net) refund / (paid)		(30.06)		476.45
<b>Net Cash from Operating activities</b>		<b>8,430.34</b>		<b>8,125.80</b>
<b>B) Cash Flow from Investing activities</b>				
Purchase of property, plant and equipment	(958.97)		(328.63)	
Sale of property, plant and equipment	1.10		2.54	
Investment in Equity shares of other entity	(50.02)		-	
Investment in Subsidiary	-		(1,600.00)	
Purchase of investments - Mutual Fund	(8,499.58)		(6,999.65)	
Sale of investments - Mutual Fund	6,400.00		7,032.15	
(Increase) / Decrease in other bank balances	1,850.21		(2,562.17)	
Loans given to Employees	(15.00)		-	
Loans given to subsidiaries	(907.07)		(351.72)	
Interest received	250.27		181.13	
<b>Net Cash from Investing Activities</b>		<b>(1,929.06)</b>		<b>(4,626.35)</b>

# Standalone Statement of Cash Flow

For the year ended March 31, 2023

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>C) Cash Flow from Financing activities</b>		
Proceeds from issue of shares including application money	19,817.49	9,219.02
Proceeds from borrowings	2,325.00	7,629.47
Repayment of borrowings including current maturities	(24,942.51)	(12,368.11)
Principal payment of lease liabilities	(52.91)	(51.84)
Payment of Dividend	(160.96)	(11.85)
Finance costs paid	(3,730.80)	(5,660.39)
<b>Net Cash from Financing Activities</b>	<b>(6,744.69)</b>	<b>(1,243.70)</b>
<b>Net increase in Cash &amp; Cash equivalents (A+B+C)</b>	<b>(243.41)</b>	<b>2,255.75</b>
Opening cash & cash equivalents	3,544.70	1,288.95
<b>Closing cash &amp; cash equivalents</b>	<b>3,301.29</b>	<b>3,544.70</b>

## Notes :

### (a) Cash and cash equivalents comprises of

(₹ in lacs)

	As at March 31, 2023	As at March 31, 2022
i) Balances with Banks		
In Current Accounts	406.13	3,513.11
ii) Short-Term Bank Deposits (Maturity within 3 months)	2,885.92	23.06
iii) Cash on Hand	9.24	8.53
	<b>3,301.29</b>	<b>3,544.70</b>

### (b) Change in liability arising from financing activities

Change in liability arising from financing activities	As at April 01, 2022	Cash Flow (net)	Non Cash Flow	As at Mar 31, 2023
Borrowings (Refer Note 12)	58,383.49	(26,348.31)	(6,837.62)	25,197.56

(c) The above standalone statement of cash flow have been prepared under the "Indirect Method" as set out in Ind AS 7, "Statement of cash flow"

(d) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

For and on behalf of the Board of Directors

**For Harshil Shah & Company**  
Chartered Accountants  
Firm Registration No.141179W

**Amit Dahanukar**  
Chairman & Managing Director  
(DIN: 00305636)

**C. V. Bijlani**  
Director  
(DIN:02039345)

**Harshil Shah**  
Partner  
Membership No.124146

**Abhinav Gupta**  
Chief Financial Officer

**Dipti Todkar**  
Company Secretary

Place : Mumbai  
Date : May 16, 2023

# Standalone Statement of Changes in Equity

for the year ended March 31, 2023

## A) EQUITY SHARE CAPITAL

(₹ in lacs)

	As at March 31, 2023	As at March 31, 2022
<b>Balance as at April 01</b>	<b>15,862.18</b>	<b>12,543.46</b>
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 01	<b>15,862.18</b>	<b>12,543.46</b>
Changes in equity share capital during the year	2,671.82	3,318.72
<b>Balance as at March 31</b>	<b>18,534.00</b>	<b>15,862.18</b>

## B) OTHER EQUITY

### 1) Current Reporting Period (2022-2023)

	Reserves and Surplus					Total
	Securities Premium Account	General Reserve	Share Based Payments Reserve	Retained Earnings	Money Received against Share Warrants	
<b>Balance at the beginning of the current reporting period</b>	<b>28,508.36</b>	<b>1,599.12</b>	<b>460.81</b>	<b>(35,577.85)</b>	<b>1,225.00</b>	<b>(3,784.56)</b>
Changes in Accounting Policies or prior period errors	-	-	-	-	-	-
<b>Restated balances at the beginning of the current reporting period</b>	<b>28,508.36</b>	<b>1,599.12</b>	<b>460.81</b>	<b>(35,577.85)</b>	<b>1,225.00</b>	<b>(3,784.56)</b>
Profit / (Loss) after tax	-	-	-	16,588.48	-	16,588.48
Remeasurement of defined benefit plans	-	-	-	(31.40)	-	(31.40)
Exercise of Employee Stock Options	197.50	-	(197.50)	-	-	-
Share based payment reserve created during the year	-	-	349.55	-	-	349.55
Transfer to General Reserve	-	-	-	-	-	-
Allotment of shares to employees & Others	17,491.51	-	-	-	-	17,491.51
Further warrants issued	-	-	-	-	937.50	937.50
Conversion of warrants into equity shares	-	-	-	-	(1,283.33)	(1,283.33)
Dividend on Equity Shares	-	-	-	(165.36)	-	(165.36)
<b>Balance at the end of the current reporting period</b>	<b>46,197.37</b>	<b>1,599.12</b>	<b>612.86</b>	<b>(19,186.13)</b>	<b>879.17</b>	<b>30,102.39</b>

# Standalone Statement of Changes in Equity

For the year ended March 31, 2023

## 2) Previous Reporting Period (2021-2022)

	Reserves and Surplus					Total
	Securities Premium Account	General Reserve	Share Based Payments Reserve	Retained Earnings	Money Received against Share Warrants	
<b>Balance at the beginning of the previous reporting period</b>	<b>18,759.18</b>	<b>1,520.24</b>	<b>388.68</b>	<b>(38,448.34)</b>	-	<b>(17,780.24)</b>
Changes in Accounting Policies or prior period errors	-	-	-	-	-	-
<b>Restated balances at the beginning of the current reporting period</b>	<b>18,759.18</b>	<b>1,520.24</b>	<b>388.68</b>	<b>(38,448.34)</b>	-	<b>(17,780.24)</b>
Profit / (Loss) after tax	-	-	-	2,907.02	-	2,907.02
Remeasurement of defined benefit plans	-	-	-	(36.53)	-	(36.53)
Exercise of Employee Stock Options	213.90	-	(213.90)	-	-	-
Share based payment reserve created during the year	-	-	364.91	-	-	364.91
Transfer to General Reserve	-	78.88	(78.88)	-	-	-
Allotment of shares to employees & Others	9,535.28	-	-	-	-	9,535.28
Further warrants issued	-	-	-	-	1,575.00	1,575.00
Conversion of warrants into equity shares	-	-	-	-	(350.00)	(350.00)
<b>Balance at the end of the previous reporting period</b>	<b>28,508.36</b>	<b>1,599.12</b>	<b>460.81</b>	<b>(35,577.85)</b>	<b>1,225.00</b>	<b>(3,784.56)</b>

As per our Report of even date annexed.

For and on behalf of the Board of Directors

### For Harshil Shah & Company

Chartered Accountants  
Firm Registration No.141179W

### Harshil Shah

Partner  
Membership No.124146

Place : Mumbai  
Date : May 16, 2023

### Amit Dahanukar

Chairman & Managing Director  
(DIN: 00305636)

### Abhinav Gupta

Chief Financial Officer

### C. V. Bijlani

Director  
(DIN:02039345)

### Dipti Todkar

Company Secretary

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 1.1 CORPORATE INFORMATION

Tilaknagar Industries Ltd. ('TI' or 'the 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act and its equity is listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company is primarily involved in manufacturing and sale of Indian Made Foreign Liquor (IMFL). The Company has a strong and diverse portfolio of brands in various liquor categories including brandy, whisky, vodka, gin, and rum.

## 1.2 BASIS OF PREPARATION

### a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on May 16, 2023.

Details of the Company's accounting policies are included in Note 1.3.

### b) Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lacs, unless otherwise indicated.

### c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

### d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- 1) Useful life of Property, plant and equipment.
- 2) Useful life of Intangible Assets
- 3) Employee benefit plans
- 4) Provisions and contingent liabilities
- 5) Lease classification
- 6) Income tax

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment for the year ending March 31, 2023 is included in the following notes:

Note No 29-Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

### e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

**Level 1 :** Quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2 :** Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

**Level 3 :** Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## 1.3 SIGNIFICANT ACCOUNTING POLICIES

### i) Property, plant and equipment

#### a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of Profit & Loss.

#### b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

#### c) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful Life as per Schedule II of the Companies Act, 2013
Factory Buildings	30	30
Plant and equipment (other than ENA plants)	15	15
ENA Plants	20	15
Furniture and Fixtures	10	10
Motor Vehicles	8	8
Office Equipments	5	5
Computers	3	3
Computer server	6	6
Electrical Installations	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

## ii) Intangible assets

### a) Acquired intangible assets

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

### b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit and loss as incurred.

### c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

## iii) Inventories

Inventories are measured at the lower of cost and net realisable value after provision for obsolescence where appropriate. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable values.

The comparison of cost and net realisable value is made on an item-by-item basis.

Scrap is valued at net realisable value.

## iv) Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

### Transactions and balances

Monetary items are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit & loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## v) Impairment of non-financial assets

An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency. Recoverable value is the higher of the 'Value in Use' and fair value as reduced by cost of disposal. Test of impairment of PPE (Property, Plant & Equipment) investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Assets and Investment Properties it is undertaken in asset specific context. Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## vi) Employee Benefits

### a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### b) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of profit or loss in the year during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

### c) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in statement of profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### d) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in statement of profit or loss in the period in which they arise.

## vii) Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

## viii) Leases

### As a lessee

The Company's leases primarily consist of leases of office premises, warehouses and guest houses. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and / or low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost

less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of 3-5 years based on lease term being lower of lease term and estimated useful life of underlying assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in statement of cash flows.

### As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

## ix) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

## x) Revenue Recognition

Revenue comprises revenue from contracts with customers for sale of goods. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes, Goods and Services Tax (GST) and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customer, as below:

### a) Revenue from sale of products:

Revenue is recognised at transaction price on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

### b) Income from Royalty and Contract manufacturing

Income from royalties and contract manufacturing are recognised on an accrual basis in accordance with the substance of relevant agreement.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

**c) Revenue from manufacture and sale of products from tie-up manufacturing arrangements:**

The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), wherein TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from / payable to TMUs are recognised under other financial assets / other financial liabilities respectively.

**d) Interest**

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "Other income" in the statement of profit and loss.

**e) Dividend**

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when the shareholders approve the dividend.

**xi) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the statement of profit and loss on a systematic basis over the periods to which they relate. When the grant relates to an asset, it is treated as deferred income and recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

**xii) Income tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it

relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

**a) Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

**b) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

The Company offsets the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

## xiii) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss after tax attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

## xiv) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit / (loss) for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. Cash and cash equivalents are cash, balances with bank and short-term (three months or less from the date of placement), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

## xv) Share based payments

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. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## xvi) Financial instruments

### a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial

assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

### b) Classification and subsequent measurement

#### Financial assets

##### Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

In case, the fair value of a financial asset or financial liability, at initial recognition, differs from the transaction price, the difference between the fair value at initial recognition and the transaction price -

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(i) is recognised as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation.

(ii) is deferred and is recognised as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. The unamortised portion of the deferred fair value gain / loss difference as on reporting date, is disclosed under other current / non-current assets / liabilities as the case may be.

## c) Derecognition

### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

- 12 months expected credit losses, or
- Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition."

### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled

or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

## d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

## xvii) Recent amendments to Indian Accounting Standards:

On March 31, 2023, Ministry of Corporate Affairs ('MCA') issued the Companies (Indian Accounting Standards) Amendment Rules, 2023 ('the Rules'), applicable for annual reporting periods beginning on or after April 01, 2023, which are as below:

### 1 Ind AS 1 – Presentation of Financial Statements:

Entities are required to disclose its 'material accounting policy information' instead of its 'significant accounting policies'. Guidance has been added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material. The amendments also clarify that –

- a. accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- b. accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- c. if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

These amendments are not expected to have a material impact on the financial statements of the

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Company and the management will evaluate the disclosures requirements for the subsequent annual financial reporting

## 2 Ind AS 8 – Accounting policies, Changes in Accounting estimates and Error:

The definition of 'change in accounting estimates' is replaced with a definition of 'accounting estimates'. As per the new definition accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments have also added explanation for treatment and recognition of changes in accounting estimates.

These amendments are not expected to have a material impact on the financial statements of the Company.

## 3 Ind AS 12 – Income taxes:

Transactions which give rise to equal taxable and deductible temporary differences (at time of the transaction) have been added to exceptions to the initial recognition exemption provided in the Ind AS 12. The amendments also apply to taxable and deductible temporary differences associated with right-of-use assets and lease liabilities, and

decommissioning obligations and corresponding amounts recognised as assets at the beginning of the earliest comparative period presented and requires recognition of the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The Company is in the process of evaluating the impact of these amendments, however, these amendments are not expected to have a material impact on the financial statements of the Company as the Company already recognised the deferred taxes associated with right-of-use assets and lease liabilities that are already aligned with the proposed amendments.

## 4 Amendments pertaining to other Ind AS [i.e. Ind AS 101 – First Time Adoption of Indian Accounting Standards, Ind AS 102 – Share-based Payments, Ind AS 103 – Business Combinations, Ind AS 107 – Financial Instruments Disclosures, Ind AS 109 – Financial Instruments and Ind AS 115 – Revenue from Contracts with Customers] contained the said Rules are in the nature of either certain corrections of errors or consequential cross reference in respect of the above mentioned amendments and do not have impact on accounting principles.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 2 PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

	Gross Block		Depreciation and Amortisation			Net Block	
	As at April 01, 2022	As at Mar 31, 2023	As at April 01, 2022	For the year	As at Mar 31, 2023	As at Mar 31, 2022	
<b>a) Property, Plant and Equipment</b>							
Land	13,498.80	13,498.80	-	-	13,498.80	13,498.80	
Buildings	8,739.84	8,739.84	3,135.01	236.52	5,368.30	5,604.83	
Roads & Bridges	132.69	793.98	100.79	25.45	667.74	31.90	
Leasehold Improvement	42.00	42.00	32.98	4.03	4.99	9.02	
Plant and Equipment	49,892.76	50,121.23	27,511.64	2,574.32	20,035.25	22,381.12	
Furniture and Fixtures	331.97	355.25	284.94	18.61	51.70	47.03	
Motor Vehicles	300.00	283.53	286.59	15.65	12.59	13.41	
Office Equipment	309.97	317.85	293.25	2.75	21.85	16.72	
Computers	886.53	913.96	846.65	9.25	58.06	39.88	
Electrical Installations	1,816.23	1,816.23	1,284.53	157.08	374.62	531.70	
Library Books	0.28	0.28	0.28	-	-	-	
Live Stock	0.25	0.25	-	-	0.25	0.25	
<b>Total Property, Plant and Equipment</b>	<b>75,951.32</b>	<b>76,883.20</b>	<b>33,776.66</b>	<b>3,028.01</b>	<b>40,094.15</b>	<b>42,174.66</b>	
<b>b) Right Of Use Asset</b>							
Premises	118.48	373.53	100.74	53.62	219.17	17.74	
<b>Total Right Of Use Asset</b>	<b>118.48</b>	<b>373.53</b>	<b>100.74</b>	<b>53.62</b>	<b>219.17</b>	<b>17.74</b>	
<b>c) Intangible Assets</b>							
Brands	3,345.07	3,345.07	3,345.07	-	-	-	
Software	589.70	589.70	556.51	2.52	30.67	33.19	
Product Development	173.94	173.94	173.94	-	-	-	
<b>Total Intangible Assets</b>	<b>4,108.71</b>	<b>4,108.71</b>	<b>4,075.52</b>	<b>2.52</b>	<b>30.67</b>	<b>33.19</b>	
<b>Grand Total</b>	<b>80,178.51</b>	<b>81,365.44</b>	<b>37,952.92</b>	<b>3,084.15</b>	<b>40,343.99</b>	<b>42,225.59</b>	

Note: The title deeds of the immovable properties are held in the name of the Company.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2023

## 2 PROPERTY, PLANT AND EQUIPMENT (Previous Financial Year 2021-22)

(₹ in lacs)

	Gross Block			Depreciation and Amortisation			Net Block	
	As at April 01, 2021	Additions	Deductions	As at April 01, 2021	For the year	As at Mar 31, 2022	As at Mar 31, 2022	As at March 31, 2021
<b>a) Property, Plant and Equipment</b>								
Land	13,498.80	-	-	-	-	-	13,498.80	13,498.80
Buildings	8,739.84	-	-	2,898.49	236.52	3,135.01	5,604.83	5,841.35
Roads & Bridges	132.69	-	-	67.39	33.40	100.79	31.90	65.30
Leasehold Improvement	42.00	-	-	28.95	4.03	32.98	9.02	13.05
Plant and Equipment	49,571.00	321.76	-	24,899.41	2,612.23	27,511.64	22,381.12	24,671.59
Furniture and Fixtures	331.38	0.59	-	266.71	18.23	284.94	47.03	64.67
Motor Vehicles	328.47	-	28.47	308.91	4.73	286.59	13.41	19.56
Office Equipment	307.72	2.25	-	290.80	2.45	293.25	16.72	16.92
Computers	884.00	2.53	-	840.89	5.76	846.65	39.88	43.11
Electrical Installations	1,816.23	-	-	1,126.84	157.69	1,284.53	531.70	689.39
Library Books	0.28	-	-	0.28	-	0.28	-	-
Live Stock	0.25	-	-	-	-	-	0.25	0.25
<b>Total Property, Plant and Equipment</b>	<b>75,652.66</b>	<b>327.13</b>	<b>28.47</b>	<b>30,728.67</b>	<b>3,075.04</b>	<b>33,776.66</b>	<b>42,174.66</b>	<b>44,923.99</b>
<b>b) Right Of Use Asset</b>								
Premises	121.06	17.04	19.62	76.67	37.91	100.74	17.74	44.39
<b>Total Right Of Use Asset</b>	<b>121.06</b>	<b>17.04</b>	<b>19.62</b>	<b>76.67</b>	<b>37.91</b>	<b>100.74</b>	<b>17.74</b>	<b>44.39</b>
<b>c) Intangible Assets</b>								
Brands	3,345.07	-	-	3,345.07	-	3,345.07	-	-
Software	588.19	1.51	-	552.74	3.77	556.51	33.19	35.45
Product Development	173.94	-	-	173.94	-	173.94	-	-
<b>Total Intangible Assets</b>	<b>4,107.20</b>	<b>1.51</b>	<b>-</b>	<b>4,071.75</b>	<b>3.77</b>	<b>4,075.52</b>	<b>33.19</b>	<b>35.45</b>
<b>Grand Total</b>	<b>79,880.92</b>	<b>345.68</b>	<b>48.09</b>	<b>34,877.09</b>	<b>3,116.72</b>	<b>37,952.92</b>	<b>42,225.59</b>	<b>45,003.83</b>

