



**August 06, 2022**

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 87<sup>th</sup> AGM along with Annual Report for the financial year 2021-22 and Remote e-voting details**

Dear Sir/Madam,

This is to inform you that the 87<sup>th</sup> Annual General Meeting (AGM) of the Members of the Company is scheduled to be held on **Monday, August 29, 2022 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 87<sup>th</sup> AGM and the Annual Report for the financial year 2021-22, being sent to the Members of the Company.

We also wish to inform you that pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company has provided a facility of remote e-voting to its Members to enable them to exercise their right to vote on the businesses proposed to be transacted at the AGM. 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.

We hereby submit the following information for the ready reference of the Members of the Company:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Remarks</b>
1	Name of the Company	Tilaknagar Industries Ltd.
2	ISIN	INE133E01013
3	Name of the Agency providing E-voting platform	Central Depository Services (India) Limited (CDSL)
4	Date of the Board Resolution for the approval of the Notice	Monday, May 30, 2022
5	Date of Appointment of Scrutinizer	Monday, May 30, 2022

**Corp. Office:** Industrial Assurance Building, 3<sup>rd</sup> Floor,  
Churchgate, Mumbai, Maharashtra - 400 020, India  
**P** +91 (22) 2283 1716/18 **F** +91 (22) 2204 6904  
**E** [tiliquor@tilind.com](mailto:tiliquor@tilind.com)

**CIN:** L15420PN1933PLC133303

**Regd. Office:** P.O. Tilaknagar, Tal. Shrirampur,  
Dist. Ahmednagar, Maharashtra - 413 720, India  
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**Web:** [www.tilind.com](http://www.tilind.com)



6	Name of Scrutinizer	Advocate R. T. RajGuroo
7	Cut-off date for E-voting entitlement	Monday, August 22, 2022
8	E-voting Start Date & Time	Friday, August 26, 2022 at 09.00 a.m.
9	E-voting End Date & Time	Sunday, August 28, 2022 at 05.00 p.m.
10	No. of Resolutions	6 (Six)
11	Proposed Dividend	At the rate of Re. 0.10 per equity share of Rs. 10/- each (1%)
12	Record Date for Dividend	Monday, August 22, 2022
13	Book Closure Date	Tuesday, August 23, 2022 to Monday, August 29, 2022 (both days inclusive)
14	Announcement of Voting Results	Within 2 (two) working days from the conclusion of the Meeting

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

Thanking you,

Yours faithfully,

**For Tilaknagar Industries Ltd.**

**DIPTI VARUN** Digitally signed by  
DIPTI VARUN TODKAR  
**TODKAR** Date: 2022.08.06  
21:51:16 +05'30'

**Dipti Todkar**  
**Company Secretary**  
**Encl: a/a**

**Corp. Office:** Industrial Assurance Building, 3<sup>rd</sup> Floor,  
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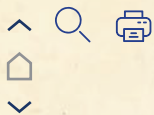
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RISING ABOVE.  
READY TO GO  
BEYOND.



ANNUAL REPORT  
2021-22



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

*Welcome to our FY 2021-22 Annual Report. This report is designed with a fresh, youthful and energetic look which is a reflection of our rebirth.*

*The report has been created to be mobile-friendly to enable seamless reading experience on smartphones. It has new, user-friendly interactive features which provides for seamless navigation between sections for a delightful experience. We have also used QR Codes where necessary, which can be scanned to access supplementary details.*



## RISING ABOVE. READY TO GO BEYOND.



Phoenix is a majestic mythological bird. Believed to have magnificent colours, with golden tail feathers and crimson roughage, and a beautiful sound. And yet, more extraordinary than its beauty, is its power to regenerate. As it gets old, it bursts into flames, only to be reborn from its ashes and rise again, making it immortal.

A similar story of renewal, rebirth and rising again holds true for Tilaknagar Industries.

For the last many years, our business passed through tremendous stress burdened by heavy leverage. However, we never gave up.

We remained steadfast and maintained unwavering focus on reinforcing our balance sheet by reducing debt

and getting well-capitalised. We entered strategic partnerships to drive operational excellence. We aligned ourselves to the evolving preferences of consumers, and launched India's first premium flavoured brandy.

**Just like the Phoenix,  
we have been born again  
with new wings to rise  
again in triumph. We are  
now ready to transcend  
the limits of achievements  
to become India's best  
performing and most  
respected consumer  
products company.**

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# DID YOU KNOW ?

## How Tilaknagar name came into being



Being greatly inspired by the stalwart freedom fighter Lokmanya Bal Gangadhar Tilak, and as a mark of respect, the complex in which our factory was set up was named as Tilaknagar.

## Padma Shree Award



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.





## Train at our Shirirampur Factory



Our Shirirampur factory in Maharashtra had a train running inside the complex to carry raw materials and also served as a joy ride to the inhabitants and visitors.

## M. L. Dahanukar Marg



Carmichael Road is a famous, upmarket residential street in South Mumbai. This road is officially named after our Founder as M. L. Dahanukar Marg. Having multiple vintage bungalows and apartment houses, the street houses many rich and famous people and has been an address for who's who of Mumbai.



KO HARANA  
MUSHKIL HI NAHI  
NAMUMKIN HAI



**DON'T  
UNDERESTIMATE  
THE POWER OF  
MHB**

*"Aaj mere paas building hai,  
property hai, bank balance hai,  
bangla hai, gaadi hai... kya hai  
tumhare pass?"*

**MERE PAAS  
MHB HAI**



**HUM JAHA KHADE  
HOTE HAI LINE  
WAHI SE SHURU  
HOTI HAI**



**YEH MHB  
HUMKO DE  
DE THAKUR**



**ARRE O  
SAMBHA, KITNE  
FLAVOUR HAI**





**MHB**  
NAAM TO  
SUNA  
HOGA



*Jaa Simran  
ja pi le apni*  
**MHB**

MEIN APNI  
**FLAVOURITE**  
HU

*Zara Sa Jhoom  
Loon Main*  
**MHB**  
*ke saath !!*



**RIShte MEIN TO  
HUM TUMHARE BAAP  
LAGTE HAIN,  
NAAM HAI**

**MHB**



*Ek MHB ki  
keemat tum  
kya jaano*



*Picture abhi  
baaki hai  
mere dost*







Tilaknagar Industries

# INDIA'S UNDISPUTED BRANDY KING



Tilaknagar Industries is the largest premium Brandy manufacturer in India with presence across all segments of IMFL – Brandy, Rum, Whisky, Gin and Vodka. With a passion for brandy which is our primary product and an unwavering focus on excellence, we have established a leadership position in this segment in India. Our premium brandy brands Mansion House and Courier Napoleon are greatly liked by discerning consumers and have a strong following.

The Company has a dominant presence in the South India market which is India's leading market for brandy. With state-of-the-art manufacturing set-up that produces liquors of world-class quality and ability to understand markets and innovate to meet the evolving tastes of consumers, we have established a competitive edge in the industry.

## 16

Manufacturing plants across  
12 states (4 owned and 12  
contract manufacturing)

## 94%

Share of brandy as a % of  
total sales

## 6.73 million

Cases sold

## 86%

Share of South India sales as a  
% of total volumes

## Ranked #1

Brandy player in India with a market share of 16.8%<sup>®</sup>  
(Growth in market share from 46% in FY21 to 49% in FY22 in  
Telangana and from 7% in FY21 to 14% in FY22 in Puducherry)

All data pertaining to FY 2021-22

<sup>®</sup> Basis volume data for Mansion House Brandy in Telangana, Andhra Pradesh, Karnataka, Kerala, Puducherry and Goa states which contribute 88% of our total volumes





## Our Geographic Footprint

### CORPORATE OFFICE

- Mumbai

### COMPANY-OWNED MANUFACTURING UNITS: 4 UNITS

- 1 Mohali (Punjab) (Army dedicated) – PunjabExpo Breweries
- 2 East Godavari District (Andhra) – Prag Distilleries
- 3 Shirirampur (Maharashtra)
- 4 Kuppal District (Karnataka) – Vahni Distilleries

### LEASED / TIED-UP UNITS: 12 UNITS

- ◆ Jammu (1)
- ◆ Assam (1)
- ◆ West Bengal (1)
- ◆ Odisha (1)
- ◆ Telangana (2)
- ◆ Andhra Pradesh (3)
- ◆ Kerala (2)
- ◆ Karnataka (1)

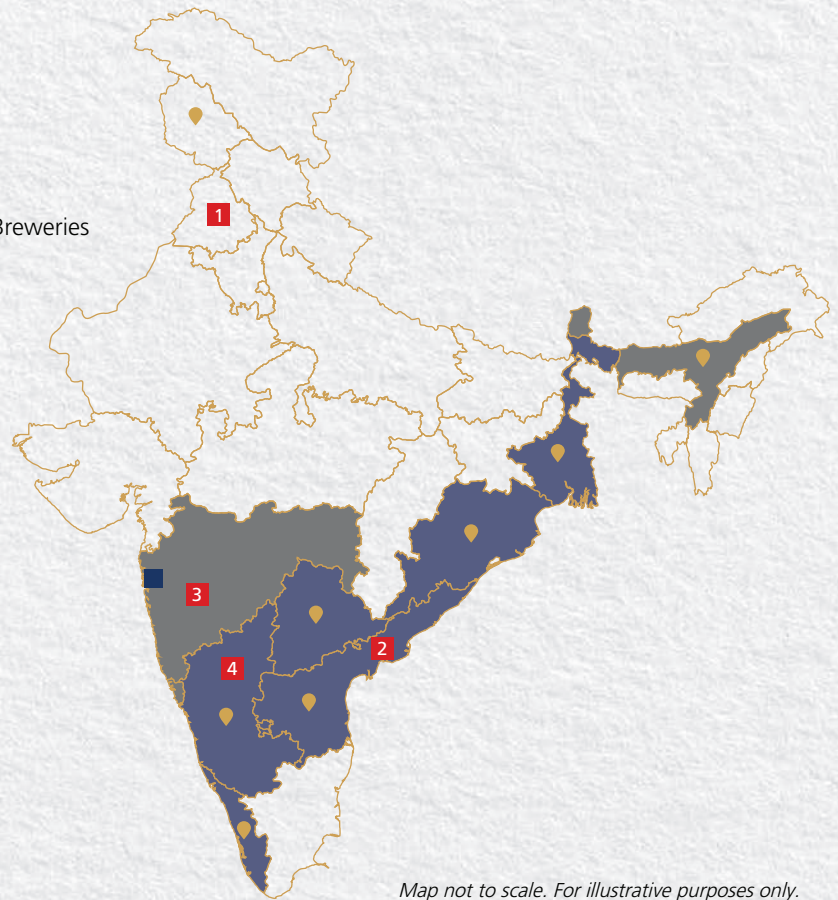
### CONSUMPTION MARKETS

#### Sales through Distribution

- Assam
- Goa
- Maharashtra
- Puducherry
- Sikkim

#### Sales through State Corporations

- Andhra Pradesh
- Diu
- Karnataka
- Kerala
- Odisha
- Silvassa
- Telangana
- West Bengal



Map not to scale. For illustrative purposes only.

### Interesting Fact

The name brandy comes from the Dutch word brandewijn, meaning 'burnt wine'.

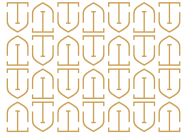


# MHB



TILAKNAGAR  
TI  
**MANSION HOUSE**  
FINEST QUALITY MATURED  
**FRENCH BRANDY**  
ORIGINAL  
1933  
*Matured in Oak Casks*  
AUTHENTIC  
THE ORIGINAL FRENCH BRANDY

ANGAR INDUSTRIES



## Mansion House Brandy

# THE NUMERO UNO OF INDIA'S PREMIUM LIQUOR MARKET

Mansion House Brandy with its exquisite taste and premium quality has remained the undisputed leader in India's brandy and IMFL landscape. The brand has consistently witnessed strong demand from discerning consumers across our operational market, and is one of the most widely available one across retail outlets, enjoys a strong market dominance. This provides a solid base to accelerate our growth.

## MHB Reputation

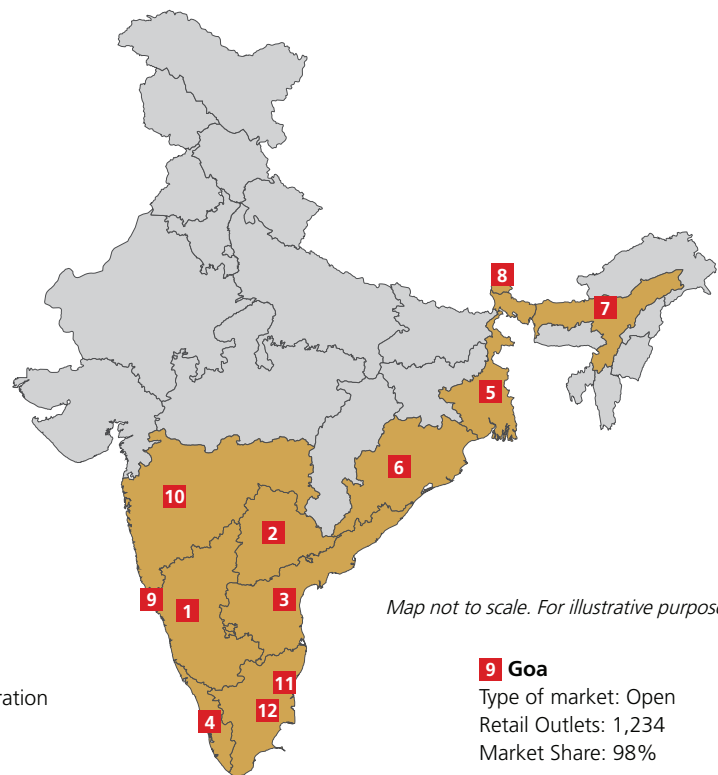
Highest selling premium brandy in India

5.5 million cases sold in FY 2021-22

Extensive distribution reach

Across ~46,000 shops and bars in India

Present in ~215 depots in India



Map not to scale. For illustrative purposes only.

### 1 Karnataka

Type of market: Corporation  
Depots: 70  
Retail Outlets: 11,226  
Market Share: 98%

### 2 Telangana

Type of market: Corporation  
Depots: 19  
Retail Outlets: 3,825  
Market Share: 97%

### 3 Andhra Pradesh

Type of market: Corporation  
Depots: 30  
Retail Outlets: 4,239  
Market Share: 79%

### 4 Kerala

Type of market: Corporation  
Depots: 23  
Retail Outlets: 1,049  
Market Share: 53%

### 5 West Bengal

Type of market: Corporation  
Depots: 21  
Retail Outlets: 3,691  
Market Share: 36%

### 6 Odisha

Type of market: Corporation  
Depots: 9  
Retail Outlets: 1,800  
Market Share: 99%

### 7 Assam

Type of market: Open  
Retail Outlets: 1,200  
Market Share: 99%

### 8 Sikkim

Type of market: Open  
Retail Outlets: 715  
Market Share: 55%

### 9 Goa

Type of market: Open  
Retail Outlets: 1,234  
Market Share: 98%

### 10 Maharashtra

Type of market: Open  
Retail Outlets: 10,148  
Market Share: 40%

### 11 Puducherry

Type of market: Open  
Retail Outlets: 416  
Market Share: 62%

### 12 Tamil Nadu

Type of Market: Corporation  
Depots: 43  
Outlets: 6,400  
Market Share: 7.06%

# INDIA'S LEADING AND FASTEST GROWING BRANDY

Mansion House Brandy has a solid track record of growing faster than the industry and gaining market share. With sustained efforts, we are well-poised to further consolidate its market positioning.

## MHB vs Industry growth<sup>1</sup>

**Mansion House Brandy grows faster than the industry**

**9.1%** ▲

6-year CAGR of MHB

**2.6%** ▲

6-year CAGR of Brandy Segment

**2.1%** ▲

6-year CAGR of Whisky Segment

**1.9%** ▲

6-year CAGR of IMFL



MHB market share as % of brandy<sup>1</sup>



**36%**  
6-year market share growth

MHB market share as % of IMFL<sup>1</sup>



**41%**  
6-year market share growth

<sup>1</sup>The above data is for the states of Telangana, AP, Karnataka, Kerala, Puducherry and Goa i.e. states which contribute 88% of our total volumes





# WINNING RECOGNITIONS GLOBALLY

We do not just create products. We are passionate to create masterpieces that are winners.



## THE MILLIONAIRES' CLUB

**Mansion House Brandy retains Fortress as India's largest and world's second largest selling premium brandy**

Mansion House Brandy, with 4.5 million cases sold in 2021, was ranked #2 in brandy sales globally by Millionaires' Club.

- **The Millionaires' Club**, June 2022

## IWSR

**IWSR recognises Mansion House Brandy's outperformance**



A number of local players registered strong volume recovery in 2021: within the Top 10 brands, Silver Cup (Amrut) doubled, and Mansion House (Tilaknagar) was up more than 20%, recovering much of the ground lost in 2020.

- **IWSR Executive Summary**  
Report 2022



## AMBROSIA AWARD 2021

Tilaknagar Industries wins the Ambrosia Award 2021 in the Best Premium Brandy category at the IndSpirit Awards 2021.

### Interesting Facts

A category of brandy that is unaged and distilled from any fruit other than grapes is called as 'eau-de-vie' which is French for 'water for life'.

# INNOVATING TO ADD PUNCH TO THE PORTFOLIO

With innovation at its helm, Tilaknagar has always been a trendsetter in the brandy segment. Being the country's largest manufacturers of premium brandy, we thought what better way to make things interesting other than introducing India's first ever flavoured Premium Brandy in the market.

Taking cues from what the brandy segment was missing, we have introduced three eclectic flavours to cater to everyone's taste palette. Desiring everyone to enjoy this one-of-its-kind product, a set of simple yet delicious cocktail recipes were developed so that no one misses out on this unique taste and flavour!

## Mansion House Premium Flavour Brandy

Giving brandy an exciting twist, we have introduced India's First Premium Flavoured Brandy in FY 2021-22. Coming in three enticing flavours – Orange, Peach and Cherry, they are a blend of our beloved age-old family recipe of Mansion House Brandy and natural fruit flavours. The ingredients - oranges, cherries and peaches - used in these brandies are hand-picked and specially sourced from renowned regions in India. It is a perfect blend of unmatched taste and flavour.

The flavours chosen to introduce our Flavoured Brandy or as we like to call it 'Flandy™', reflect the spirit of this unique drink. With Flandy™, we aim to make Brandy everyone's drink and make everyone love it as much as we do!



### MHB – Orange

Packed with a burst of tangy lusciousness, with tone of citrus to uplift the mood, Orange has always been one of the most delicious and loved classic flavours throughout times. This blend of the original Mansion House Brandy combined with the freshness of Orange is what makes this flavoured brandy unique.



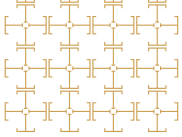
### MHB – Peach

A perfect balance between the delicate flavour of peaches and our Mansion House Brandy, this smooth drink is indulgence personified. With sublime undertones of earthy flavours in its profile, this peach delight is easily one of the best drinks that's out there.



### MHB – Cherry

Bringing to your palette a delectable blend of rich cherries and the evergreen Mansion House Brandy, this one-of-its-kind Cherry flavoured Brandy is a definite winner. An understated player in the world of flavours, this trailblazer brandy is one to look out for.



## Strategy and Launch

Enjoying a premium of 25-30% to our Mansion House Brandy, these Flavoured Brandy have been launched in Puducherry currently. Eventually, they will be launched across other key markets. It will help us to increase our market share in South Indian markets as well as provide a launchpad to build the nascent brandy markets of East and North-East India. With this launch, we aim to make brandy a 'Drink of Choice' for aspirational younger generation of Indian consumer and, simultaneously, make brandy a drink with a popular appeal.



### Interesting Fact

Anything that ferments, can be distilled and turned into a brandy. Grapes, apples, blackberries, sugar cane, honey, milk, rice, wheat, corn, potatoes, and rye are all commonly fermented and distilled.



# PREMIUM FLAVOURED BRANDY



## Cocktails

With Flavoured Brandy available in the market, we thought why not bring this delectable drink at your doorstep by means of Mansion House Flavoured Cocktails. With simple recipes and easy to get ingredients, we've curated a wide variety of cocktails with our Flavoured Brandy so that you can enjoy India's First ever Premium Flavoured Brandy anytime, anywhere and however you like it!







Scan this to download the recipes of flavoured brandy.



# DELIGHTING CUSTOMERS WITH PREMIUM BRANDS

We have a rich legacy of understanding the tastes and preferences of consumers and delivering on them with our passion and innovation capabilities. These have led to the creation of a solid portfolio of products which includes masterpieces that are globally demanded.



## The Millionaire Mansion House French Brandy

An exquisite brandy that is crafted with the distinguished French aplomb. This unique blend is made from the finest grape brandies being directly coal-fired in imported French pot stills – of which the core brandy concentrate is zealously guarded and distilled at our Shirampur distillery. A rare blend that is robustly matured, MHB is the best of French-styled liquors and stands the test of time. The tasting notes of the blend are smooth, lusciously light with an inkling of pleasant smokiness. Having a bright golden tint, it possesses a complex, refined aroma.

The brand remains amongst the largest selling brandies globally while continuing to reach new pinnacles of growth every year.

## 5.54 million

Cases of Mansion House Brandy sold in FY 2021-22



## Courier Napoleon Brandy Green

A balance of art and science, this blend is the best of traditionally distilled grape spirits that are combined with a toasted woody flavour spiked with hints of honey and vanilla. Its unique flavour is a result of meticulous processes which is an ode to the traditional craft of brandy making, including handpicking grapes to double-distilling and using wood-fired original French copper pot stills. Adding to the authenticity, it is matured in toasted French oak barrels for a stipulated period to deliver perfection. Its smooth golden body is akin to the warm hues of an autumn afternoon and it exudes an aromatic exotic essence.

## 0.77 million

Cases of Courier Napoleon Brandy (Red and Green) sold in FY 2021-22



### Courier Napoleon Finest Pure Grape French Brandy

Coming from the CNB family, this brandy follows the same careful production processes. Starting with the handpicking of grapes from the finest vineyards to the double-distilling process in French copper pot stills and maturing in toasted French oak barrels – it follows the highest standards. It possesses a toasty wood flavour intertwined with notes of vanilla, grape and a subtle fruitiness. With a smooth, light golden body and a gentle aroma of honey, this brandy is enjoyed by all palates.



### Madiraa Dark XXX Rum

Madiraa is a moniker derived from two different roots: one, "Madeira", a region of intoxicating history in Portugal from where the famous Madeira wine comes. Two, "Madira", a namesake borrowed from Sanskrit. This rum is crafted from an intense blend of first generation sugarcane juice, and has an exquisite note of sweetness. Distilled and matured to perfection, the sugarcane juice has a toasty, caramel flavour profile. Pulsating with life, this rum packs a punch of flavour.



### Mansion House Gold Whisky

The Gold Whisky is nothing short of perfection. It is a flawless balance of rare malts and handpicked Indian grains. Favorite of connoisseurs and amateurs alike, it is matured in aged oak casks which gives a deep rich flavour with scintillating aromatic notes.

The Whisky Blend 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 mouthful.



### Blue Lagoon Gin Orange

A zesty, light-hearted gin, it has been delightfully crafted to bring an authentic citrus orange flavour. The rich and earthy gin is expertly steeped with an orange infusion to create a flavourful blend with well-balanced aroma that has a crisp citrus tang spiked with a fruity note. A wonderful mood setter, it is a delight for day-drinking.

### Product Category-Wise Sales Volume in FY 2021-22 (In million cases)

6.33 million

Brandy

0.08 million

Whisky

0.29 million

Rum

0.04 million

Vodka and Gin

### Interesting Fact

The largest collection of brandy is 1,057 bottles, achieved by Manuel Bru Vicente (Spain), in Elche, Alicante, Spain, as confirmed on January 1, 2017.

# CHAIRMAN'S MESSAGE



With increased confidence as months went by, we moved our focus from steadying the ship to moving ahead full steam. I am extremely pleased with the progress we have made during the past twelve months and more.





## Dear Shareholders,

The last two years have necessitated most businesses to showcase multiple qualities; none more than the quality of tenacity. Saying that the business environment has been volatile during this period would be a massive understatement. Despite all odds, your Company has emerged a winner during those tough times. Drawing inspiration from Gurudev Rabindranath Tagore who had famously said, “You can’t cross the sea merely by standing and staring at the water”, your Company went ahead and took those challenges head-on. It is largely due to our determination to wade through the rough waters that has made all the difference. Not only were we better prepared to face the impact of the second wave of the pandemic on our operations, including production; we were also able to grow significantly on the back of an improved regional and brand mix.

With increased confidence as months went by, we moved our focus from steadying the ship to moving ahead full steam. I am extremely pleased with the progress we have made during the past twelve months and more.

### Debt reduction:

Debt has been reduced by almost ₹ 100 Crores from ₹ 543 Crores as of Mar-21 to ₹ 449 Crores as of Mar-22. Most of this debt has been repaid through internal accruals and I expect this to further come down on the back of the funds raised through the two preferential issues over the past eight months. This incremental debt-reduction will see a significant savings in our interest costs. Our aim is to become near net debt-free by FY24.

### EBITDA expansion and Volume growth:

EBITDA increased to ₹ 112 Crores in FY22, a 107 per cent growth compared to FY21. This growth in absolute numbers as well as margins has been on account of a better regional and brand mix, as well as strong growth in volumes, leading to operating leverage.