Note: The title deeds of the immovable properties are held in the name of the Company.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 2a(i) CAPITAL WORK-IN-PROGRESS

(₹ in lacs)

	Year Ended, March 31, 2023	Year Ended, March 31, 2022
<b>Opening Carrying value as at April 1</b>	-	-
Additions/ Adjustments	10.62	-
Transfer to property, Plant and Equipment	-	-
Impairment of Capital Work in Progress	-	-
<b>Closing Carrying value as at March 31</b>	<b>10.62</b>	-

### Ageing Schedule

As on March 31, 2023

(₹ in lacs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	10.62	-	-	-	10.62
<b>Total</b>	<b>10.62</b>	-	-	-	<b>10.62</b>

### Ageing Schedule

As on March 31, 2022

(₹ in lacs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 3 INVESTMENTS

(₹ in lacs)

	As at March 31, 2023		As at March 31, 2022	
<b>Non-Current Investments</b>				
<b>I) Investments measured at Cost</b>	<b>Nos.</b>		<b>Nos.</b>	
<b>a) Investment in Associate (Unquoted)</b>				
<b>Investment in Equity Instruments</b>				
<b>Equity shares of ₹ 100/- each</b>				
Vahni Distilleries Private Limited	1,498,050	1,864.88	1,498,050	1,864.88
Kesarval Springs Distillers Pvt. Ltd.	30,000	150.00	30,000	150.00
<b>Equity shares of ₹ 10/- each</b>				
Prag Distillery (P) Ltd.	3,681,000	1,543.35	3,681,000	1,543.35
PunjabExpo Breweries Private Limited*	21,600,000	2,680.40	21,600,000	2,680.40
Mykingdom Ventures Pvt. Ltd.	10,000	20.00	10,000	20.00
Studd Projects P. Ltd.	10,000	1.00	10,000	1.00
Srirampur Grains Private Limited	10,000	1.00	10,000	1.00
Shivprabha Sugars Ltd.	45,000	249.75	45,000	249.75
		<b>6,510.38</b>		<b>6,510.38</b>
Less: Impairment in value of Investments		(4,373.75)		(150.00)
		<b>2,136.63</b>		<b>6,360.38</b>
<b>b) Investment in Associate (Unquoted)</b>				
<b>Investment in Equity Instruments</b>				
<b>Equity shares of ₹ 10/- each</b>				
Mason & Summers Marketing Services Pvt. Ltd.	130,000	169.00	130,000	169.00
Less: Impairment in value of Investments		(169.00)		(169.00)
		-		-
<b>II) Investments measured at Amortised Cost</b>				
<b>Investment in Government Securities (Unquoted)</b>				
7 Year National Savings Certificates (Certificates worth ₹ 44,000/- deposited with Government authorities)		0.51		0.51
6 Year National Savings Certificates (deposited with Government authorities)		0.04		0.04
		<b>0.55</b>		<b>0.55</b>
<b>III) Investments measured at Fair Value through other comprehensive income (FVOCI)</b>				
<b>Investment in Equity Instruments (Unquoted)</b>				
<b>Equity shares of ₹ 100/- each</b>				
Mula Pravara Electric Co-operative Society Ltd.	2,462	2.53	2,462	2.53
Shree Suvarna Sahakari Bank Ltd.	20	0.02	20	0.02
Maharashtra State Financial Corporation	115	0.12	115	0.12
Rupee Co-op Bank Ltd.	1,000	0.25	1,000	0.25
<b>Equity shares of ₹ 10/- each</b>				
Incredible Spirits P Ltd	1,599	50.02	-	-
		<b>52.94</b>		<b>2.92</b>
		<b>2,190.12</b>		<b>6,363.85</b>
<b>Aggregate of unquoted investments</b>		<b>2,190.12</b>		<b>6,363.85</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in lacs)

Category wise Non-Current Investments	As at March 31, 2023		As at March 31, 2022	
	Nos.		Nos.	
Financial Investments measured at Cost		6,679.38		6,679.38
Financial Investments measured at Amortised Cost		0.55		0.55
Financial Investments measured at Fair Value through other comprehensive income (FVOCI)		52.94		2.92
Impairment in value of Investments		(4,542.75)		(319.00)
		<b>2,190.12</b>		<b>6,363.85</b>
<b>Current Investments</b>				
<b>Investment measured at fair value through Profit &amp; Loss</b>				
<b>Investment in Mutual Fund (Quoted)</b>				
HDFC Mutual Funds	66,306.80	2,206.98	-	-
		<b>2,206.98</b>		-
<b>Aggregate of quoted investments</b>		<b>2,206.98</b>		-

**Notes:-**

# During the year company purchased and sold Mutual Funds of ₹ 8,499.58 lacs (P.Y. ₹ 6,999.65) and ₹ 6,400.00 (P.Y. ₹ 7,032.15 lacs) respectively.

## 4 LOANS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Unsecured</b>				
Considered good				
Employee Loans	13.39	-	1.61	-
Loan to Subsidiary Companies (Refer Note 34 & 48)	-	-	105.80	640.40
Credit Impaired				
Loan to Subsidiary Companies (Refer Note 34 & 48)	-	-	10,326.51	9,164.38
Less: Allowance for Credit Losses	-	-	(10,326.51)	(9,164.38)
	<b>13.39</b>	-	<b>107.41</b>	<b>640.40</b>

### 4.1 Movement in allowance for Credit Losses to subsidiary companies is provided below :

(₹ in lacs)

Particulars	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Balance at the beginning of the year</b>	-	-	<b>9,164.38</b>	<b>7,220.24</b>
Loss allowance (net)	-	-	1,162.13	1,944.14
Write off	-	-	-	-
<b>Balance at the end of the year</b>	-	-	<b>10,326.51</b>	<b>9,164.38</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 4.2 Outstanding balance of loans given to related parties that are repayable on demand :

(₹ in lacs)

Particulars	March 31, 2023		March 31, 2022	
	Amount	%	Amount	%
1 Promoters	-	0.00%	-	0.00%
2 Directors	-	0.00%	-	0.00%
3 Key Managerial Personnel	-	0.00%	-	0.00%
4 Related Party - Subsidiaries	105.80	87.58%	640.40	100.00%

## 5 OTHER FINANCIAL ASSETS

(₹ in lacs)

Particulars	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Term Bank Deposits (Maturity exceeding 12 months)	156.34	1,684.43	-	-
Advance to Employees	-	-	17.64	22.17
Deposits	4,490.42	4,240.02	-	-
Others	811.08	811.08	714.26	1,677.57
Advances to Subsidiary Companies * (Refer Note 34 & 48)	-	-	4,235.29	4,250.78
	<b>5,457.84</b>	<b>6,735.53</b>	<b>4,967.19</b>	<b>5,950.52</b>
Less : Allowance for doubtful deposits	(2,098.42)	(2,098.42)	-	-
Less : Allowance for doubtful other financial assets	(810.20)	(810.20)	-	-
Less : Allowance for doubtful advances to Subsidiaries	-	-	(3,320.75)	-
	<b>2,549.22</b>	<b>3,826.91</b>	<b>1,646.44</b>	<b>5,950.52</b>

\* Represents advances given to Private Companies where the Director of the Company is a Director.

## 5.1 Movement in loss allowance for doubtful deposits is provided below :

(₹ in lacs)

Particulars	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Balance at the beginning of the year</b>	<b>2,098.42</b>	<b>2,068.42</b>		
Loss allowance (net)	-	30.00	-	-
Write off	-	-	-	-
<b>Balance at the end of the year</b>	<b>2,098.42</b>	<b>2,098.42</b>		

## 5.2 Movement in loss allowance for doubtful other financial assets is provided below :

(₹ in lacs)

Particulars	Non-Current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Balance at the beginning of the year</b>	<b>810.20</b>	<b>810.20</b>		
Loss allowance (net)	-	-	-	-
Write off	-	-	-	-
<b>Balance at the end of the year</b>	<b>810.20</b>	<b>810.20</b>		

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 5.3 Movement in loss allowance for doubtful advances to Subsidiaries is provided below :

(₹ in lacs)

Particulars	Non-Current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Balance at the beginning of the year</b>	-	-	-	-
Loss allowance (net)	-	-	3,320.75	-
Write off	-	-	-	-
<b>Balance at the end of the year</b>	-	-	<b>3,320.75</b>	-

## 6 OTHER ASSETS

(₹ in lacs)

Particulars	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good</b>				
Capital advances	213.95	103.40	-	-
Balance with Government Authorities / Others	353.78	805.48	544.47	1,221.02
Deposits with Court	4.33	4.33	-	-
Advances to Suppliers	-	-	5,477.41	4,996.55
Prepaid Expense	-	-	575.22	317.30
	<b>572.06</b>	<b>913.21</b>	<b>6,597.10</b>	<b>6,534.87</b>
Less : Allowance for doubtful advances / Balance with Government Authorities	(110.10)	(182.76)	(4,936.28)	(4,781.57)
	<b>461.96</b>	<b>730.45</b>	<b>1,660.82</b>	<b>1,753.30</b>

## 6.1 Movement in loss allowance for Balance with Government Authorities & doubtful advances is provided below :

(₹ in lacs)

Particulars	Non-Current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Balance at the beginning of the year</b>	<b>182.76</b>	<b>110.10</b>	<b>4,781.57</b>	<b>4,541.47</b>
Loss allowance (net)	-	72.66	154.71	240.10
Write off	(72.66)	-	-	-
<b>Balance at the end of the year</b>	<b>110.10</b>	<b>182.76</b>	<b>4,936.28</b>	<b>4,781.57</b>

## 7 INVENTORIES

(₹ in lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
	(At lower of cost and net realisable value)	
Raw Materials	1,284.57	1,491.20
Stores, Spares and Packing Materials	4,786.46	1,839.83
Work-In-Progress	461.59	337.67
Finished Goods	5,088.31	3,495.34
	<b>11,620.93</b>	<b>7,164.04</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 7.1 Amounts recognised in the Statement of Profit and Loss:

Provision for non-moving and obsolete inventories for the year amounting to ₹ 23.39 lacs (P.Y ₹ 296.55 lacs) has been recognised as an expense during the year and is included in Other Expenses in the Statement of Profit and Loss.

## 8 TRADE RECEIVABLES

(₹ in lacs)

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	33,727.56	23,244.08
Significant Credit Risk	169.57	112.81
Credit Impaired	-	-
	<b>33,897.13</b>	<b>23,356.89</b>
Less: Expected Credit Loss	640.62	304.96
	<b>33,256.51</b>	<b>23,051.93</b>

## 8.1 Movement in Expected Credit Loss for Trade Receivables is provided below :

(₹ in lacs)

Particulars	March 31, 2023	March 31, 2022
<b>Balance at the beginning of the year</b>	<b>304.96</b>	<b>547.56</b>
Loss allowance (net)	335.66	(242.60)
Write off	-	-
<b>Balance at the end of the year</b>	<b>640.62</b>	<b>304.96</b>

## Ageing Schedule (2022-2023)

(₹ in lacs)

Particulars	Outstanding for following periods from due date of payment							Total Outstanding
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	29,500.97	534.25	131.55	2,666.01	175.39	719.39	33,727.56
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	56.25	0.18	113.14	169.57
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total Trade Receivables</b>	<b>-</b>	<b>29,500.97</b>	<b>534.25</b>	<b>131.55</b>	<b>2,722.26</b>	<b>175.57</b>	<b>832.53</b>	<b>33,897.13</b>
Less: Expected Credit Loss								640.62
<b>Total Trade Receivables after Expected Credit Loss</b>								<b>33,256.51</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## Ageing Schedule (2021-2022)

(₹ in lacs)

Particulars	Outstanding for following periods from due date of payment							Total Outstanding
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	21,661.45	602.73	88.03	172.30	716.48	3.09	23,244.08
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	97.17	2.66	12.98	112.81
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total Trade Receivables</b>	<b>-</b>	<b>21,661.45</b>	<b>602.73</b>	<b>88.03</b>	<b>269.47</b>	<b>719.14</b>	<b>16.07</b>	<b>23,356.89</b>
Less: Expected Credit Loss								304.96
<b>Total Trade Receivables after Expected Credit Loss</b>								<b>23,051.93</b>

## 9 CASH AND BANK BALANCES

(₹ in lacs)

	As at March 31, 2023	As at March 31, 2022
<b>a) Cash and Cash Equivalents</b>		
i) Balances with Banks		
In Current Accounts	406.13	3,513.11
ii) Short-Term Bank Deposits (Maturity within 3 months)	2,885.92	23.06
iii) Cash on Hand	9.24	8.53
	<b>3,301.29</b>	<b>3,544.70</b>
<b>b) Other Bank Balances</b>		
i) Earmarked Balances with Banks (Unpaid Dividend Accounts)	2.20	-
ii) Short-Term Bank Deposits (Maturity within 12 months)	893.58	2,748.19
	<b>895.78</b>	<b>2,748.19</b>
	<b>4,197.07</b>	<b>6,292.89</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 10 EQUITY SHARE CAPITAL

(₹ in lacs)

	As at March 31, 2023	As at March 31, 2022
<b>Authorised Shares</b>		
225,000,000 equity shares of ₹ 10/- each	22,500.00	18,000.00
(P.Y. 180,000,000 equity shares of ₹ 10/- each)		
<b>Issued, subscribed and paid up shares</b>		
185,339,999 equity shares of ₹ 10/- each fully paid up	18,534.00	15,862.18
(P.Y. 158,621,804 Equity Shares of ₹ 10/- each fully paid up)		
Of the above shares :-		
86,176,200 equity shares of ₹ 10/- each fully paid-up		
bonus shares issued by capitalisation of share premium, capital reserve and general reserve		
	<b>18,534.00</b>	<b>15,862.18</b>

### a) Reconciliation of the number of shares outstanding

(Nos. in lacs)

	As at March 31, 2023	As at March 31, 2022
Number of equity shares at the beginning of the year	1,586.22	1,254.35
Equity shares issued during the year	267.18	331.87
Number of equity shares at the end of the year	<b>1,853.40</b>	<b>1,586.22</b>

### b) Terms / rights attached to equity shares

Each holder of equity share is entitled to one vote per share with a right to receive per share dividend by the Company, when declared. In the event of liquidation, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts in the proportion to the number of equity shares held by them.

### c) Details of shareholders holding more than 5% shares in the Company

(Nos. in lacs)

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Shivani Amit Dahanukar	329.76	17.79%	329.76	20.79%
Amit Dahanukar	298.45	16.10%	298.45	18.82%
Barclays Wealth Trustees India Pvt Ltd (acting as a Trustee of Lotus Family Trust)	118.87	6.41%	118.87	7.49%
Think India Opportunities Master Fund LP	105.26	5.68%	-	0.00%
<b>Total</b>	<b>852.34</b>	<b>45.99%</b>	<b>747.08</b>	<b>47.10%</b>

# Refer Note No.45

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## d) Disclosures of Shareholding of Promoters - Shares held by the Promoters

(Nos. in lacs)

Name of the shareholder	As at March 31, 2023		As at March 31, 2022		% Change in during the year
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding	
Shivani Amit Dahanukar	329.76	17.79%	329.76	20.79%	-3.00%
Amit Dahanukar	298.45	16.10%	298.45	18.82%	-2.71%
Priyadarshini A Dahanukar	5.38	0.29%	5.38	0.34%	-0.05%
Anupama Arun Dahanukar	4.58	0.25%	4.58	0.29%	-0.04%
<b>Promoter Group</b>					
M L Dahanukar And Co Pvt Ltd	53.25	2.87%	35.64	2.25%	0.63%
Arunoday Investments Pvt Ltd	71.34	3.85%	38.32	2.42%	1.43%
<b>Total</b>	<b>762.76</b>	<b>41.15%</b>	<b>712.13</b>	<b>44.89%</b>	

## 11 OTHER EQUITY

(₹ in lacs)

	As at March 31, 2023	As at March 31, 2022
<b>a) Securities Premium Account</b>		
Balance at the beginning of the year	28,508.36	18,759.18
Allotment of shares	17,491.51	9,535.28
Exercise of Employee Stock Options	197.50	213.90
Balance at the end of the year	<b>46,197.37</b>	<b>28,508.36</b>
<b>b) General Reserve</b>		
Balance at the beginning of the year	1,599.12	1,520.24
Transfer from Share Based Payment Reserve Account	-	78.88
Balance at the end of the year	<b>1,599.12</b>	<b>1,599.12</b>
<b>c) Share Based Payments Reserve Account</b>		
Balance at the beginning of the year	460.81	388.68
Transfer to General Reserve	-	(78.88)
Exercise of Employee Stock Options	(197.50)	(213.90)
Share based payment reserve created during the year	349.55	364.91
Balance at the end of the year	<b>612.86</b>	<b>460.81</b>
<b>d) Money Received against Share Warrants</b>		
Balance at the beginning of the year	1,225.00	-
Add : Further warrants issued	937.50	1,575.00
Less : Conversion of warrants into equity shares	(1,283.33)	(350.00)
Balance at the end of the year	<b>879.17</b>	<b>1,225.00</b>
<b>f) Retained Earnings</b>		
Balance at the beginning of the year	(35,577.85)	(38,448.34)
Dividend on Equity Shares	(165.36)	-
Add: Profit / (Loss) after tax for the year	16,588.48	2,907.02
Add: Remeasurement of defined benefit plans	(31.40)	(36.53)
Balance at the end of the year	<b>(19,186.13)</b>	<b>(35,577.85)</b>
	<b>30,102.39</b>	<b>(3,784.56)</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## Footnote:

- The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. It is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.
- The general reserve represents amounts appropriated out of retained earnings based on the provisions of the Act prior to its amendment.
- The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Grants Outstanding Account.

The expenses in respect of the Company's ESOP scheme will be charged against the Reserve for employee compensation expense as per court Scheme.

- Amount received against warrants.
- Retained earnings are the profits that Company has earned till date less transfers to general reserve dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans (net of taxes) that will not be reclassified to the Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

## 12 BORROWINGS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Secured Loans</b>				
<b>From Asset Reconstruction Company</b>				
Rupee Term Loans	-	23,702.17	18,396.68	5,440.00
Balance Debts	-	10,282.14	322.03	-
<b>Unsecured</b>				
Vendor Financing	2,400.65	4,115.16	1,257.13	456.79
From other parties	-	-	2,821.07	14,387.23
	<b>2,400.65</b>	<b>38,099.47</b>	<b>22,796.91</b>	<b>20,284.02</b>

- The loans from Asset Reconstruction Company ("term loans") are secured against all the tangible / intangible assets and current assets of the Company, both present and future.
- The term loans are also secured against all the fixed assets and current assets, both present and future of the wholly owned subsidiary companies i.e. Vahni Distilleries Private Limited and PunjabExpo Breweries Private Limited. The said security creation is pending.
- The term loans are further secured by way of first charge of unpledged shareholding of the Company held by the Promoter, second charge by way of pledge of already pledged shareholding of the Company held by the Promoter and pledge of 100% shareholding of the Subsidiary Companies. The said security creation is pending.
- The term loans outstanding at the end of the financial year have been guaranteed by the personal guarantee of Chairman & Managing Director of the Company.
- Subsidiary Companies i.e. Vahini Distilleries Private Limited and PunjabExpo Breweries Private Limited are the Corporate Obligor to the term loans from Edelweiss Asset Reconstruction Company (EARC).

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

- f) The term loans from Edelweiss Asset Reconstruction Company (EARC) are repayable by March 31, 2024 as per the repayment schedule provided by EARC. Interest is payable on Quarterly basis @ 9.00% (compounded quarterly).
- g) Maturity profile of term loans from Edelweiss Asset Reconstruction Company (EARC) are as set out below:

Lender trusts	₹ in lacs	
	Current	Less than 1 year
EARC trust SC 241		18,396.68
<b>Total</b>		<b>18,396.68</b>

## 13 OTHER FINANCIAL LIABILITIES

	Non-Current		Current	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Trade Deposits & Others (Unsecured)	6,427.29	4,018.06	-	-
Payable for purchase of Fixed Assets	-	-	15.78	42.57
Employee dues	-	-	270.78	543.77
Unclaimed Dividend	-	-	2.20	-
Other Payables	-	-	2,379.44	684.14
	<b>6,427.29</b>	<b>4,018.06</b>	<b>2,668.20</b>	<b>1,270.48</b>

## 14 PROVISIONS

	Non-Current		Current	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Provision for Gratuity (Refer Note 31)	236.38	274.66	115.36	69.44
Provision for Leave Encashment	70.41	45.42	21.01	15.99
Provision for Excise Duty on Finished Goods	-	-	3,228.25	2,533.95
	<b>306.79</b>	<b>320.08</b>	<b>3,364.62</b>	<b>2,619.38</b>

## 15 OTHER LIABILITIES

	Non-Current		Current	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Payable towards Statutory Liabilities	-	-	999.28	499.49
Deferred Fair Value Gain	-	1,452.50	40.42	1,290.52
Advance from Customers	-	-	51.61	139.52
	-	<b>1,452.50</b>	<b>1,091.31</b>	<b>1,929.53</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 16 TRADE PAYABLES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro & small enterprises (Refer Note 37)	-	-	3,432.63	2,107.08
Total outstanding dues of creditors other than micro & small enterprises	-	-	9,179.20	14,051.26
<b>Total</b>	<b>-</b>	<b>-</b>	<b>12,611.83</b>	<b>16,158.34</b>

### Ageing Schedule (2022-2023)

(₹ in lacs)

Particulars	Outstanding for following periods from due date of payments						
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total Outstanding
MSME	-	2,033.21	1,298.23	84.90	8.06	8.23	3,432.63
Others	-	6,067.15	2,771.21	157.70	40.64	142.50	9,179.20
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>8,100.36</b>	<b>4,069.44</b>	<b>242.60</b>	<b>48.70</b>	<b>150.73</b>	<b>12,611.83</b>

### Ageing Schedule (2021-2022)

(₹ in lacs)

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total Outstanding
MSME	-	864.47	859.17	192.55	176.15	14.74	2,107.08
Others	-	2,768.77	5,259.38	474.13	223.80	5,325.18	14,051.26
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>3,633.24</b>	<b>6,118.55</b>	<b>666.68</b>	<b>399.95</b>	<b>5,339.92</b>	<b>16,158.34</b>

## 17 REVENUE FROM OPERATIONS

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue from contracts with customers</b>		
Sales of products	2,46,072.31	1,78,805.91
	<b>2,46,072.31</b>	<b>1,78,805.91</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## Reconciliation of Gross Revenue with Revenue from Contracts with Customers

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Contract price	2,47,718.38	1,80,142.51
Less: Discount / Demurrage	1,646.07	1,336.60
Revenue recognised	<b>2,46,072.31</b>	<b>1,78,805.91</b>

## 17.1 Other Operating Income

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Sale of by products, scrap and other income	453.61	216.68
Royalty	255.68	143.39
Contract Manufacturing Income	141.77	39.89
	<b>851.06</b>	<b>399.96</b>

## 18 OTHER INCOME

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Duty drawback on exports	1.02	0.30
Sundry balance written back	-	75.79
Excess provision written back	270.79	417.37
Interest income on margin money / fixed deposits / others	250.27	181.13
Profit on Sale of Investments	75.85	32.50
Unrealised Profit on sale of Investments	31.56	-
Reversal of Expected Credit Loss on trade receivables	-	242.60
Profit on sale of fixed assets	0.28	1.12
Miscellaneous receipts	10.40	8.78
	<b>640.17</b>	<b>959.59</b>

## 19 COST OF MATERIALS CONSUMED

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
i) Raw Material Consumption		
Inventories at the beginning of the year	1,491.20	1,114.85
Add: Purchases	29,390.94	18,320.66
Less: Inventories at the end of the year	1,284.57	1,491.20
	<b>29,597.57</b>	<b>17,944.31</b>
ii) Packing Materials & Consumables	33,739.71	19,854.11
	<b>63,337.28</b>	<b>37,798.42</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 20 (INCREASE) / DECREASE IN INVENTORIES

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year		
i) Work-In-Progress	337.67	273.72
ii) Finished Goods	3,495.34	4,002.13
	<b>3,833.01</b>	<b>4,275.85</b>
Less : Inventories at the end of the year		
i) Work-In-Progress	461.59	337.67
ii) Finished Goods	5,088.31	3,495.34
	<b>5,549.90</b>	<b>3,833.01</b>
<b>(Increase) / Decrease in Inventories</b>	<b>(1,716.89)</b>	<b>442.84</b>

## 21 EMPLOYEE BENEFIT EXPENSE

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, Wages and Bonus	2,717.49	1,506.88
Employee Stock Option Expenses	349.55	364.91
Contribution to provident fund and family pension fund (Refer Note 31)	143.65	87.94
Staff welfare expenses	86.42	81.49
Gratuity (Refer Note 31)	45.76	37.77
	<b>3,342.87</b>	<b>2,078.99</b>

## 22 FINANCE COST

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Term Loans	2,416.11	2,875.21
Interest on Lease Liabilities	19.55	5.81
Others *	1,583.05	2,895.39
	<b>4,018.71</b>	<b>5,776.41</b>

\* Includes unwinding of discount of ₹ 967.19 lacs (P.Y ₹ 1,586.49 lacs) and amortisation of deferred fair value gains of ₹ 967.19 lacs (P.Y ₹ 1,586.49 lacs)

## 23 OTHER EXPENSES

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Power and fuel	530.43	447.23
Repairs & maintenance		
i) Plant & Equipment	19.05	14.86
ii) Buildings	0.10	-
iii) Others	278.47	242.76
Insurance	94.09	105.59
Rent (Refer Note 30)	29.21	12.69

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Contract manufacturing cost	7,099.81	4,454.63
Legal and professional charges	739.59	541.99
Auditor's Remuneration (Refer Note 36)	14.56	14.56
Rates and taxes	2,788.21	2,152.67
Freight, transport charges & other expenses	3,641.10	3,075.07
Selling expenses [Sales Promotion & Advertising etc.]	19,737.25	12,276.42
Travelling and conveyance expenses	107.33	68.82
Printing and stationery	28.10	18.45
Communication expenses	68.51	38.94
Vehicle running expenses	16.52	9.03
Director sitting fees(Refer Note 34)	32.00	39.05
Expected Credit Loss on trade receivables	335.66	-
Donation	15.00	1.00
Corporate Social Responsibility	204.65	46.85
Foreign Exchange Fluctuation Loss	455.85	170.93
Provision for non-moving and obsolete inventories	23.39	296.55
Allowance for doubtful advances / deposits	619.37	2,609.63
Bad Debts	20.93	-
Advances written off	6.29	36.26
Miscellaneous Expenses	1,197.82	902.15
	<b>38,103.29</b>	<b>27,576.13</b>

## 24 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATION AND FAIR VALUE MEASUREMENTS

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) **The following methods and assumptions were used to estimate the fair value:**

- 1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.
- 2) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) **The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:**

**Level 1 :** Quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2 :** Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

**Level 3 :** Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy :

## As at March 31, 2023

(₹ in lacs)

Particulars	Carrying amount				
	Financial assets - FVTPL	FVOCI - Equity Instruments	Financial assets - cost / amortised cost	Financial liabilities - cost / amortised cost	Total carrying amount
<b>Financial assets measured at fair value</b>					
Investments	2206.98	52.94	-	-	52.94
	<b>2,206.98</b>	<b>52.94</b>	-	-	<b>52.94</b>
<b>Financial assets not measured at fair value</b>					
Investments	-	-	2,137.18	-	2,137.18
Trade Receivables	-	-	33,256.51	-	33,256.51
Cash and Cash Equivalents	-	-	3,301.29	-	3,301.29
Other Bank Balances	-	-	895.78	-	895.78
Loans	-	-	120.80	-	120.80
Other Financial Assets	-	-	4,195.66	-	4,195.66
	-	-	<b>43,907.22</b>	-	<b>43,907.22</b>
<b>Financial liabilities not measured at fair value</b>					
Borrowings	-	-	-	25,197.56	25,197.56
Lease Liabilities	-	-	-	242.09	242.09
Trade Payables	-	-	-	12,611.83	12,611.83
Other Financial Liabilities	-	-	-	9,095.49	9,095.49
	-	-	-	<b>47,146.97</b>	<b>47,146.97</b>

## As at March 31, 2022

(₹ in lacs)

Particulars	Carrying amount				
	Financial assets - FVTPL	FVOCI - Equity Instruments	Financial assets - cost / amortised cost	Financial liabilities - cost / amortised cost	Total carrying amount
<b>Financial assets measured at fair value</b>					
Investments	-	2.92	-	-	2.92
	-	<b>2.92</b>	-	-	<b>2.92</b>
<b>Financial assets not measured at fair value</b>					
Investments	-	-	6,360.93	-	6,360.93
Trade Receivables	-	-	23,051.93	-	23,051.93
Cash and Cash Equivalents	-	-	3,544.70	-	3,544.70
Other Bank Balances	-	-	2,748.19	-	2,748.19
Loans	-	-	640.40	-	640.40
Other Financial Assets	-	-	9,777.43	-	9,777.43
	-	-	<b>46,123.58</b>	-	<b>46,123.58</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in lacs)

Particulars	Carrying amount				
	Financial assets - FVTPL	FVOCI - Equity Instruments	Financial assets - cost / amortised cost	Financial liabilities - cost / amortised cost	Total carrying amount
<b>Financial liabilities not measured at fair value</b>					
Borrowings	-	-	-	58,383.49	58,383.49
Lease Liabilities	-	-	-	20.41	20.41
Trade Payables	-	-	-	16,158.34	16,158.34
Other Financial Liabilities	-	-	-	5,288.54	5,288.54
	-	-	-	<b>79,850.78</b>	<b>79,850.78</b>

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

## Fair Value Measurement Hierarchy :

(₹ in lacs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Asset</b>	-	-	-	-	-	-
Non current Investments	-	-	52.94	-	-	2.92
Current Investment	-	2,206.98	-	-	-	-

## 25 FINANCIAL RISK MANAGEMENT

### Objectives and policies

#### Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments :

- Credit risk
- Liquidity risk
- Market risk
- Interest risk

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

Particulars	(₹ in lacs)	
	As at March 31, 2023	As at March 31, 2022
Trade Receivables	33,256.51	23,051.93
Cash and Cash Equivalents	3,301.29	3,544.70
Other Bank Balances	895.78	2,748.19
Loans	120.80	640.40
Other Financial Assets	4,195.66	9,777.43
<b>Total</b>	<b>41,770.04</b>	<b>39,762.65</b>

### Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. 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. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

	(₹ in lacs)		
	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
As at March 31, 2023	33,256.51	33,256.51	-
As at March 31, 2022	23,051.93	23,051.93	-

### Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

## b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

## Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

### As at March 31, 2023

(₹ in lacs)

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	25,197.56	22,796.91	2,400.65
Lease Liabilities	242.09	28.34	213.75
Trade Payables	12,611.83	12,611.83	-
Other Financial Liabilities	9,095.49	2,668.20	6,427.29
	<b>47,146.97</b>	<b>38,105.28</b>	<b>9,041.69</b>

### As at March 31, 2022

(₹ in lacs)

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	58,383.49	20,284.02	38,099.47
Lease Liabilities	20.41	13.04	7.37
Trade Payables	16,158.34	16,158.34	-
Other Financial Liabilities	5,288.54	1,270.48	4,018.06
	<b>79,850.78</b>	<b>37,725.88</b>	<b>42,124.90</b>

## c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through a risk management committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

## Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## Exposure to currency risk

The Company's exposure to currency risk as reported to the management is as follows:

	As at March 31, 2023	As at March 31, 2022
	USD in lacs	USD in lacs
Export receivables	0.25	0.22
Overseas payables	-	(74.28)
<b>Total</b>	<b>0.25</b>	<b>(74.06)</b>

## Foreign currency sensitivity

1% increase in foreign exchange rates will have the following impact on profit before tax:

	As at March 31, 2023	As at March 31, 2022
Increase / (decrease) in profit	0.20	(55.93)
<b>Total increase / (decrease) in profit</b>	<b>0.20</b>	<b>(55.93)</b>

(₹ in lacs)

A 1% decrease in foreign exchange rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

## d) Interest 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.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

	As at March 31, 2023	As at March 31, 2022
<b>Fixed rate instruments</b>		
<b>Financial liabilities</b>		
Borrowings / Other Financial Liabilities	31,624.85	62,401.55
<b>Total</b>	<b>31,624.85</b>	<b>62,401.55</b>
<b>Variable-rate instruments</b>		
<b>Financial liabilities</b>		
Borrowings / Other Financial Liabilities	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

(₹ in lacs)

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## Cash flow sensitivity analysis for variable-rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

(₹ in lacs)

Particulars	Profit or loss
<b>March 31, 2023</b>	
Variable-rate instruments	-
<b>Cash flow sensitivity</b>	-
<b>March 31, 2022</b>	
Variable-rate instruments	-
<b>Cash flow sensitivity</b>	-

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

## 26 DEFERRED TAX ASSETS / (LIABILITIES)

The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet :

(₹ in lacs)

Movement in deferred tax assets / (liabilities) during the year	Opening Balance as at 01-04-2022	Recognised in statement of Profit & loss	Closing Balance as at 31-03-2023
<b>Deferred Tax liabilities in relation to</b>			
Property Plant & Equipment	(5,215.89)	294.58	(4,921.30)
<b>Total A</b>	<b>(5,215.89)</b>	<b>294.58</b>	<b>(4,921.30)</b>
<b>Deferred Tax Assets in relation to</b>			
Lease Liabilities / ROU assets	0.67	5.10	5.77
Employee Benefit obligation	110.06	15.10	125.16
Provision / Impairment for Doubtful Debts / Advances / Deposits	4,364.71	425.67	4,790.38
Impairment in value of Investments	80.29	(80.29)	-
Business Losses / Unabsorbed depreciation	660.16	(660.16)	-
<b>Total B</b>	<b>5,215.89</b>	<b>(294.58)</b>	<b>4,921.30</b>
<b>Total (A+B)</b>	-	-	-

- 26.1** Deferred tax asset on unabsorbed depreciation under Income Tax Act, has been recognised to the extent it is probable that future taxable income will be available against which these can be utilised. Accordingly, deferred tax assets have not been created on carried forward business losses and unabsorbed depreciation and of ₹ 16,707.65 lacs as on March 31, 2023 (P.Y. ₹ 26,201.37 lacs)

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 27 INCOME TAXES

(₹ in lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>a) Income Tax recognised in the Statement of Profit and Loss</b>		
<b>Current Tax</b>		
In respect of current year	-	-
Adjustments in respect of previous years	(0.55)	(399.69)
<b>Deferred Tax</b>		
In respect of current year	-	-
Adjustments in respect of deferred tax of previous years	-	-
<b>Total</b>	<b>(0.55)</b>	<b>(399.69)</b>
<b>b) Income tax expense recognised in Other Comprehensive Income</b>		
Deferred tax expense on remeasurement of defined benefit plans	-	-
<b>c) Applicable corporate tax rate</b>	25.168%	25.168%

(₹ in lacs)

	As at March 31, 2023	As at March 31, 2022
<b>d) Current Tax Liabilities</b>		
Provision for Taxation (Net of Advance Tax)	-	-
<b>e) Non-Current Tax Assets</b>		
Advance Tax (Net of Provision for Taxation)	280.62	250.01

## 28 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

(₹ in lacs)

	As at March 31, 2023	As at March 31, 2022
Total Net Debt	21,896.27	54,838.79
Total Equity	48,636.39	12,077.62
Debt to Equity Ratio	0.45	4.54

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 29 CONTINGENT LIABILITY NOT PROVIDED FOR:

(₹ in lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Bank guarantees issued on behalf of the Company	257.16	30.00
b) In respect of disputed Indirect Tax matters, pending before the appropriate tax authorities, contested by the Company		
i) <u>Sales Tax</u>		
F.Y. 2010-2011 (MVAT)	-	36.94
F.Y. 2010-2011 (Central Sales Tax)	-	244.96
F.Y. 2013-2014 (MVAT)	-	1,290.65
F.Y. 2013-2014 (Central Sales Tax)	-	1,201.20
F.Y. 2014-2015 (MVAT)	-	57.85
F.Y. 2014-2015 (Central Sales Tax)	-	27.29
F.Y. 2015-2016 (MVAT)	94.35	94.35
F.Y. 2015-2016 (Central Sales Tax)	146.72	146.72
F.Y. 2016-2017 (MVAT)	52.93	52.93
F.Y. 2016-2017 (Central Sales Tax)	-	42.87
F.Y. 2013-2014 (CST- Kerala)	-	6.24
F.Y. 2017-2018 (MVAT)	51.58	-
F.Y. 2017-2018 (Central Sales Tax)	74.76	-
ii) <u>Excise</u>		
April 2012 - January 2016 (Central Excise)	1.84	1.84
March 2015 - June 2017 (Central Excise)	828.55	828.55
iii) <u>Goods and Service Tax</u>		
F.Y. 2017-2018 (GST)	-	1.08
		-

Contingent liabilities above represent estimates made mainly for probable claims arising out of litigation and disputes pending with tax authorities. The probability and timing of outflow with regard to these matters depend on the final outcome of litigations / disputes. Hence the Company is not able to reasonably ascertain the timing of the outflow.