We achieved volumes of 6.73 million cases, a growth of 23.4 per cent over FY21. This figure also represents the highest volumes achieved over the past seven years. The growth in volumes has been led by our premium brands Mansion House Brandy and Courier Napoleon Brandy, both registering a growth of almost 25 per cent.

### Equity fundraise:

In addition to the progress we made on the business front, we also raised funds through two preferential issues; one in December 2021 and the other recently, in July 2022. In aggregate, we raised ₹ 226 Crores, including ₹ 14.7 Crores through conversion of EARC balance debt into equity.

In the first fund raise of ₹ 126 Crores, we saw participation from two Promoter Group entities along with well-known marquee investor.

In the second fund raise of ₹ 85 Crores, we have seen participation from our important channel partners in the southern states of Kerala, Andhra Pradesh and Telangana.

The participation of each of the entities mentioned above is a testament of the confidence they have in us achieving the stated goals of the business.

### Market share expansion:

Brandy is the second largest category in the IMFL segment and is the most versatile of all IMFLs. Over the past six years or so, the brandy segment has grown at a faster rate than overall IMFL and whisky, the largest IMFL spirits category in India. As per the data received from our major markets, namely, Telangana, Andhra Pradesh, Karnataka, Kerala, Puducherry and Goa, we have grown even faster, thereby leading to market share expansion for our flagship brand, Mansion House Brandy; from share of IMFL from 2.4 per cent in FY17 to 3.4 per cent in FY22. Today, MHB is the highest selling premium brandy in the country.

### Launch of Mansion House Flavours:

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 flavoured drinks and a cocktail culture.

At TI, we are passionate about brandy as a product category and our aim is to redefine the brandy space.

In my message in last year’s Annual Report, I had alluded to new launches in the brandy category. I am now proud to share that in June 2022, we launched India’s first premium flavoured brandy under our Mansion House brand. The brandy is currently available in 3 flavours; Orange, Cherry and Peach. This initiative is also in line with the Mansion House Brand theme - ‘Key to more’.

The MHB premium flavoured brandy aims to enhance the experience of the aspirational Indian consumer and make brandy a drink with a popular appeal. While this has been initially launched in Puducherry, we will be launching our flavoured brandies across more states in the coming months.

**World Brandy Day:**

I had also mentioned in the last Annual Report about the World Brandy Day and its launch in December 2021. Unfortunately, owing to the restrictions enforced on account of the pandemic, we took a call to push back the launch of the World Brandy Day by a year. The World Brandy Day will be celebrated every year on the second Friday of December. Being the largest premium brandy manufacturer in India, we believe the onus and responsibility is on us to create a more aspirational positioning for brandy within the IMFL space. I continue to be very excited to be taking a lead in this and will share more details with you all at the opportune moment.

**Cultural transformation at TI:**

In order to further deliver high growth, a cultural transformation is simultaneously underway within the company. The idea is to create a working environment where free thinking and innovation are encouraged. Along with inducting young and top talent into our fold across different functionalities, we are focusing on recruiting women leaders for top management roles at TI. Additionally, our new HR policies have been designed to gradually implement a 'Work from anywhere' culture. Employee-friendly vacation and leave policies, flexible dress code are some of the new initiatives that have been introduced.

**Dividend:**

I am also extremely happy to share that after a period of eight years, we have announced a dividend of ₹ 0.10 per equity share.

**Focus towards sustainability:**

We have always believed that our growth momentum needs to be supported by initiatives we take towards being more conscious about our environment.

Towards this cause, we have taken a bold decision this year to remove the permanent mono-carton on our flagship brand Mansion House Brandy.

Our initiative will help reduce the waste to landfill. According to a report by ASSOCHAM and PWC, landfills are brimming with so much urban waste that by 2050, India is reportedly going to need a landfill that is the size of its capital, New Delhi.

**Way forward:**

While we have seen a lot of positives in the past year, the last few months have witnessed significant global supply chain disruptions leading to considerable inflationary headwinds. This could continue to a varying degree in the immediate future.

Our mitigation strategies revolve around volume growth, favourable product and regional mix, cost optimisation efforts and improved productivity; all of which, we have proven in the recent past.

Going forward, we also aim to build on our brandy portfolio, both in terms of new product launches as well as growth in existing and new regions.

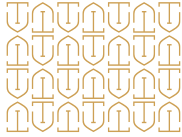
I would like to thank all our shareholders for their continued faith and support in the management.

Best Wishes,

**Amit Dahanukar**

Chairman & Managing Director





# COMING BACK WITH A BANG

For Tilaknagar, the hangover of success is ever-lasting. Which is why we have rejuvenated ourselves, and the result is an outstanding performance.

## Tilaknagar's revenue surge 42.8%, delivers profit for the first time in 8 years

We reported a net profit of ₹45.2 Crores in FY 2021-22. The last time we reported a profit was in FY 2013-14.

## Tilaknagar declares dividend for the first time in 8 years

In FY 2021-22, we have declared an equity dividend of 1% amounting to Re. 0.10 per equity share.

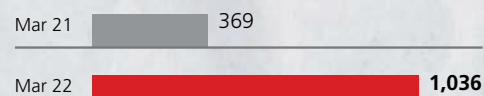


## Tilaknagar enters BSE Top 1000

With a 180% growth in market capitalisation to ₹ 1,036 Crores as on March 31, 2022, Tilaknagar cracked into BSE's Top 1,000 listed companies at a rank of 946.

## Market capitalisation

(₹ Crores)





# DELIVERING A YEAR OF SOLID PERFORMANCE

67 lacs cases

Total Sales Volume ▲ 23%

₹1,792 Crores

Gross Revenue ▲ 26%

₹783 Crores

Net Revenue ▲ 43%

₹401 Crores

Gross Margin ▲ 48%

₹112 Crores

EBITDA ▲ 107%

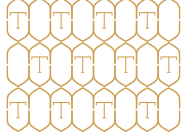
₹41 Crores

PBT (as against loss of ₹39 Crores in FY 2020-21)

₹45 Crores

PAT (as against loss of ₹39 Crores in FY 2020-21)

Demand for Tilaknagar's products have always been strong. However, it was a heavily leveraged balance sheet and working capital constraints that impacted our profitability. In FY 2021-22, we returned back to profitability led by a strong volume growth, favourable product and regional mix and decline in finance costs. We also undertook several cost optimisation measures which further helped mitigate the challenges of rising input costs.



# STRENGTHENING FOUNDATION FOR LONG-TERM GROWTH

For many years, despite a strong market for our products, our performance was impacted due to a debt overhang and working capital pressure. We are now lighter and well-capitalised, and ready to rise again stronger.

## Reducing debt and finance costs

We embarked on a debt reduction journey in FY 2018-19 through a restructuring agreement with banks. Over the last three years, we have reduced debt by ₹ 750 Crores including ₹ 94 Crores paid off in FY 2021-22. This has resulted in a significant reduction of finance costs and thus higher cash inflows.

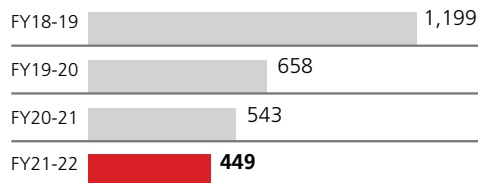
₹750 Crores

Of debt reduced since FY 2018-19

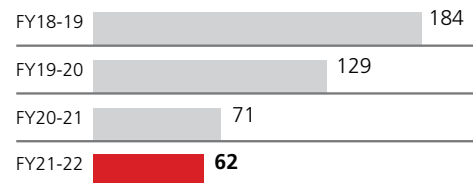
₹94 Crores

Of debt reduced in FY 2021-22

### Debt position\* (₹ Crores)



### Finance costs (₹ Crores)



#### \*Notes

- Debt adjusted for EARC balance debt of ₹ 130 Crores which would be waived off in FY 2023-24 on following the repayment schedule
- Debt adjusted for EARC balance debt of ₹ 34 Crores which has been converted to equity in April 2021
- Debt includes interest-bearing trade deposits which is a part of Other Financial Liabilities

66%

Reduction in finance costs over FY 2018-19

13%

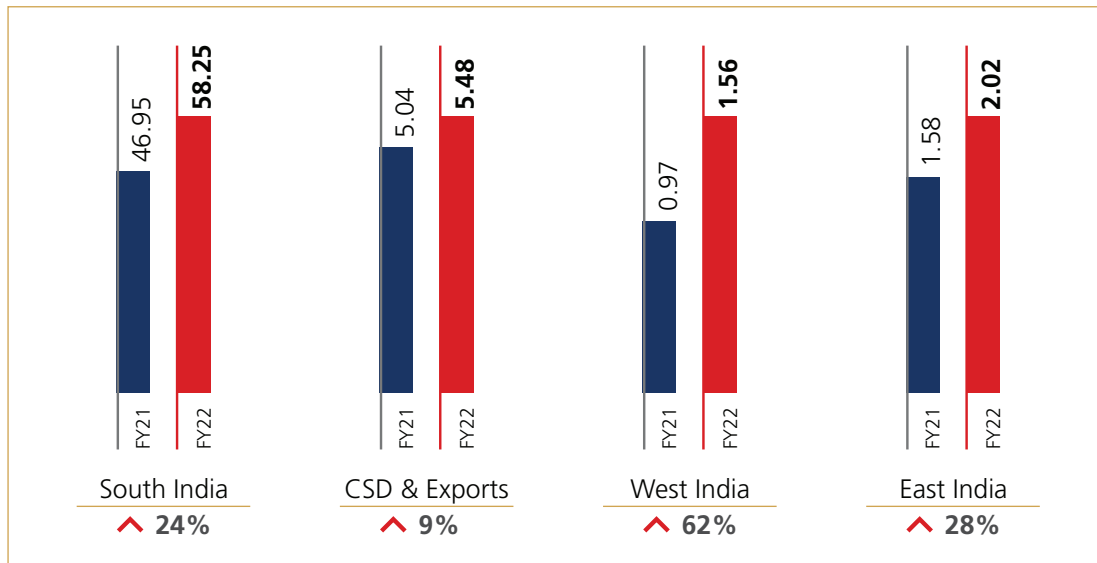
Reduction in finance costs over FY 2021-22

## Getting well-capitalised

In FY 2021-22 and the current year FY 2022-23, we raised a capital of ₹ 211 Crores. Of this, ₹ 126 Crores was raised from Barclays Wealth Trustees (India) Pvt Ltd acting as a Trustee of Lotus Family Trust and promoter groups at ₹ 53 per equity share/warrant. Another ₹ 85 Crores was raised through preferential issue to our long-term channel partners in key South India markets of Kerala, Andhra Pradesh and Telangana at ₹ 72 per equity share/warrant. Our balance sheet is now well-capitalised with a net worth of ₹ 133.5 Crores as on March 31, 2022 as against a negative net worth ₹ 55.7 Crores in the previous year.

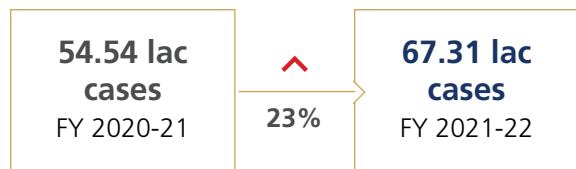
# GROWING HOLISTICALLY AND SUSTAINABLY

Achieving Sales Growth across Regions (lacs cases)

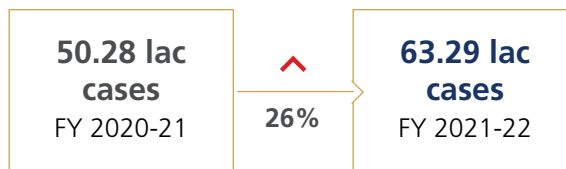


■ FY 2020-21 ■ FY 2021-22

## All-India Total Volume Growth



## All-India Brandy Volume Growth



## Taking Measures towards Sustainability

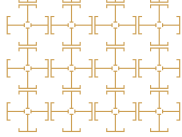
We have taken a bold decision to remove mono-carton from all our products in a phased manner as part of our environment-friendly initiatives.



## Interesting Fact

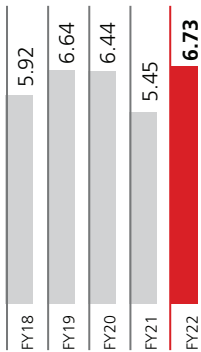
Some of the earliest thermometers in the 1600's contained brandy instead of mercury. The liquor was eventually replaced with mercury due to the latter material's wider range of liquid-state temperature.



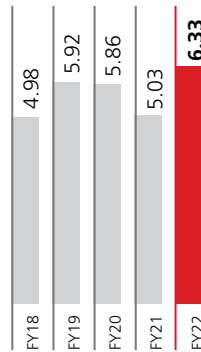


# PERFORMANCE THROUGH THE YEARS

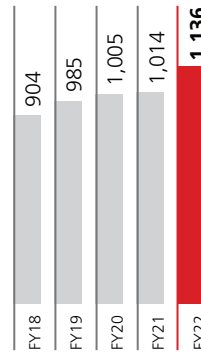
**Total Volumes Sold**  
(mn cases)



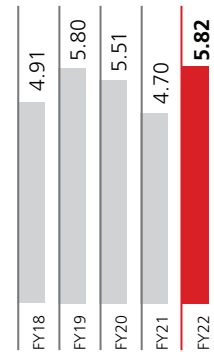
**Brandy Sales**  
(mn cases)



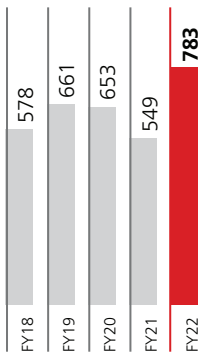
**Net Sales Realisation per case**  
(₹)



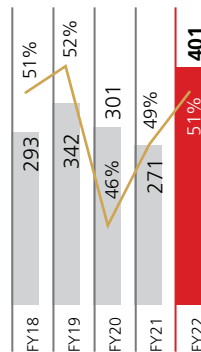
**Robust Sales in South India**  
(mn cases)



**Net Revenue**  
(₹ Crores)

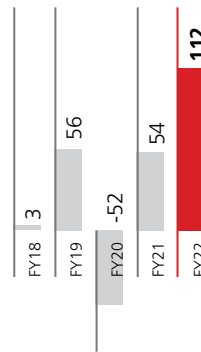


**Gross Profit and Gross Profit Margin**

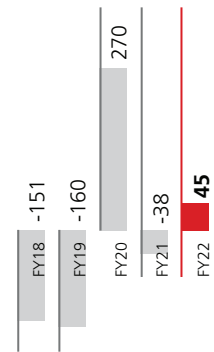


■ Gross Profit (₹ Crores)  
— Gross Profit Margin (%)

**EBITDA**  
(₹ Crores)



**PAT**  
(₹ Crores)



EBITDA/PBT/PAT for FY20 is not comparable due to impact of write-offs and write backs.



# MEDIA COVERAGE

Tilaknagar’s successful turnaround and future growth potential was the talk of the town, as we saw various medias covering our story. We are motivated and inspired more than ever to deliver.



## AMBROSIA Asia’s Largest Circulated alcobev magazine

In an exclusive interview with Ambrosia magazine, Shri Amit Dahanukar, CMD of Tilaknagar Industries talks about the Company's passion for brandy and innovation which led to the launch of first-of-its-kind French Style Premium flavoured brandy, and how it opens a new growth chapter.

**“The consumption patterns among Indian consumers have been changing and people are experimenting with new premium products... The premium flavoured brandy is a product category that has been introduced for the first time in the country. This launch will enhance the versatility of the drink and will cater to the needs of the existing as well as newer audiences.”**

- AMBROSIA, July 2022

## THE SPIRITS BUSINESS The leading international spirits trade publication

The Spirits Business covers our Company's leadership position in the brandy segment, and the launch of our new premium flavoured brandy which will open a new growth chapter.

- The Spirit Business, June 22, 2022



## DALAL STREET INVESTMENT JOURNAL

While in talks with Dalal Street Investment Journal, CMD of Tilaknagar Industries Shri Amit Dahanukar outlined the Company's growth levers and strategies to lead in India's fast growing and evolving liquor market.

**“The company is the largest manufacturer of premium brandy in the country and is redefining the brandy space... we will aim to grow the company's brandy portfolio in the current as well as new markets. We feel this category offers huge potential and opportunity in untapped markets, both in terms of product and geography.”**

- DALAL STREET INVESTMENT JOURNAL, July 04-17, 2022

## EXCLUSIVE TELEVISION INTERVIEWS



CMD Amit Dahanukar gets into Exclusive Conversations with ET Now Swadesh and Zee Business television channels to give insights on Tilaknagar's collaboration with Globus Spirits and the way forward for growth post turnaround.

### Interesting Fact

Brandy is also used as a base spirit in the production of another type of distilled liquor, the liqueur.

For more media coverage, kindly click on the below link  
<https://tilind.com/news-and-press/>





# TAKING BRAND TILAKNAGAR TO THE NEXT LEVEL

Indian liquor markets are evolving with premiumisation giving a push to flavoured drinks and culture of cocktail. Brandy, the most versatile of all IMFLs and the second-largest segments in India, is well-poised to grow. Being India's largest and most passionate brandy manufacturers, we are taking strategic measures to capture the huge potential and opportunity in existing and untapped markets with unique offerings.

## 1 Deeper penetration in existing market

Our present regions in South India contribute to ~90% of our total volumes. We are focused on deepening presence in this market through sustained marketing and innovation. The launch of Flavoured Brandy is a move in this direction.

## 2 Enter untapped markets in India

We intend to map and target untapped markets which have the potential to become the fast-growing brandy markets, especially the East and North-East India markets where we have minimal presence. The launch of the Mansion House Premium Flavoured Brandy is aligned to strengthen our foothold in these markets where the climate profile is eminently suited for brandy consumption.

## 3 Scale exports

We are focused on increasing the share of exports in business by developing markets like Africa, Middle East and South-East Asia among others.

## 4 Strengthen financial profile

We will continue to focus on reducing debt and finance costs, with an intent of becoming a near net debt-free by FY 2023-24. This will further improve our operational cash flows, which can be reinvested for growth activities.





# CORPORATE SOCIAL RESPONSIBILITY

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.

## Recognition

SMDT’s work towards eradication of malnutrition by educating mothers, providing fortified food to children & training health workers has been recognised and published in INDIA TODAY magazine’s December edition.



Shivani Dahanukar (centre, in black) at the Shirampur SMDT health clinic. Photo by Mandar Deodhar/ India Today



Listen to this article now

03:52 1.0x



Ashwini Dhokchowle, a homemaker who lives in the Tilak Nagar locality in Maharashtra’s Ahmednagar district, does not get tired of telling people how her one-year-old firstborn Shivtej started eating eggs when he was just six months old. The healthy baby now weighs 11.45 kg when the average weight of children his age is 9.5 kilos. At 77 cm, he is also 2 cm taller than other children his age. “I came to the care centre when my son was three months old and would constantly vomit,” says Ashwini, a graduate in agriculture. “The doctors designed a nutrition plan for me and him, turning us fit and healthy.”

Long before the health ministry announced a policy to provide fortified rice to school children under the mid-day meal scheme, the care centre Ashwini went to and which is run by the Shrimati Malati Dahanukar Trust (SMDT), was already providing it to toddlers.

## CSR activities are undertaken in the following areas :-

**EDUCATION:** Towards brighter future

**NUTRITION:** Healthy pregnancy and children

**SPORTS:** Creating champions

**ENVIRONMENT:** Protecting Natural Habitat

**ANIMAL SHELTER :** Rescue and Nurture

## Education

SMDT created more educational opportunities for the most marginalised children.

The education programme comprising Dahanukar Vidyalaya Merit-cum-Means scholarships, skill development and support to Government schools has enhanced lives and secured the future of thousands of children and youth from disadvantaged families.

Dahanukar English Medium School got 100% results.

We have also adopted Prodigy Maths Learning Online App Program, specially for grades 5th to 8th, where students learn along with playing online games.

Bolo English – Spoken English program to improve the English speaking skills, grades game for 3rd to 8th students.

The Company continues to support the Dahanukar Vidyalaya, Tilaknagar (DVT) school and the Balvarg Sarv Anand shala.





### Nutrition

The TI-SMDT team was recognised for their work on Poshan Abhiyan (PM's Overarching Scheme for Holistic Nourishment) in actively supporting our district administrations to plan and implement these activities.

In collaboration with medical specialist from IIT Bombay, technology experts, we have rolled out an app – called the Spoken Health Tutorial – for the frontline workers.

Efforts continue to focus on promoting the first 1,000 days program through Maternal Infant and Young Child Nutrition (MIYCN) empowerment of the community. The doctors, nutritionists along with local community workers support women in the community in practising the essential nutrition actions needed for the first 1,000 days. In 2021-22, 12 villages with 886 beneficiaries benefited from these outreach centres.

We support an IYCF counselling centre (a weekly outpatient clinic) at Pravara Medical Trust (PMT), Loni.

### Sports

TI- SMDT has successfully engaged young people in its Sports for Development programme. We had a Rural Sports initiative to promote football sports in rural areas, where more than 350 footballs were distributed to over 34 village schools and youth clubs resulting in enrolling of more than 300 children.

### Waste management, tree plantation and organic production

The Company believes in organic and sustainable farming and grows various produce like sugarcane, wheat fruits, vegetables – cabbage and chilly, etc. in its land grounds besides maintaining a flower and show plant nursery.

### We used the unique Miyawaki Forest method for 570 trees at Tilakpark area

### Kitchen Garden

A Unique Kitchen Garden Model helps 49 families in rural Shrirampur feed 250 other families. What makes this initiative stand out is that each family growing vegetables will have to share the fresh, chemical-free vegetables with three other families who do not have land, water resources or currently not growing vegetables.



# REINFORCING THE BRAND TILAKNAGAR

Our consumers associate with us in aspirational ways. They see us as a brand that delivers fun and unparalleled experiences with premium products. And so, we are connecting innovatively with them towards our commitment to offering such experiences and making them feel more valued.



Felicitation of winners of Lucky Draw Contest at ITC Kakatiya, Hyderabad in presence of our Chairman & Managing Director, marketing team, state sales team, along with members of the Press and Media.

## Festive Pack Lucky Draw Contest

In FY 2021-22, we hosted a Lucky Draw Contest by launching limited Festive Pack editions of our premium Mansion House Brandy and Courier Napoleon Brandy Green. Over 1 lac entries for MHB and over 20,000 entries for CNBG were received from all over the country. The winning participants, selected via a software curated to randomly pick out the unique codes, received a host of prizes ranging from a new car, bikes, latest gadgets and appliances like refrigerators.

To felicitate the winners and add to the overall joy, a mega event at ITC Kakatiya, Hyderabad was organised. The event was a grand success with all present having a great time, and yet another step towards enhancing engagement and relationships with our key stakeholder.

### 4,300 prizes

Distributed to winners of Lucky Draw Contest



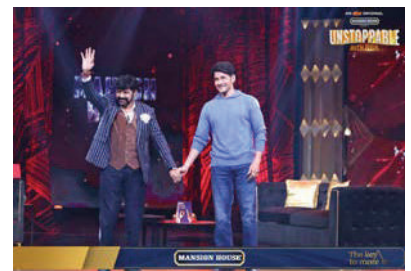
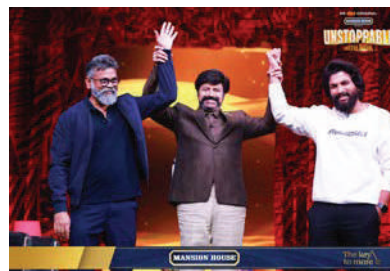


## Unstoppable with NBK

### The Baap of all events

Mansion House Brandy became the presenting Sponsor for the show Unstoppable with NBK hosted by Superstar Nadamuri Balakrishna on Aha OTT Platform. The show hosted superstar guests and national heart-throbs like Allu Arjun, Mahesh Babu, Ravi Teja, Vijay Devarakonda and Rashmika among others across 11 episodes.

#### BRAND VISIBILITY INITIATIVES



#### Show Highlights

- Mansion House Mug Signing Segment
- Mansion House Gift Hampers for all the Guests
- Mansion House Organically sparked friendly Banter between the Host and the Guests and was mentioned at multiple occasions during the Show

- The Episode Highlight was captured in a Mansion House Moment of the Day window
- The Host NBK ended 3 Episodes with an inspirational story, celebrating the spirit of "Key to More"

#### Advertisements

- Hoardings in key locations

# 2 million+

Views of episode promos on YouTube Channel of AHA

## Record-breaking milestone

Of becoming the 'Highest Rated Talk Show' in India on IMDB with a rating of 9.7

### Interesting Fact

Commercial distillation of brandy from wine originated in the 16th century.









# STRIVING FOR AN ENGAGED AND EMPOWERED WORKFORCE

People are core to our brand’s success. We are committed to providing them a workplace where their rights are respected and they are valued. We are taking several well-being and engagement efforts to create a high-performing culture.

## SMART CASUALS

### Relaxed dress code for comfort

We have implemented a policy to allow all employees at head office to wear smart casuals on all working days. The effort is focused on bringing workplace efficiency by giving employees their choice of comfort.