In addition to above, the Company is also subject to legal proceedings and claims which arise in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's operations or financial condition.

## 30 OPERATING LEASE:

- a) The company has taken certain office premises and warehouse under cancellable operating leases. In the rent agreements there are no terms for purchase option or any restriction such as those concerning dividend and additional debts. Lease agreements of the company do not contain any variable lease payment or any residual value guarantees.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Information in respect of leases for which right-of-use assets and corresponding lease liabilities have been recognised are as follows:

(₹ in lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount right-of-use assets at beginning of the year	17.74	44.39
Additions to right-of-use assets during the year	255.05	17.04
Deletions to right-of-use assets during the year	-	5.78
Amortisation of right-of-use assets during the year	53.62	37.91
Interest expense (unwinding of discount) on lease liabilities	19.55	5.81
Total cash outflows in respect of leases	52.91	51.84
Carrying amount right-of-use assets at year end	219.17	17.74

- b) Lease rentals of ₹ 29.21 lacs (P.Y. ₹ 12.69 lacs) in respect of short term lease have been recognised in the statement of profit and loss as rent expense.
- c) The Company has taken bottling units under short term cancellable operating lease at various locations and during the financial year ₹ 91.44 lacs (₹ Nil) paid towards lease rentals has been charged to Statement of Profit and Loss under Contract manufacturing cost.
- d) Maturity profile :

(₹ in lacs)

Maturities of Lease Liabilities	Carrying amount	Less than 1 year	1 to 3 years	3 to 5 years	above 5 years
Lease Liabilities	242.09	28.34	199.30	14.45	-

## 31 THE DISCLOSURE OF IND AS 19 "EMPLOYEE BENEFITS" IS AS FOLLOWS:

### Defined Contribution Plan

The Company has charged in the Statement of Profit and Loss during the financial year an amount of ₹ 143.65 lacs (P.Y. ₹ 87.94 lacs) under defined contribution plan as employer's contribution to Provident Fund.

### Defined Benefit Plan

The Employees' gratuity fund scheme managed by LIC is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method (PUCM), which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(₹ in lacs)

The net value of the defined commitment is detailed below:	As at March 31, 2023	As at March 31, 2022
	Funded Gratuity	Funded Gratuity
Present Value of obligation	420.04	407.72
Fair Value of Plans	68.30	63.62
<b>Net Liability in the balance sheet</b>	<b>351.74</b>	<b>344.10</b>
<b>Defined Benefit Obligations</b>		
Balance at the beginning of the year	407.72	359.93
Interest expenses	27.32	22.53
Current service cost	22.71	18.71
Past service cost		
(Liability Transferred Out / Divestments)	16.34	-

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in lacs)

The net value of the defined commitment is detailed below:	As at	As at
	March 31, 2023	March 31, 2022
	Funded Gratuity	Funded Gratuity
Benefit paid directly by the employer	(85.87)	(34.77)
Actuarial (gain) / loss-Due to change in Demographic Assumptions	-	(0.09)
Actuarial (gain) / loss-Due to change in Financial assumptions	(11.05)	(6.75)
Actuarial (gain) / loss-Due to Experience	42.87	48.17
Balance at the end of the year	<b>420.04</b>	<b>407.72</b>
<b>Plan Assets</b>		
Balance at the beginning of the year	63.62	55.38
Interest Income	4.26	3.47
Expected return on plan assets	0.42	4.77
Paid Funds	-	-
Actuarial (gain) / loss	-	-
<b>Balance at the end of the year</b>	<b>68.30</b>	<b>63.62</b>

The net value of the defined commitment is detailed below:	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
	Funded Gratuity	Funded Gratuity
<b>Return on Plan Assets</b>		
Expected return on plan assets	0.42	4.77
Actuarial (gain) / loss	-	-
<b>Actual Return on Plan Assets</b>	<b>0.42</b>	<b>4.77</b>
<b>Expenses Recognised in the Statement of Profit or Loss on defined benefit plan</b>		
Current service costs	22.71	18.71
Past service cost	-	-
Interest expense	27.31	22.53
Interest Income	(4.26)	(3.47)
Expected return on plan assets	-	-
<b>Expenses Recognised</b>	<b>45.76</b>	<b>37.77</b>
<b>Expenses Recognised in the Other Comprehensive Income (OCI) on defined benefit plan</b>		
Actuarial (gain) / loss	31.82	41.30
Expected return on plan assets	(0.42)	(4.77)
<b>Net (Income) / Expense for the period Recognised in OCI</b>	<b>31.40</b>	<b>36.53</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## Maturity Analysis of the Benefit Payments: From the Fund

(₹ in lacs)

Projected Benefits Payable in Future Years From the Date of Reporting	For the year ended March 31, 2023	For the year ended March 31, 2022
	Funded Gratuity	Funded Gratuity
1 <sup>st</sup> Following Year	112.11	116.29
2 <sup>nd</sup> Following Year	45.53	52.34
3 <sup>rd</sup> Following Year	55.30	50.88
4 <sup>th</sup> Following Year	40.21	43.61
5 <sup>th</sup> Following Year	35.51	33.80
Sum of Years 6 to 10	164.61	129.08
Sum of Years 11 and above	148.10	126.92

(₹ in lacs)

Sensitivity Analysis	For the year ended March 31, 2023	For the year ended March 31, 2022
	Funded Gratuity	Funded Gratuity
Projected Benefits Obligations on Current Assumptions	420.04	407.72
Delta Effect +1% Change in Rate of Discounting	(15.74)	(14.35)
Delta Effect -1% Change in Rate of Discounting	17.30	15.77
Delta Effect +1% Change in Rate of Salary Increase	16.61	15.15
Delta Effect -1% Change in Rate of Salary Increase	(15.52)	(14.06)
Delta Effect +1% Change in Rate of Employee Turnover	2.05	1.50
Delta Effect -1% Change in Rate of Employee Turnover	(2.25)	(1.65)

Investments Details	% Invested	% Invested
	March 31, 2023	March 31, 2022
Funds Managed by Life Insurance Corporation	100	100
Public Sector Unit Bonds	-	-
State / Central Guaranteed securities	-	-
Special deposit schemes	-	-
Other (excluding bank balances)	-	-
	100	100

Actuarial assumptions	Funded Gratuity	Funded Gratuity
Mortality (LIC)	2006-08 Ultimate	2006-08 Ultimate
Discount rate (per annum)	7.35%	6.70%
Expected rate of return on plan assets (per annum)	7.35%	6.70%
Rate of escalation in salary (per annum)	5.00%	5.00%

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## Defined Contribution Plan

Present value of DBO, Fair Value of Plan Assets, Deficit / (Surplus), Experience Adjustments for current and earlier periods:

(₹ in lacs)

Funded Gratuity for the year ended	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Present value of DBO	420.04	407.72	359.93	376.99	354.36
Fair value of plan assets	68.30	63.62	55.38	51.68	51.28
Deficit / (Surplus)	351.74	344.10	304.55	325.31	303.08

## 32 EMPLOYEE STOCK OPTION SCHEME

a) The Shareholders of the Company at the Annual General Meetings held on August 06, 2008 and September 20, 2010 had approved the Employee Stock Option Scheme (ESOP) 2008 and Employee Stock Option Scheme (ESOP) 2010 respectively and also approved Employee Stock Option Scheme (ESOP) 2012 on May 24, 2012 by way of Postal Ballot.

b) During the financial year ended March 31, 2023 the following schemes were in operation :

### A) Employee Stock Option Scheme 2010

(Nos.)

Particulars	Grant 6	Grant 7	Grant 8
Date of Grant	June 14, 2018	May 27, 2021	August 14, 2021
Date of the Board Approval	June 14, 2018	May 27, 2021	August 14, 2021
Date of the Shareholders Approval	Sept 20, 2010	Sept 20, 2010	Sept 20, 2010
Number of options granted till March 31, 2023	1,200,000	1,075,000	1,363,500
Number of options cancelled till March 31, 2023	68,000	-	-
Number of options lapsed till March 31, 2023	615,153	250,000	175,000
Number of options exercised till March 31, 2023	516,843	125,450	316,000
Net options outstanding as on March 31, 2023	4	699,550	872,500
Vesting period from the date of grant	3 years	3 years	3 years
Exercise period from the date of vesting	2 years	2 years	2 years

### B) Employee Stock Option Scheme 2012

(Nos.)

Particulars	Grant 6	Grant 7	Grant 8	Grant 9
Date of Grant	June 14, 2018	August 14, 2021	Sept 23, 2022	Oct 20, 2022
Date of the Board Approval	June 14, 2018	August 14, 2021	Sept 23, 2022	Oct 20, 2022
Date of the Shareholders Approval	May 24, 2012	May 24, 2012	May 24, 2012	May 24, 2012
Number of options granted till March 31, 2023	2,600,000	1,775,000	850,000	100,000
Number of options cancelled till March 31, 2023	111,016	-	-	-
Number of options lapsed till March 31, 2023	718,589	220,000	140,000	-
Number of options exercised till March 31, 2023	1,591,743	270,242	-	-
Net options outstanding as on March 31, 2023	178,652	1,284,758	710,000	100,000
Vesting period from the date of grant	3 years	3 years	3 years	3 years
Exercise period from the date of vesting	2 years	2 years	2 years	2 years

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

C) The details of the options as on March 31, 2023 are as under:

Particulars	(Nos. in lacs)	
	ESOP Scheme 2010	ESOP Scheme 2012
<b>Financial Year 2021-22</b>		
<b>Options outstanding as on April 01, 2021</b>	<b>10.67</b>	<b>26.83</b>
Options granted from April 01, 2021 to March 31, 2022	24.39	17.75
Options cancelled from April 01, 2021 to March 31, 2022	-	0.64
Options lapsed from April 01, 2021 to March 31, 2022	3.45	5.04
Options exercised April 01, 2021 to March 31, 2022	5.37	14.39
<b>Options outstanding as on March 31, 2022</b>	<b>26.24</b>	<b>24.51</b>
<b>Financial Year 2022-23</b>		
<b>Options outstanding as on April 01, 2022</b>	<b>26.24</b>	<b>24.51</b>
Options granted from April 01, 2022 to March 31, 2023	-	9.50
Options cancelled from April 01, 2022 to March 31, 2023	-	-
Options lapsed from April 01, 2022 to March 31, 2023	5.14	5.37
Options exercised April 01, 2022 to March 31, 2023	5.38	5.91
<b>Options outstanding as on March 31, 2023</b>	<b>15.72</b>	<b>22.73</b>

D) The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

a) Employee Stock Option Scheme 2010

Particulars	Grant 5	Grant 6	Grant 7	Grant 8
Dates of Grant	Jul 05, 2016	June 14, 2018	May 27, 2021	August 14, 2021
Market Price (₹ per share) on the dates of grant	15.80	20.65	42.95	41.60
Volatility	51.21%	57.12%	55.22%	55.04%
Risk free rate	6.57%	7.90%	5.00%	5.08%
Exercise price	13	15	32	31
Time to maturity (years)	3	3	3	3
Dividend yield	0.91%	0.00%	0.00%	0.00%
Option fair value (₹ per share)	7.04	11.45	22.01	21.3

b) Employee Stock Option Scheme 2012

Particulars	Grant 5	Grant 6	Grant 7	Grant 8	Grant 9
Dates of Grant	Jul 05, 2016	June 14, 2018	August 14, 2021	September 23, 2022	October 20, 2022
Market Price (₹ per share) on the dates of grant	15.80	20.65	41.60	91.35	94.7
Volatility	51.21%	57.12%	55.04%	53.17%	53.01%
Risk free rate	6.57%	7.90%	5.08%	7.16%	7.25%
Exercise price	13	15	31	67	74
Time to maturity (years)	3	3	3	3	3
Dividend yield	0.91%	0.00%	0.00%	0.00%	0.00%
Option fair value (₹ per share)	7.04	11.45	21.3	48.29	48.15

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 33 SEGMENT REPORTING:

The Company is predominantly engaged in the business of manufacture and sale of Indian Made Foreign Liquor and its related products which constitute a single business segment.

During the year ended March 31, 2023, three customers contributed 10% or more than to the Company's revenue.

## 34 RELATED PARTY DISCLOSURES:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" are as under:

- |  |   |  |
|--|---|--|
| a) List of Subsidiary Companies                    | <ul style="list-style-type: none"> <li>: Prag Distillery (P) Ltd.</li> <li>: Vahni Distilleries Private Limited</li> <li>: PunjabExpo Breweries Private Limited</li> <li>: Kesarval Springs Distillers Pvt. Ltd.</li> <li>: Mykingdom Ventures Pvt. Ltd.</li> <li>: Studd Projects P. Ltd.</li> <li>: Srirampur Grains Private Limited</li> <li>: Shivprabha Sugars Ltd.</li> </ul>   |  |
| b) Key Managerial Personnel (KMP) and Directors    | <ul style="list-style-type: none"> <li>: Mr. Amit Dahanukar</li> <li>: Mrs. Shivani Amit Dahanukar</li> <li>: Dr. Ravindra Bapat</li> <li>: Mr. C V Bijlani</li> <li>: Mr. Kishorekumar Mhatre</li> <li>: Maj.Gen. Dilawar Singh (Retd.)</li> <li>: Mr. Satish Chand Mathur</li> <li>: Ms. Aparna Chaturvedi</li> <li>: Ms. Swapna Shah</li> <li>: Mr. C R Ramesh</li> <li>: Mr. Ajit Anant Sirsat</li> <li>: Mr. Abhinav Gupta</li> <li>: Mr. Shekhar Singh</li> <li>: Ms. Dipti Todkar</li> </ul> | <ul style="list-style-type: none"> <li>- Chairman &amp; Managing Director (KMP)</li> <li>- Executive Director (w.e.f. June 01, 2022) (KMP)</li> <li>- Independent Director</li> <li>- Independent Director</li> <li>- Independent Director</li> <li>- Independent Director</li> <li>- Independent Director</li> <li>- Independent Woman Director</li> <li>- Non-Executive Director</li> <li>- Whole time Director (KMP)</li> <li>- Chief Financial Officer (upto October 15, 2022) (KMP)</li> <li>- Chief Financial Officer (w.e.f. February 07, 2023) (KMP)</li> <li>- Company Secretary (up to September 30, 2021) (KMP)</li> <li>- Company Secretary (w.e.f. March 30, 2022) (KMP)</li> </ul> |
| Relative of Key Managerial Personnel               | <ul style="list-style-type: none"> <li>: Dr. Priyadarshini A. Dahanukar</li> <li>: Ms. Sanaya Amit Dahanukar</li> </ul>   |  |
| c) Entities controlled by Key Managerial Personnel | <ul style="list-style-type: none"> <li>: M.L. Dahanukar &amp; Co. Pvt. Ltd.</li> <li>: Arunoday Investments Pvt. Ltd.</li> <li>: Maharashtra Sugar Mills Pvt. Ltd.</li> <li>: Smt. Malati Dahanukar Trust</li> <li>: Dahanukar Vidyalaya Trust (Dahanukar English Medium School)</li> </ul>   |  |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in lacs)