## LEGAL SALAHKAR

### Advisory support to employees

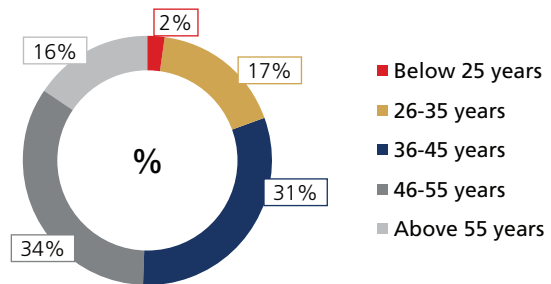
Legal Salahkar aims at helping our pan-India employees in legal matters. Under the initiative, our legal advisory cell answers and provides legal guidance on personal, civil or criminal matters free of cost with complete confidentiality. The guidance is provided at advisory levels, and in case of courts/tribunals fillings or appearances in courts, the individuals are to take help of external lawyers.

## DIVERSITY AND INCLUSION

### For a workplace with diverse ideas and thoughts

We have established a workplace that encourages participation of all individuals irrespective of their caste, creed, age, ethnicity or gender. Our workforce comprises a diverse mix of individuals across all ages, bringing the vibe of youthfulness that our brand is all about and experience to drive strategic way forward. We have also introduced several women-friendly practices and policies, to increase their participation.

Workforce with right mix of youth and experience



## Encouraging female participation



- Female participation in our corporate office has increased from 24% in FY21 to 31% in FY22
- Two of our departments in our corporate office have a 100% female workforce

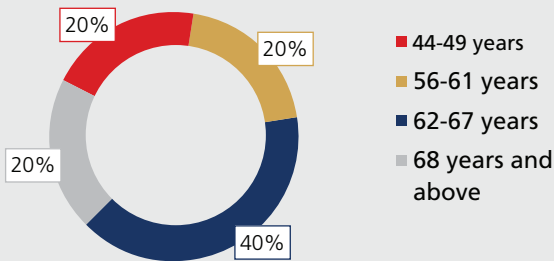




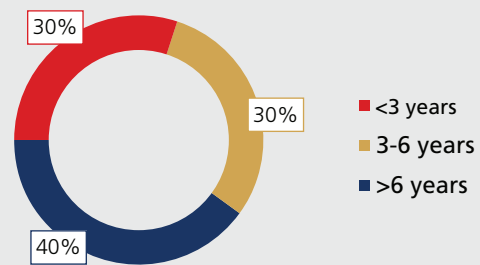
# BOARD OF DIRECTORS



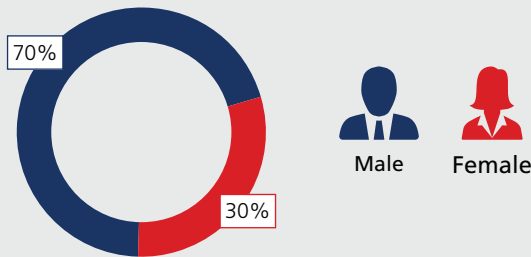
## Board Diversity by age



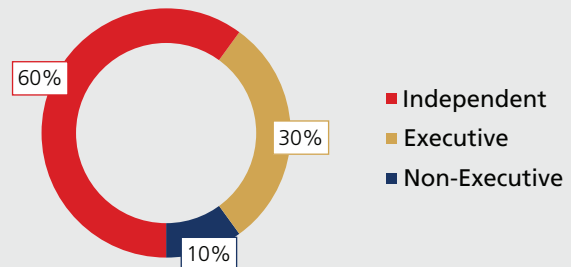
## Tenure on Board



## Board Composition



## Board Category



## Board Committees

1. Audit Committee	
2. Stakeholders Relationship Committee	
3. Nomination & Remuneration Committee	
4. Corporate Social Responsibility Committee	
5. Compensation Committee	
6. Risk Management Committee	
7. Share Transfer Committee	
8. Finance Committee	

■ Chairman  
■ Member



2 6 7 8

**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.



4 6 7 8

**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.

*\* subject to approval of Members in the ensuing AGM to be held on August 29, 2022.*



1 2 3 4 5

**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.



1 2 3 4 5 6 7

**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.

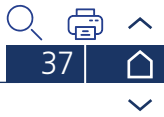
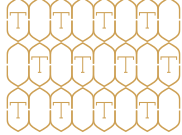


1 3 5

**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.





7

**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.



2 3

**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.



1 4 5 8

**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).



2 4

**Ms. Aparna Praveen Chaturvedi**  
Independent Woman Director

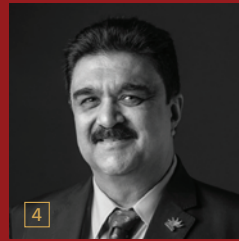
She holds MBA degree in Finance from University of Lucknow and has also received coveted Chevening Scholarship at Manchester Business School. She has over 35 years of experience with financial institutions like UTI AMC Ltd. (Mutual Fund), ASREC (Asset Reconstruction Company) and PICUP (State Financial 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.



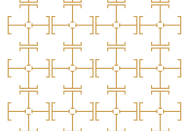
**Mr. C. R. Ramesh**  
Whole Time Director

He is a Graduate in Science having 40 years of experience in liquor manufacturing operations.

# MANAGEMENT TEAM







1

**Mr. Ajit Sirsat****Chief Financial Officer**

He is a Chartered Accountant and Cost & Management Accountant. He comes with over 28 years of experience spread over different financial management areas with specialisation in fund raising, accounts, treasury, costing and taxation in different reputed companies.

2

**Ms. Dipti Todkar****Company Secretary**

She is a CS, LLB and MFM and has 15 years of experience in secretarial and legal functions across various sectors.

3

**Mr. Ameya Deshpande****President - Head (Corporate Development & Strategy)**

He has done his Post Graduate Diploma in Business Management and has 14 years of experience as an investment banker and entrepreneur. He started his career as an investment banker in 2008 with Deutsche Bank, working on equity fund raising and M&A transactions, and then with BNP Paribas. He then co-founded Authenticook, a food-travel start-up, and A-Square Advisors, a capital markets strategy firm advising corporates on Investor Relations, Fund Raising and Pre-IPO advisory.

4

**Col. Bineet Walia (Retd.)****Senior Vice President - Sales & Marketing**

He is a former Colonel of the Indian Army and brings with him vast experience of formulating strategies, managing operations and multifarious activities. He has a Masters in Management Science and Masters in Strategic Studies (International Relations). He specialises in Institutional Sales and Marketing.

5

**Mr. Ashutosh Sharma****Senior Vice President –****Corporate Affairs**

He is M. Phil. from JNU, New Delhi and holds a degree of Executive MBA from AIM, Manila. He has over 31 years of experience across various sectors.

6

**Mr. Rajesh Kumar****Mandale****Vice President - Finance & Accounts**

He is a C.A. and has 17 years of experience in the manufacturing in cement and power industries and 8 years in the construction industry.

7

**Tarun Behl****Vice President - Works**

He is a BE (Chemicals) and has more than 23 years of experience in liquor industry and various sectors.

8

**Mr. Daulat Baburao****Kadam****Assistant Vice President - Works**

He is a B. Sc. (Chemistry) and a Post Graduate in Industrial Fermentation and Alcohol Technology (PGIFAT). He has 28 years of experience in the liquor and distillery industry (Grain & Molasses).

9

**Mr. Varadarajan****Srinivasaraghavan****General Manager – Manufacturing**

He is a B. Tech. (Mechanical) and has over 27 years of experience in the liquor industry.

10

**Ms. Hemangi Joshi Naik****General Manager – Legal**

She is a graduate in Law from the Siddharth College of Law, University of Mumbai. She has over 17 years of experience in corporate laws across various sectors.

11

**Mr. R. Kannan****General Manager – Sales**

He is a B. Sc. and Executive MBA and has over 34 years of experience in the liquor Industry.

12

**Mr. Dipankar Das****General Manager - Sales**

He is a B. Sc. (Electronics) and an MBA (Sales and Marketing). He has 19 years of experience across liquor, consumer durable, telecommunication and paint industries.

13

**Mr. Sreemoy Khan****General Manager - National Trade Marketing**

He is Post Graduate Diploma in Business Management with dual specialisation in marketing and supply chain management. He has 16 years of liquor industry experience in sales, trade marketing and brand management.

14

**Mr. Sudhir Varpe****General Manager - HR**

He is a B.A. and an MSW. He has 24 years of experience in the Automobile, Engineering and Plastic Industry.

15

**Mr. Shankar Pawar****Deputy General Manager – Accounts & Finance**

He is a Chartered Accountant and has 18 years of experience in the areas of accounts, finance and taxation across various sectors.

16

**Mr. S. Balakumar****Deputy General Manager – Production & Operations**

He is a Commerce graduate and a Master in Business Finance from Indian Institute of Finance, New Delhi. He has over 28 years of experience in various sectors.

17

**Mr. Naveen Chandran K. V.****Deputy General Manager – Sales and Marketing**

He is an Economics graduate. He has 34 years of sales experience in liquor industry.

18

**Mahesh Phansalkar****Deputy General Manager – Production & Operations**

He is a DME, BBA, MBS (Operations Management) and has more than 25 years of experience in liquor industry and various sectors.

19

**Mr. T Sreedhar****Assistant General Manager – Sales**

He is a B. Sc and an MBA. He has over 25 years of experience in the liquor Industry.

20

**Mr. Anish Ashesh****Assistant General Manager – Marketing**

He is an MBA and has 18 years of experience in the liquor industry.

21

**Mr. K. Udaykumar****Assistant General Manager – Sales**

He is a B.A. (Litt) with experience of 21 years in liquor industry.

# Management Discussion and Analysis

## GLOBAL ECONOMY OVERVIEW

While the global economy grew 6.1 percent in CY21, CY22 has been hit by further uncertainties. Q2 CY22 has seen contracted global output, owing to various events related to geo-political tensions as well as the pandemic.

The Ukraine war will contribute a significant slowdown in global growth; on account of significant worldwide spillovers through commodity markets, trade and financial channels. In addition to impacting growth, the war is also contributing to increasing inflation. Fuel and food prices have increased rapidly. Elevated inflation will necessitate central banks to play a balancing act between containing price pressures and safeguarding growth; with interest rates expected to be increased as central banks tighten policy.

The IMF has projected global inflation at 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies this year; these are upward revised by 1.8 and 2.8 percentage points, respectively as compared to the January 2022 projections.

Basis all the factors mentioned above, it is expected that the global economy will grow 3.6 percent in CY22 as well as in CY23. Beyond CY23, global growth is forecast at about 3.3 percent over the medium term.

(Source: IMF Global Economic Outlook, April 2022)

## INDIAN ECONOMY OVERVIEW

As per IMF, India's GDP is expected to grow around 8.2 percent in FY23 and 6.9 percent in FY24 as against the earlier forecast (in January 2022) of 9.0 percent and 7.1 percent respectively.

We also have RBI, which has projected GDP growth for India at 7.2 percent in FY23 and 6.3 percent in FY24 as per the monetary policy in April 2022. As per its monetary policy in April 2022, RBI is projecting CPI inflation of 5.7 percent for FY23 and 4.6-5.7 percent for FY24.

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

According to the S&P Global India Manufacturing Purchasing Managers' Index (PMI), India has seen 10 straight months of manufacturing growth till April 2022, with expansion in new orders and production. This fact is further supported by gross GST collections going 10 straight months (till April 2022) above

₹ 1 lac Crores. All pointing towards a strong manufacturing and services industry growth.

## INDIAN LIQUOR INDUSTRY

India is one of the fastest growing liquor consuming markets in the world currently, and with more than 10 million people getting added each year to the eligible alcohol drinking population, it continues to be potentially, one of the highest growing alcohol markets.

Other factors contributing to the expected growth in the alcohol market in India include, increasing social acceptability to alcohol consumption, increasing urbanisation, increasing disposable income and expanding middle class, amongst others.

The different types of alcohol popular in India include Indian-Made Foreign Liquor (IMFL), Indian-Made Indian Liquor (IMIL), wine, beer and imported alcohol. A major share of the total alcohol industry is enjoyed by the spirits category i.e. IMFL and IMIL.

As per the IWSR Drinks Market Analysis Report (May '22), the total alcohol industry, excluding IMIL, was 556 million cases in 2021. Of this, IMFL was 323 million cases i.e. holding a 58 percent market share. The spirits category is expected to grow at a CAGR of 4.4 percent from 2021 till 2026, i.e. expected to grow to more than 400 million cases by 2026.

Within the IMFL industry, Whisky is the largest category with around 67% share. Brandy is the second-largest category with a market share of ca. 20% followed by Rum with a ca. 12% share.

(Source: IWSR Drinks Market Analysis Report (May '22))

From a region perspective, South India is the largest alcohol-consuming region with an almost 60% share, followed by West and East regions with ca. 15% each.

## DISTRIBUTION AND PRICING

Alcohol industry is a state subject in India, with most arms of the trade i.e. production, distribution and sale of alcohol being the respective state's responsibility; essentially making each state and union territory an independent market.

In terms of distribution, there are multiple models which exist depending on the state in question. From fully state-controlled to partly state-controlled to free markets.

Examples of fully controlled states are Andhra Pradesh, Tamil Nadu, Kerala; where distribution as well as retail is controlled by the state (through corporations).





Examples of partly controlled states are Telangana, Karnataka; where distribution is controlled by state but retail is privately owned.

Examples of free states are Goa, Maharashtra, Assam; where distribution as well as retail are privately owned.

## OPPORTUNITIES

### Urbanisation and favourable demographics

Consumption of IMFL in India continues to rise on account of increasing urbanisation. There has been far-reaching acceptance towards consumption of alcoholic drinks in urban areas. Rising incomes have led to increasing adoption of the pub and cocktail culture in the urban areas, which has also enhanced the demand for alcoholic beverages. In addition, more than 10 million people get added each year to the eligible alcohol drinking population, making India potentially one of the highest growing alcohol market.

### Premiumisation

The last few years has seen a lot of opportunities emerging in the premium alcohol drinks space. The increasing number of new and young drinkers has led to a slew of launches which are premium and aspirational in nature. Other factors influencing the premiumisation trend are increasing international travel, social media influence, rising disposable incomes etc.

### Innovation

The recent past has seen significant innovation owing to the changing consumer palates and the inclination towards sustainability and utilising natural ingredients. This has seen a gradual emergence of new and innovative categories like flavoured spirits, indigenous and ancient beverages (e.g. Meads) and ready-to-drink alcoholic products, to name a few. This innovation is not only restricted to the liquid in the bottle but also packaging.

### Home delivery and e-commerce

The pandemic led to businesses thinking out of the box in terms of how to grow their business. This led to the birth and rise of home delivery and limited e-commerce. This new avenue of purchasing alcohol is also more favourable for women consumers. Having said that, there is still some way for the industry to go in terms of making this channel a meaningful contributor, with the state governments to play a significant role in this change.

### Increasing trend of in-home consumption

The COVID-19 pandemic brought about a significant change in the behavioural patterns of consumers from an alcohol drinks perspective. Consumers have started consuming alcohol increasingly at home, which has further led to the

premiumisation trend (lower prices of premium products when bought and consumed at home vis-à-vis when consumed in a restaurant, hotel or bar). It has also brought to fore the importance of convenience.

## THREATS

### Growing inflationary pressure

Global supply chain disruption has led to rising fuel prices across the globe. This has resulted in broad-based inflation around the world, including India. Rising inflation could hamper sales of alcoholic beverages as disposable income reduces.

### Regulatory restrictions

As mentioned earlier, alcohol industry is highly regulated and falls under the purview of state governments, whose respective policies impact industry growth. The applicability of state-specific excise duties plays a key role in creating entry barriers for companies to set up business in a large number of states, since most companies are forced to set up plants or to have 3<sup>rd</sup> party tie-up arrangements in each of the states they sell in.

## COMPANY OVERVIEW

Established in 1933, Tilaknagar Industries Limited (TI or the Company) is the maker of India's largest selling premium brandy i.e. Mansion House Brandy. TI has more than 15 brands across brandy, whisky, gin, rum and vodka. Our brandy brands predominantly occupy the premium segment and above.

TI undertakes its manufacturing operations across 16 units; 4 owned units and 12 contract manufacturing units; with the mother plant located in Shirampur in Ahmednagar district in Maharashtra. TI also has a 100 KLPD grain-based distillery and a [100] KLPD molasses-based distillery in Shirampur.

TI sold more than 6.7 million cases in FY22, a growth of 23.4% as compared to FY21; with a predominant volume share from the Southern states which contribute 86% of the volumes.

In FY22, brandy contributed 94% of the Company's volumes. This was led by Mansion House Brandy which sold more than 5.5 million cases and Courier Napoleon Brandy which sold 0.8 million cases.

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

### Key strengths

#### Mansion House Brandy – A millionaire brand

The Company's flagship brand, Mansion House Brandy sold more than 5.5 million cases in FY22, a growth of 24 percent over FY21

volumes. The brand has been showing consistent growth across all states where it is present and has grown its market share(a) as percentage of IMFL from 2.4% to 3.4% between FY17 and FY22 and from 12.4% to 16.8% for the same period within the brandy category. The market share growth of brandy in states of Telangana and Puducherry was especially strong during FY22; with an increase from 46% to 49% in Telangana and from 7% to 14% in Puducherry over FY21

- (a) The above data is for the states of Telangana, AP, Karnataka, Kerala, Puducherry and Goa i.e. states which contribute 88% of our total volumes

### Manufacturing facility

The Company's state-of-the-art manufacturing facilities and bottling arrangements enable it to cater to pan-India customers. TI undertakes its manufacturing operations across 16 units; 4 owned units and 12 contract manufacturing units; with its state-of-the-art mother plant located in Shrirampur in Ahmednagar district in Maharashtra. This is further reinforced through the bottling arrangement we have entered into with Pernod Ricard India Private Limited for bottling some of their flagship brands in India.

### Robust distribution network

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

### Workforce

The Company's workforce is 273 employees strong as of March 2022.

### Brand Portfolio

TI's 15+ brands cater to different types of customers with a greater focus on premium and high-margin brands.

### Brandy

The sale of brandy contributes 94% of the Company's total volumes. Its products include:

- Mansion House Brandy – Largest selling premium brandy in India, Mansion House Brandy provides high brand loyalty driving repeat purchases. The brand sold more than 5.5 million cases in FY22
- Courier Napoleon Brandy – Green: Uniquely positioned in the super-premium space, it is one of the leaders in its segment
- Courier Napoleon Brandy – Red

### Rum

- Its rum brand, Madiraa, is famous in India, offering exciting flavours in the niche rum segment.

### Whisky

- TI operates in the Whisky segment through its 2 brands, Mansion House Whisky and Senate Royale Whisky.

### Gin and Vodka

- Though its contribution to total revenues is low, the Company has been increasing the distribution of its gin and vodka brands.

## FINANCIAL PERFORMANCE

### Consolidated results

During the year, the sales volumes grew 23.4 percent from 54.5 lacs cases in FY21 to 67.3 lacs cases in FY22. Our Revenue from Operations (net of excise duties) grew 42.8 percent, from ₹ 548.8 Crores in FY21 to ₹ 783.4 Crores in FY22. The increase in revenues was on account of a combination of increase in volumes and NSR per case; which increased to ₹ 1,136 per case in FY22, an increase of 12 percent over FY21.

Gross profit grew 47.8 percent from ₹ 271 Crores in FY21 to ₹ 401 Crores in FY22. Gross margin expansion from 49.5 percent to 51.2 percent during the same period i.e. a margin increase of 173 bps. This increase was on account of a favourable product and regional mix; the margin expansion was strong despite inflationary pressures on raw material and packaging material costs in H2 FY22.

EBITDA grew 107.3 percent from ₹ 54 Crores in FY21 to ₹ 112 Crores in FY22. EBITDA margin increased 446 bps from 9.9 percent in FY21 to 14.3 percent in FY22.

The net profit was ₹ 45.2 Crores for FY22 compared with a loss of ₹ 38.4 Crores during FY21.

Finance costs decreased 12.8 percent from ₹ 71 Crores in FY21 to ₹ 61.9 Crores in FY22 due to a considerable reduction in debt.

### Debt\*

Debt reduced almost ₹ 100 Crores from ₹ 543 Crores as of March 31, 2021 to ₹ 449 Crores as of March 31, 2022. Net debt reduced from ₹ 492 Crores as of March 31, 2021 to ₹ 361 Crores as of March 31, 2022.

\* Debt adjusted for EARC balance debt of ₹ 130 Crores which would be waived off in FY24 on following the repayment schedule; Debt includes interest-bearing trade deposits which is a part of Borrowing and Other Financial Liabilities

### Equity Fundraise from Investors and Promoter Group

During the year FY22, the Company did a preferential issue of equity shares and warrants aggregating ₹ 126 Crores (excluding ₹ 14.73 Crores of Balance Debt which has been converted into equity by Edelweiss ARC) at an issue price of ₹ 53 per equity





share/warrant. Lotus Family Trust, the Investor, infused ₹ 63 Crores through equity shares and Promoter Group entities infused ₹ 63 Crores through warrants convertible into equity shares. As of March 31, 2022, the Promoter Group has converted 22% of its warrants into equity shares.

#### The objects of the issue are to:

1. Fund business growth, capital expenditure and other strategic initiatives
2. Augment working capital needs of the Company
3. Repay high cost debt
4. For general corporate purposes

#### Turnaround strategy till date

Since FY19, the Company has been on the road towards a turnaround. While the business fundamentals in terms of the product, brands, sales & marketing were always strong, TI was highly leveraged with debt of around ₹ 1,200 Crores as of March 31, 2019. A lack of incremental free cash flows impacted

growth of the business. However, starting FY20, the Company undertook a restructuring exercise wherein it reached one-time settlements with some of its lenders and also entered into a Restructuring Agreement with Edelweiss ARC, which took over some of the loans.

On the back of this restructuring of debt, the Company has been able to better manage its cash flows and has seen business get back from strength to strength. While the profitability of the Company has improved over these few years, so has the Company been able to reduce its debt significantly i.e. by ₹ 750 Crores since March 2019.

This turnaround has been achieved through a steady mix of business growth driven by significant operating leverage, better capacity utilisations of plants, premiumisation, cost optimisations and optimal cash utilisation.

Going forward, we aim to be a near net-debt free Company by March 2024.

#### KEY FINANCIAL RATIOS

Reasons for Change of 25% or more as compared to the immediately previous financial year in key financial ratios given wherever necessary

Particulars	2021-22	2020-21	% change	Reason for change
(i) Debtors Turnover	8.84	6.89	28.35%	Company is focusing on fast-moving premium brands resulting in faster liquidation of inventory and improved collection
(ii) Inventory Turnover	5.35	4.24	26.08%	Company is focusing on fast-moving premium brands resulting in faster liquidation of inventory
(iii) Interest Coverage Ratio	2.04	1.04	96.41	Growth in business, focus on premium brands, reduction in debts and private placement of Equity
(iv) Current Ratio	1.061	0.790	34.38%	Improvement in business resulting in faster payment to Vendors
(v) Debt Equity Ratio	4.84	Not applicable as it is negative		
(vi) Operating Profit Margin (%)	51.18%	49.95%	3.5%	
(vii) Net Profit Margin (%)	3.71%	-5.25%	170.73%	Growth in business, focus on premium brands and reduction in debts

## Social Media Marketing

Keeping with current trends, the Company has established a Social Media presence across many platforms. This helps broaden the target audience (by geographically, age group, interest, etc.) and improves brand awareness.

## Brand Building

TI brands are well known for their rich aroma, taste & quality. It has substantial brand equity in the existing states with a vast loyal consumer base. Though a strong emphasis is given to promoting brandy, the Company intends to attract whisky drinkers and convert them into brandy drinkers through social media interventions.

## MATERIAL DEVELOPMENTS

Material Developments during the financial year 2021-22

- During the year under review, the Company has settled the dues of ₹ 2,252.78 lacs payable to DCB Bank, the Financial Creditor of Prag Distillery (P) Ltd, wholly-owned subsidiary (under liquidation) as per the terms of full and final settlement and No Due certificate for same has been received.
- During the year under review, the Company has settled the dues for USD 22,50,000 payable to Standard Chartered Bank, the Financial Creditor of Prag Distillery (P) Ltd, wholly-owned subsidiary (under liquidation) as per the terms of full and final settlement and No Due certificate for same has been received.
- Other debts of ₹ 3,386.75 lacs from Edelweiss Asset Reconstruction Company (EARC) has been converted into equity shares of 139.04 lacs which have been allotted to EARC during the year under review.

## RISK MANAGEMENT

Being a pan-India organisation with a global footprint, the Company faces several risks impacting business growth. Below are some of the critical risks and existing mitigation measures for them:

Sr. No.	Type of Risk	Nature of Risk	Risk Mitigation Factors/ Measures
1	Impact of COVID-19	Due to the outbreak of COVID-19 – First, second and third waves during the period March 2020 till date, the operations had to be closed temporarily which had an impact on the business performance for the years ended March 31, 2021 and March 31, 2022.	The operations at Company's manufacturing units were and are being carried out in complete compliance with the precautionary measures, conditions and directions as mentioned in the guidelines / orders from respective governmental authorities. Keeping employee wellbeing and safety has always been the top priority. Necessary instructions and guidelines have been shared with all employees and its adherence had been made mandatory until full normalcy was restored.

- During the year under review, the Company allotted on preferential basis @ ₹ 53 per equity share/warrant:
  - a. 1,18,86,792 equity shares to Barclays Wealth Trustees (India) Pvt. Ltd.;
  - b. 1,18,86,792 convertible warrants to Promoter Group Companies; and
  - c. 27,79,297 equity shares to Edelweiss Asset Reconstruction Company (EARC).
- The Company has commenced production of brands of French multinational Pernod Ricard India Private Limited at its Shirampur bottling facility in Maharashtra, from February 15, 2022, pursuant to the long-term manufacturing agreement entered into with them.

## Material Developments affecting the financial position of the Company after the end of the financial year 2021-22 and till the date of this Report

- The Board of Directors of Tilaknagar Industries Limited ("TI" or the Transferee Company") at their Board Meeting held on May 30, 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 Spring Distillers Private Limited ("KSDPL"); (ii) Mykingdom Ventures Private Limited ("MVPL"); (iii) Shirampur 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 Board has approved the issue of 65,97,221 equity shares and 52,08,333 convertible warrants to investors (Non-Promoter group) @ ₹ 72 per equity share/warrant on preferential basis subject to the approval of Members.





Sr. No.	Type of Risk	Nature of Risk	Risk Mitigation Factors/ Measures
			Management is continuously monitoring the situation and will continue to monitor changes in future economic conditions and take necessary steps.
2	Regulatory Risk	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 underutilised capacities, which, in turn, lead to low margins.	<p>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.</p> <p>The Company, having ensured supply side security and strong and well accepted brands will be able to strongly counter the challenges posed by the abnormal situation.</p>
3	Competition Risk	<p>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.</p> <p>Because of working capital constraints, the Company has not been able to cater to the demand in different markets and there is a risk that due to prolonged short supply/ no supply, the Company will tend to lose its market share to competitors.</p>	<p>The Company is strongly positioned in designated market commanding a premium for its products. The Company has adequate manufacturing and bottling facilities to ensure supply side security.</p> <p>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.</p> <p>The existing arrangement of local distributors funding the working capital requirements in the major markets continues and accordingly, the Company has been able to maintain stable sales over the past couple of years as also to increase the market share. Availability of working capital from the banking sector in future will have a positive impact on the business. We have also been able to raise equity and issued convertible warrants in the month of December 2021 which has partially eased the pressure on the working capital thus having a positive impact on the business.</p>
4	Procurement Risk	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 is also exploring ways to improving statewise and brandwise mix of profitable brands which would enable to negate the increase in the material cost.

## HUMAN RESOURCES

Human capital is a crucial resource for business growth. The Company has a dedicated and motivated employee base. The Company strives to establish a work-life balance for better productivity. It aligns the Company goals with the professional and personal goals of the employees. TI provides a safe, secure, productive and healthy work environment. There is a strong focus on training and development of all employees for career progression. The Company has digitised its training programs in keeping with current times. It offers an open dialogue environment. On March 31, 2022, the Company had 273 employees.

## TI's HR Philosophy

- Attract talent being an identified employer of choice
- Offer the trustworthy, fair and equal opportunity to all employees with open communication
- Promote diversity across national, cultural, and linguistic backgrounds
- Performance/merit-based compensation and rewards enhancing productivity
- Focus on the internal progression of employees by grooming, mentoring and promoting people

- Hire external talent only to complement the existing skill/competency base or fill positions in the absence of suitable talent

The Company has undertaken the following HR initiatives for employee welfare:

### Smart Casuals

We have implemented a policy to allow all employees at head office to wear smart casuals on all working days. The effort is focused on bringing workplace efficiency by giving employees their choice of comfort.

### Legal Salahkar

Legal Salahkar aims at helping our pan-India employees in legal matters. Under the initiative, our legal advisory cell answers and provides legal guidance on personal, civil or criminal matters free of cost with complete confidentiality. The guidance is provided at advisory levels, and in case of courts/tribunals fillings or appearances in courts, the individuals are to take help of external lawyers.

### Safety and Awareness

During the pandemic, the Corporate HR and Factory HR teams took utmost care of safety of all employees. This enabled minimum productivity loss while conforming to all applicable government guidelines and ensuring the safety and convenience of all employees. In the post-pandemic era, offices were opened in a staggered manner within the prescribed limits of the Government. All office and factory premises were sanitised regularly to ensure employee safety.

### Digitised Training

All training programmes have been digitised. During the pandemic, virtual meeting applications like Zoom and Google Meet were used for seamless meetings/collaboration.

## INFORMATION TECHNOLOGY

At TI, technology is considered a key pillar for organisational growth and business continuity. Technological advancements enable process and operational efficiency. Seamless processes are driven by a data-driven platform with trusted software and hardware platforms. The use of upgraded internet bandwidth allows the Company to use high speed, better signal.

The Company's well-devised information security policy secures data and enables confidentiality, integrity, and availability of systems and information.

During the year, Company has implemented a Backup Software for taking backup of User data and SAP data on to the Cloud.

- a) It delivers a unique approach by combining cloud backup with cyber protection features, such as anti-malware and antivirus – helping to keep the data secure.
- b) It will benefit the Company by reducing the business downtime, ensuring unified data protection, advanced end-to-end AES-256 encryption technologies to prevent illegal access, optimisation of network bandwidth, backup time and storage, providing advanced data backup for mobile workforce.
- c) It proactively eliminates attack by using Acronis Active Protection, which utilises artificial intelligence and machine learning to find and stop ransomware, malware and zero-day attacks.
- d) Quickly restore the data to any device, including workstations, mobile devices, servers or Virtual Machines, with granular restore, full reimage or Instant Restore.
- e) It also gives in-depth throttling controls to limit the footprint based on connection speed and battery level. Versioning is unlimited, allowing to access old and deleted files indefinitely.
- f) It is ultrafast, scalable and lightweight by occupying less space being global source based data duplication, it will eliminate redundant data.

## INTERNAL CONTROL SYSTEMS

With a solid intent to confirm compliance with all appropriate internal controls and other regulatory submissions, the Company has devised a reliable internal financial reporting and control system to record financial and operational information appropriately. Periodic review of the internal control systems by Internal and Statutory Auditors ensures smooth day-to-day functioning with minimal risk of fraud or other discrepancies. The Audit Committee reviews internal and Statutory Auditors' findings. This provides maintenance of adequacy and effectiveness of internal controls. The Board also monitors the review conducted by the Audit Committee and ensures the correction of any variance.

## DISCLOSURE OF ACCOUNTING TREATMENT

TI has prepared financial statements for 2021-22 per the Indian Accounting Standards (IND AS) as specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

## OUTLOOK

Though the near-term economic outlook presents inflationary and other challenges, especially regarding packing material costs, the Company is confident of maintaining its growth trajectory





through various mitigation strategies which will revolve around volume growth, favourable product and regional mix, cost optimisation efforts and improved productivity; all of which have been proven by the Company in the recent past. Additionally, we are working on a slew of new strategies, including new product launches in the coming year, regional expansion in fast-growing new markets across India and the introduction of new growth avenues. With a continued strong focus on the brandy segment, the Company is optimistic about volume growth in existing and new markets. The Company is also in the process of launching flavoured brandies so as to establish a deeper connection with the youth.

Favourable product mix, expansion through bottling tie-ups and working capital efficiencies ensure robust cash flow generation. The Company has successfully reduced its debt by almost ₹ 100 Crores in FY 2021-22 with a focus on repayment of high-cost debt.

### **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 87<sup>th</sup> Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2022.

## 1. FINANCIAL HIGHLIGHTS

The summary of the Company's financial results for the financial year ended March 31, 2022 is furnished below:

(₹ in lacs)

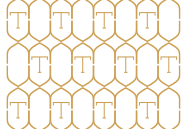
Sr. No.	Particulars	Standalone	
		Year ended 31.03.2022	Year ended 31.03.2021
<b>I</b>	<b>Revenue from Operations</b>	<b>1,79,205.87</b>	<b>1,41,836.42</b>
<b>II</b>	<b>Other Income</b>	959.59	1,170.00
<b>III</b>	<b>Total Income (I + II)</b>	<b>1,80,165.46</b>	<b>1,43,006.42</b>
<b>IV</b>	<b>Expenses</b>		
	(a) Cost of materials consumed	37,798.42	29,132.08
	(b) Changes in inventories of finished goods, stock-in-trade and work- in-progress	442.84	(1,393.75)
	(c) Excise duty	1,00,868.62	86,961.34
	(d) Employee benefits expense	2,078.99	1,554.84
	(d) Finance costs	5,776.41	6,540.05
	(f) Depreciation and amortisation expense	3,116.72	3,141.28
	(g) Other expenses	27,576.13	19,995.75
	<b>Total Expenses</b>	<b>1,77,658.13</b>	<b>1,45,931.59</b>
<b>V</b>	<b>Profit/(Loss) before Exceptional Items and Tax (III-IV)</b>	<b>2,507.33</b>	<b>(2,925.17)</b>
<b>VI</b>	<b>Exceptional Items</b>	-	-
<b>VII</b>	<b>Profit/(Loss) before Tax (V-VI)</b>	<b>2,507.33</b>	<b>(2,925.17)</b>
<b>VIII</b>	<b>Tax Expense</b>		
	(a) Current tax (including earlier years)	(399.69)	(45.96)
	(b) Deferred tax	-	-
	<b>Total Tax Expense</b>	<b>(399.69)</b>	<b>(45.96)</b>
<b>IX</b>	<b>Profit/(Loss) for the Period (VII-VIII)</b>	<b>2,907.02</b>	<b>(2,879.21)</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	(36.53)	(23.16)
	(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>(36.53)</b>	<b>(23.16)</b>
<b>XI</b>	<b>Total Comprehensive Income/(Loss) for the Period (IX+X)</b>	<b>2,870.49</b>	<b>(2,902.37)</b>

During the year, the revenue from operations (net of excise duty) stood at ₹ 78,337.25 lacs as compared to ₹ 54,875.08 lacs during the financial year ended March 31, 2021. Finance cost has decreased from ₹ 6,540.05 lacs during the financial year ended March 31, 2021 to ₹ 5,776.41 during the financial year ended March 31, 2022.

The total comprehensive income stood at ₹ 2,870.49 lacs during the financial year ended March 31, 2022 as against the total comprehensive loss of ₹ 2,902.37 lacs during the financial year ended March 31, 2021.

In order to conserve the resources, it has been decided not to transfer any amount to the Reserves for the year under review.





## Directors' Report (Contd.)

### 2. OPERATIONAL REVIEW

#### Operations

The Company is an established player in the IMFL Space and is among India's leading alcobev 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 91.86 % of the total cases sold during 2021-22. Exports & Institutions segment contributes 8.14% to total sales volume.

Due to outbreak of COVID – 19, the bottling operations at Company's manufacturing units were and are being carried out in complete compliance with the precautionary measures, conditions and directions as mentioned in the guidelines / orders from respective governmental authorities. The operations were temporarily closed for some time during the financial year 2021-22 in some of the manufacturing units which had an impact on the business performance for the year ended March 31, 2022.

#### Manufacturing Facilities

The Company has ultra-modern set up with robust manufacturing facilities comprising of 1 owned facility, 3 operating liquor subsidiaries, 12 leased/tie-up units strategically located across India. It has 100 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. Permission has been received for operating the fermentation section till March 31, 2024.

#### 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 2021-22, the sales volume increased by 23.41% to 67.31 lacs cases as compared to 54.54 lacs cases in the financial year 2020-21. Region wise, the Company has registered sales volume of 58.25 lacs cases in Southern region, 2.02 lacs cases in Eastern region, 1.56 lacs cases in Western region and 5.48 lacs cases in Exports & Institutions segment. Segment-wise, Brandy contributed 94.03%, followed by Rum, Whisky, Vodka & Gin segments, which have contributed 4.32%, 1.13% and 0.53%, 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 16 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, Angola, Rwanda, Bahrain, UAE.

#### Material Developments during the financial year 2021-22

- During the year under review, the Company has settled the dues of ₹ 2,252.78 lacs payable to DCB Bank, the Financial Creditor of Prag Distillery (P) Ltd, wholly owned subsidiary (under liquidation) as per the terms of full and final settlement and No Due certificate for same has been received.
- During the year under review, the Company has settled the dues for USD 22,50,000 payable to Standard Chartered Bank, the Financial Creditor of Prag Distillery (P) Ltd, wholly owned subsidiary (under liquidation) as per the terms of full and final settlement and No Due certificate for same has been received.

## Directors' Report (Contd.)

- Other debts of ₹ 3,386.75 lacs from Edelweiss Asset Reconstruction Company (EARC) has been converted into equity shares of 139.04 lacs which have been allotted to EARC during the year under review.
- During the year under review the Company allotted on preferential basis @ ₹ 53 per equity share/warrant:
  - a. 1,18,86,792 equity shares to Barclays Wealth Trustees (India) Pvt. Ltd.;
  - b. 1,18,86,792 convertible warrants to Promoter Group Companies and
  - c. 27,79,297 equity shares to Edelweiss Asset Reconstruction Company (EARC).
- The Company has commenced production of brands of French multinational Pernod Ricard India Private Limited at its Shirampur bottling facility in Maharashtra, from February 15, 2022, pursuant to the long term manufacturing agreement entered into with them.

### **Material Developments affecting the financial position of the Company after the end of the financial year 2021-22 and till the date of this Report**

- The Board of Directors of Tilaknagar Industries Limited ("TI" or the Transferee Company") at their Board Meeting held on May 30, 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 Spring Distillers Private Limited ("KSDPL"); (ii) Mykingdom Ventures Private Limited ("MVPL"); (iii) Shirampur

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.

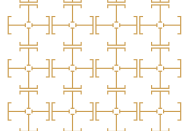
- The Board has approved the issue of 65,97,221 equity shares and 52,08,333 convertible warrants to investors (Non-Promoter group) @ ₹ 72 per equity share/warrant on preferential basis subject to the approval of Members.

### **3. DIVIDEND**

The Board has recommended final dividend at the rate of ₹ 0.10 per equity share (1%) for the financial year ended March 31, 2022.

### **4. SHARE CAPITAL**

During the year under review, there was an increase in the authorized Capital of the Company from ₹1,50,00,00,000/- (Rupees One Hundred Fifty Crores Only) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each to ₹ 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. The Company has allotted equity shares upon conversion of debt into equity shares. Also, the Company has made allotment on preferential basis and allotment to its eligible employees who exercised their stock options under the prevailing Employee Stock Option Schemes of the Company at regular intervals. The Company has also converted the warrants allotted to a Promoter group Company into equal number of Equity Shares upon exercise of its right to conversion. As a result, the paid-up equity share capital of the Company has increased to ₹ 1,58,62,18,040 divided into 15,86,21,804 equity shares of face value of ₹ 10 each as on March 31, 2022.



## Directors' Report (Contd.)

### 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 2021-22, the revenue from operations of Vahni stood at ₹ 393.63 lacs as compared to ₹ 301.26 lacs in the previous year. The total comprehensive income stood at ₹ 82.97 lacs during the financial year 2021-22 as compared to total comprehensive loss of ₹ 0.58 lacs in the previous year.
2	<b>PunjabExpo Breweries Private Limited (100%)</b>	During the financial year 2021-22, the revenue from operations of PunjabExpo stood at ₹ 60.65 lacs as compared to ₹ 62.49 lacs in the previous year. It has incurred total comprehensive loss of ₹ 1,017.14 lacs during the financial year 2021-22 as compared to total comprehensive loss of ₹ 1,066.99 lacs in the previous year.
<b>(B) OTHER SUBSIDIARIES</b>		
3	<b>Prag Distillery (P) Ltd. (100%)(under liquidation)</b>	<p>The revenue from operations, during the financial year 2021-22, of Prag was Nil. The total comprehensive income stood at ₹ 605.60 lacs during the financial year ended March 31, 2022 as against the total comprehensive loss of ₹ 714.96 lacs during the financial year ended March 31, 2021.</p> <p>The outstanding dues of Standard Chartered Bank and DCB Bank has been settled and no dues certificates have also been received. Consequent to the full and final payment to Standard Chartered Bank and DCB Bank, Prag, has written back ₹ 96.10 lacs and ₹ 1,225.41 lacs respectively being the difference between the settlement amount and the total dues including interest accrued in the books of accounts.</p> <p>Following NCLT's approval, Prag has entered into a lease agreement with the Holding Company and the operations are expected to restart soon after completion of the necessary statutory formalities.</p>
4	<b>Kesarval Springs Distillers Pvt. Ltd. (100%)</b>	During the financial year 2021-22, no activities have been carried out by Kesarval and it has incurred total comprehensive loss of ₹ 1.50 lacs during the year as compared to total comprehensive loss of ₹ 46.27 lacs in the previous year.
5	<b>Mykingdom Ventures Pvt. Ltd. (100%)</b>	During the financial year 2021-22, no activities have been carried out by Mykingdom and it has incurred total comprehensive loss of ₹ 1.00 lac during the year as compared to total comprehensive loss of ₹ 0.53 lac in the previous year.
6	<b>Studd Projects P. Ltd. (100%)</b>	During the financial year 2021-22, no activities have been carried out by Studd and it has incurred total comprehensive loss of ₹ 1.57 lacs during the year as compared to total comprehensive loss of ₹ 1.47 lacs in the previous year.
7	<b>Srirampur Grains Private Limited (100%)</b>	During the financial year 2021-22, no activities have been carried out by Srirampur and it has incurred total comprehensive loss of ₹ 2.54 lacs during the year as compared to total comprehensive loss of ₹ 2.36 lacs in the previous year.
8	<b>Shivprabha Sugars Ltd. (90%)</b>	During the financial year 2021-22, no activities have been carried out by Shivprabha and it has incurred total comprehensive loss of ₹ 0.54 lacs during the year as compared to total comprehensive loss of ₹ 0.54 lacs in the previous year.



## Directors' Report (Contd.)

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 is having 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.

The consolidated financial statements of the Company and its subsidiaries for the financial year ended March 31, 2022, 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.

During the financial year 2021-22, 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.

### 6. DIRECTORS

#### **At the 86<sup>th</sup> Annual General Meeting of the Company held on September 30, 2021:**

- a) Mr. Amit Dahanukar, Director of the Company who retired by rotation at the said Annual General Meeting

in accordance with the provisions of Section 152(6) of the Act, was re-appointed as Director, liable to retire by rotation.

- b) Ms. Aparna Praveen Chaturvedi was appointed as an Independent Woman Director of the Company with effect from July 31, 2020 for a term of 1(one) year. Accordingly, her term as Independent Woman Director had expired on July 30, 2021 and she was re-appointed at the said Annual General Meeting for a second term of 5 (Five) consecutive years commencing from July 31, 2021 and ending on July 30, 2026 (both days inclusive).

#### **At the 87<sup>th</sup> Annual General Meeting of the Company to be held on August 29, 2022, the following appointment/re-appointment of Directors is proposed to the shareholders for their approval:**

- a) In accordance with the provisions of Section 152(6) of the Act, Ms. Swapna Shah, Non-Executive Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment. The Board based on the recommendation of the Nomination and Remuneration Committee, recommends her re-appointment.
- b) To consider and approve the appointment and remuneration of Mrs. Shivani Amit Dahanukar as an Executive Director and Key Managerial Personnel of the Company, liable to retire by rotation for the period June 01, 2022 upto May 31, 2025 (both days inclusive).
- c) To consider and recommend to the Members the fixation of remuneration payable to Mr. Amit Dahanukar, Chairman & Managing Director of the Company for the period June 01, 2022 to November 06, 2023 (both days inclusive).

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.



## Directors' Report (Contd.)

### 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 09, 2022, 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 2021-22 in its Meeting held on May 30, 2022 and expressed overall satisfaction on the performance of the Independent Directors, Non-Independent Directors, Chairman and the Board as a whole (including its Committees). Accordingly, no corrective action was proposed to be taken pursuant to such evaluation results.

As results of the performance evaluation of the Independent Directors, Non-Independent Directors, Chairman and the Board as a whole (including its Committees) carried out in the financial year 2020-21 were also satisfactory therefore, no corrective action was required to be taken pursuant to such evaluation results.

### 9. NUMBER OF MEETINGS OF THE BOARD

During the year under review, 6 (Six) Meetings of the Board of Directors were held as per details given below:

- (i) May 29, 2021;
- (ii) August 14, 2021;
- (iii) November 01, 2021;
- (iv) November 12, 2021
- (v) February 09, 2022 and;
- (vi) March 30, 2022

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

## Directors' Report (Contd.)

### 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

During the year under review, Mr. Shekhar R Singh ceased to be the Company Secretary of the Company with effect from September 30, 2021. Ms. Dipti Todkar was appointed as the Company Secretary and Compliance officer w.e.f. March 30, 2022 in his place.

As on March 31, 2022, Mr. Amit Dahanukar, Chairman & Managing Director, Mr. Ajit Anant Sirsat, Chief Financial Officer and Ms. Dipti Todkar, Company Secretary were the Key Managerial Personnel of the Company under the provisions of Sections 2(51) and 203 of the Act read with the Companies (Appointment and Qualifications of Managerial Personnel) Rules, 2014.

### 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 2021-22 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

The Company is required to maintain cost records as specified by the Central Government under Section 148(1) of the Act and accordingly, has made and maintained such accounts and records for the financial year 2021-22.

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 Lac Fifty Thousand Only) plus tax as applicable and re-imbursment of out of pocket expenses as may be incurred by her for conducting the Cost Audit for the financial year 2022-23.

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, 2021 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. Ragini Chokshi & Co., Practicing Company Secretaries as Secretarial Auditors of the Company for the financial year 2021-22.





## Directors' Report (Contd.)

The Secretarial Audit Report issued by M/s. Ragini Chokshi & Co., Practicing Company Secretaries for the financial year ended March 31, 2022 is set out in Annexure 'A' to this Report. No observations were reported by the secretarial auditor.

### Internal Auditors and Internal Audit Report

The Internal Audit for the period April, 2021 to September, 2021 was conducted by Mr. Shekhar Singh duly assisted by Ernst & Young, LLP. The Company appointed M/s. NMAH & Co., Chartered Accountants, in accordance with the provisions of Section 138(1) of the Act as the Internal Auditors of the Company covering the period from October, 2021 to March, 2023. 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 Shareholders through electronic mode. Shareholders may write to the Company at investor@tilind.com in that regard.

### 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, 2022 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) Regulations, 2014 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. No changes have taken place in these Schemes during the financial year 2021-22.

A certificate from the Statutory Auditors of the Company as required under Regulation 13 of the SEBI (Share Based Employee Benefits) Regulations, 2014 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

## Directors' Report (Contd.)

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].

The Company has not received any complaint of sexual harassment during the financial year 2021-22.

### 22. PUBLIC DEPOSITS

As on April 01, 2021, 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 2021-22. As on March 31, 2022, 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(5) of the Companies Act, 2013, 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"). Accordingly, an amount of ₹ 801,680/- (Rupees Eight Lacs One Thousand Six Hundred and Eighty Only) being dividend for the financial year 2013-14 lying unclaimed for a period of 7 years was transferred by the Company during the financial year 2021-22 to the IEPF.

Details of the abovementioned unclaimed dividend/shares/ bonus shares transferred to IEPF have been uploaded on the website of the Company, accessible at <https://tilind.com/dividend-and-iepf/> and also on the website of the IEPF Authority i.e. [www.iepf.gov.in](http://www.iepf.gov.in).

### 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 2021-22, 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.



## Directors' Report (Contd.)

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
1	<b>Impact of Covid 19</b>	Due to the outbreak of COVID 19 – First Second and third waves during the period March 2020 till date, the operations had to be closed temporarily which had an impact on the business performance for the years ended March 31, 2021 and March 31, 2022.	<p>The operations at Company's manufacturing units were and are being carried out in complete compliance with the precautionary measures, conditions and directions as mentioned in the guidelines / orders from respective governmental authorities. Keeping employee wellbeing and safety has always been the top priority. Necessary instructions and guidelines have been shared with all employees and its adherence had been made mandatory until full normalcy was restored.</p> <p>Management is continuously monitoring the situation and will continue to monitor changes in future economic conditions and take necessary steps.</p>
2	<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.	<p>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.</p> <p>The Company, having ensured supply side security and strong and well accepted brands will be able to strongly counter the challenges posed by the abnormal situation.</p>
3	<b>Competition Risk</b>	<p>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.</p> <p>Because of working capital constraints, the Company has not been able to cater to the demand in different markets and there is a risk that due to prolonged short supply / no supply the Company will tend to lose its market share to competitors.</p>	<p>The Company is strongly positioned in designated market commanding a premium for its products. The Company has adequate manufacturing and bottling facilities to ensure supply side security.</p> <p>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.</p> <p>The existing arrangement of local distributors funding the working capital requirements in the major markets continues and accordingly, the Company has been able to maintain stable sales over the past couple of years as also to increase the market share. Availability of working capital from the banking sector in future will have a positive impact on the business. We have also been able to raise equity and issued convertible warrants in the month of December 2021 which has partially eased the pressure on the working capital thus having a positive impact on the business.</p>
4	<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 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.



## Directors' Report (Contd.)

### 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 2021-22.

### 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 2021-22, 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 REPORT (BRR)

The Business Responsibility Report pursuant to Regulation 34 of Listing Regulations is presented as 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

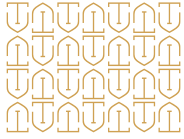
During the financial year 2021-22, no credit rating was done. The last rating, BWR BB- (pronounced as BWR Double B minus with negative outlook) for Term Loan and Cash Credit, was assigned to the Company in December, 2015 by Brickwork Ratings. The details of credit ratings are available on the website of the Company, accessible at <https://tilind.com/others/>.

### 31. COMPLIANCE WITH SECRETARIAL STANDARDS OF ICSI

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.

### 32. RESIDUARY DISCLOSURES

- i. During the financial year 2021-22, 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;



## Directors' Report (Contd.)

- ii. During the financial year 2021-22, 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 2021-22, 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 2021-22, 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. No application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the financial year 2021-22 in respect of the Company.