Nature of Transaction (excluding reimbursements)	Parties referred in (a) above		Parties referred in (b) above		Parties referred in (c) above	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
<b>Sales</b>						
Vahni Distilleries Private Limited	68.97	67.67	-	-	-	-
PunjabExpo Breweries Private Limited	11.40	13.50	-	-	-	-
<b>Total</b>	<b>80.37</b>	<b>81.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Purchases</b>						
Vahni Distilleries Private Limited	42.50	52.79	-	-	-	-
PunjabExpo Breweries Private Limited	50.00	51.83	-	-	-	-
Prag Distillery (P) Ltd.	44.90	-	-	-	-	-
<b>Total</b>	<b>137.40</b>	<b>104.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses -Bottling Charges</b>						
Vahni Distilleries Private Limited	548.80	441.61	-	-	-	-
PunjabExpo Breweries Private Limited	132.03	64.90	-	-	-	-
Prag Distillery (P) Ltd.	317.23	-	-	-	-	-
<b>Total</b>	<b>998.06</b>	<b>506.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interest Income</b>						
PunjabExpo Breweries Private Limited	48.54	18.12	-	-	-	-
Mykingdom Ventures Pvt Ltd	0.71	0.75	-	-	-	-
Studd Projects P. Limited	1.28	1.38	-	-	-	-
Srirampur Grain Pvt Ltd	2.07	2.23	-	-	-	-
<b>Total</b>	<b>52.60</b>	<b>22.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Corporate Social Responsibility</b>						
Smt. Malati Dahanukar Trust	-	-	-	-	79.35	24.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79.35</b>	<b>24.00</b>
<b>Payments to Key Managerial Personnel and Directors</b>						
Remuneration and Sitting Fees to Executive Directors / Relatives	-	-	473.11	87.57	-	-
Remuneration to Chief Financial Officer / Company Secretary	-	-	176.79	56.70	-	-
Sitting Fees and Consultancy Charges to Non-Executive Director / Independent Director	-	-	48.00	54.05	-	-
Rent to Executive Directors / Relatives	-	-	47.48	40.80	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>745.38</b>	<b>239.12</b>	<b>-</b>	<b>-</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in lacs)

Nature of Transaction (excluding reimbursements)	Parties referred in (a) above		Parties referred in (b) above		Parties referred in (c) above	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
<b>Net Loans &amp; Advances given / (taken)</b>						
Prag Distillery (P) Ltd.	596.82	1,944.14	-	-	-	-
Vahni Distilleries Private Limited	(265.35)	(916.74)	-	-	-	-
PunjabExpo Breweries Private Limited	274.78	(666.88)	-	-	-	-
Mykingdom Ventures Pvt Ltd	1.09	0.98	-	-	-	-
Studd Projects P. Limited	1.62	1.52	-	-	-	-
Srirampur Grain Pvt Ltd	2.50	2.47	-	-	-	-
Shivprabha Sugars Ltd.	0.58	0.50	-	-	-	-
Kesarval Springs Distillers Pvt. Ltd.	0.52	0.62	-	-	-	-
<b>Total</b>	<b>612.56</b>	<b>366.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Outstanding Balances</b>						
<b>Loans and Advances given</b>						
Prag Distillery (P) Ltd. *	9,761.20	9,164.38	-	-	-	-
Vahni Distilleries Private Limited	914.54	1,179.89	-	-	-	-
PunjabExpo Breweries Private Limited	3,886.54	3,611.76	-	-	-	-
Mykingdom Ventures Pvt Ltd	10.29	9.20	-	-	-	-
Studd Projects P. Limited	18.33	16.71	-	-	-	-
Srirampur Grain Pvt Ltd	29.53	27.03	-	-	-	-
Shivprabha Sugars Ltd.	47.17	46.59	-	-	-	-
Kesarval Springs Distillers Pvt. Ltd.***	419.92	419.40	-	-	-	-
<b>Total</b>	<b>15,087.52</b>	<b>14,474.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Outstanding Receivable (Rent Deposit)</b>						
Mr. Amit Dahanukar	-	-	800.00	800.00	-	-
Dr. Priyadarshini A. Dahanukar	-	-	203.66	203.66	-	-
M.L. Dahanukar & Co. Pvt. Ltd.	-	-	-	-	15.00	15.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,003.66</b>	<b>1,003.66</b>	<b>15.00</b>	<b>15.00</b>

\* The Company has impaired advances with Prag Distillery (P) Ltd. for ₹ 9,761.20 lacs (P.Y. ₹ 9,164.38 lacs) for the year ended March 31, 2023.

\*\* The Company has impaired Loans and advances with PunjabExpo Breweries Pvt Ltd for ₹ 3,886.54 lacs (P.Y. ₹ NIL) for the year ended March 31, 2023

\*\*\* The Company has written off the loan amount given to Kesarval Springs Distillers Pvt Ltd in the books of accounts since 2015-2016 onwards.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## Notes :

- a) All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis.
- b) Compensation of key management personnel and Directors of the Company \*\*

(₹ in lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Short-term employee benefits	647.90	141.27
Directors sitting fees / Consultancy Charges	50.00	57.05
<b>Total compensation of key management personnel and Directors of the Company</b>	<b>697.90</b>	<b>198.32</b>

\*\*Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

- 35** In accordance with proviso to Section 129(3) read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

## 36 AUDITOR'S REMUNERATION CHARGED TO ACCOUNTS:

(₹ in lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Audit fees	12.50	12.50
b) Limited review fees	2.00	2.00
c) Reimbursement of expenses	0.06	0.06
	<b>14.56</b>	<b>14.56</b>

- 37** Micro & Small enterprises have been identified by the Company on the basis of the information received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The Company has amounts due to Micro & Small enterprises under the MSMED Act as follows:

(₹ in lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	3,500.84	2,147.28
b) the amount of interest paid by the buyer in terms of section 16 of the Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Act ;	-	-
d) the amount of interest accrued and remaining unpaid at the end of year; and	68.21	40.20
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act.	-	-

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 38 EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

In accordance with the provisions of section 135 of the Act, the Board of Directors of the Company had constituted a CSR committee. The details for CSR activities are as follows:

Particulars	(₹ in lacs)	
	Year ended March 31, 2023	Year ended March 31, 2022
i) Gross amount required to be spent by the company during the year	203.06	87.10
ii) Amount spent during the year on the following:	-	-
(a) For construction / acquisition of any assets - -	-	-
(b) For purposes other than (a) above	53.30	22.85
iii) Amount unspent / (overspent) during the year and deposited in a scheduled bank (in case of unspent)	72.00	-
iv) Amount spent during the year pertaining to previous year - -	-	-
v) Shortfall / (Excess) at the end of the year -	-	-
vi) Surplus arising out of CSR Project or activities of the previous financial years	-	44.83
vii) Reason of Shortfall	-	-
viii) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-
a) Smt. Malati Dahanukar Trust	79.35	24.00
<b>Total</b>	<b>204.65</b>	<b>91.68</b>

Nature of CSR activities : Animal welfare, Healthcare and sanitation, Literacy, promoting Sports and Fitness, solid waste management

## 39 EARNINGS PER SHARE:

Particulars	(₹ in lacs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Profit / (Loss) After Tax	16,588.48	2,907.02
Weighted average number of shares	1,706.14	1,435.13
Basic Earnings Per Share (in ₹)	9.72	2.03
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	1,750.61	1,466.80
Diluted Earnings Per Share (in ₹)	9.48	1.98
Face Value per Equity Share (in ₹)	10.00	10.00

40 The Company does not enter into any derivative instruments for trading or speculative purposes. The foreign currency exposure not hedged as at March 31, 2023 are as under:

	(₹ in lacs)				
	As at March 31, 2023			As at March 31, 2022	
	Currency	FC Amount in lacs	(₹ in lacs)	FC Amount in lacs	(₹ in lacs)
Receivable - Debtors	USD	0.25	19.54	0.22	16.50
Payable - Creditors	USD	-	-	74.28	5,609.11

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

- 41** The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs) and its wholly owned Subsidiaries (referred as Subsidiaries), wherein TMUs and Subsidiaries manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs and Subsidiaries under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from / payable to TMUs and Subsidiaries are recognised under other financial assets / other financial liabilities respectively.

(₹ in lacs)

Particulars	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022	March 31, 2022
	TMUs	Subsidiaries	Total	TMUs	Subsidiaries	Total
Revenue from operations / Other Income	12,370.64	74,307.22	86,677.86	73,010.67	63,891.14	136,901.81
<b>Total Income</b>	<b>12,370.64</b>	<b>74,307.22</b>	<b>86,677.86</b>	<b>73,010.67</b>	<b>63,891.14</b>	<b>136,901.81</b>
Cost of materials consumed / (Increase) / decrease in Inventories	4,436.42	5,966.94	10,403.36	21,267.30	5,159.61	26,426.91
Excise Duty	5,587.62	64,074.83	69,662.45	26,119.96	54,587.68	80,707.64
Finance Cost / Other expenses	695.25	1,303.89	1,999.14	2,168.56	1,395.07	3,563.63
<b>Total expenses</b>	<b>10,719.29</b>	<b>71,345.66</b>	<b>82,064.95</b>	<b>49,555.82</b>	<b>61,142.36</b>	<b>110,698.18</b>
<b>Profit / (Loss)</b>	<b>1,651.35</b>	<b>2,961.56</b>	<b>4,612.91</b>	<b>23,454.85</b>	<b>2,748.78</b>	<b>26,203.63</b>

(₹ in lacs)

In Balance Sheet	As at	As at	As at	As at	As at	As at
	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022	March 31, 2022
	TMUs	Subsidiaries	Total	TMUs	Subsidiaries	Total
<b>Assets</b>						
Inventory	706.36	1,717.45	2,423.81	2,146.64	1,148.41	3,295.05
Trade Receivables	5,225.86	3,143.43	8,369.29	15,387.42	2,460.27	17,847.69
Cash and Bank Balances	110.43	-	110.43	1,911.74	-	1,911.74
Other Financial Assets		-	-	191.34	-	191.34
Other Assets	719.77	29.43	749.20	2,108.82	1,630.81	3,739.63
<b>Liabilities</b>						
Trade Payables	1,269.08	1,111.17	2,380.25	3,825.83	1,426.71	5,252.54
Provisions	73.68	1,123.64	1,197.32	900.47	653.57	1,554.04
Other Liabilities	218.81	586.88	805.69	232.60	531.37	763.97

- 42** The Company expects to restart the grain distillery plant during the financial year 2023-24 and has also received the permission for operating the fermentation section till March 31, 2024. It is expected that permission for operating the distillation section also will be received soon. In view of this, the management believes that there is no impairment in value of its ENA Plant and hence the recoverable amount of the ENA Plant is not required to be estimated.
- 43** a) Anupama Wine Distributors has filed a suit before the City Civil Court, Bangalore claiming approximately ₹ 731.10 lacs towards refund of security deposit and other dues. The Hon'ble Court vide its Order dated December 22, 2007 dismissed their application for attachment of property for recovery of the above dues. The Company has filed a counter claim for the sum of approximately ₹ 1,193.00 lacs against Anupama Wine Distributors and the matter is pending before City Civil Court, Bangalore. The matter is posted for filing evidence by Anupama Wine Distributors. The Company has filed an application to club both the matters related to Anupama Wine Distributors and Anupama Distributors as the evidences

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

are the same and also an application to transfer both the suits in same court. The application for transfer of both the suits in same Court has been allowed and now both the suits are heard in the same Court. Examination in chief and cross examination of both the parties has been completed in the suit no. 8311. The concerned suit has been stayed because of order in writ petition filed by Anupama against an order rejecting their prayer for filing their evidence in the counter claim filed by Tilaknagar Industries Ltd.

- b) A body corporate has filed a legal suit on the Company to obtain restraining order on the use of certain trademarks owned by the Company. An interim order was passed by the Bombay High Court upholding the ownership of the Company in the aforesaid trade marks and allowing the Company continuous and uninterrupted use of the said trademarks without any restraint. The interim order continues and the appeal filed by the body corporate against the Company is pending. Whereas the body corporate has been restrained by an order of Bombay High Court from launching the concerned trade marks before obtaining the leave of the Court.

## 44 EXCEPTIONAL ITEMS INCLUDE THE FOLLOWING :

	₹ in lacs
a) The Company had remitted USD 11,00,011.89 equivalent of ₹ 925 lacs on October 13, 2022 to its supplier, Cargill International SA, against credit balance outstanding of ₹ 6,057.93 lacs (equivalent USD 74,28,300) as on September 30, 2022 on receipt of the statutory approval from Reserve Bank of India dated October 06, 2022, towards the Settlement Agreement entered into between the Company and Cargill International SA, wherein it was mutually agreed, inter alia, that the principal outstanding amount of USD 74,28,300 would be settled in full and final at USD value equivalent of ₹ 925 lacs. Consequent to the full and final payment during the financial year 2022-2023, the Company has written back ₹ 5,132.93 lacs being the difference between the settlement amount and the total dues outstanding in the books of accounts. The same is disclosed under exceptional items for the year ended March 31, 2023.	5,132.93
b) The Company had entered into a Master Restructuring Agreement (MRA) dated February 06, 2020 with Edelweiss Asset Reconstruction Company Limited (EARC) acting as Trustee of three trusts i.e EARC Trust SC 233, EARC Trust SC 241 and EARC Trust SC 269 with respect to restructuring of the debts owed to some of the lender banks and a Financial Institution by the Company. Accordingly, the total debt owed by the Company of ₹ 52,332.37 lacs was restructured by EARC at ₹ 34,447.23 lacs as Sustainable Debt and Balance Debt of ₹ 17,885.14 lacs. A part of Balance Debt was subsequently converted into equity. The Company had been regularly paying the stipulated principal and interest of the restructured debt to all the three EARC trusts from 2020 onwards till date in accordance with the repayment schedule of MRA. During the financial year 2022-2023, the Company made a prepayment of the entire outstanding principal along with accrued interest of ₹ 54.10 crores towards EARC Trust SC 233 and EARC Trust SC 269. As per terms of restructuring by EARC, the Balance Debt would remain outstanding till the time the restructured debt was repaid. The Balance Debt along with accrued interest was to be waived by EARC once the restructured debt had been repaid. Consequent to the above prepayment, the corresponding Balance debt of the two trusts i.e EARC Trust SC 233 and EARC Trust SC 269 aggregating to ₹ 12,662.70 lacs has been waived by EARC and accordingly the same has been written back by the Company in the financial statements for the year 2022-2023. The same is disclosed under exceptional items for the year ended March 31, 2023. The total existing debt of EARC as on March 31, 2023 now stands reduced to ₹ 18,759.13 lacs (including Balance Debt of ₹ 362.45 lacs) representing debt of EARC Trust SC 241 only.	12,662.70

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

₹ in lacs

<p>c) During the year 2017-2018 and thereafter, many of the bottling tie up arrangements with "PunjabExpo Breweries Private Ltd" a wholly owned subsidiary (referred as PE) were not renewed leading to a severe fall in its operations. Further, there was a considerable drop in its existing business in Canteen Stores Department in the Northern Markets. To stay float, it entered into bottling arrangements with the Holding Company (TI) for its northern and export markets. However, due to lower capacity utilisation, the bottling income from 2018-19 onwards was insufficient to cover the fixed costs leading to increased losses. Over the years, the net worth of PE has been fully eroded despite attempts to rationalize its administrative overheads. Further, TI was actively exploring the possibility of entering the northern civil markets where PE would be one of the major sources of supply. It was also in discussions with other brand owners in Northern Markets to enter into bottling arrangements. This would have significantly improved the capacity utilisation and have favourable impact on the profitability of PE. The discussions with various parties did not concretely materialise post covid situation. Despite its best efforts, PE could not increase its business. TI management has assessed the current situation and has arrived at the conclusion that there is no sufficient visibility on PE northern business and return on investments and recoverability of loans and advances is doubtful. Hence, TI has provided for impairment of the equity investments in PE of ₹ 2,680.40 lacs, advances of ₹ 3,320.75 lacs and loan of ₹ 565.79 lacs aggregating to ₹ 6,566.94 lacs in its books of accounts. The same is disclosed under exceptional items for the year ended March 31, 2023.</p>	(6,566.94)
<p>d) Consequent to the provision of the capex expansion project cost of ₹ 10,021.69 lacs, in the books of Prag Distillery Pvt Ltd a wholly owned subsidiary, for the year ended March 31, 2023 (refer Note No 45 (c) in the consolidated financial statements, the net worth of Prag has been fully eroded. Hence, the Company has recorded impairment provision on the equity investments made in Prag of ₹ 1,543.35 lacs in its books of accounts. The same is disclosed under exceptional items for the year ended March 31, 2023.</p>	(1,543.35)
<p><b>Total exceptional items</b></p>	<b>9,685.34</b>

## 45 During the year 2022-2023, after the requisite Board and shareholders' approval, the Company has allotted the following equity shares :-

- 50,62,893 equity shares of face value of ₹ 10/- each to promoters / promoter group at an issue price of ₹ 53/- per equity share including a premium of ₹ 43/- per share
- 99,99,988 equity shares of face value of ₹ 10/- each to entities at an issue price of ₹ 72/- per equity share including a premium of ₹ 62/- per share,
- 1,05,26,315 equity shares of face value of ₹ 10/- each to an entity at an issue price of ₹ 95/- per equity share including a premium of ₹ 85/- per share.

### Further, the following warrants are outstanding as on March 31, 2023 :

- 41,82,390 warrants issued to promoter group on a preferential basis at an issue price of ₹ 53/- per warrant including a premium of ₹ 43/- per warrant.
- 18,05,556 warrants issued to non-promoter group on a preferential basis at an issue price of ₹ 72/- per warrant including a premium of ₹ 62/- per warrant.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

**46** The Board of Directors of Tilaknagar Industries Limited ("TI" or the Transferee Company") at their Board Meeting held on May 30, 2022, have inter alia, approved the Composite Scheme of Amalgamation ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with relevant rules & regulations framed thereunder. The Scheme, inter alia, provides for amalgamation by way of absorption and vesting of four wholly-owned subsidiaries of the Company, viz. (i) Kesarval Springs Distillers Private Limited ("KSDPL"); (ii) Mykingdom Ventures Private Limited ("MVPL"); (iii) Srirampur Grains Private Limited ("SGPL"); and (iv) Studd Projects Private Limited ("SPPL") [hereinafter collectively referred to as the "Transferor Companies" and individually referred to as the "Transferor Company"] with and into TI.

The "appointed date" as per the scheme is the 1<sup>st</sup> day of April, 2022 or such other date as may be approved by the Honourable National Company Law Tribunal(s), for the purposes of this Scheme. The Scheme as aforesaid shall be subject to necessary approvals by the Shareholders, Creditors, Jurisdictional Bench of National Company Law Tribunal ("NCLT") and such other statutory and regulatory approvals as may be required. Pending such approvals, the financial have been prepared without giving any effect to the said Scheme.