The National Company Law Tribunal ("NCLT") has ordered for liquidation of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company, vide its order No.

MA 309/2018 in CP1067/ 2017 dated July 26, 2018, as a going concern. A liquidator has been appointed to manage the affairs of the Company and complete the liquidation process; and

- vii. The Company entered into an agreement for USD 22,50,000 in its capacity as Corporate Guarantor with Standard Chartered Bank (SCB) for settling the outstanding dues of SCB on behalf of Prag Distillery (P) Ltd. (wholly owned subsidiary of the Company) and No Due certificate for same has been received.

### 33. 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, team work, professionalism and continued contribution to the growth of the Company.

### 34. DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy of the Company containing the requirements mentioned in Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is uploaded on the Company's website at the following Web-link: <https://tilind.com/codes-and-policies/>

For and on behalf of the Board of Directors

Place : Mumbai  
Date : May 30, 2022

**Amit Dahanukar**  
Chairman & Managing Director

# Annexure A to the Directors' Report

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]  
(For the Financial Year Ended 31<sup>st</sup> March 2022)

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TILAKNAGAR INDUSTRIES LIMITED (CIN: L15420PN1933PLC133303)** (hereinafter called the "Company") for the financial year ended 31<sup>st</sup> March, 2022. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon;

Based on our Verification of 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, we hereby report that in our opinion, the Company has, during the audit period covering 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 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;

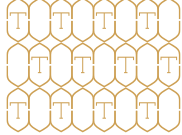
We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period **1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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 to the Company during the Audit Period)**

- (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, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the Company has not issued any debt securities during the Audit Period)**
  - (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; **(Not Applicable as the Company is not Registrar to an Issue and Share Transfer Agent during the financial year)**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable as the Company has not delisted its equity shares from any stock exchange during the Audit Period)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not Applicable as the Company has not bought back any of its securities during the Audit Period)**
  - (i) Securities and Exchange Board of India (Depositories & Participants) Regulation, 2018 **(To the extend applicable)**





## Annexure A to the Directors' Report (Contd.)

- (vi) 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.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:

1. The Trade Marks Act, 1999;
2. Food Safety and Standards Act, 2006;
3. The Indian Boilers Act, 1923;
4. The Bombay Prohibition Act, 1949;
5. The Emblems and Names (Prevention of Improper Use) Act, 1950;
6. Environments Laws.

We have also examined compliance with the applicable provisions and clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- Securities and Exchange Board of India (Listing Obligation & Disclosure Requirement) Regulation, 2015 "SEBI (LODR)".

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

### We further report that

- The Board of Directors of the Company is duly constituted and the changes in the composition of the Board of Directors that took place during the period under review were carried out in the compliance with the provision of the Act.
- Adequate notice is given 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.
- As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were with requisite majority.

**We further report** that there are 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.

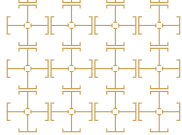
The Compliance by the company of applicable Financial Laws like Direct & Indirect Tax Laws, Goods and Service Tax has not been reviewed in the audit since the same has been subject to the review by the statutory financial audit and other designated professionals.

**We further report that** during the audit period, the company had no specific events or actions which might have a bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except following:

1. The Board of Directors vide Circular Resolution dated 24<sup>th</sup> April, 2021 has allotted 1,39,03,752 (One Crore Thirty Nine Lakhs Three Thousand Seven Hundred and Fifty Two) equity shares having face value of ₹ 10/- (Rupees Ten) each to Edelweiss Asset Reconstruction Company Limited (EARC) at an issue price of ₹ 24.36 per share (including premium of ₹ 14.36 per share), fully paid-up towards conversion of part of the debt owed to it by the Company amounting to ₹ 33,86,95,398.72 (Rupees Thirty Three Crores Eighty Six Lakhs Ninety Five Thousand Three Hundred Ninety Eight and Seventy Two Paise only) into equity shares of the Company on preferential basis.
2. The Board of Directors vide Circular Resolution dated 28<sup>th</sup> July, 2021 has allotted 9,39,254 equity shares having face value of ₹ 10/- each to employees of the Company pursuant to exercise by such employees to the vested options granted to them under ESOP Scheme 2010 and ESOP Scheme 2012. Post aforesaid allotment, the paid-up capital of the Company is ₹ 1,40,27,76,090 divided into 14,02,77,609 equity shares of face value ₹ 10/- each.
3. The Board of Directors of the Company vide Circular Resolution dated 19<sup>th</sup> December, 2021 has allotted 1,18,86,792 (One Crore Eighteen Lacs Eighty Six Thousand Seven Hundred and Ninety Two) Equity Shares having face value of ₹ 10/- (Rupees Ten Only) each for cash at a price of ₹ 53/- (including a premium of ₹ 43/- per share) upon receipt of an amount of ₹ 62,99,99,976/- (Rupees Sixty Two Crores Ninety Nine Lacs Ninety Nine Thousand Nine Hundred and

## Annexure A to the Directors' Report (Contd.)

- Seventy Six only) to Barclays Wealth Trustees (India) Pvt Ltd acting as a Trustee of Lotus Family Trust, Non-Promoter.
4. The Board of Directors of the Company vide Circular Resolution dated 19<sup>th</sup> December, 2021 has allotted 1,18,86,792 (One Crore Eighteen Lacs Eighty Six Thousand Seven Hundred and Ninety Two) Convertible Warrants at a price of ₹ 53/- per Warrant with a right to the Warrant holders to apply for and be allotted 1 (One) Equity Share of the face value of ₹ 10/- (Rupees Ten Only) each of the Company at a premium of ₹ 43/- per share for each Warrant within a period of 18 (Eighteen) months from the date of allotment of the Warrants, for an amount of ₹ 62,99,99,976/- (Rupees Sixty Two Crores Ninety Nine Lacs Ninety Nine Thousand Nine Hundred and Seventy Six only) ("Consideration") to Arunoday Investments Private Limited and M L Dahanukar And Co. Pvt. Ltd., promoter group of the Company for cash upon receipt of 25% of the Consideration amount.
  5. The Board of Directors of the Company vide Circular Resolution dated 19<sup>th</sup> December, 2021 has allotted 27,79,297 (Twenty Seven Lacs Seventy Nine Thousand Two Hundred Ninety- Seven) Equity Shares having face value of ₹ 10/- (Rupees Ten) each, to Edelweiss Asset Reconstruction Company Limited ("EARC") acting as Trustee of EARC Trust SC233, EARC Trust SC241 and EARC Trust SC269 (Non-Promoter), at price of ₹ 53/- per share (including a premium of ₹ 43/- per share), fully paid-up towards conversion of Balance Debt of value ₹ 14,73,02,741/- (Rupees Fourteen Crores Seventy Three Lacs Two Thousand Seven Hundred Forty One only) from outstanding Balance Debt owed to it by the Company into Equity Shares of the Company on preferential basis.
  6. Increase in Authorised Share Capital of the Company to ₹ 1,80,00,00,000/- (Rupees One Hundred Eighty Crores Only) divided into from ₹ 1,50,00,00,000/- (Rupees One Hundred Fifty Crores Only) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each 18,00,00,000 (Eighteen Crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each ranking pari passu in all respects with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company has been approved by the members at the Extra-Ordinary General Meeting held on 27<sup>th</sup> November, 2021.
  7. The Compensation Committee of the Company has allotted 70,167 equity shares having face value of ₹ 10/- each to employees of the Company pursuant to exercise by such employees to the vested options granted to them under ESOP Scheme 2010 and ESOP Scheme 2012 at an issue price of ₹ 15/- each.
  8. Issue of upto 1,18,86,792 (One Crore Eighteen Lacs Eighty Six Thousand Seven Hundred and Ninety Two) Equity Shares of face value ₹ 10/- (Rupees Ten Only) each ("Equity Shares") for cash at a price of ₹ 53/ (including a premium of ₹ 43/- per share) for an amount upto ₹ 62,99,99,976/- (Rupees Sixty Two Crores Ninety Nine Lacs Ninety Nine Thousand Nine Hundred and Seventy Six only) to Barclays Wealth Trustees (India) Pvt Ltd ("Barclays") acting as a Trustee of Lotus Family Trust, Non-Promoter, has been approved by way of Special Resolution passed at the Extra-Ordinary General Meeting held on 27<sup>th</sup> November, 2021.
  9. Issue of upto 1,18,86,792 (One Crore Eighteen Lacs Eighty Six Thousand Seven Hundred and Ninety Two) convertible warrants ("Warrants") at a price of ₹ 53/- per Warrant with a right to the Warrant holders to apply for and be allotted 1 (One) Equity Share of the face value of ₹ 10/- (Rupees Ten Only) each of the Company ("Equity Shares") at a premium of ₹ 43/- per share for each Warrant within a period of 18 (Eighteen) months from the date of allotment of the Warrants, for an amount upto ₹ 62,99,99,976/- (Rupees Sixty Two Crores Ninety Nine Lacs Ninety Nine Thousand Nine Hundred and Seventy Six only) to Arunoday Investments Private Limited and M L Dahanukar And Co. Pvt. Ltd. has been approved by way of Special Resolution passed at the Extra-Ordinary General Meeting held on 27<sup>th</sup> November, 2021.
  10. Issue of upto 27,79,297 (Twenty Seven Lacs Seventy Nine Thousand Two Hundred Ninety- Seven) Equity Shares having face value of ₹ 10/- (Rupees Ten) each ("Equity Shares"), to Edelweiss Asset Reconstruction Company Limited ("EARC"), an Asset Reconstruction Company registered under Section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and a Financial Institution within the meaning of sub clause (i-a) of clause (h) of Section 2 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 acting as Trustee of EARC Trust SC233, EARC



## Annexure A to the Directors' Report (Contd.)

- Trust SC241 and EARC Trust SC269 (Non-Promoter), at price of ₹ 53/- per share (including a premium of ₹ 43/- per share), fully paid-up towards conversion of Balance Debt of value ₹ 14,73,02,741/- (Rupees Fourteen Crores Seventy Three Lacs Two Thousand Seven Hundred Forty One only) from outstanding Balance Debt owed to it by the Company into Equity Shares of the Company on preferential basis.
11. The Board of Directors vide Circular resolution dated 23<sup>rd</sup> February, 2022 has allotted 9,66,430 (Nine Lakhs Sixty Six Thousand Four Hundred and Thirty) equity shares having face value of ₹ 10/- each at an issue price of ₹ 15/- each and ₹ 31/- each as applicable to employees of the Company, pursuant to exercise by such employees of the options granted to them under ESOP Scheme 2010 and ESOP Scheme 2012.
  12. The Board of Directors of the Company vide Circular resolution 11<sup>th</sup> March, 2022 has allotted 26,41,509 (Twenty Six Lacs Forty One Thousand Five Hundred and Nine) Equity shares having face value of ₹ 10/- each (Rupees Ten Only) for cash at an issue price of ₹ 53/- per share (including a premium of ₹ 43/- per share) to Arunoday Investments Private Limited, promoter group of the Company upon conversion of 26,41,509 Warrants issued on preferential basis.
  13. Ms. Aparna Praveen Chaturvedi (DIN: 00028647) was re-appointed as Independent Women Director for a second term of 5 years with effect from 31<sup>st</sup> July, 2021 to 30<sup>th</sup> July, 2026.
  14. Mr. Shekhar Singh, resigned as the Company Secretary of the Company with effect from 30<sup>th</sup> September, 2021.
  15. Ms. Priya Dubey, Assistant Company Secretary (ACS 52892) was appointed as the Compliance Officer with effect from 12<sup>th</sup> November, 2021.
  16. Ms. Priya Dubey ceased to be Compliance officer of the Company with effect from 30<sup>th</sup> March, 2022.
  17. Ms. Dipti Todkar was appointed as The Company Secretary and Compliance Officer of the Company with effect from 30<sup>th</sup> March, 2022.

**For Ragini Chokshi & Co.  
(Company Secretaries)**

**Ragini Chokshi  
(Partner)**

**C. P. No. 1436**

**FCS No. 2390**

**UDIN: F002390D000412712**

**Date: 30/05/2022**

**Place: Mumbai**



## 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:

- 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;
- Gravity Liquor Flow systems are installed in all the process areas for lesser consumption of energy; and
- 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 2021-22 as compared to financial year 2020-21 is given herein below:**

Sr. No.	Particulars	Unit	Year ended 31.03.2022	Year ended 31.03.2021
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 2021-22, no capital investment was made by the Company on energy conservation equipments.



## Annexure B to the Directors' Report (Contd.)

### (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 2021-22, neither capital nor revenue expenditure was incurred by the Company on research and development.

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2021-22, the foreign exchange earned in terms of actual inflows was ₹ 355.63 lacs (P.Y. ₹ 421.13 lacs) and the foreign exchange outgo during the financial year 2021-22 in terms of actual outflows was ₹ 895.05 lacs (including repayment of foreign currency loan of subsidiary ₹ 865.87 lacs)(P.Y. ₹ 840.64 lacs including repayment of foreign currency loan of subsidiary ₹ 818.15 lacs).

For and on behalf of the Board of Directors

Place: Mumbai  
Date : May 30, 2022

**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 2021-22 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 2021-22:**

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	15.83	71.52
2	Mrs. Shivani Amit Dahanukar	Non-Executive Director	-	-
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	14.51	-2.02
11	Mr. Ajit Anant Sirsat	Chief Financial Officer	12.56	7.59
12	Mr. Shekhar R Singh	Company Secretary	3.73 (salary + F&F)	134.62 (Mid yr join in 2020)
13	Ms. Dipti Todkar	Company Secretary	NA	NA

*The Non-Executive and Independent Directors were paid only sitting fees during the financial year 2021-22. However Ms. Swapna Shah was also paid advisory fees during the financial year 2021-22.*

*Mr. Shekhar Singh ceased to be the Company Secretary & Compliance officer w.e.f. conclusion of business hours of September 30, 2021.*

*Ms. Dipti Todkar is appointed as the Company Secretary & Compliance officer w.e.f. March 30, 2022.*

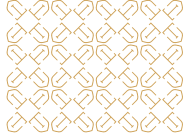
- (ii) **The percentage increase in the median remuneration of employees in the financial year 2021-22:**

The median remuneration of employees in the financial year 2021-22 has increased by 31.66% as compared to the previous year.

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

As on March 31, 2022, there are 273 employees on the rolls of the Company of which 249 are permanent employees.





## Annexure C to the Directors' Report (Contd.)

**(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 12.17% was made in the salaries of employees other than the managerial personnel during the financial year 2021-22, 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 2021-22 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place: Mumbai  
Date : May 30, 2022

**Amit Dahanukar**  
Chairman & Managing Director

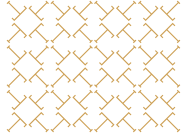
# Annexure E to the Directors' Report

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) Regulations, 2014

Sr. No.	Particulars	ESOP Scheme 2008	ESOP Scheme 2010	ESOP Scheme 2012																																												
1	Date of shareholders' approval	August 6, 2008	September 20, 2010	May 24, 2012																																												
2	Total number of stock options approved (post adjustment of Bonus)	51,36,363	48,46,500	60,00,088																																												
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:																																												
		<table border="1"> <thead> <tr> <th>Date of Grant</th> <th>Minimum Exercise Price (₹)</th> </tr> </thead> <tbody> <tr> <td>July 02, 2009</td> <td>13.33</td> </tr> <tr> <td>January 28, 2010</td> <td>25.00</td> </tr> <tr> <td>June 25, 2010</td> <td>36.67</td> </tr> <tr> <td>August 07, 2010</td> <td>50.00</td> </tr> </tbody> </table>	Date of Grant	Minimum Exercise Price (₹)	July 02, 2009	13.33	January 28, 2010	25.00	June 25, 2010	36.67	August 07, 2010	50.00	<table border="1"> <thead> <tr> <th>Date of Grant</th> <th>Minimum Exercise Price (₹)</th> </tr> </thead> <tbody> <tr> <td>January 15, 2011</td> <td>60.00</td> </tr> <tr> <td>August 01, 2011</td> <td>38.00</td> </tr> <tr> <td>October 21, 2011</td> <td>25.00</td> </tr> <tr> <td>November 11, 2011</td> <td>25.00</td> </tr> <tr> <td>July 05, 2016</td> <td>13.00</td> </tr> <tr> <td>June 14, 2018</td> <td>15.00</td> </tr> <tr> <td>May 27, 2021</td> <td>32.00</td> </tr> <tr> <td>Aug 14, 2021</td> <td>31.00</td> </tr> </tbody> </table>	Date of Grant	Minimum Exercise Price (₹)	January 15, 2011	60.00	August 01, 2011	38.00	October 21, 2011	25.00	November 11, 2011	25.00	July 05, 2016	13.00	June 14, 2018	15.00	May 27, 2021	32.00	Aug 14, 2021	31.00	<table border="1"> <thead> <tr> <th>Date of Grant</th> <th>Minimum Exercise Price (₹)</th> </tr> </thead> <tbody> <tr> <td>May 28, 2012</td> <td>42.00</td> </tr> <tr> <td>February 04, 2013</td> <td>60.00</td> </tr> <tr> <td>May 30, 2013</td> <td>45.00</td> </tr> <tr> <td>May 26, 2014</td> <td>46.00</td> </tr> <tr> <td>July 05, 2016</td> <td>13.00</td> </tr> <tr> <td>June 14, 2018</td> <td>15.00</td> </tr> <tr> <td>Aug 14, 2021</td> <td>31.00</td> </tr> </tbody> </table>	Date of Grant	Minimum Exercise Price (₹)	May 28, 2012	42.00	February 04, 2013	60.00	May 30, 2013	45.00	May 26, 2014	46.00	July 05, 2016	13.00	June 14, 2018	15.00	Aug 14, 2021	31.00
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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																																												
8	Number of stock options outstanding at the beginning of the period	Nil	10,67,030	26,82,586																																												

## Annexure E to the Directors' Report (Contd.)

Sr. No.	Particulars	ESOP Scheme 2008	ESOP Scheme 2010	ESOP Scheme 2012
9	Number of stock options granted during the year	Nil	24,38,500	17,75,000
10	Number of stock options forfeited/ lapsed/ cancelled during the year	Nil	3,44,777	5,67,448
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	5,36,771	14,39,080
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	78,42,365	2,15,59,800
15	Loan repaid by the Trust during the year from exercise price received		Not Applicable	
16	Number of stock options outstanding at the end of the year	Nil	26,23,982	24,51,058
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 : 28,70,000			
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	





## Annexure E to the Directors' Report (Contd.)

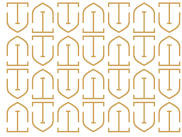
Sr. No.	Particulars	ESOP Scheme 2008	ESOP Scheme 2010	ESOP Scheme 2012
25	Weighted-average exercise prices and weighted-average fair values of stock options, separately for stock options whose exercise price either equals or exceeds or is less than the market price of the stock		Refer Note 32 of the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

In accordance with the provisions of Regulation 13 of the SEBI (Share Based Employee Benefits) Regulations, 2014, a certificate from M/s. Harshil Shah & Company, Statutory Auditors of the Company shall be placed before the Members at the 87<sup>th</sup> Annual General Meeting.

For and on behalf of the Board of Directors

**Amit Dahanukar**  
Chairman & Managing Director

Place: Mumbai  
Date : May 30, 2022



# Annexure F to the Directors' Report

## Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2021-2022

### [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 ZillaParishad 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;

## Annexure F to the Directors' Report (Contd.)

- 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.

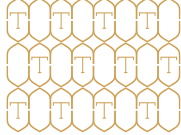
Details of the CSR projects, programs or activities undertaken by the Company during the financial year 2021-22 are provided under the 'Corporate Social Responsibility' Section of the Directors' Report forming part of the Annual Report.

## 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	1	1
2	Dr. Ravindra Bapat	Member	1	Nil
3	Mr. C.V. Bijlani	Member	1	1
4	Ms. Swapna Shah	Member	1	1
5	Ms. Aparna Praveen Chaturvedi	Member	1	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/>





## Annexure F to the Directors' Report (Contd.)

### 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 ₹ 4,354.83 lacs

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 87.10 lacs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NA

(c) Amount required to be set off for the financial year, if any: ₹ 44.83 lacs

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 42.27 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	Date of transfer	Name of the Fund	Amount	Date of transfer
46.85	Nil	-	-	Nil	-

(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										

## Annexure F to the Directors' Report (Contd.)

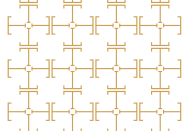
(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(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	3.20	No	Shrimati Malti Dahanukar Trust	CSR00013822
2	Healthcare Treatment/ Sponsorship and Awareness camps	Promoting preventive health care & Sanitation	Yes	Maharashtra	Ahmednagar	16.60	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	2.30	Yes	Direct	Not Applicable
4	Sports and fitness to engage the unemployed youth		Yes	Maharashtra	Ahmednagar	3.78	No	Shrimati Malti Dahanukar Trust	CSR00013822
5	Waste management, tree plantation and organic production	Ensuring environmental sustainability	Yes	Maharashtra	Ahmednagar	8.90	Yes (Direct & Through implementing Agency)	Direct & Shrimati Malti Dahanukar Trust	CSR00013822
6	Animal welfare centre		Yes	Maharashtra	Ahmednagar	12.07	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: Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 46.85 lacs
- (g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (₹ in lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	87.10
(ii)	Total amount spent for the Financial Year	46.85
(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	44.83
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL



## Annexure F to the Directors' Report (Contd.)

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 ₹)	Amount spent in the reporting Financial Year (in ₹)	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).- Not Applicable

For and on behalf of the Board of Directors

For and on behalf of the CSR Committee

**Amit Dahanukar**  
Chairman & Managing Director

**Shivani Amit Dahanukar**  
Chairperson – CSR Committee

Place: Mumbai  
Date: May 30, 2022



# Annexure 1 – CSR

## CSR Activity Report presented by Shrimati Malti Dahanukar Trust

### 1. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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 Nations (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 during the financial year 2021-22 are as follows:

#### 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 Based 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.

Balwarg – 0 students - Started Balwarg in the year – 2015.

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

DVT Primary – 31 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 – 112 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.

#### 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 1000 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 Shrirampur, Loni hospital and outreach centers among different villages around Shrirampur. 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 1000 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 2021-22 12 villages benefited from these outreach centers.

- Total, 886 beneficiaries are registered over the past one year.
- an average 51 children and pregnant women visit the clinic on a monthly basis. Cooking demonstrations are also conducted on a weekly basis.
- 150 Pregnant mother benefited through 12 pregnancy club.
- a total of 53 new pregnant mothers registered.
- 603 phone calls done for counseling and follow up of beneficiaries.
- 1032 home visits were done for various health awareness and for anthropometric measurement of mother and children.

#### a) Community nutrition raising activities

In addition to the Mother and Child Nutrition Centers, outreach activities viz. Nutrition cooking demonstrations, health videos screening, talks, celebration of National Nutrition Week and World Breastfeeding Week etc. have been conducted during the financial year 2021-22 to raise awareness regarding maternal and child health among different villages and areas in and around the plant of the Company in Shrirampur.

- 963 beneficiaries benefitted in 12 cooking demos and
- 451 beneficiaries benefitted though 44 monthly activities.
- 305 beneficiaries benefitted through 7 breastfeeding awareness activities in breast feeding week celebrated in the First week of August.
- 351 beneficiaries benefitted through 9 Nutrition awareness activities during nutrition month celebrated in the Month of September.



## Annexure 1 – CSR (Contd.)

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

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, 268 children benefited from nutrition counseling and 79 lactating mothers benefited through breastfeeding counseling.

### c) Training on "First 1000 days – Maternal & Child Nutrition"

The health and nutrition team successfully completed 10 training programs for 999 government frontline workers and NGO staff at various locations, in partnership with Action Against Hunger – India, Shamlaji Trust, Tata Trust, Gokul Trust and Ashankur.

#### i. Community kitchen

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

**Community kitchen-** Serving food for DVT School – 0 students

2) **TI Canteen** - 36987 plates served - These peoples are TI permanent workers and contract labors . Food Menu Dal – Rice, Masale bhat and Bhaji - Rice

#### ii. Supply of R.O water

The Company supplies safe drinking (R.O) water to various wadis. **Total 8500000** Litres water distributed among 8 places like Dighi road, Girame wasi, Eklahare, Ranjankhol, Labor colony, Khandagale wasti, Factory and Staff colony. Daily 25000 Litres water distributed to those wadis.

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

The Company continues to support training of the sports faculty of schools, distribution of sports equipment, maintenance of playgrounds at Zilla Parishad (ZP) schools and conducting various inter village matches in order to

develop sports talent that lies hidden in the villages. 3960 students benefited from this program that covered 36 ZP schools and Krida Mandal 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 "Krida Mandal" 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 .

1. 4014 children from the neighboring villages were inducted in our sports outreach program.
2. 35 sports outreach centers have been initiated in the Rahata and Shirampur taluka.
3. We have captured feedback videos from teachers, parents and krida mandal students to know their thoughts about our sports related activity and programs.
4. We are continually posting a sports related knowledge video into the ZP teacher's group on a daily basis.
5. Increase in participation of girls.
6. Initiate online sports training sessions for ZP teachers.
7. We are engaging students in physical activity so that they will stay away from bad habits like smoking, tobacco, etc.
8. All sports competition participation pre-practice.
9. Enrolment and training for taluka and District level new 50 students.
10. DVT school - Teaching work.
11. We also started Krida Mandal where approximately 220 youth are engaged in our sports development program.
12. Once in a year we organize sports events in which around 10 teams of approx. 120 students participate.
13. Every year we organize Inter-wadi sports event competition where we have 900-1200 students in this event.

### Impact / Difference in students due to sport program (2021-22)

Free Equipments and Sport Training by certified coaches

Maximized participation of Girls

## Annexure 1 – CSR (Contd.)

Interests developed

Underprivileged student benefited and helps them to stay out of tobacco and diversion in wrong career paths

Attendance maximized due to play.

Development from sport goes beyond learning new physical skills. Sport helps children develop better ways to cope with the highs and lows of life.

When they are playing sports, children learn to lose. Being a good loser takes maturity and practice.

Losing teaches children to bounce back from disappointment, cope with unpleasant experiences and is an important part of becoming resilient.

Playing sport helps children learn to control their emotions and channel negative feelings in a positive way. It also helps children to develop patience and understand that it can take a lot of practice to improve both their physical skills and what they do in school.

### Environment Conservation

The Company believes in organic and sustainable farming and grows sugarcane, wheat fruits, vegetables – cabbage and chilly, maize, ginny grass, jowar grass, Bajara, sweet corn and lasun grass, strawberry in its land grounds besides maintaining a flower and show plant nursery. Additionally, with support of the in-house school students and the Company's employees, various tree plantations of more than 570 plantation drives were undertaken during the year under review. Kitchen garden activities for 30 families for Anemia free Bharat.

- We made Miyawaki Forest method for 570 trees at Tilakpark area
  - For fodder purpose - 144920 KG fodder - Maize, Ginny grass, Jawar, Bajara, Sugarcane, Wheat and grass
  - For cash crop – sugarcane, fruits, vegetables, Nursery, sweet corn, Strawberry and wheat,
  - Waste management – not working

- Tree plantation – 570 nos. Miyawaki Forest
- Fodder production KG (Maize, Ginny grass, Jawar, Sugarcane, lasun grass and Bajara )
- Kitchen garden activities for 72 families for Anemia free Bharat.
- Training to farmers – 0

### Arunodaya Sanskriti Pratishthan

- The Arunodaya Sanskriti Pratishthan Institute launched, with an aim of reviving the Indian culture and study of Vedas, organized workshops.
- Arunodaya Institute was launched on February 19, 2017.

### Achievements:

- Mask making activity – Total masks 6500 nos .

### Waste management, tree plantation and organic production

The Company believes in organic and sustainable farming and grows sugarcane, wheat fruits, vegetables – cabbage and chilly, maize, ginny grass, jowar grass, Bajara, sweet corn and lasun grass, strawberry in its land grounds besides maintaining a flower and show plant nursery. Additionally, with support of the in-house school students and the Company's employees, various tree plantations of more than 100 tree 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 – not working

Tree plantation – 100 nos.

Fodder production 141560 KG (Maize, Ginny grass, Jawar, Sugarcane, lasun grass and Bajara )

Kitchen garden activities for 30 families for Anemia free Bharat.





## Annexure 1 – CSR (Contd.)

Training to farmers – 0

Distributed Grocery to 500 families (Rice, Dal, Peanuts, cooking oil, Rawa And spices)

Distributed Vegetable – 607 kgs nearby Tilaknagar families (Potato and onion)

Special chapter on Maharashtrian Food culture and its nutrition aspects by Ms. Deepali Fargade get printed in National level book named –Indian Food Anthropology by Ms. Vanisha Nambiar

2 Anganwadi workers, who were trained by Dr. Rupal and SMDT Team in 2017 in the remotest areas of Melghat, received a Poshan Award from the Vice President of India

Inhouse 12350 masks were stitched by the bachat ghats & distributed 1700 nos. free of cost

### **Animal Welfare Center**

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 Report

### ABOUT THIS REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the "Business Responsibility Report" (BRR) of the Company for the financial year 2021-22 forming part of this Annual Report is as follows:

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number	L15420PN1933PLC133303
2. Name of the Company	Tilaknagar Industries Ltd.
3. Registered address	P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Shrirampur-413 720
4. Website	www.tilind.com
5. E-mail id	investor@tilind.com
6. Financial Year reported	2021-22
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturing (Main Activity Group Code-C)
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	Indian Made Foreign Liquor, Extra Neutral Alcohol
9. Total number of locations where business activity is undertaken by the Company	A) Number of International Locations - 0 B) Number of National Locations - 16
10. Markets served by the Company	Local, State, National and International Markets

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (₹ in lacs):	15,862.18
2. Total Turnover (₹ in lacs):	1,78,805.91
3. Total profit/(loss)after taxes (₹ in lacs):	2,907.02
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) / ₹ :	₹ 46.85 lacs
5. List of activities in which expenditure in 4 above has been incurred:-	Refer the Annexure 'F' to the Directors' Report

### SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has 8 Subsidiary Companies as on March 31, 2022: <ul style="list-style-type: none"> <li>- Prag Distillery (P) Ltd. – <i>Under Liquidation</i>;</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; and</li> <li>- Shivprabha Sugars Ltd.</li> </ul>
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## Annexure G to the Directors' Report (Contd.)

2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s) No
3. Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%] No

### SECTION D: BR INFORMATION

#### 1. Details of Director/Directors responsible for BR:

- a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

1	DIN	00305636
2	Name	Mr. Amit Dahanukar
3	Designation	Chairman & Managing Director

- b) Details of the BR head:

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	00305636
2	Name	Mr. Amit Dahanukar
3	Designation	Chairman & Managing Director
4	Telephone Number	+ 91 22 2283 1716 / 18
5	E-mail id	investor@tilind.com

#### 2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

Principle 1:	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2:	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3:	Businesses should promote the wellbeing of all employees
Principle 4:	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5:	Businesses should respect and promote human rights
Principle 6:	Businesses should respect, protect, and make efforts to restore the environment
Principle 7:	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8:	Businesses should support inclusive growth and equitable development
Principle 9:	Businesses should engage with and provide value to their customers and consumers in a responsible manner



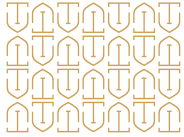
## Annexure G to the Directors' Report (Contd.)

### a) Details of compliance (Reply in Y/N):

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The spirit and content of the code of conduct and the applicable laws are captured in the policies framed by the Company. The Company believes that these policies are adequately addressing the above principles, as far as practicable and the policies are open for amendments as and when felt necessary.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?	The Board has approved and adopted the Business Responsibility Policy on the basis of recommendation of the CSR Committee. Apart from the policies mandated under the Companies Act, 2013 ("the Act") and the SEBI (LODR) Regulations, 2015, and same are signed by the Chairman & Managing Director.								
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="https://tilind.com/codes-and-policies/">https://tilind.com/codes-and-policies/</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Yes, the Whistle Blower and Policies provide a platform to the stakeholders to report any concerns or grievances pertaining to any potential or actual violation of declared policies and principles of the Company.								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	Y	N	Y	N	Y	N

### b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options):

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-



## Annexure G to the Directors' Report (Contd.)

### 3. Governance related to BR

- a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**

Annually.

- b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Published Business Responsibility Report annually as part of the Annual Report. The same is displayed on the website of the Company i.e. <https://tilind.com/others/>

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### Principle 1- Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs /Others?**

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.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

No stakeholder complaints were received during the financial year 2021-22 on the conduct of business involving ethics, transparency and accountability.

#### Principle 2- Product Responsibility

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities:**

The Company has been incorporating social, environmental concerns and risks symbols on its product labels of Mansion House Brandy, Courier Napoleon Brandy-Green, Courier Napoleon Brandy-Red and Mansion House Whisky. The Company is fully aware of its responsibility as a growth promoter and is continuously engaged with the stakeholders for the growth of all concerned.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- a. **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

The Company is conscious of its resources requirements and continuous effort is being made to reduce the resources inputs like water, electricity, fuel and raw materials in all its manufacturing locations.

Use of returnable and recyclable packing solutions for most of the products has been a key initiative to manage cost and quality, reduce material use and avoid waste generation.

- b. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The Corporate office was shut for some time during the year 2021-22 due to covid. This has reduced the natural resources consumption. Adequate natural resources conservation methods are implemented by the Company at factory level.

## Annexure G to the Directors' Report (Contd.)

### 3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

#### a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

All the manufacturing activities are undertaken in a way to ensure continuous reduction in raw material wastage and improve product yield. The Company continually works with its vendors and suppliers to reduce the environmental impacts of sourcing. Significant measures have been taken to reduce the packaging impacts in the supply chain by using recycled/returnable packaging solutions for various components sourced.

### 4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

#### a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company procures goods from small scale industries and small producers including from communities surrounding its place of work.

### 5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, we have adequate treatment & recycle system comprising of Biogas Digesters, Disc Tube Reverse Osmosis System, followed by Multiple Effect Evaporators and Incineration at our plant situated at Tilaknagar, Shirampur.

## Principle 3- Wellbeing of Employees

1. Please indicate the Total number of employees: 273

2. Please indicate the Total number of employees hired on temporary/ contractual/casual basis: 4

3. Please indicate the Number of permanent women employees: 23

4. Please indicate the Number of permanent employees with disabilities: 0

5. Do you have an employee association that is recognized by Management: No

6. What percentage of your permanent employees is members of this recognized employee association: NIL

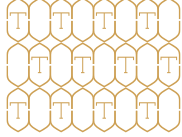
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

A	Permanent Employees	82%
B	Permanent Women Employees	75%
C	Casual/Temporary/Contractual Employees	88%
D	Employees with Disabilities	Not Applicable (as there are no employees with disabilities at present)





## Annexure G to the Directors' Report (Contd.)

### Principle 4- Responsiveness to Stakeholders

**1. Has the Company mapped its internal and external stakeholders? Yes/No:**

Yes, the Company has mapped its internal and external stakeholders, the major/key categories viz. shareholders, customers, employees, vendors, suppliers, media, financial institutions/ banks, Central and State Govt./regulatory authorities.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Yes, through the Company's CSR activities the disadvantaged, vulnerable & marginalized stakeholders are identified.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

The Company's CSR programmes and projects are committed towards serving the socio-economically backward and disadvantaged communities with an aim of improving the quality of their lives. The Company, in fulfilment 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.

Further, the Company had also taken initiatives such as empowerment of women, senior citizens, differently abled and socially and economically backward section of society, promoting preventive healthcare, sanitation and making available safe drinking water facilities and animal welfare projects under its CSR programs.

### Principle 5: Human Rights

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Business Responsibility Policy covers the aspects on Human Rights for the Company. The Company also respects the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No complaints were received for human rights violation during the reporting period.

### Principle 6- Environmental Responsibility

**1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The Company's CSR policy extends to all units and locations of the Company and its subsidiaries/tie-up/leased units in service to the business and the Company.

**2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

No.

**3. Does the Company identify and assess potential environmental risks? Y/N**

Yes.

## Annexure G to the Directors' Report (Contd.)

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

No.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.**

No.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, the Company is in compliance within the prescribed permissible limits as per CPCB/SPCB for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil.

### Principle 7- Public Policy Advocacy

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is Member of Association for Distilleries and IMFL Manufacturers in the state of Andhra Pradesh, Telangana, Karnataka and Maharashtra.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

The Company scrupulously follows the guidelines of respective State Government for labels to be affixed on its products, which carry messages about consumption of Alcohol as per the requirements. These are mainly for public good. For e.g. messages "Consumption of Alcohol is Injurious to Health" and "Be Safe Do not Drink and Drive", are also mentioned on the label in local vernacular languages as per the requirement.

### Principle 8- Inclusive Growth and Equitable Development

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

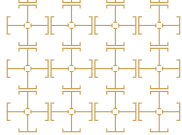
Corporate Social Responsibility (CSR) is a strategy of a Company to integrate social, environmental and economic concerns in its values and operations to improve the welfare of society and stakeholders.

2. **Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?**

The Company's CSR initiatives are implemented through internal team as well as in partnership with Non-Governmental Organisations (NGOs). The other training & development initiatives are also implemented through internal team as well as with other external subject matter experts.

3. **Have you done any impact assessment of your initiative?**

Periodic review is done on the CSR activities carried out during the financial year 2021-22, by the Company.



## Annexure G to the Directors' Report (Contd.)

**4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

Amount spent for undertaking CSR initiatives is ₹ 46.85 lacs, during the financial year 2021-22, details of the same are given in 'Annexure F' of the Directors' Report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes, the CSR initiative undertaken by the Company focuses on community participation, empowerment and community development.

### Principle 9-Engagement with Customers

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

The Company had received approximately 31 Consumer Complaints in the financial year 2021-22 and all of them were addressed and resolved.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

Yes, the Company adheres to all the statutory product labelling requirement and display the product information.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No.

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

Yes, the Company regularly conducts the consumer survey.

# 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, 2022

[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, 2022, 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. 41 of the standalone financial statements.

Same observations have been given with respect to Note No. 42 of the consolidated financial statements.

**Board's response:** The Company expects to restart the grain distillery plant during the financial year 2022-23 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 standalone financial statements:**

The National Company Law Tribunal ("NCLT") has ordered for liquidation of Prag Distillery (P) Ltd ("Prag") wholly owned subsidiary of the Company, vide its order No. MA 309/2018 in CP1067/ 2017 dated July 26, 2018. However, the Company has not made impairment provision for equity investment of ₹ 1,543.35 lacs in Prag as required by Indian Accounting Standard (Ind AS 36) 'Impairment of assets'. Reference is invited to note no. 44 of the standalone financial statements.

**Board's response:** The National Company Law Tribunal ("NCLT") had ordered for liquidation of Prag Distillery (P)

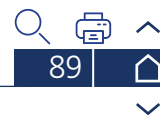
Ltd. ("Prag"), wholly owned subsidiary of the Company, as a going concern in 2018-2019. A liquidator had been appointed to manage the affairs of Prag. The outstanding dues of Standard Chartered Bank and DCB Bank have been settled and no dues certificates have also been received. Following NCLT's approval, Prag has entered into a lease agreement with the Company and the operations are expected to restart soon after completion of the necessary statutory formalities. The impairment, if any, of the equity investment in Prag will be considered on outcome of the liquidation process as the case may be.

**iii. 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 28, 2022 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 of the Financial Statements which states that the Company has incurred capital expenditure of ₹ 10,021.69 lacs as at March 31, 2022 on expansion project ('the Project') grouped under the head capital work in progress. Work on the said project has been suspended and has not been completed since many years. Further the Building, Plant and Equipment aggregating ₹ 804.75 lacs has remained idle due to shut down of the Plant. The Company has not tested the said project, Building, Plant and Equipment ('Tangible assets') for impairment loss as per Ind AS 36 - Impairment of Assets. In absence of sufficient audit evidence, we were unable to determine the amount of impairment in the value of project and Tangible assets.
- We draw attention to note no. 35 of the financial statements which states that there are unsecured overdue trade receivables of ₹ 586.55 lakhs from Andhra Pradesh Beverage Corporation Ltd and unsecured advances given to suppliers of ₹ 210.99 which are long overdue and doubtful of recovery.





## Annexure 'H' to the Directors' Report (Contd.)

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 and 35 of Prag as described above is reproduced as note no. 45 and 46 to the consolidated audited financial statements respectively.

### Board's response:

- The National Company Law Tribunal ("NCLT") had ordered for liquidation of Prag Distillery (P) Ltd. ("Prag"), wholly owned subsidiary of the Company, as a going concern in 2018-2019. A liquidator had been appointed to manage the affairs of Prag. The outstanding dues of Standard Chartered Bank and DCB Bank has been settled and no dues certificates have also been received. Hence, the accounts of Prag have been prepared on a going concern basis. The impairment, if any, of the capex project undertaken by Prag in earlier years of ₹ 10,021.69 lacs and of the existing Building, Plant and Equipment of Prag will be considered on outcome of the liquidation process as the case may be, as the recoverable value is not currently ascertainable. Following NCLT's approval, Prag has entered into a lease agreement with the Holding Company and the operations are expected to restart soon after completion of the necessary statutory formalities.
- 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 mainly given

for the expansion of Prag capacity and the same would be capitalised as soon as the entire licence fees are paid and the plant become operational at expanded capacity.

### iv. Auditors' observations under paragraph c of 'Basis for Qualified Opinion' of the Auditors' Report to the standalone financial statements:

PunjabExpo Breweries Private Ltd (the "PunjabExpo") a wholly owned subsidiary of the Company has incurred net loss during the year and due to accumulated losses the net-worth is negative. Despite adverse financial condition the Management has not recognised provision for impairment in equity investment of ₹ 2,680.40 lacs and loans/ advances given of ₹ 3,611.76 lacs to PunjabExpo as required by Indian Accounting Standard (Ind AS 36) Impairment of Assets. Reference is invited to note no. 43 of the standalone financial statements.

**Board's response:** The net worth of PunjabExpo Breweries Private Limited ("PunjabExpo"), a subsidiary of TI, has been eroded and has incurred net loss during the current year. However, the parent company is actively exploring the possibility of entering into northern markets where PunjabExpo will be one of the major sources of supply. It is also in talks with other brand owners to enter into bottling arrangements for the said brand owners. This would significantly improve the capacity utilisation and have favourable impact on the profitability of PunjabExpo. Moreover, PunjabExpo is also in the process of rationalization of its administrative overheads. In order to repose faith in PunjabExpo, during the current year, TI has subscribed to rights issue of 1,60,00,000 shares of ₹ 10 each of PunjabExpo thereby further improving the net worth of the company. 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 management believes that no provision for impairment in equity investment and loans & advances given is required.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : May 30, 2022

**Amit Dahanukar**  
Chairman & Managing Director

# Corporate Governance Report

The Report on Corporate Governance for the financial year ended March 31, 2022 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 & distribution of wealth 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, 2022 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, 2022, 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/>.



## Corporate Governance Report (Contd.)

**Composition of the Board along with the number of other Directorships/Committee positions held as on March 31, 2022 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>Non-Independent, Executive Directors</b>						
Mr. Amit Dahanukar Chairman & Managing Director	00305636	8	Nil	Nil	Nil	Nil
Mr. C.R.Ramesh Whole-time Director	08876738	Nil	Nil	Nil	Nil	Nil
<b>Non-Independent, Non-Executive Directors</b>						
Mrs. Shivani Amit Dahanukar	00305503	8	Nil	Nil	Nil	Nil
Ms. Swapna Shah	08807901	Nil	Nil	Nil	Nil	Nil
<b>Independent, Non-Executive Directors</b>						
Dr. Ravindra Bapat	00353476	1	1	Nil	Nil	Nil
Mr. C.V. Bijlani	02039345	2	Nil	1	Nil	Nil
Mr. Kishorekumar G. Mhatre	07527683	1	1	Nil	Nil	Nil
Mr. Satish Chand Mathur	03641285	5	Nil	Nil	Indiabulls Housing Finance Limited JBF Industries Limited	Independent, Non-Executive Director Independent, Non-Executive Director
Maj Gen Dilawar Singh (Retd.)	08216047	Nil	Nil	Nil	Nil	Nil
Ms. Aparna Praveen Chaturvedi**	00028647	2	1	1	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.

\*\* Re-appointed as an Independent Woman Director of the Company w.e.f. July 31, 2021.

# 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 across other public 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. None of them

## Corporate Governance Report (Contd.)

is a Whole-time Director /Managing Director in any listed company and serving as an Independent Director in more than 3 listed companies.

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 6 times during the financial year 2021-22 as per details given below:

- (i) May 29, 2021;
- (ii) August 14, 2021;
- (iii) November 01, 2021;
- (iv) November 12, 2021;
- (v) February 09, 2022; and
- (vi) March 30, 2022

**The attendance of the Directors at the Board Meetings held during the financial year 2021-22 and the last Annual General Meeting held on September 30, 2021 are as follows:**

Name of the Director	Category	Attendance at the Meetings held during FY 2021-22	
		Board Meetings	Annual General Meeting
Mr. Amit Dahanukar	Chairman & Managing Director	6	Yes
Mr. C. R. Ramesh	Executive Director	6	Yes
Mrs. Shivani Amit Dahanukar	Non-Executive Director	4	Yes
Ms. Swapna Shah	Non-Executive Director	5	Yes
Dr. Ravindra Bapat	Independent Director	1	No
Mr. C.V. Bijlani	Independent Director	6	Yes
Mr. Kishorekumar G. Mhatre	Independent Director	6	Yes
Mr. Satish Chand Mathur	Independent Director	6	Yes
Maj Gen Dilawar Singh (Retd.)	Independent Director	6	Yes
Ms. Aparna Praveen Chaturvedi*	Independent Woman Director	5	Yes

\* Re-appointed w.e.f. July 31, 2021

To enable the Board to discharge its responsibilities effectively and take informed decisions, comprehensive agenda 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:

- a. accomplishment of the Company's mission, objectives and strategic results for which the Executive Director is responsible;
- b. adherence by Executive Director to operational policies approved by the Board;





## Corporate Governance Report (Contd.)

- c. ability to contribute to and monitor Company's Corporate Governance practices;
- d. ability to contribute by introducing best practices to address top-management issues;
- e. active participation in long-term strategic planning; and
- f. commitment to the fulfillment of their obligations and fiduciary responsibilities (including participation and attendance at the Board/Committee 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 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 of the Company, is under contract of employment with the Company for a period of 3 years commencing from November 07, 2020 and ending on November 06, 2023. The service contract of Mr. Amit Dahanukar can be terminated by either party by giving 6 months' notice in writing or 6 months' salary in lieu thereof respectively. No severance fees is payable to him on termination of the service contract. During the financial year 2021-22, Mr. Amit Dahanukar was paid remuneration in accordance with the approval of Members from November 07, 2020.

### Remuneration paid to the Directors for the financial year 2021-22 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	55.97	2.88	Nil
Mr. C.R. Ramesh	Executive Director	26.62	1.43	3.00
Mrs. Shivani Amit Dahanukar	Non-Executive Director	Nil	Nil	3.35
Ms. Swapna Shah	Non-Executive Director	18.00 <sup>^</sup>	Nil	5.25
Dr. Ravindra Bapat	Independent Director	Nil	Nil	0.75
Mr. C.V. Bijlani	Independent Director	Nil	Nil	7.60
Mr. Kishorekumar G. Mhatre	Independent Director	Nil	Nil	6.75
Mr. Satish Chand Mathur	Independent Director	Nil	Nil	3.35
Maj Gen. Dilawar Singh (Retd.)	Independent Director	Nil	Nil	5.25
Ms. Aparna Praveen Chaturvedi*	Independent Woman Director	Nil	Nil	3.75

<sup>^</sup> Consultancy fees (holding office in place of profit) was paid during the financial year 2021-22

\* Re-appointed w.e.f. July 31, 2021

Apart from the above remuneration, gratuity and leave encashment are payable to the Chairman & Managing Director as per rules of the Company. During the financial year 2021-22, no performance linked incentives were paid to the Directors of the Company.

Apart from the remuneration drawn by Mr. Amit Dahanukar from the Company, he is also drawing remuneration of ₹ 450 Lacs per annum from PunjabExpo Breweries Private Limited, subsidiary company.

## Corporate Governance Report (Contd.)

Mrs. Shivani Amit Dahanukar, Non-Executive Director is drawing remuneration of ₹ 300 Lacs per annum from PunjabExpo Breweries Private Limited, 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, 2022	As on March 31, 2021	As on March 31, 2022	As on March 31, 2021
Mr. Amit Dahanukar	Chairman & Managing Director	29,844,552	29,844,552	Nil	Nil
Mr. C. R. Ramesh	Whole-time Director	99,700	4,200	40,000	1,60,000
Mrs. Shivani Amit Dahanukar	Non-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	20,000	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 Woman Director	Nil	Nil	Nil	Nil

\* Re-appointed w.e.f. July 31, 2021

Since the Companies Act, 2013 prohibits grant of ESOPs to the Independent Directors, no ESOPs were granted to them during the financial year 2021-2022.

### 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/>.

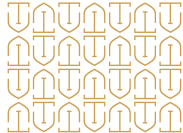
In accordance with the provisions of Regulation 26(3) of the Listing Regulations, all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the said Code of Conduct for the financial year ended March 31, 2022. A declaration to this effect signed by Mr. Amit Dahanukar, 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' formulated in accordance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 had been amended on August 09, 2019 and November 14, 2019 to comply with the provisions of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019. 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



## Corporate Governance Report (Contd.)

Independent Directors, chaired by Mr. C.V. Bijlani, was held on February 09, 2022, 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.

### 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/>.

### The composition of the Audit Committee as on March 31, 2022 and attendance of the Committee Members at the Audit Committee Meetings held during the financial year 2021-22 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.	4
Dr. Ravindra Bapat	Member	M.S., M.B.A., F.I.S.C.	Nil
Mr. Kishorekumar G. Mhatre	Member	LL.B.	4
Ms. Swapna Shah	Member	M.B.A., IBM	4

The Chairman & Managing Director, Chief Financial Officer, Internal Auditors and Statutory Auditors 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 September 30, 2021.

### 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;

### 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, 2022 having knowledge/expertise in the areas of accounting/financial management.

The Audit Committee met 4 times during the financial year 2021-2022 as per details given herein below:

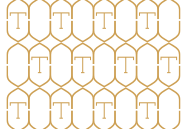
- (i) May 29, 2021;
- (ii) August 14, 2021;
- (iii) November 12, 2021; and
- (iv) February 09, 2022.

- 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;

## Corporate Governance Report (Contd.)

- 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 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.





## Corporate Governance Report (Contd.)

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, 2022.