**47** The Board of Directors at its meeting held on May 16, 2023 has proposed a final dividend of ₹0.25 per equity share of Face value ₹ 10/- each for the financial year ended March 31, 2023.

**48** Disclosure required under Section 186 (4) of the Company's Act, 2013 for loans, advances and guarantees :

## a) Loans and Advances to subsidiaries

(₹ in lacs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Maximum amount outstanding	Balance as at the year end	Maximum amount outstanding	Balance as at the year end
Prag Distillery (P) Ltd. *	9,870.36	9,761.20	9,164.38	9,164.38
Vahni Distilleries Private Limited	3,125.93	914.54	2,096.63	1,179.89
PunjabExpo Breweries Private Limited **	3,531.95	3,886.54	4,430.83	3,611.76
Mykingdom Ventures Pvt. Ltd.	10.29	10.29	9.20	9.20
Studd Projects P. Limited	18.33	18.33	16.71	16.71
Srirampur Grain Pvt. Ltd.	29.53	29.53	27.03	27.03
Shivprabha Sugars Ltd.	47.17	47.17	46.59	46.59
Kesarval Springs Distillers Pvt. Ltd. ***	419.92	419.92	419.40	419.40
<b>Total</b>	<b>17,053.47</b>	<b>15,087.52</b>	<b>16,210.77</b>	<b>14,474.96</b>

\* The Company has impaired advances with Prag Distillery (P) Ltd. for ₹ 9,761.20 lacs (P.Y. ₹ 9,164.38 lacs) for the year ended March 31, 2023.

\*\* The Company has impaired Loans and advances with PunjabExpo Breweries Pvt Ltd for ₹ 3,886.54 lacs (P.Y. ₹ NIL) for the year ended March 31, 2023

\*\*\* The Company has been writing off the loan amount given to Kesarval Springs Distillers Pvt Ltd in the books of accounts since 2015-2016

The above loans and advances have been given for general business purposes.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 49 RATIO ANALYSIS

Ratio	Numerator	Denominator	2023 Current year	2022 Previous Year	% Reason for Variance Change
Current ratio (in times)	Total current assets	Total current liabilities	1.29	1.06	21.12% Efficient management of working capital, improvement in inventory control.
Debt-Equity ratio (in times)	Total borrowings and lease liabilities	Total equity	0.52	4.84	-89.18% Reduction in debt post infusion of amounts raised from preference issues, pre-payment of EARC debt and improvement in profitability.
Debt service coverage ratio (in times)	Net Profit after taxes + Depreciation and Amortization + Finance Cost	Principal repayments including interest + lease liabilities payments	0.82	0.65	26.37% Increase in profitability and cash flows from operations and funds raised from preference issues contributed to improvement in servicing debt.
Return on Equity Ratio	Profit after tax	Average total equity	54.64%	84.99%	-35.70% The earnings for the year including exceptional items have increased by 471% whereas average equity increased by 788% due to infusion of capital by preference issue. Hence return on equity has reduced.
Inventory turnover ratio (times)	Cost of Material consumed + Changes in Inventories	Average inventory	6.56	5.35	22.70% Company is focusing on fast moving premium brands resulting in faster liquidation of inventory.
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	8.77	8.84	-0.80% NA

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Ratio	Numerator	Denominator	2023 Current year	2022 Previous Year	% Reason for Variance Change
Trade payables turnover ratio (in times)	Cost of Material consumed + Changes in Inventories + Other Expenses - Inventory / Advance Provision / Advance written off / Bad Debts / ECL	Average trade payable	6.86	4.27	60.65% Significant outstanding balances of trade payables have been settled during the year
Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	20.35	69.51	-70.72% Growth in business and availability of cash flows has resulted in efficient working capital turnover ratio.
Net profit ratio (in %)	Profit after tax (excluding exceptional Item)	Revenue from operations (Net of Excise Duty)	5.93%	3.71%	59.77% Growth in business, focus on premium brands and reduction of debts have resulted in higher profit.
Return on capital employed (in %)	Profit before tax + finance costs	Capital employed = Tangible Net worth + Total Borrowings	27.91%	11.76%	137.40% Growth in business, focus on premium brands, exceptional income and reduction of debts have resulted in higher return on capital.
Return on investment (in %)	Profit on Sale of Investments	Cost of Investment	1.26%	0.46%	172.17% The company has invested surplus fund in Mutual Fund.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 50 OTHER STATUTORY INFORMATION:

- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.
- iii) The Company does not have any transactions with the struck off Companies.
- iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:-
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or"
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:-
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;"
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- ix) The company has not been declared as a wilful defaulter.
- x) The Company did not have sanctioned working capital limits during the year from any banks / lenders.

**51** Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

**For Harshil Shah & Company**

Chartered Accountants  
Firm Registration No.141179W

**Harshil Shah**

Partner  
Membership No.124146

Place : Mumbai  
Date : May 16, 2023

For and on behalf of the Board of Directors

**Amit Dahanukar**

Chairman & Managing Director  
(DIN: 00305636)

**Abhinav Gupta**

Chief Financial Officer

**C. V. Bijlani**

Director  
(DIN:02039345)

**Dipti Todkar**

Company Secretary

# FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## PART "A": SUBSIDIARIES

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES FOR THE YEAR ENDED MARCH 31, 2023

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Gross Total Income	Profit / (Loss) Before Taxation	Provision for Taxation	Profit / (Loss) After Taxation	Other Comprehensive Income	Comprehensive Income	Total Proposed Dividend	% of Shareholding
1	Prag Distillery (P) Ltd.	INR	368.10	(10,564.50)	2,476.78	12,673.18	-	471.93	(10,183.20)	-	(10,183.20)	(11.56)	(10,194.76)	Nil	100%
2	Vahni Distilleries Private Limited	INR	1,498.05	(1,961.20)	506.40	969.55	-	465.54	121.45	-	121.45	0.94	122.39	Nil	100%
3	Kesarval Springs Distillers Pvt. Ltd.	INR	30.00	(449.98)	1.22	421.20	-	-	(0.53)	-	(0.53)	-	(0.53)	Nil	100%
4	PunjabExpo Breweries Private Limited	INR	2,160.00	(5,431.63)	759.67	4,031.30	-	116.00	(2,513.64)	-	(2,513.64)	(9.33)	(2,522.97)	Nil	100%
5	Mykingdom Ventures Pvt. Ltd.	INR	1.00	(10.23)	1.41	10.64	-	-	(1.19)	-	(1.19)	-	(1.19)	Nil	100%
6	Studd Projects P. Ltd.	INR	1.00	(17.70)	1.97	18.67	-	-	(1.70)	-	(1.70)	-	(1.70)	Nil	100%
7	Srirampur Grains Private Limited	INR	1.00	(30.00)	1.07	30.07	-	-	(2.58)	-	(2.58)	-	(2.58)	Nil	100%
8	Shivprabha Sugars Ltd.	INR	5.00	(150.56)	16.00	161.56	-	-	(0.67)	-	(0.67)	-	(0.67)	Nil	90%

For and on behalf of the Board of Directors

**Amit Dahanukar**  
Chairman & Managing Director  
(DIN: 00305636)

**C. V. Bijlani**  
Director  
(DIN:02039345)

Place : Mumbai  
Date : May 16, 2023

**Dipti Todkar**  
Company Secretary

**Abhinav Gupta**  
Chief Financial Officer

# FORM AOC-1 (contd.)

## PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Lacs)

Sr. No.	Name of Associate	Mason & Summers Marketing Services Pvt. Ltd.
<b>1</b>	<b>Latest audited Balance Sheet Date</b>	NA
<b>2</b>	<b>Shares of Associate held by the Company on the year end</b>	
i	Number of Equity Shares	130,000
ii	Amount of Investment in Associate	169.00
iii	Extend of Holding %	26%
<b>3</b>	<b>Description of how there is significant influence</b>	Due to shareholding
<b>4</b>	<b>Reason why the associate/joint venture is not consolidated</b>	Refer Note below *
<b>5</b>	<b>Networth attributable to Shareholding as per latest audited Balance Sheet</b> (Limited to amount of investment in Associate)	-
<b>6</b>	<b>Profit / (Loss) for the year</b>	
i	Considered in Consolidation	-
ii	Not Considered in Consolidation	-

\* The group has made an impairment in value of investments in the associate company Mason & Summers Marketing Services Pvt. Ltd. (MSMSPL) of ₹ 169.00 Lacs, in its books of accounts during the financial year 2015-2016 due to losses made by the associate. The group does not have any obligation to fund the losses of the associate beyond the investments made and hence the group's share of profit / loss in the associate company has not been considered in the consolidated financial statements.

For and on behalf of the Board of Directors

**Amit Dahanukar**  
Chairman & Managing Director  
(DIN: 00305636)

**C. V. Bijlani**  
Director  
(DIN:02039345)

Place : Mumbai  
Date : May 16, 2023

**Abhinav Gupta**  
Chief Financial Officer

**Dipti Todkar**  
Company Secretary

## STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG WITH ANNUAL AUDITED FINANCIAL RESULTS (STANDALONE)

### Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) ₹ in lacs	Adjusted Figures (audited figures after adjusting for qualifications) ₹ in lacs
	1	Turnover/Total income	2,47,563.54	2,47,563.54
	2	Total Expenditure	2,40,660.95	2,40,660.95
	3	Exceptional Item	9,685.34	9,685.34
	4	Net Profit/(Loss) after tax	16,588.48	16,588.48
	5	Earnings Per Share (In ₹)	9.72	9.72
	6	Total Assets	1,00,546.08	1,00,546.08
	7	Total Liabilities	51,909.69	51,909.69
	8	Net Worth	48,636.39	48,636.39
	9	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
<b>II. Audit Qualification (each audit qualification separately):</b>				
a.	<b>Details of Audit Qualification:</b>		(i) The Company has not carried out impairment analysis of one of the ENA plants as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets' though there is an indication of impairment. Reference is invited to note no. 4 of the standalone annual financial results.	
b.	<b>Type of Audit Qualification:</b>		Qualified Opinion	
c.	<b>Frequency of qualification:</b>		Point (i) - Appearing eighth time	
d.	<b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>			
	<b>(i) If management is unable to estimate the impact, reasons for the same:</b>		Response to Point (II)(a)(i) The Company expects to restart the grain distillery plant during the financial year 2023-24 and has also received the permission for operating the fermentation section till March 31, 2024. It is expected that permission for operating the distillation section also will be received soon. In view of this, the management believes that there is no impairment in value of its ENA Plant and hence the recoverable amount of the ENA Plant is not required to be estimated.	
	<b>(ii) Auditors' Comments on (i) or (ii) or(iii) above:</b>		Refer II (a) (i) above	
<b>III. Signatories:</b>				
	• <b>CEO/Managing Director</b>		Amit Dahanukar	
	• <b>CFO</b>		Abhinav Gupta	
	• <b>Audit Committee Chairman</b>		C.V. Bijlani	
	• <b>Statutory Auditor</b>		For <b>Harshil Shah &amp; Company</b> Harshil Shah (Partner)	
Place: Mumbai				
Date : May 16, 2023				



**CIN: L15420PN1933PLC133303**

**Registered Office:** P.O. Tilaknagar, Tal. Shirampur, Dist. Ahmednagar, Maharashtra-413 720

**Corporate Office:** 3<sup>rd</sup> Floor, Industrial Assurance Building, Churchgate, Mumbai, Maharashtra-400 020

**Email:** [investor@tilind.com](mailto:investor@tilind.com), **Website:** [www.tilind.com](http://www.tilind.com), **Phone:** +91 22 22831716/18, **Fax:** +91 22 22046904

## NOTICE

**NOTICE** is hereby given that the **88<sup>th</sup> Annual General Meeting (AGM)** of Tilaknagar Industries Ltd. will be held on **Thursday, September 28, 2023 at 10.30 a.m. IST** through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM'), to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2023, Auditors' Report thereon and the Directors' Report.
2. To declare a Final Dividend on Equity Shares at the rate of ₹ 0.25 per equity share (2.5 %) for the financial year 2022-23.
3. To appoint a director in place of Mr. Chemangala Ramachar Ramesh (Mr. C. R. Ramesh) (DIN: 08876738), who retires by rotation and, being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

4. **To ratify the remuneration payable to the Cost Auditor of the Company for the financial year 2023-24**

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and on the recommendation of the Audit Committee, the remuneration payable to CMA Dr. Netra Shashikant Apte having Membership No. 11865 and Firm Registration No. 102229, appointed as the Cost Auditor of the Company by the Board of Directors, for conducting the audit of cost accounting records maintained by the Company for the financial year 2023-24 relating to manufacturing of the products covered under the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), amounting to ₹ 1,50,000/- (Rupees

One Lakh Fifty-Thousand Only) plus tax as applicable and re-imbusement of out of pocket expenses as may be incurred by her for conducting the cost audit be and is hereby ratified and confirmed."

5. **To consider and approve the re-appointment and remuneration of Mr. Amit Dahanukar (DIN: 00305636) as Chairman and Managing Director**

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to provisions of Section 196, 197 and 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the Articles of Association of the Company, the consent of the Company be and is hereby accorded for the re-appointment of Mr. Amit Dahanukar (DIN: 00305636) as Chairman and Managing Director (CMD) of the Company for a period of 3 (three) years, with effect from November 07, 2023 to November 06, 2026 (both days inclusive), as recommended by the Nomination and Remuneration Committee and approved by the Board on the following terms and conditions and remuneration:

- A) Salary (including variable pay, perquisites, allowances, provident fund, gratuity applicable to the employees of his grade as per the Company's policy): Not exceeding ₹ 5,10,00,000 (Rupees Five Crores Ten Lakhs only) per annum.
- B) Commission: Within the permissible limits of the Companies Act, 2013 and the Rules issued there under.

**RESOLVED FURTHER THAT** Mr. Amit Dahanukar be and is hereby designated as a Key Managerial Personnel of the Company as per the provisions of Section 203(1)(i) of the Act;

**RESOLVED FURTHER THAT** Mr. Amit Dahanukar shall be liable to retire by rotation during his term as Chairman & Managing Director;

**RESOLVED FURTHER THAT** Mr. Amit Dahanukar shall be entitled to reimbursement of all expenses incurred for the purpose of business of the Company and shall not be entitled to any sitting fees for attending meetings of the Board of Directors and Committee(s) thereof;

**RESOLVED FURTHER THAT** the overall remuneration paid may exceed the limits specified under Section 197 and in the event of inadequacy of profits or no profits during any financial year, in the aforesaid period, the Company will pay remuneration by way of salary, perquisites and allowances, commission as specified above as minimum remuneration.”

**6. To consider and approve the re-appointment and remuneration of Mr. Chemangala Ramachar Ramesh (Mr. C. R. Ramesh) (DIN: 08876738) as a Whole-Time Director**

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to provisions of Section 196, 197 and 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, the consent of the Company be and is hereby accorded for the re-appointment of Mr. Chemangala Ramachar Ramesh (C. R. Ramesh) (DIN: 08876738) as a Whole-Time Director (WTD) of the Company for a period of 3 (three) years, with effect from November 13, 2023 to November 12, 2026 (both days inclusive), as recommended by the Nomination and Remuneration Committee and approved by the Board on the following terms and conditions and remuneration:

**A)** Salary (including variable pay, perquisites excluding perquisites on ESOP, allowances, provident fund, gratuity applicable to the employees of his grade as per the Company's policy): Not exceeding ₹ 70,00,000/- (Rupees Seventy lakhs only) per annum.

**B)** Commission: Within the permissible limits of the Companies Act, 2013 and the Rules issued there under.

**C)** Pursuant to the future or prevailing employees stock option schemes in the Company, an appropriate number of stock options will be/ are granted to Mr. C. R. Ramesh based on his continued employment in the Company and/or performance of the Company as may be determined from time to time by the Board/ Committee.

**RESOLVED FURTHER THAT** Mr. C. R. Ramesh be and is hereby designated as a Key Managerial Personnel of the Company as per the provisions of Section 203(1)(i) of the Act;

**RESOLVED FURTHER THAT** Mr. C. R. Ramesh shall be liable to retire by rotation during his term as Whole-Time Director;

**RESOLVED FURTHER THAT** Mr. C. R. Ramesh shall be entitled to reimbursement of all expenses incurred for the purpose of business of the Company and shall be entitled to sitting fees for attending meetings of the Board of Directors and Committee(s) thereof;

**RESOLVED FURTHER THAT** the overall remuneration paid may exceed the limits specified under Section 197 and in the event of inadequacy of profits or no profits during any financial year, in the aforesaid period, the Company will pay remuneration by way of salary, perquisites, allowances and commission as specified above as minimum remuneration.”

By Order of the Board of Directors

Sd/-

**Amit Dahanukar**

Chairman & Managing Director

Place: Mumbai

Date: August 08, 2023

**Registered Office:**

P.O. Tilaknagar, Tal. Shirampur,

Dist. Ahmednagar, Maharashtra-413 720

## NOTES

1. The Ministry of Corporate Affairs (the MCA) has vide its General Circular Nos. 14/2020, 17/2020, 20/2020, 2/2021, 2/2022, 3/2022, 10/ 2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, May 05, 2022 and December 28, 2022 respectively (collectively referred to as the MCA Circulars) and the SEBI Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11, SEBI/HO/CFD/ CMD2/CIR/P/2022/62 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated May 12, 2020, January 15, 2021, May 13, 2022 and January 05, 2023, respectively issued by the Securities and Exchange Board of India (collectively referred to as SEBI Circulars) permitted the holding of the Extra Ordinary General Meeting/ Annual General Meetings ("**AGM**") through Video Conferencing (VC)/Other Audio Visual Means (OAVM) facility without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("**the Act**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**the SEBI Listing Regulations**"), the SEBI Circulars and MCA Circulars, the AGM of the Company is being held through VC/OAVM facility. The Deemed Venue for the AGM shall be the Registered Office of the Company, i.e. P.O. Tilaknagar, Tal. Shirampur, Dist. Ahmednagar, Maharashtra-413 720.
2. The AGM is being held pursuant to the MCA Circulars and the SEBI Circulars, through VC/OAVM facility, therefore physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

Corporate Members intending to authorise their representatives to attend & vote at the AGM through VC/OAVM facility on its behalf are requested to send duly certified copy of the relevant Board Resolution to the Company.

In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
3. Members attending the AGM through VC/OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Further, pursuant to the MCA and SEBI Circulars, the Notice of the AGM along with login details for joining the AGM through VC/OAVM facility including e-voting are being sent in electronic form only to those Members whose e-mail addresses are registered with the Company/Depositories.

The Notice calling the AGM has been uploaded on the website of the Company at [www.tilind.com](http://www.tilind.com). The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of Central Depository Services (India) Limited (CDSL) (agency for providing the remote e-voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com).

5. In compliance with the provisions of Regulation 44 of the SEBI Listing Regulations and Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has provided a facility of remote e-voting (e-voting from a place other than venue of the Meeting) to its Members to enable them to exercise their right to vote on the businesses proposed to be transacted at the AGM. Necessary arrangements have been made by the Company with CDSL to facilitate remote e-voting. The facility of casting votes by a Member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. Only those Members who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

Voting Rights shall be reckoned on the paid-up value of equity shares registered in the name of the Members as on the cut-off date i.e. Thursday, September 21, 2023.

6. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 ("**the Rules**"), as amended, setting out the material facts in respect of the Special Business as per Item Nos. 4, 5, and 6 herein above, is annexed hereto and forms part of this Notice.
7. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. Thursday, September 28, 2023. Members seeking to inspect such documents can send an email to [investor@tilind.com](mailto:investor@tilind.com).
8. Register of Directors and KMP and their Shareholding maintained under Section 170 of the Act, Register of

Contracts, Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members through electronic mode during AGM.

9. The certificate from the Secretarial auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be available for inspection by the members through electronic mode during the AGM.
10. Pursuant to Section 101 of the Act read with relevant Rules made thereunder, companies can serve Notice of AGM and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participants ('DP'). Members who have not registered their e-mail address with the Company can now register the same by sending an e-mail at [investor@tilind.com](mailto:investor@tilind.com) and/or by sending a request to Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agent (RTA) through e-mail at [investor@bigshareonline.com](mailto:investor@bigshareonline.com) or contact at (022) 6263 8200. Members holding Shares in demat form are requested to register their e-mail address with their DP only. The registered e-mail address will be used for sending future communications.
11. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for a long time. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
12. The Notice of AGM will be sent to those Members/beneficial owners whose name will appear in the Register of Members/list of beneficiaries received from the Depositories as on Friday, September 01, 2023.
13. As per Regulation 40 of the SEBI Listing Regulations and recent circulars, SEBI has mandated listed companies to issue securities in dematerialised form only while processing service requests pertaining to viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition.
14. SEBI has mandated the updation of PAN, contact, Bank account, specimen signature and nomination details,

against folio / demat account. PAN is also required to be updated for participating in the securities market, deletion of name of deceased holder and transmission / transposition of shares. As per applicable SEBI Circular, PAN details are to be compulsorily linked to Aadhar details by the date specified by Central Board of Direct Taxes. Members are requested to submit PAN, or intimate all changes pertaining to their bank details, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, specimen signature (as applicable) etc., to their Depository Participant ("DP") in case of holding in dematerialised form or to Company's Registrar and Share Transfer Agents through Form ISR-1, Form ISR-2 and Form ISR-3 (as applicable).

In view of the same and to eliminate all risks associated with physical shares and inherent benefits of dematerialization, Members are advised to dematerialise the shares held by them in physical form. Members can contact Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agent of the Company for further assistance in this regard.

15. Pursuant to Section 72 of the Act read with the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in single name are entitled to nominate a person to whom their shares in the Company shall vest in the event of their demise by sending a nomination in the prescribed Form No. SH-13 or make changes to their nomination details through Form SH-14 and Form ISR-3 duly filled in to Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agent of the Company. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.
16. Members holding shares in physical form are requested to approach Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agent of the Company at Office No 56-2, 6<sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Tel: (022) 6263 8200, Fax: (022) 6263 8299, E-mail: [investor@bigshareonline.com](mailto:investor@bigshareonline.com), Website: [www.bigshareonline.com](http://www.bigshareonline.com) for:
  - a. intimating any change in their address and/or bank mandate;
  - b. submitting requests for transmission, name deletion, issue of duplicate share certificates, name change, split, consolidation, etc.;
  - c. nominating any person to whom the shares shall vest in the event of death;
  - d. updating/registering their e-mail address for correspondence; and

- e. any other queries with respect to shares held by them.
17. Members holding shares in electronic form are hereby informed that the Company or its Registrar cannot act on any request received directly from them for any change of address and/or bank mandate or change in e-mail address. Such changes are to be intimated only to the Depository Participants of the Members.
18. Members are requested to quote their Client ID and DP ID in respect of shares held in electronic form and ledger folio number in respect of shares held in physical form in all their correspondence.
19. Members are requested to update their PAN, KYC and Nomination details in Form No. ISR 1, ISR-2, ISR-3 and Form SH-13 (as applicable) through RTA agent on or before October 31, 2023 to avoid freezing of the relevant folios by RTA of the Company. Please also note that after December 31, 2025, the frozen folios shall be referred, by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and / or Prevention of Money Laundering Act, 2002.
20. To support the 'Green Initiative', Members who have not registered their e-mail address for receiving all communications including Annual Report, Notices and Circulars, etc. from the Company electronically, are requested to register the same with their Depository Participants (for shares held in electronic form) and with Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agents of the Company (for shares held in physical form).
21. This AGM Notice is being sent, by e-mail, only to those eligible Members who have registered their e-mail address with the Depositories/the depository participant/the Company's Register and Share Transfer Agent/the Company as on Friday, September 01, 2023.

**Process for those Members whose email address/mobile number are not registered with the Company/Depositories, for procuring user id and password and registration of e-mail address/ mobile number for e-voting for the resolutions set out in this Notice:**

<b>Physical Holding</b>	Send a request to Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agent at <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a> providing your name, folio no., scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card and self-attested scanned copy of Aadhar Card, for registering e-mail address/mobile number.
<b>Demat Holding</b>	Please contact your DP and register your e-mail address/mobile number in your demat account, as per the process advised by your DP.

22. Any person who is not a Member as on the cut-off date should treat this Notice for information purpose only. Also, any person who acquires shares and becomes the Member of the Company after the dispatch of Notice of the Meeting and holding shares on the cut-off date i.e. Thursday, September 21, 2023, may obtain login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
23. **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**
- a. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. **The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.**
- b. Shareholders are encouraged to join the Meeting through Laptops/ iPads for better experience.
- c. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on CDSL's e-voting website i.e. [www.evotingindia.com](http://www.evotingindia.com). The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000

Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- f. Members who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request in advance at least seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investor@tilind.com](mailto:investor@tilind.com).

Members who do not wish to speak during the AGM but have queries may send their queries in advance seven days prior to Meeting mentioning their name, demat account number/folio number, email id, mobile number at [investor@tilind.com](mailto:investor@tilind.com). These queries will be replied to by the company suitably by email.

- g. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.
- h. Only those Members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
- i. If any votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the Meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the Meeting is available only to the Members attending the Meeting.

#### 24. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

- a. The procedure for e-voting on the day of the AGM is same as the instructions mentioned below for remote e-voting.

- b. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

#### 25. Information and other instructions relating to Remote e-Voting are as under:

The voting period begins on Monday, September 25, 2023 at 09.00 a.m. and ends on Wednesday, September 27, 2023 at 05.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, September 21, 2023 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of the SEBI Listing Regulations, listed entities are required to provide remote e-Voting facility to its Members, in respect of all Members' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to the above SEBI circular, Login method for e-voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi/Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered mobile &amp; e-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select Register Online for IDeAS Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no: 022 - 4886 7000 and 022 - 2499 7000.

Login method for e-voting and joining virtual AGM for Members other than Individual Members holding securities in demat mode and Members holding securities in physical mode.

- i. The Members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii. Click on Shareholders Module.
- iii. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

#### For Physical shareholders and other than individual shareholders holding shares in Demat.

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or the Company, please enter the Member ID/Folio Number in the Dividend Bank details field.</li> </ul>

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN for "Tilaknagar Industries Ltd." on which you choose to vote.
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- xiii. After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. **Additional Facility for Non-Individual Shareholders and Custodians for Remote Voting only**
- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the Corporates' Modules.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
  - Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc., together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the scrutiniser and to the Company at the e-mail address viz [investor@tilind.com](mailto:investor@tilind.com) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.
- xviii. If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 1800 22 55 33.
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel(East), Mumbai - 400 013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 1800 22 55 33.
26. Advocate R. T. RajGuroo has been appointed as scrutiniser to scrutinise the voting process (including remote e-voting) in a fair and transparent manner. He has communicated his willingness to be so appointed and will be available for the purpose of ascertaining the requisite majority.
27. The scrutiniser shall, after the conclusion of voting at the Meeting, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall provide a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman & Managing Director of the Company or any person authorised by him in writing, who shall countersign the same and declare the results of the voting forthwith to the Stock Exchanges within two working days from the conclusion of the Meeting. The resolutions will be deemed to be passed on the date of the Meeting subject to receipt of requisite number of votes in favour of the resolutions.
28. The results declared along with the report of the scrutiniser shall be placed on the website of the Company i.e. [www.tilind.com](http://www.tilind.com) and on the website of the CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of the results by the Chairman & Managing Director of the Company or a person authorised by him in writing and also be displayed at the Registered and Corporate Office of the Company. The results shall also be immediately forwarded to the Stock Exchange(s) i.e. BSE Limited and National Stock Exchange of India Ltd.
29. Dividend:
- (i) The Board has recommended a final dividend of Rs.0.25 per equity share (2.5%) for the financial year 2022-2023.
  - (ii) The Register of Members and Share Transfer books of the Company will remain closed from Friday, September 22, 2023 to Thursday, September 28,

2023 (both days inclusive), for the purpose of AGM and Dividend. The Dividend, if declared, will be payable on or after Thursday, September 28, 2023, to those Shareholders whose names are registered as such in the Register of Members of the Company as on Thursday, September 21, 2023 and to the beneficiary holders as per the beneficiary list as on Thursday, September 21, 2023 provided by the Depositories, NSDL and CDSL, subject to deduction of tax at source where applicable.

(iii) Payment of Dividend through electronic means:

- (a) The Company provides the facility to the Shareholders for remittance of Dividend directly in electronic mode through National Automated Clearing House (NACH). Shareholders holding shares in physical form and desirous of availing this facility of electronic remittance are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFSC Code), along with their Folio Number, to the Company or RTA. Shareholders holding shares in dematerialized form are requested to provide the said details to their respective Depository Participant(s).
- (b) In case the Company is unable to pay the Dividend to any Shareholder by the electronic mode, due to non-availability of their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFSC Code), the Company shall dispatch the dividend warrant / cheque to such Shareholder by post.
- (c) Shareholders holding shares in dematerialized form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of Dividend. The Company/RTA cannot act on any request received directly from the Shareholders holding shares in dematerialized form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Shareholders.

(iv) **TDS ON DIVIDEND:** Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend income has become taxable in the hands of shareholders with effect from April 01, 2020 and therefore, the Company shall be required to deduct tax at source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, shareholders are requested to refer

to the Finance Act, 2022 and amendments thereof. Shareholders are requested to update their Permanent Account Number ("PAN") with the Company/Bigshare Services Pvt. Ltd. (in case of shares held in physical mode) and depositories (in case of shares held in demat mode) on or before Friday, September 15, 2023.

**1. For Resident Shareholders:** Tax shall be deducted at source under section 194 of the Income-tax Act, 1961 @10% on the amount of Dividend declared and paid by the Company during the Financial Year ("FY") 2023-24 provided a valid PAN is provided by the shareholder. If PAN is not submitted, TDS would be deducted @20% as per section 206AA of the Income-tax Act, 1961.

- a) **For Resident Individual:** No TDS shall be deducted on the Dividend payable to a resident Individual if the total dividend to be received during FY 2023-24 does not exceed ₹ 5,000. Please note that this includes the future dividends if any which may be declared by the Board in the FY 2023-24.

Separately, in cases where the shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), no tax at source shall be deducted provided that the eligibility conditions are being met and the form is being duly filled.

If TDS needs to be deducted at lower rate/nil as per the certificate obtained from tax authority u/s 197 of the Act, then the copy of the certificate needs to be shared to the Company.

Members are requested to note that PAN is mandatory and in case their PAN is not registered or is invalid or is deleted or becomes inoperative due to non-linking with Aadhar, then tax will be deducted at a higher rate of 20%.

- b) **For Resident Non-Individual:** No tax shall be deducted on the dividend payable to the following resident non-individuals where they provide relevant details and documents:

- i. **Insurance Companies:** Self declaration that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the ordinary shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance

Regulatory and Development Authority (IRDA)/ LIC/ GIC.

- ii. **Mutual Funds:** Self-declaration that it is registered with SEBI and is notified under section 10 (23D) of the Income-tax Act, 1961 along with self-attested copy of PAN card and certificate of registration with SEBI.
- iii. **Alternative Investment Fund (AIF):** Self declaration that its income is exempt under section 10 (23FBA) of the Income-tax Act, 1961 and they are registered with SEBI as Category I or Category II AIF alongwith self-attested copy of the PAN card and certificate of AIF registration with SEBI.
- iv. **National Pension Scheme (NPS):** Self-declaration that it is exempt under section 10(44) of the Income-tax Act, 1961 along with self-attested copy of the PAN card.
- v. **Other Non-Individual shareholders:** Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.

Brokers are required to submit the details of beneficial owner/s within 10 days from the record date / book closure date in required format as per Rule 37BA. If details of beneficiary owner(s) is not received by the company within 10 days as mentioned above, the company is not bound to entertain such request thereafter.

Please note that as per section 206AB introduced by the Finance Act, 2021 effective July 01, 2021 and amended by Finance Act, 2022 in case a person has not filed his/ her Return of Income for the preceding financial year and the aggregate of tax deducted at source and tax collected at source in his/her case is ₹ 50,000 or more in the said financial year, TDS will be higher of the following:

- a) Twice the rate specified in the relevant provision of the Income-tax Act, 1961; or b) Twice the rate or rates in force; or c) The rate of five per cent.

The non-resident who does not have the permanent establishment is excluded from the scope of a "specified person" i.e. levy of higher TDS under section 206AB of Income-tax Act, 1961.

2. **For Non-resident Shareholders:** Taxes are required to be withheld in accordance with the provisions of section 195 of the Income-tax Act, 1961 at the applicable rates in force. As per the relevant provisions of section 195 of the said Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of Dividend payable to them. In case of GDRs and Foreign Portfolio Investors ("FPI")/ Foreign Institutional Investors ("FIL"), the withholding tax shall be as per the rates specified in section 196C and 196D of the Income-tax Act, 1961 respectively plus applicable surcharge and cess on the amount of Dividend payable to them.

However, as per section 90 read with section 195 of the Income-tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:

- In case of FPI/FIL, copy of SEBI Registration certificate;
- Self-attested true copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident for the FY 2023-24;
- Self declaration in Form 10F;
- Self-attested true copy of the PAN Card if allotted by the Indian Income Tax authorities;
- Self-declaration in the format prescribed by the Company, certifying the following points:
  - i. Shareholder is and will continue to remain a tax resident of the country of its residence during the FY 2023-24;
  - ii. Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
  - iii. Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
  - iv. Shareholder does not have a taxable presence or a Permanent Establishment ("PE") in India during the FY 2023-24. In any case, the amounts paid/ payable to the Shareholder are not attributable or effectively connected to the PE or fixed base, if any, which may have got constituted otherwise;

- v. Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
- vi. Self-declaration by the shareholder regarding the satisfaction of the place of effective management (POEM), principal purpose test, GAAR, Simplified Limitation of Benefit test (wherever applicable), as regards the eligibility to claim recourse to concerned Double Taxation Avoidance Agreements.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-Resident shareholder.

Members may submit the aforementioned documents to Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agent (RTA) through e-mail at [investor@bigshareonline.com](mailto:investor@bigshareonline.com) or the Company through e-mail at [investor@tilind.com](mailto:investor@tilind.com) in order to enable the Company to determine and deduct appropriate tax.

No communication on the tax determination/ deduction shall be entertained post Friday, September 15, 2023. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details documents from the Shareholders, there would still be an option available with the Shareholders to file the return of income and claim an appropriate refund, if eligible.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also, provide the Company with all information/ documents and co-operation in any appellate proceedings.

- 30. In terms of the provisions of Sections 124 and 125 of the Act, Dividend which remains unpaid/ unclaimed for a period of 7 (seven) years from the date of declaration is required to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Accordingly, the unpaid/ unclaimed dividend for the financial year 2013-14, has been transferred by the Company to the IEPF. Further, Members/Claimants are requested to claim their unpaid/unclaimed dividends from FY 2021-22 at the earliest.
- 31. Further, in terms of the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), Equity Shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more from the date of declaration, are also required to be transferred to an account viz. IEPF Suspense Account, which is operated by the IEPF Authority pursuant to the IEPF Rules. Accordingly, in compliance with the aforesaid Rules, the Company has already transferred Equity Shares on which Dividend remained unclaimed for 7 (seven) consecutive years starting from the financial year 2013-14 to the IEPF Suspense Account, after providing necessary intimations to the relevant Shareholders. Further, all equity shares of the Company on which dividend has not been paid or claimed for 7 (seven) consecutive years or more, shall be transferred by the Company to the IEPF from time to time.
- 32. Details of unpaid/unclaimed dividend and equity shares transferred to IEPF for the financial year 2013-14 are uploaded on the website of the Company as well as on the website of the Ministry of Corporate Affairs ("MCA"). No claim shall lie against the Company in respect of unclaimed dividend amount and equity shares transferred to the IEPF and IEPF Suspense Account, respectively, pursuant to the IEPF Rules. Shareholders can however claim both unclaimed dividend amount and equity shares from the IEPF Authority by making an online application in web Form No. IEPF-5, the details of which are available at [www.iepf.gov.in](http://www.iepf.gov.in).
- 33. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### ITEM NO. 4

Pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and based on the recommendation of the Audit Committee, the Board of Directors has appointed CMA Dr. Netra Shashikant Apte having Membership No. 11865 and Firm Registration No. 102229 as Cost Auditor of the Company for conducting the audit of cost accounting records maintained by the Company relating to manufacturing of the products covered under the Companies (Cost Records and Audit) Rules, 2014 at a remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus tax as applicable and re-imbursalment of out-of-pocket expenses as may be incurred by her for conducting the Cost Audit for the financial year 2023-24.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is hereby sought to ratify the remuneration payable to the Cost Auditor for the financial year 2023-24.