The Stakeholders Relationship Committee met 4 times during the financial year 2021-22 as per the details given herein below:

- (i) May 29, 2021;
- (ii) August 14, 2021;
- (iii) November 12, 2021 and
- (iv) February 09, 2022.

The 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, 2022 and attendance of the Committee Members at the Stakeholders Relationship Committee Meetings held during the financial year 2021-22 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	Nil
Ms. Aparna Praveen Chaturvedi	Member	3
Maj Gen Dilawar Singh (Retd.)	Member	4

Mr. C.V. Bijlani, Chairman of the Stakeholders Relationship Committee, attended the Annual General Meeting of the Company held on September 30, 2021.

The terms of reference of the Committee are as follows:

- i. overseeing the performance of the Registrar and Share Transfer Agents;
- ii. 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.;
- iii. review of measures taken for effective exercise of voting rights by shareholders;
- iv. review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- v. 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
- vi. resolving any other grievances of the security holders.

## Corporate Governance Report (Contd.)

**Statement of various complaints received and resolved during the financial year 2021-22 is as follows:**

Nature of Complaint	Opening balance as on April 01, 2021	Received during the year	Resolved during the year	Closing balance as on March 31, 2022
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	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</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, 2022.

The Nomination and Remuneration Committee met 4 times during the financial year 2021-22 as per the details given herein below:

- (i) May 29, 2021;
- (ii) November 12, 2021;
- (iii) February 09, 2022; and
- (iv) March 30, 2022.

**The composition of the Nomination and Remuneration Committee as on March 31, 2022 and attendance of the Committee Members at the Nomination and Remuneration Committee Meeting held during the financial year 2021-22 are as follows:**

Name of the Member	Designation	No. of Meetings attended
Mr. C.V. Bijlani	Chairman	4
Dr. Ravindra Bapat	Member	Nil
Mr. Kishorekumar G. Mhatre	Member	4
Maj Gen Dilawar Singh (Retd.)	Member	4

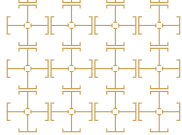
The Company Secretary is the Secretary to the Committee. Mr. C.V. Bijlani, Chairman of the Nomination and Remuneration Committee, attended the Annual General Meeting of the Company held on September 30, 2021.

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



## Corporate Governance Report (Contd.)

- 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. identifying 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

## Corporate Governance Report (Contd.)

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.





## Corporate Governance Report (Contd.)

### 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/>.

**The composition of the CSR Committee as on March 31, 2022 and attendance of the Committee Members at the CSR Committee Meeting held during the financial year 2021-22 are as follows:**

Name of the Member	Designation	No. of Meetings attended
Mrs. Shivani Amit Dahanukar	Chairperson	1
Mr. C.V. Bijlani	Member	1
Dr. Ravindra Bapat	Member	Nil
Ms. Swapna Shah	Member	1
Ms. Aparna Praveen Chaturvedi	Member	1

The terms of reference of the CSR Committee are as follows:

- i. 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;
- ii. 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);
- iii. to ensure that the activities as are included in CSR Policy of the Company are undertaken by the Company;
- iv. 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/

### 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, 2022.

The Committee met once during the financial year 2021-22 on August 14, 2021.

The Company Secretary is the Secretary to the Committee.

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.

Pursuant to the recent amendments in the CSR Regulations, the Company has amended its CSR Policy. The Company has uploaded the CSR Policy and the Annual Report on CSR Activities for the financial year 2021-2022 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, 2022.

## Corporate Governance Report (Contd.)

The Committee met twice during the financial year 2021-2022 on May 27, 2021 and August 14, 2021.

**The composition of the Compensation Committee as on March 31, 2022 and attendance of the Committee Members at the Compensation Committee Meetings held during the financial year 2021-22 are as follows:**

Name of the Member	Designation	No. of Meetings attended
Dr. Ravindra Bapat	Chairman	Nil
Mrs. Shivani Amit Dahanukar	Member	2
Mr. Kishorekumar G. Mhatre	Member	2
Ms. Swapna Shah	Member	2

**The Board of Directors re-constituted the Compensation Committee in its Meeting held on May 30, 2022 as under:**

Name of the Member	Designation
Mr. C.V. Bijlani	Chairman
Dr. Ravindra Bapat	Member
Mr. Kishorekumar G. Mhatre	Member
Ms. Swapna Shah	Member

The Company Secretary is the Secretary to the Committee.

The terms of reference of the Committee are as follows:

- granting of Stock Options to the eligible employees;
- ascertaining the detailed terms and conditions for such grants;
- administering the Employee Stock Option Schemes of the Company; and

- 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 2021-2022 as per the details given herein below:

- May 18, 2021;
- August 07, 2021;
- November 01, 2021; and
- February 01, 2022.

**The composition of the Risk Management Committee as on March 31, 2022 and attendance of the Committee Members at the Risk Management Committee Meetings held during the financial year 2021-22 are as follows:**

Name of the Member	Designation	No. of Meetings attended
Mr. Amit Dahanukar	Chairman	2
Mr. C.V. Bijlani	Member	3
Mrs. Shivani Amit Dahanukar	Member	3

The Company Secretary is the Secretary to the Committee.

The terms of reference of the Committee are as follows:

- developing risk mitigation plans;
- implementing risk reduction/mitigation strategies; and

- 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.



## Corporate Governance Report (Contd.)

### 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, 2022.

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, 2022 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 fortnightly basis. The Report on transfer/transmission etc. of share approved by the Committee is placed in the Meeting of the Board of Directors.

### H) Finance Committee

The Board at its meeting held on March 30, 2022 has constituted a Finance Committee, comprised of 4 members for commercial expediency and administrative convenience and has delegated certain powers of the Board to it. The powers exercised by the Committee are reported to the Board of Directors at its next Meeting.

**The composition of the Finance Committee as on March 31, 2022 is as follows:**

Name of the Member	Designation
Mr. Amit Dahanukar	Chairman
Mrs. Shivani Amit Dahanukar	Member
Ms. Swapna Shah	Member
Mr. Ajit Sirsat	Member

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 National Company Law Tribunal ("NCLT") had ordered for liquidation of Prag Distillery (P) Ltd. ("Prag"), wholly owned subsidiary of the Company, as a going concern in 2018-2019. A liquidator had been appointed to manage the affairs of Prag. The outstanding dues of Standard Chartered Bank and DCB Bank have been settled and no dues certificates have also been received. Following NCLT's approval, Prag has entered into a lease agreement with the Holding Company and the operations are expected to restart soon after completion of the necessary statutory formalities.

The Board of Directors of the Company (TI) at their Board Meeting held on May 30, 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 Spring Distillers Private Limited ("KSDPL"); (ii) Mykingdom Ventures Private Limited ("MVPL"); (iii) Shrirampur 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).

## 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)

## Corporate Governance Report (Contd.)

Rules, 2014 read with Regulation 24A of the Listing Regulations, the Secretarial Audit Report of the Company for the financial year ended March 31, 2022 obtained from M/s. Ragini Chokshi & Co., 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, 2022 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 2021-22, 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.
- Pursuant to the SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019, the Company has obtained an Annual Secretarial Compliance Report from M/s. Ragini Chokshi & Co., Practicing Company Secretaries, regarding compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended March 31, 2022.
- 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. Ragini Chokshi & Co., 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. Ragini Chokshi & Co., 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 2021-22. The statements containing the transactions entered into by the Company with related parties at arm's length basis, at the prevalent market prices 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 2021-22 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 of the listed entity 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





## Corporate Governance Report (Contd.)

- 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/CMD/1/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/CMD/1/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;
- (iv) During the financial year 2019-2020, the audited financial results (consolidated and standalone) for the financial year ended March 31, 2019 pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were filed by the Company on July 26, 2019 as against the due date of May 30, 2019 and the Company had paid the fine of ₹ 336,300/- each to BSE and NSE in this regard; and
- (v) During the financial year 2019-2020, the un-audited financial results (consolidated and standalone) for the quarter and half year ended September 30, 2019 pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were filed by the Company on December 16, 2019 as against the due date of November 14, 2019 and the Company had paid the fine of ₹ 1,88,800/- each to BSE and NSE 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 2021-22, no employee was denied access to the Audit Committee. There was no incidence of whistleblowing during the financial year 2021-22. 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. Ragini Chokshi & Co., Practicing Company Secretaries confirms that as on March 31, 2022, 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 2021-22. Therefore, there

## Corporate Governance Report (Contd.)

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 ₹ 8925 Lacs through preferential allotment during the financial year 2021-22. The utilization of funds till March 31, 2022 is as follows:

Sr. No	Objects	Funds utilized (₹ in lacs)
1.	Fund business growth, capital expenditure and other strategic initiatives	94
2.	Augment working capital needs of the Company	Nil
3.	Repay debt	2306
4.	For general corporate purposes	347
<b>Total</b>		<b>2747</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 2021-22, 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 2021-22.

### 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, 2022 except loans and advances given by the Company to its subsidiaries which are disclosed in the notes to the financial statements.

### M) 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, 2022 which are disclosed in the Directors' Report along with explanation/ comments of the Board thereon.

#### iv. Reporting of Internal Auditors

Internal Auditors of the Company report directly to the Audit Committee of the Company.



## Corporate Governance Report (Contd.)

### 9. GENERAL BODY MEETINGS

#### a) Details of last 3 Annual General Meetings held along with Special Resolutions passed there at are as under:

Financial Year	Day, Date & Time	Venue	Particulars of Special Resolutions passed *
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 of the Company.
2019-20	Tuesday, December 29, 2020 at 10.30 a.m.	Video Conferencing (‘VC’)/ Other Audio Visual Means (‘OAVM’)	Re-appointment of Mr. Kishorekumar G Mhatre (DIN:07527683) as an Independent Director of the Company;  Re-appointment of Mr. Amit Dahanukar (DIN:00305636) as the Chairman & Managing Director of the Company;  Appointment of Mr. C. R. Ramesh (DIN:08876738) as a Whole-time Director of the Company;  Alteration in the Articles of Association of the Company; and  Issuance of the equity shares of the Company on Preferential Basis.
2018-19	Wednesday, September 11, 2019 at 10.30 a.m.	P.O. Tilaknagar, Tal. Shirampur, Dist. Ahmednagar, Maharashtra – 413 720	Nil

\*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 2021-2022 along with Special Resolutions passed there at are as under:

Financial Year	Day, Date & Time	Venue	Particulars of Special Resolutions passed *
2021-22	Saturday, November 27, 2021 at 10.30 a.m.	Video Conferencing (‘VC’)/ Other Audio Visual Means (‘OAVM’)	Issue of Equity Shares of the Company to Investors on Preferential Basis  Issue of Convertible Warrants on Preferential Basis  Issue of Equity Shares by Way of Conversion of Loan into Equity

\*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 2021-2022, no special resolution was passed through postal ballot. At the ensuing Annual General Meeting, no resolution is proposed to be passed through postal ballot.

## Corporate Governance Report (Contd.)

### 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 and BSE Corporate Compliance & Listing Centre. The same are also published in the newspapers viz. The Free Press Journal, Navshakti and 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.

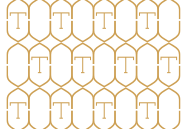
#### iii. Designated e-mail id

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>87<sup>th</sup> Annual General Meeting</b>	
	<b>Day, Date and Time</b>	: Monday, August 29, 2022 at 10.30 a.m.
	<b>Venue</b>	: To be held through Video Conference (VC) or Other Audio Visual Means (OAVM)
<b>II</b>	<b>Financial Calendar</b>	
	<b>Financial Year</b>	: April 01, 2022 to March 31, 2023
	<b>Financial reporting of results</b>	
	• <b>Quarterly unaudited results (other than last quarter)</b>	: 1 <sup>st</sup> quarter – On or before August 14, 2022 2 <sup>nd</sup> quarter – On or before November 14, 2022 3 <sup>rd</sup> quarter – On or before February 14, 2023
	• <b>Annual audited results</b>	: On or before May 30, 2023
<b>III</b>	<b>Book Closure Date</b>	: Tuesday, August 23, 2022 to Monday, August 29, 2022 (both days inclusive) for the 87 <sup>th</sup> Annual General Meeting.
<b>IV</b>	<b>Dividend Payment Date</b>	: The Directors have recommended dividend for the financial year 2021-22. 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: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>



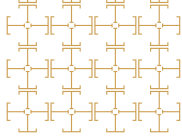


## Corporate Governance Report (Contd.)

<b>VI Share Transfer System</b>	<p>: 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.</p> <p>SEBI has mandated the transfer of securities of listed entities to be carried out only in dematerialised form (except in case of transmission or transposition of securities) effective from April 01, 2019. Accordingly, the Company has stopped accepting any transfer requests for securities held in physical form with effect from the said date. In view of the aforesaid amendment 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.</p> <p>The Company obtains yearly certificate from M/s. Ragini Chokshi &amp; Co., Practicing Company Secretaries confirming the compliance by the Company of the timelines specified under Regulation 40(9) of the Listing Regulations for registering transmission/consolidation etc. and files the same with the stock exchanges in the prescribed timeline.</p>
<b>VII Corporate Identification Number (CIN)</b>	: L15420PN1933PLC133303
<b>VIII Listing on Stock Exchanges</b>	<p>: BSE Limited <b>(Scrip Code: 507205)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, Maharashtra - 400 001</p> <p>National Stock Exchange of India Limited <b>(Scrip Code: TI)</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra - 400 051</p> <p>The Company has paid the annual listing fees for the financial year 2022-23 to the abovementioned stock exchanges in the prescribed timelines.</p>
<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 99.42% of the total issued and paid up shares as on March 31, 2022. The promoters hold their entire shareholding in dematerialised form.
<b>X Demat ISIN For Equity Shares</b>	: INE133E01013 <p>The Company has paid the Annual custodian fees for the financial year 2022-23 to NSDL and CDSL in the prescribed timelines.</p>

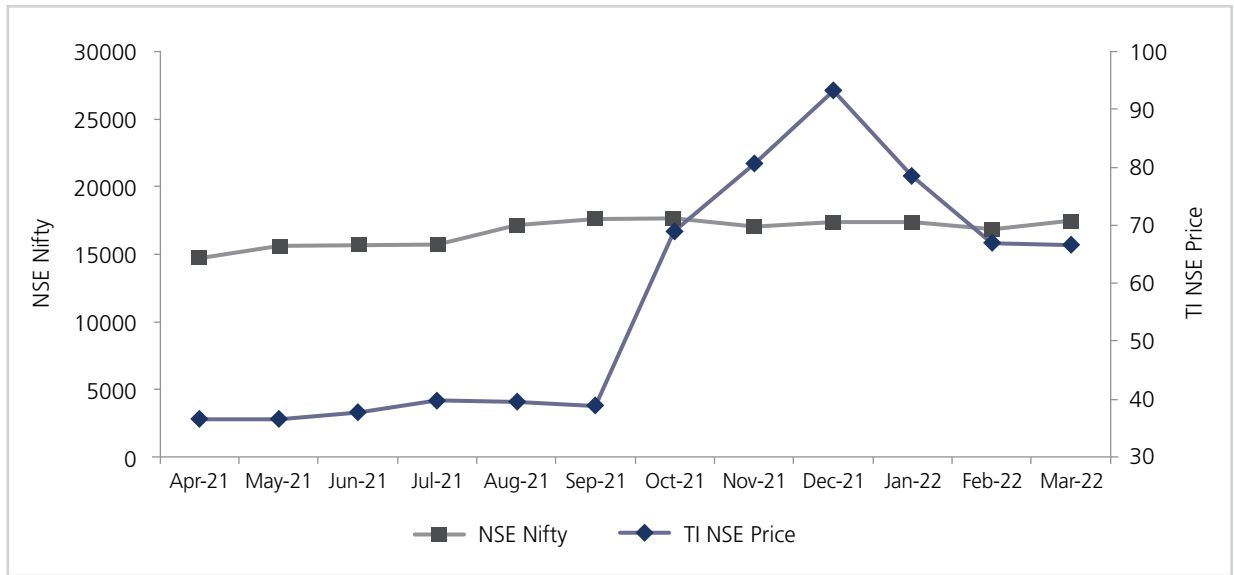
## Corporate Governance Report (Contd.)

<b>XI Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion date and likely impact on equity</b>	: During the year 2021-22, the Company had issued 1,18,86,792 convertible warrants to promoter group on preferential basis. 26,41,509 warrants have been converted into equal number of Equity shares of the Company on March 11, 2022. As of March 31, 2022, 92,45,283 warrants 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, 2022 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 2021-22, 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>

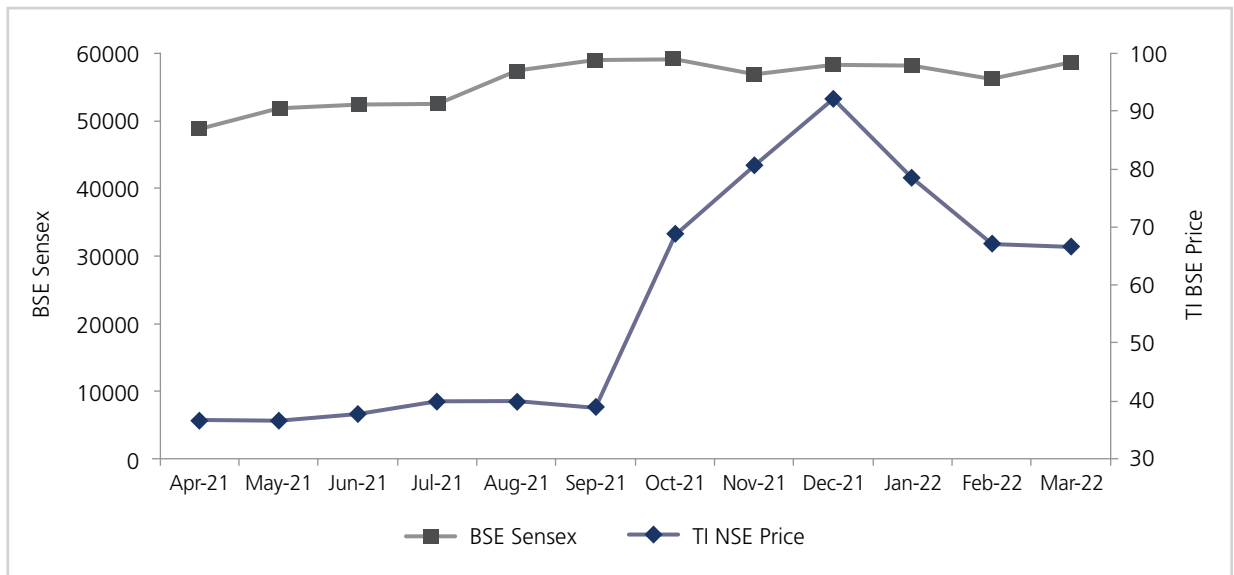


## Corporate Governance Report (Contd.)

### XVI Stock Performance in comparison to NSE Nifty



### XVII Stock Performance in comparison to BSE Sensex



The shares of the Company are traded in the B category at BSE and are also actively traded on NSE.

## Corporate Governance Report (Contd.)

### XVIII Market Price Data

Monthly High and Low Quotes and Volume of Shares traded at BSE and NSE						
Period	BSE			NSE		
	High Price (₹)	Low Price (₹)	Volume (Nos.)	High Price (₹)	Low Price (₹)	Volume (Nos.)
<b>2021</b>						
April	39.15	30.00	19,69,278	39.15	29.50	1,88,47,635
May	44.95	36.40	22,86,905	45.00	36.20	2,14,55,288
June	42.70	34.35	25,49,384	42.65	34.30	1,76,03,028
July	49.20	37.20	42,87,833	49.20	35.75	3,04,30,413
August	45.00	37.35	18,56,397	45.00	37.15	64,73,139
September	42.60	38.00	6,44,242	42.50	38.35	27,19,157
October	68.55	38.05	27,50,447	68.90	38.50	1,77,72,200
November	94.60	71.40	18,52,306	94.85	71.50	1,29,71,043
December	96.00	76.90	5,68,334	95.00	77.10	43,23,639
<b>2022</b>						
January	103.80	77.25	6,14,942	102.90	77.10	36,60,126
February	84.90	64.20	6,79,245	85.35	64.60	63,90,853
March	75.95	64.55	7,04,938	75.00	64.85	46,63,155

### XIX Shareholding Pattern

Category	As on March 31, 2022*			As on March 31, 2021*		
	No. of Share Holders	No. of Shares held	%	No. of Share holders	No. of Shares held	%
<b>Promoter Holding</b>	<b>6</b>	<b>71,213,177</b>	<b>44.89</b>	<b>6</b>	<b>6,85,71,668</b>	<b>54.67</b>
<b>Public Holding</b>						
• Mutual Funds/UTI	-	-	-	-	-	-
• Financial Institutions/Banks	11	14,274	0.01	12	16,575	0.01
• Foreign Portfolio Investors	6	294,226	0.19	-	-	-
• Bodies Corporate	220	66,69,632	4.20	176	1,00,45,144	8.01
• Individuals	31,681	4,60,37,271	29.02	23,160	4,11,48,638	32.80
• HUF	616	28,04,170	1.77	590	28,29,946	2.26
• Clearing Members	51	282,549	0.18	91	8,79,318	0.70
• NRI	291	20,23,772	1.28	205	13,80,370	1.10
• Overseas Bodies Corporate	-	-	-	-	-	-
• Trusts	5	28,569,844	18.01	-	-	-
• TI – Unclaimed Suspense Account	-	-	-	1	9,276	0.01
• IEPF	1	711,759	0.45	1	5,52,593	0.44
• 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>32,884</b>	<b>8,74,08,627</b>	<b>55.11</b>	<b>24,237</b>	<b>5,68,62,935</b>	<b>45.33</b>
<b>Total Shareholding</b>	<b>32,890</b>	<b>15,86,21,804</b>	<b>100.00</b>	<b>24,243</b>	<b>12,54,34,603</b>	<b>100.00</b>

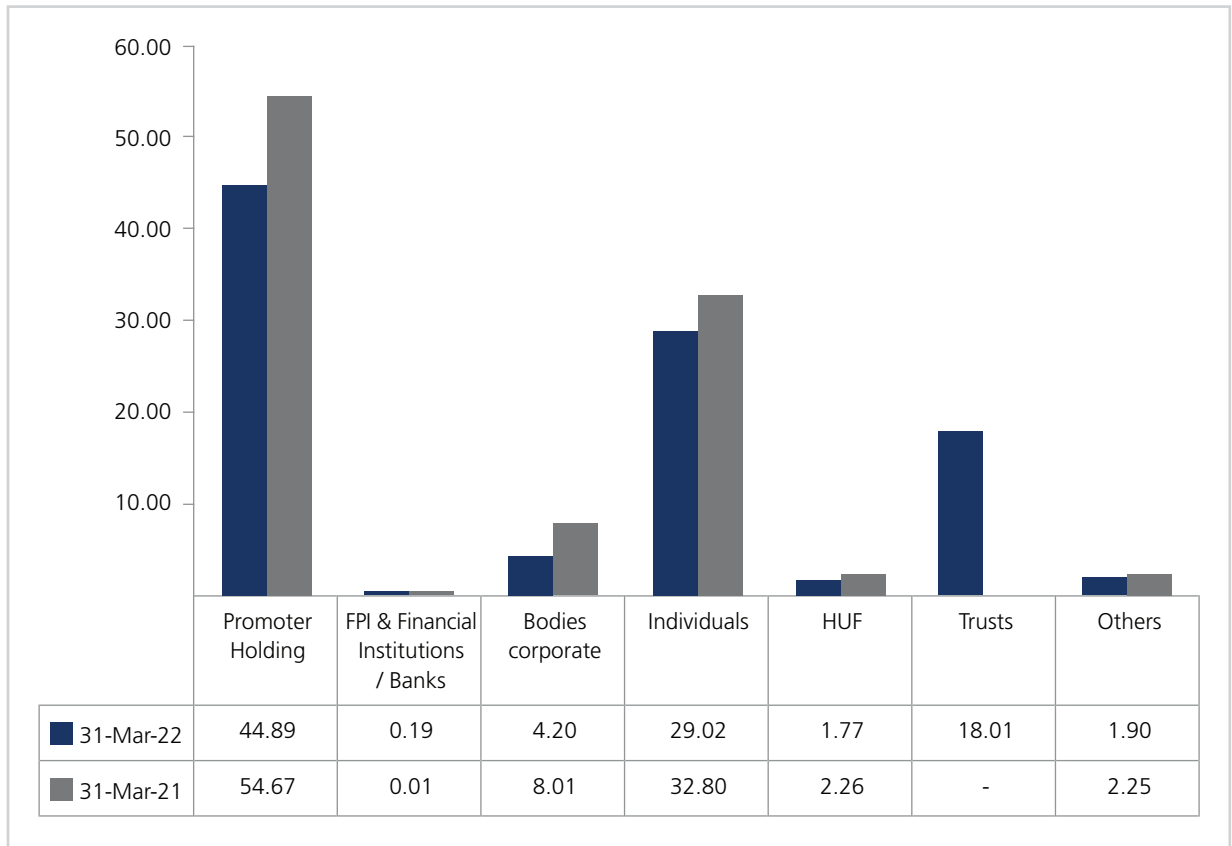
\* Shareholding clubbed on the basis of PAN





## Corporate Governance Report (Contd.)

### Shareholding Pattern in %



### XX Distribution of Shareholding as on March 31, 2022

\* 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	26,618	79.05	33,99,231	2.14
5001 to 10,000	2,942	8.74	24,26,647	1.53
10,001 to 20,000	1,679	4.99	25,92,022	1.63
20,001 to 30,000	688	2.04	17,71,532	1.12
30,001 & 40,000	303	0.90	10,82,432	0.68
40,001 & 50,000	365	1.09	17,21,200	1.09
50,001 & 1,00,000	515	1.53	38,57,690	2.43
1,00,001 & above	562	1.67	14,17,71,050	89.38
<b>Total</b>	<b>33,672</b>	<b>100.00</b>	<b>15,86,21,804</b>	<b>100.00</b>

## Corporate Governance Report (Contd.)

### XXI Top Ten Shareholders (other than Promoters) as on March 31, 2022

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	7.49
2	Edelweiss Asset Reconstruction Company Limited	71,73,710	4.52
3	Edelweiss Asset Reconstruction Company Limited	66,73,220	4.21
4	Edelweiss Asset Reconstruction Company Limited	28,36,119	1.79
5	Amit Roy Sharma	27,42,000	1.73
6	Anandkumar Ramesh Gupta	21,45,601	1.35
7	Dhruva Shumsher Rana	15,03,427	0.95
8	Shailendra Shrimal	13,86,000	0.87
9	Bishwanath Prasad Agrawal	13,10,000	0.83
10	Namrata Parasmal Jain	9,97,450	0.63
<b>Total</b>		<b>3,86,54,319</b>	<b>24.37</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, 2022, as envisaged in Regulation 26(3) thereof.