The Board recommends the Ordinary Resolution set out at Item No. 4 for the approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

### ITEM NO. 5

Mr. Amit Dahanukar (DIN: 00305636) was appointed as Chairman & Managing Director of the Company at the 85<sup>th</sup> Annual General Meeting of the Company held on December 29, 2020 for a period of 3 (three) years with effect from November 07, 2020 and his tenure is expiring on November 06, 2023.

Mr. Amit Dahanukar, age 46 years, is a graduate in Electrical Engineering with a Masters degree in Engineering Management from Stanford University, U.S.A. With his deep insight and knowledge of various aspects relating to IMFL industry coupled with long term business experience, he has provided leadership during challenging times faced by the Company. He has taken some key decisions e.g. taking of austerity measures, slowing down Company's low-margin and focusing on high margin premium and semi-premium products to set the Company on the revival path and deliver sustained performance. Under his leadership, the Company has revived and at its growth path-increase in sales, launch of new variants, reducing finance costs, generation of profits etc.

In view of his leadership qualities, vast experience and entrepreneurial skills, the Board at its meeting held on May 16, 2023 has recommended to the Members of the Company, the re-appointment of Mr. Amit Dahanukar as Chairman & Managing Director of the Company for a period of 3 (three) years commencing from November 07, 2023 and ending on November 06, 2026.

Mr. Amit Dahanukar has given his consent to act as a Chairman and Managing Director and is not disqualified from being appointed as a Director in terms of Section 164 of the Act. In the opinion of the Board, Mr. Amit Dahanukar fulfills the conditions for his re-appointment as a Managing Director of the Company respectively as specified in the Act and the Listing Regulations.

The brief resume in relation to the experience, functional expertise, memberships on other Companies' Boards, Committees in respect of the re-appointment of Mr. Amit Dahanukar as a Chairman and Managing Director of the Company respectively, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out in this Notice.

The terms and conditions of his re-appointment including remuneration as under:

- A) Salary (including variable pay, perquisites, allowances, provident fund, gratuity applicable to the employees of his grade as per the Company's policy): Not exceeding ₹ 5,10,00,000 (Rupees Five Crores Ten Lakhs only) per annum.
- B) Commission: Within the permissible limits of the Companies Act, 2013 and the Rules issued there under.
- C) The following shall not be included for the purpose of computation of the ceiling under Section 198 of the Companies Act, 2013 on remuneration of Mr. Amit Dahanukar, Chairman & Managing Director as aforesaid:-
  - Contribution to Provident Fund, Superannuation Fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
  - Gratuity payable as per prevailing law in force and ;
  - Encashment of leave at the end of the tenure or at the time of ceasing to be the Chairman & Managing Director pursuant to the Rules of the Company;
- D) Mr. Amit Dahanukar will be entitled for reimbursement of all expenses incurred for the purpose of business of

the Company and shall not be entitled to any sitting fees for attending meetings of the Board of Directors and Committee(s) thereof.

- E) In the event of inadequacy of profits or no profits during any financial year, in the aforesaid period, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration.
- F) Mr. Amit Dahanukar will devote his time, attention, skill and abilities during business hours to the business of the Company and undertake to the best of his skill and ability to use his utmost endeavours to promote the interest and welfare of the Company and to conform to and comply with the directions as may from time to time be given by the Board of Directors of the Company.
- G) If Mr. Amit Dahanukar is guilty of inattention to or negligence in the conduct of the business or of any other act or omission inconsistent with his duties as a Managing Director or any breach of this Agreement which in the opinion of the Board renders his vacation of the office of Managing Director desirable, the Company will immediately terminate this Agreement and upon the termination of the agreement the Mr. Amit Dahanukar will cease to be the Managing Director of the Company.
- H) The terms and conditions of the said re-appointment and/ or Agreement may be altered and varied from time to time so as not to exceed the limits specified in Schedule V and applicable provisions or rules made under the Companies Act, 2013, or any amendments made hereafter in that regard.

The above may be treated as an abstract of the Agreement to be entered into between the Company and Mr. Amit Dahanukar under Section 190 of the Companies Act, 2013.

The draft agreement is available for electronic inspection without any fee by the members upto the date of the annual general meeting. Members seeking to inspect such documents can send an email to [investor@tilind.com](mailto:investor@tilind.com).

The remuneration proposed to be paid to Mr. Amit Dahanukar is comparable with the remuneration being paid for similar positions and responsibilities in the industry.

Mr. Amit Dahanukar does not receive any remuneration from any subsidiary company.

Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard on General Meetings issued by

the Institute of Company Secretaries of India with respect to re-appointment of Mr. Amit Dahanukar is annexed to this Notice.

The Board is of the opinion that it will be beneficial to the Company to consider his re-appointment and remuneration as Chairman and Managing Director and Key Managerial Personnel of the Company for a period of 3 years with effect from November, 07, 2023 to November 06, 2026 (both days inclusive) and recommends the Special resolution as set out in Item No. 5 of the Notice for approval of the shareholders.

This Explanatory Statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Mr. Amit Dahanukar, being the proposed appointee and Mrs. Shivani Amit Dahanukar, his spouse, none of the Directors and Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise in the resolution set out at Item No. 5. except upto the extent of their shareholding, if any, in the Company.

The Board of Directors recommends the above resolution for shareholder's consideration and approval as a Special Resolution.

The additional information as required under Schedule V of the Companies Act, 2013 is given in ANNEXURE A.

## ITEM NO. 6

Mr. Chemangala Ramachar Ramesh (Mr. C. R. Ramesh) (DIN: 08876738) was appointed as a Whole-Time Director (WTD) of the Company at the 85<sup>th</sup> Annual General Meeting of the Company held on December 29, 2020 for a period of 3 (three) years with effect from November 13, 2020 till November 12, 2023.

Mr. C. R. Ramesh, aged 63 years, is a graduate in Science from the Government Science College, Bangalore. He has over 40 years of experience in liquor manufacturing operations. He started his career with the Company as General Manager- Operations & Quality in 2008 and was subsequently appointed as a Whole- Time Director in 2020.

In view of his qualities, experience and operational skills, the Board at its meeting held on May 16, 2023 has recommended the re-appointment of Mr. C. R. Ramesh as a Whole-Time Director of the Company for a period of 3 (three) years from November 13, 2023 to November 12, 2026 (both days inclusive) subject to the approval of the Members of the Company.

Mr. C. R. Ramesh has given his consent to act as Whole-Time Director and is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act.

In the opinion of the Board, Mr. C. R. Ramesh fulfills the conditions for his appointment as a Whole-Time Director of the Company respectively as specified in the Act and the Listing Regulations.

The brief resume in relation to the experience, functional expertise, memberships on other Companies' Boards, Committees in respect of the re-appointment of Mr. C. R. Ramesh as a Chairman and Managing Director of the Company respectively, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out in this Notice.

The terms and conditions of his appointment including remuneration as under:

- A) Salary (including variable pay, perquisites excluding perquisites on ESOP, allowances, provident fund, gratuity applicable to the employees of his grade as per the Company's policy): Not exceeding ₹ 70,00,000/- (Rupees Seventy lakhs only) per annum.
- B) Commission: Within the permissible limits of the Companies Act, 2013 and the Rules issued there under.
- C) Pursuant to the future or prevailing employees stock option schemes in the Company, an appropriate number of stock options will be/ are granted to Mr. C. R. Ramesh based on his continued employment in the Company and/or performance of the Company as may be determined from time to time by the Board/ Committee.
- D) The following shall not be included for the purpose of computation of the ceiling under Section 198 of the Companies Act, 2013 on remuneration of Mr. C. R. Ramesh, WTD as aforesaid:-
- Contribution to Provident Fund, Superannuation Fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
  - Gratuity payable as per prevailing law in force and ;
  - Encashment of leave at the end of the tenure or at the time of ceasing to be the WTD pursuant to the Rules of the Company;
- E) Mr. C. R. Ramesh will be entitled for reimbursement of all expenses incurred for the purpose of business of the Company and shall be entitled to any sitting fees for attending meetings of the Board of Directors and Committee(s) thereof.
- F) In the event of inadequacy of profits or no profits during any financial year, in the aforesaid period, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration.
- G) Mr. C. R. Ramesh will devote his time, attention, skill and abilities during business hours to the business of the Company and comply with the directions as may from time to time be given by the Board of Directors of the Company.
- H) If Mr. C. R. Ramesh is guilty of inattention to or negligence in the conduct of the business or of any other act or omission inconsistent with his duties as a Whole-Time Director or any breach of this Agreement which in the opinion of the Board renders his vacation of the office of Whole-Time Director desirable, the Company will immediately terminate this Agreement and upon the termination of the agreement Mr. C. R. Ramesh will cease to be the Whole-Time Director of the Company.
- I) The terms and conditions of the said re-appointment and/ or Agreement may be altered and varied from time to time so as not to exceed the limits specified in Schedule V and applicable provisions or rules made under the Companies Act, 2013, or any amendments made hereafter in that regard.

The above may be treated as an abstract of the Agreement to be entered into between the Company and Mr. C. R. Ramesh under Section 190 of the Companies Act, 2013.

The draft agreement is available for electronic inspection without any fee by the members upto the date of the annual general meeting. Members seeking to inspect such documents can send an email to [investor@tilind.com](mailto:investor@tilind.com).

The remuneration proposed to be paid to Mr. C. R. Ramesh is comparable with the remuneration being paid for similar positions and responsibilities in the industry.

Mr. C. R. Ramesh does not receive any remuneration from any subsidiary company.

Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India with respect to re-appointment of Mr. C. R. Ramesh is annexed to this Notice.

The Board is of the opinion that it will be beneficial to the Company to consider Mr. C. R. Ramesh's re-appointment and remuneration as Whole Time Director and Key Managerial Personnel of the Company for a period of 3 years with effect



from with effect from November 13, 2023 to November 12, 2026 (both days inclusive) and recommends the Special resolution as set out in Item No. 6 of the Notice for approval of the shareholders.

This Explanatory Statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Mr. C.R.Ramesh, being the proposed appointee, none of the Directors and Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise in the resolution set out at Item No. 6 except upto the extent of their shareholding, if any, in the Company.

The Board of Directors recommends the above resolution for shareholder's consideration and approval as a Special Resolution.

The additional information as required under Schedule V of the Companies Act, 2013 is given in ANNEXURE A.

By Order of the Board of Directors

Sd/-

**Amit Dahanukar**

Chairman & Managing Director

Place: Mumbai

Date: August 08, 2023

**Registered Office:**

P.O. Tilaknagar, Tal. Shrirampur,

Dist. Ahmednagar, Maharashtra-413 720

## ANNEXURE A TO EXPLANATORY STATEMENT FOR ITEM 5 AND ITEM 6 (SCHEDULE V PART II)

The following additional information as required under Schedule V of the Companies Act, 2013 is given below:

Particulars	Mr. C. R. Ramesh	Mr. Amit Dahanukar		
<b>I. General Information</b>				
Nature of Industry	The Company is engaged in the business of manufacturing and distribution of Spirits and Indian Made Foreign Liquor at its plants located at various parts of India.			
Date or expected date of commencement of commercial production	The Company is having operations since 1933.			
In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
Financial Performance based on given indicators	(₹ in lacs)			
	<b>PARTICULARS</b>	<b>YEAR ENDED 31.03.2023</b>	<b>YEAR ENDED 31.03.2022</b>	<b>YEAR ENDED 31.03.2021</b>
	Total Income	2,47,563.54	1,80,165.46	1,43,006.42
	Profit/ (Loss) before Taxation	16,587.93	2,507.33	(2,925.17)
	Less: Provision for Taxation (incl. deferred tax)	(0.55)	(399.69)	(45.96)
	Profit / (Loss) after Taxation	16,588.48	2,907.02	(2,879.21)
Foreign Investments and Collaborations	The Company has not made any Foreign Investments and neither entered into any collaborations till the date of this AGM notice.  As on March 31, 2023 the foreign entities have invested in 2,01,89,225 equity shares (10.89 %) of the Company. There is no FDI in the Company presently.			
<b>II. Information about the appointee</b>				
Background details	Mr. C R Ramesh aged 64 years, is associated with the Company since 2008. He has done his Bachelors in Science. He has rich and versatile experience in managing plant operations of liquor business. He has considerable knowledge of various aspects relating to the Company's affairs and long business expertise.	Mr. Amit Dahanukar, aged 46 years is a graduate in Electrical Engineering with a Masters degree in Engineering Management from Stanford University, U.S.A. He has experience over 20 years in the IMFL industry.		
Past Remuneration	₹ 59.26 lacs	₹ 255 lacs		
Recognition or awards	NIL	Mr. Amit Dahanukar was conferred with prestigious Bharat Vibhushan Samman Puraskar for his outstanding individual achievement & distinguished services to the Nation presented by the Economic and Human Resource Development Association, Delhi.		

Particulars	Mr. C. R. Ramesh	Mr. Amit Dahanukar
Job Profile and suitability	Mr. C. R. Ramesh devotes his whole time and attention to the business and affairs of the Company and performs such other tasks as are delegated to him by the Board of Directors from time to time. He uses his utmost endeavours to promote the interest and welfare of the Company and to confirm to and comply with the directions and regulations of the Company and all such directions as may from time to time be given by the Board of Directors of the Company.	As the Chairman & Managing Director of the Company, Mr. Amit Dahanukar provides strategic direction for Company's future initiatives and is also instrumental in the expansion of the Company's operations on pan India basis and under his leadership, the Company has emerged as an established player in the IMFL Industry with dominant position in Southern India.
Remuneration proposed	As per the resolution no. 5 and 6 respectively	
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of origin)	The managerial remuneration proposed to be paid is justified in view of the role, size and complexity of the business and competitive environment in which the Company operates and is in line with the remuneration package of similar senior-level appointees in other companies and thus comparable to the industry standards.	
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel or other Director, if any	No pecuniary relationship directly or indirectly with the Company other than remuneration paid / payable to him. Mr. Amit Dahanukar and Mrs. Shivani Amit Dahanukar are related to each other as husband and wife. However, they have no relationships with any other managerial personnel and Directors.	
<b>III. Other Information</b>		
Reasons of loss or inadequate profits	Since the Company has incurred profits for the financial year 2022-23, the same is not applicable for the financial year 2023-2024.	
Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms	The Company has always been making necessary efforts to improve its performance and is implementing various strategies to increase i.e, including selling of high margin Semi-premium and Premium brands and cost reductions initiatives etc.	
Expected increase in productivity and profits in measurable terms	The productivity and profitability may gradually improve in the coming years owing to the persistent efforts and various strategies adopted by the Company.	
<b>IV. Disclosures</b>	The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Directors Report for the year ended March 31, 2023.	

## ANNEXURE B: TO ITEM NO. ITEM NO 5 AND ITEM NO 6 OF THE NOTICE

Details of Director seeking appointment / re-appointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

Particulars	Mr. Amit Dahanukar	Mr. C. R. Ramesh
<b>DIN</b>	00305636	08876738
<b>Age</b>	46 years	63 years
<b>Date of Birth</b>	November 06, 1976	July 02, 1959
<b>Qualifications</b>	B.E. (ELEC.), M.S. (U.S.A.)	Graduate in Science from the Government Science College, Bangalore.
<b>Experience (including expertise in specific functional area)/Brief Resume</b>	With an experience of more than 20 years in the IMFL industry, Mr. Amit Dahanukar provides strategic direction for Company's future initiatives and is also responsible for its various alliances and collaborations.	He has over 40 years of experience in liquor manufacturing operations.
<b>Terms and Conditions of Appointment / Reappointment</b>	As per the explanatory statement	As per the explanatory statement
<b>Remuneration last drawn (including sitting fees, if any)</b>	₹ 255 lacs	₹ 59.26 lacs ₹ 2 lacs (sitting fees)
<b>Remuneration proposed to be paid</b>	As per the resolution and explanatory statement	As per the resolution and explanatory statement
<b>Date of first appointment on the Board</b>	June 07, 2000	November 13, 2020
<b>Shareholding in the Company as on March 31, 2023</b>	29,844,552	139,700
<b>Relationship with other Directors/Key Managerial Personnel</b>	Mr. Amit Dahanukar is the husband of Mrs. Shivani Amit Dahanukar, Executive Director	Not Applicable
<b>Number of meetings of the Board attended during the year (2022-23)</b>	5	4
<b>Directorships on other Listed Companies as on March 31, 2023 along with the listed entities from which resigned in the past three years</b>	NIL	NIL
<b>Membership / Chairmanship of Committees of other Listed Companies Boards as on March 31, 2023</b>	NIL	NIL

By Order of the Board of Directors

Sd/-

**Amit Dahanukar**

Chairman & Managing Director

Place: Mumbai

Date: August 08, 2023

**Registered Office:**

P.O. Tilaknagar, Tal. Shrirampur,

Dist. Ahmednagar, Maharashtra-413 720

As we come to an end of our depiction of 90 years journey,  
TI would like to thank all the people who made it possible.

To all our esteemed Directors, all our employees from 1933,  
past and present, to all our suppliers, to all our customers, to  
all our bankers and to all who stood with us in thick and thin  
and helped us to shape ourselves and be who we are.



*A Big Thank You !!!!!*

and see you at the other side of the next 90 years.

**You made TI**

**We made IT**

"The moving finger writes  
and having writ moves on..."



CIN: L15420PN1933PLC133303

3rd Floor, Industrial Assurance Building,

Churchgate, Mumbai, Maharashtra - 400 020.

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