For **Tilaknagar Industries Ltd**

Place: Mumbai,  
Date: May 30, 2022

**Amit Dahanukar**  
Chairman & Managing Director

# Certificate on Compliance with the Conditions of Corporate Governance

To,  
The Members of  
**Tilaknagar Industries Ltd.**

We have examined the compliance of the conditions of Corporate Governance by **Tilaknagar Industries Ltd. (CIN: L15420PN1933PLC133303) (hereinafter referred to as “the Company”)** and having Registered Office at P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720 for the financial year ended March 31, 2022 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“the SEBI Listing Regulations”).

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our Examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and based on the information received and according to the explanations given to us and the representations made by the directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic and to the best of our knowledge and belief, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned SEBI Listing Regulations for the financial year ended March 31, 2022.

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 of the Company.

For **Ragini Chokshi & Co.**  
Company Secretaries  
Firm's Registration No. 92897

Place: Mumbai  
Date: May 19, 2022

**Ragini Chokshi**  
Partner  
CP No. 1436  
FCS No. 2390  
UDIN No. F002390D000348769





# Certificate of Non-Disqualification of Directors

**(Pursuant to Regulation 34(3) read with Schedule V Para C Clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members of,  
**Tilaknagar Industries Ltd.**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Tilaknagar Industries Ltd. (CIN: L15420PN1933PLC133303) and having Registered Office at P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our 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 us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2022 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 (Current term)
1	Mr. Amit Dahanukar	00305636	September 30, 2021
2	Mrs. Shivani Amit Dahanukar	00305503	December 29, 2020
3	Dr. Ravindra Bapat	00353476	April 01, 2019
4	Mr. Chanderbhan Verhomal Bijlani	02039345	April 01, 2019
5	Mr. Kishorekumar G. Mhatre	07527683	June 09, 2021
6	Mr. Satish Chand Mathur	03641285	October 31, 2018
7	Maj Gen Dilawar Singh (Retd.)	08216047	October 31, 2018
8	Ms. Aparna Praveen Chaturvedi	00028647	July 31, 2021
9	Ms. Swapna Shah	08807901	July 31, 2020
10	Mr. C. R. Ramesh	08876738	November 13, 2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this, based on our 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 **Ragini Chokshi & Co.**  
Company Secretaries  
Firm's Registration No. 92897

**Ragini Chokshi**  
(Partner)

C.P. No. 1436

FCS No. 2390

UDIN: F002390D000348846

Place: Mumbai  
Date: May 19, 2022

# 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 the financial statements and the cash flow statement of Tilaknagar Industries Ltd. ("the Company") for the financial year ended March 31, 2022 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, 2022 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 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, 2022;
  - ii. significant changes, if any, in accounting policies during the financial year ended March 31, 2022 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 30, 2022

For **Tilaknagar Industries Ltd.**

**Ajit Anant Sirsat**  
Chief Financial Officer

# Financial Statements

Consolidated Financials 119-183

Standalone Financials 184-252

# 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, 2022, 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, 2022, 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. 42 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 28, 2022 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 of the Financial Statements which states that the Company has incurred capital expenditure of ₹ 10,021.69 lacs as at

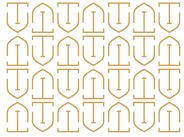
March 31, 2022 on expansion project ('the Project') grouped under the head capital work in progress. Work on the said project has been suspended and has not been completed since many years. Further the Building, Plant and Equipment aggregating ₹ 804.75 lacs has remained idle due to shut down of the Plant. The Company has not tested the said project, Building, Plant and Equipment ('Tangible assets') for impairment loss as per Ind AS 36 - Impairment of Assets. In absence of sufficient audit evidence, we were unable to determine the amount of impairment in the value of project and Tangible assets.

- We draw attention to note no. 35 of the financial statements which states that there are unsecured overdue trade receivables of ₹ 586.55 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 and 35 of Prag as described above is reproduced as note no. 45 and 46 to the consolidated audited financial statements respectively.

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.





## Independent Auditor's Report (Contd.)

### 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 28, 2022 issued on the Financial statements of Punjab Expo Breweries Pvt. Ltd. ("Punjab expo"), 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 states that the Company has incurred a net loss after other comprehensive income of ₹ 1,017.15 lacs during the current year. The Company has accumulated losses of ₹ 2,098.66 lacs and its net worth has been fully eroded as at March 31, 2022. 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. 44 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 28, 2022 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 the financial statements which states that the Company has been referred to National Company Law Tribunal (NCLT) for Corporate Insolvency Resolution Process (CIRP) 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's net worth has been fully eroded as at March 31, 2022 and as of that date the business has ceased completely. 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 of Prag as described above is reproduced as note no. 45 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, 2022 the Group has significant tax exposures and is subject to periodic assessments / challenges by tax authorities on range of indirect tax matters. The Group has also filed appeals with various appellate authorities against such demands. At March 31, 2022, the Group held provisions of approx ₹ 731.10 lacs in respect of legal claims and has disclosed total contingent liabilities of ₹ 4,385.35 lacs. These provisions are based on judgements and accounting estimates made by management in determining the likelihood and magnitude of claims. Accordingly, unexpected adverse outcomes could significantly impact the Group's reported profit and balance sheet position.

Refer Note no. 30, 43 and 1.4 (vii) of financial statements and accounting policies for contingent liabilities, provisions, and related disclosures.

#### Our response:

- We evaluated the design and tested the operating effectiveness of controls in respect of the determination of the provisions. We determined that the operation of the controls provided us with evidence over the completeness, accuracy and valuation of the provisions.
- We read the summary of litigation matters provided by management and held discussions with the management and their legal counsels and tax experts. We requested legal letters from some of the Group's external legal/tax advisors with respect to the matters included in the aforesaid disclosures. Where appropriate, we examined correspondence connected with the cases.
- For litigation provisions, we tested the calculation of the provisions, assessed the assumptions against third party data, where available and assessed the estimates against historical trends.
- We considered management's judgements on the level of provisioning and disclosures in respect of the aforesaid matters.

## Independent Auditor's Report (Contd.)

Based on the above procedures, we considered the management's assessment in recognising provisions and disclosing contingent liabilities as 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.

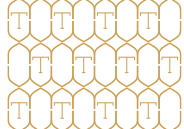
The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### 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



## Independent Auditor's Report (Contd.)

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 ₹ 16,606.09 lacs as at March 31, 2022 and total revenue of ₹ 563.95 lacs and total loss of ₹ 335.72 lacs including other comprehensive income for the year ended March 31, 2022 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, 2022 as considered in the consolidated financial statements in

## Independent Auditor's Report (Contd.)

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 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, 2022 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, 2022 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 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 Company to the director 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:

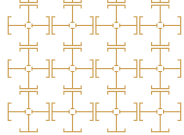
i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group (Refer Note 30 of the consolidated financial statements.)

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





## Independent Auditor's Report (Contd.)

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 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. 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 ₹ 0.10 per share which is in accordance with section 123 of the Act, as applicable.

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 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.
PunjabExpo Breweries Private Limited	U15531PN1997PTC143390	Wholly owned Subsidiary	Clause iii *
PunjabExpo Breweries Private Limited	U15531PN1997PTC143390	Wholly owned Subsidiary	Clause xvii ^
Prag Distillery Private Limited	U15512PN2005PTC133636	Wholly owned Subsidiary	Clause xvii ^

\*Clause pertains to loans granted to parties

^Clause pertains to cash losses incurred

For **Harshil Shah & Company**  
Chartered Accountants  
ICAI Firm Reg. No. 141179W

**Harshil Shah**  
Partner

Membership No. 124146  
ICAI UDIN: 22124146AKCPEK5460

Place : Mumbai  
Date : May 30, 2022

## 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, 2022, 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, 2022 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



## Annexure - A to the Auditors' Report (Contd.)

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

Date : May 30, 2022

Membership No. 124146

ICAI UDIN: 22124146AKCPEK5460

# Consolidated Balance Sheet

as at March 31, 2022

Particulars	Note No.	(₹ in lacs)	
		As at March 31, 2022	As at March 31, 2021
<b>I ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2a	43,876.18	46,776.75
Capital Work-in-Progress	2(i)	10,021.69	10,010.02
Right of Use Assets	2b	17.74	44.39
Other Intangible Assets	2c	33.74	36.00
Financial Assets			
Investments	3	3.77	3.77
Loans	4	-	-
Other Financial Assets	5	4,144.50	2,901.95
Deferred Tax Assets (Net)	6	-	-
Other Non-Current Assets	7	915.08	6,976.08
Non-Current Tax Assets (Net)	28	312.52	380.09
		<b>59,325.22</b>	<b>67,129.05</b>
<b>Current Assets</b>			
Inventories	8	7,231.90	7,207.61
Financial Assets			
Trade Receivables	9	23,676.60	18,110.18
Cash and Cash Equivalents	10a	4,274.01	4,486.40
Other Bank Balances	10b	2,788.47	324.49
Loans	4	-	0.47
Other Financial Assets	5	1,699.76	24.85
Other Current Assets	7	2,332.13	3,868.92
		<b>42,002.87</b>	<b>34,022.92</b>
<b>TOTAL ASSETS</b>		<b>101,328.09</b>	<b>101,151.97</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	11	15,862.18	12,543.46
Other Equity	12	(2,510.77)	(18,115.30)
		<b>13,351.41</b>	<b>(5,571.84)</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	13	38,099.47	45,895.06
Lease Liabilities	31	7.37	10.56
Other Financial Liabilities	14	4,018.06	6,021.50
Provisions	15	474.03	433.00
Deferred Tax Liabilities (Net)	6	-	-
Other Non-Current Liabilities	16	1,452.50	3,053.22
		<b>44,051.43</b>	<b>55,413.34</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	13	20,398.02	24,294.43
Lease Liabilities	31	13.04	45.50
Trade Payables			
Total outstanding dues of micro & small enterprises	17	2,372.01	2,540.36
Total outstanding dues of creditors other than micro & small enterprises	17	14,758.61	12,264.01
Other Financial Liabilities	14	1,774.68	7,335.01
Provisions	15	2,628.98	2,901.79
Current Tax Liabilities (Net)	28	-	0.62
Other Current Liabilities	16	1,979.91	1,928.75
		<b>43,925.25</b>	<b>51,310.47</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>101,328.09</b>	<b>101,151.97</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 **Harshil Shah & Company**  
Chartered Accountants  
Firm Registration No.141179W

**Harshil Shah**  
Partner  
Membership No.124146

Place : Mumbai  
Date : May 30, 2022

For and on behalf of the Board of Directors

**Amit Dahanukar**  
Chairman & Managing Director  
(DIN:00305636)

**Ajit Anant Sirsat**  
Chief Financial Officer

**C. V. Bijlani**  
Director  
(DIN:02039345)

**Dipti Todkar**  
Company Secretary





# Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in lacs)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
<b>INCOME</b>			
Revenue from Operations			
Sale of Products	18	178,805.91	141,624.72
Other Operating Income	18.1	399.96	211.70
Other Income	19	1,046.79	1,141.95
<b>Total Income</b>		<b>180,252.66</b>	<b>142,978.37</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	20	37,798.42	29,132.08
(Increase) / Decrease in Inventories	21	442.84	(1,393.75)
Excise Duty		100,868.62	86,961.34
Employee Benefit Expense	22	3,208.53	2,515.56
Finance Cost	23	6,186.88	7,096.50
Depreciation and Amortisation	2	3,274.25	3,312.43
Other Expenses	24	25,675.43	19,212.09
<b>Total Expenses</b>		<b>177,454.97</b>	<b>146,836.25</b>
<b>Profit/ (loss) before exceptional items and tax</b>		<b>2,797.69</b>	<b>(3,857.88)</b>
Add/ (less) : Exceptional Items	47	1,321.51	-
<b>Profit / (Loss) Before Tax</b>		<b>4,119.20</b>	<b>(3,857.88)</b>
Less : Tax Expense			
1) Current Tax		-	-
2) Taxes for Earlier Years	28	(399.52)	(17.58)
3) Deferred Tax	27	-	-
<b>Total Tax Expense</b>		<b>(399.52)</b>	<b>(17.58)</b>
<b>Profit / (Loss) After Tax</b>		<b>4,518.72</b>	<b>(3,840.30)</b>
Less : Share of loss of Joint Venture & Associates		-	-
<b>Profit / (Loss) After Tax</b>		<b>4,518.72</b>	<b>(3,840.30)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit &amp; Loss</b>			
Remeasurement of Defined Benefit Plans	32	(39.38)	(34.50)
Tax On Above		-	-
<b>Items that will be reclassified to Profit &amp; Loss</b>			
<b>Total Other Comprehensive Income / (Loss)</b>		<b>(39.38)</b>	<b>(34.50)</b>
<b>Total Comprehensive Income For The Year</b>		<b>4,479.34</b>	<b>(3,874.80)</b>
<b>Profit / (Loss) After Tax For The Year Attributable to :</b>			
Owners of the Company		4,518.72	(3,840.30)
Non-Controlling Interest		-	-
<b>Profit / (Loss) After Tax For The Year</b>		<b>4,518.72</b>	<b>(3,840.30)</b>
<b>Other Comprehensive Income / (Loss) for the Year attributable to :</b>			
Owners of the Company		(39.38)	(34.50)
Non-Controlling Interest		-	-
<b>Other Comprehensive Income / (Loss) For The Year</b>		<b>(39.38)</b>	<b>(34.50)</b>
<b>Total Comprehensive Income For The Year attributable to :</b>			
Owners of the Company		4,479.34	(3,874.80)
Non-Controlling Interest		-	-
<b>Total Comprehensive Income For The Year</b>		<b>4,479.34</b>	<b>(3,874.80)</b>
Earnings per equity share	39		
1) Basic		3.15	(3.07)
2) Diluted		3.08	(3.07)
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

**Amit Dahanukar**  
Chairman & Managing Director  
(DIN:00305636)

**C. V. Bijlani**  
Director  
(DIN:02039345)

**Harshil Shah**  
Partner  
Membership No.124146

**Ajit Anant Sirsat**  
Chief Financial Officer

**Dipti Todkar**  
Company Secretary

Place : Mumbai  
Date : May 30, 2022

# Consolidated Statement of Cash Flow

for the year ended March 31, 2022

(₹ in lacs)

	Year Ended March 31, 2022	Year Ended March 31, 2021	
<b>A) Cash flow from Operating activities</b>			
Net profit (Loss) before tax	4,119.20		(3,857.88)
Adjustment for:			
Depreciation & Amortisation	3,274.25	3,312.43	
Loss / (Profit) on sale of assets	(1.12)	10.77	
Loss / (Profit) on sale of investments	(32.50)	-	
Excess Provision written back	(466.52)	(650.34)	
Gain on write back of loans	(1,321.51)	-	
Allowance for doubtful advances / Deposits	673.34	5.00	
Provision for non-moving and obsolete inventories	296.55	983.94	
Advances written off	37.79	-	
Sundry balances written back	(75.97)	(252.24)	
Expected Credit Loss / ( Write Back)	(242.60)	376.11	
Unrealised Foreign Exchange Fluctuation (Gain) / Loss	170.93	(136.46)	
Employee stock option expenses	364.91	-	
Finance Costs	6,186.88	7,096.49	
Interest income	(175.07)	8,689.36	(58.97)
			10,686.73
<b>Operating Profit before working capital changes</b>	<b>12,808.56</b>	<b>6,828.85</b>	
Adjustment for:			
(Decrease) / Increase in trade payables, current liabilities, provisions and other financial liabilities	(5,089.38)	(1,288.05)	
(Increase) / Decrease in financial assets, loans and advances and other assets	3,969.59	(952.34)	
(Increase) / Decrease in inventories	(320.84)	(2,181.92)	
(Increase) / Decrease in trade receivables	(5,323.82)	(6,764.45)	5,851.22
Direct taxes (net) refund / (paid)	466.48		288.83
<b>Net Cash from Operating activities</b>	<b>6,510.59</b>	<b>8,546.59</b>	
<b>B) Cash Flow from Investing activities</b>			
Purchase of property, plant and equipment	(334.92)	(8.41)	
Sale of property, plant and equipment	2.54	4.06	
Purchase of investments in Mutual Fund	(6,999.65)	-	
Sale of investments in Mutual Fund	7,032.15	-	
(Increase) / Decrease in other bank balances	(2,463.98)	(86.72)	
Interest Received	175.07	58.97	
<b>Net Cash from Investing Activities</b>	<b>(2,588.79)</b>	<b>(32.10)</b>	



# Consolidated Statement of Cash Flow

for the year ended March 31, 2022

(₹ in lacs)

	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>C) Cash Flow from Financing activities</b>		
Proceeds from issue of shares including application money	9,219.02	40.25
Proceeds from borrowings	7,629.47	3,337.57
Repayment of borrowings including current maturities	(15,077.51)	(5,594.72)
Principal payment of lease liabilities	(51.84)	(51.23)
Payment of unclaimed dividend	(11.85)	(10.39)
Finance costs paid	(5,841.48)	(5,483.14)
<b>Net Cash from Financing Activities</b>	<b>(4,134.19)</b>	<b>(7,761.66)</b>
<b>Net increase in Cash &amp; Cash equivalents( A+B+C)</b>	<b>(212.39)</b>	<b>752.82</b>
Opening cash & cash equivalents	4,486.40	3,733.58
Closing cash & cash equivalents	<b>4,274.01</b>	<b>4,486.40</b>

## Notes :

### (a) Cash and cash equivalents comprises of

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
i) Balances with Banks		
In Current Accounts	4,189.36	4,409.95
ii) Short-Term Bank Deposits (Maturity within 3 months)	73.95	68.43
iii) Cash on Hand	10.70	8.02
	<b>4,274.01</b>	<b>4,486.40</b>

### (b) Change in liability arising from financing activities

(₹ in lacs)

Particulars	As at April 01, 2021	Cash Flow (net)	Non Cash Flow	As at March 31, 2022
Borrowings	70,189.49	(13,289.52)	1,597.52	58,497.49

(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 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)

**Ajit Anant Sirsat**

Chief Financial Officer

**C. V. Bijlani**

Director

(DIN:02039345)

**Dipti Todkar**

Company Secretary

Place : Mumbai

Date : May 30, 2022

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

## A) EQUITY SHARE CAPITAL

(₹ in lacs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Balance as at April 01</b>	<b>12,543.46</b>	<b>12,513.38</b>
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 01	<b>12,543.46</b>	<b>12,513.38</b>
Changes in equity share capital during the year	3,318.72	30.08
<b>Balance as at March 31</b>	<b>15,862.18</b>	<b>12,543.46</b>

## B) OTHER EQUITY

### 1) Current Reporting Period

(₹ 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>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	-	-	-	-	-	-	-
Restated balances at the beginning of the current reporting period	<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
Money received against warrants	-	-	-	-	-	1,225.00	1,225.00
<b>Balance at the end 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>





# Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

## 2) Previous Reporting Period

(₹ 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>19,916.58</b>	<b>1,430.01</b>	<b>18.97</b>	<b>502.60</b>	<b>(36,118.82)</b>	-	<b>(14,250.66)</b>
Changes in Accounting Policies or prior period errors	-	-	-	-	-	-	-
Restated balances at the beginning of the current reporting period	<b>19,916.58</b>	<b>1,430.01</b>	<b>18.97</b>	<b>502.60</b>	<b>(36,118.82)</b>	-	<b>(14,250.66)</b>
Profit / (Loss) after tax	-	-	-	-	(3,840.30)	-	(3,840.30)
Remeasurement of defined benefit plans	-	-	-	-	(34.50)	-	(34.50)
Exercise of Employee Stock Options	23.69	-	-	(23.69)	-	-	-
Share based payment reserve created during the year	-	-	-	-	-	-	-
Transfer to General Reserve	-	90.23	-	(90.23)	-	-	-
Allotment of shares to employees & Others	10.16	-	-	-	-	-	10.16
<b>Balance at the end 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>

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)

**Ajit Anant Sirsat**

Chief Financial Officer

**C. V. Bijlani**

Director

(DIN:02039345)

**Dipti Todkar**

Company Secretary

Place : Mumbai

Date : May 30, 2022

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 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.

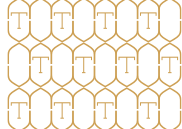
### d) Equity method

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 Consolidated Financial Statements

for the year ended March 31, 2022

## 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, 2022	March 31, 2021	
Prag Distillery (P) Ltd.	India	100%	100%	Manufacturing and sale 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, 2022 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 30, 2022.

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

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

- 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 in the year ending March 31, 2022 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.

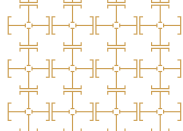
#### b) Subsequent expenditure

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 Consolidated Financial Statements

for the year ended March 31, 2022

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 Consolidated Financial Statements

for the year ended March 31, 2022

## 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 Consolidated Financial Statements

for the year ended March 31, 2022

## 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 Consolidated Financial Statements

for the year ended March 31, 2022

## 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) 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.

### c) 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.

### d) 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.

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





# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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.

##### 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

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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 Consolidated Financial Statements

for the year ended March 31, 2022

## xvii) Recent amendments to Indian Accounting Standards:

On March 23, 2022, Ministry of Corporate Affairs ('MCA') amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below

### a) Ind AS 103 - Business Combinations:

The amendment clarifies that while applying the acquisition method for recognition, the assets and liabilities taken over, in a business combination, must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. The Group does not expect the amendment to have any impact in its financial statements.

### b) Ind AS 16 – Property, Plant and Equipment :

The amendment requires that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Group does not expect the amendment to have any significant impact in its financial statements.

### c) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

The amendment clarifies in relation to onerous contracts that the cost of fulfilling a contract comprises the costs that relate directly to the contract which consist of incremental costs of fulfilling that contract (examples would be direct labour, materials) and an allocation of other costs that relate directly to fulfilling contracts. The Group does not expect the amendment to have any significant impact in its financial statements.

### d) Ind AS 41 – Agriculture:

The amendment relates to recognition and measurement of biological assets or agricultural produce. The Group does not expect the amendment to have any impact in its financial statements.

### e) Ind AS 109 – Financial Instruments:

The amendment clarifies that while determining the fees paid (net of fees received) when a borrower applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability, the borrower to include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group does not expect the amendment to have any significant impact in its financial statements.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

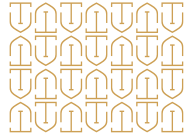
## 2 PROPERTY, PLANT AND EQUIPMENT

(₹ 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 March 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	6,462.99	6,743.05
Roads & Bridges	182.69	-	114.89	-	33.40	34.40	67.80
Leasehold Improvement	42.00	-	29.06	-	4.03	8.91	12.94
Plant and Equipment	51,405.62	328.05	26,049.23	-	2,712.45	22,971.99	25,356.39
Tools & Equipments	0.37	-	0.37	-	0.02	0.14	0.16
Furniture and Fixtures	337.39	0.59	272.31	-	18.32	47.35	65.08
Motor Vehicles	421.38	-	349.97	27.05	13.12	56.87	71.41
Office Equipment	319.84	2.25	300.69	-	3.21	18.19	19.15
Computers	927.23	2.53	880.93	-	6.69	42.14	46.30
Electrical Installation	1,859.80	-	1,163.74	-	161.27	534.79	696.06
Library Books	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>27.05</b>	<b>3,232.57</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	13.83	37.91	17.74	44.39
<b>Total Right Of Use Asset</b>	<b>121.05</b>	<b>17.04</b>	<b>19.62</b>	<b>13.83</b>	<b>37.91</b>	<b>17.74</b>	<b>44.39</b>
<b>c) Intangible Assets</b>							
Brands	3,345.07	-	3,345.07	-	-	-	-
Software	598.98	1.51	562.98	-	3.77	33.74	36.00
Product Development	173.94	-	173.94	-	-	-	-
<b>Total Intangible Assets</b>	<b>4,117.99</b>	<b>1.51</b>	<b>4,081.99</b>	<b>-</b>	<b>3.77</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>40.88</b>	<b>3,274.25</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 Consolidated Financial Statements

for the year ended March 31, 2022

## 2 PROPERTY, PLANT AND EQUIPMENT (Previous Financial Year 2020-21)

(₹ in lacs)

	Gross Block			Depreciation and Amortisation			Net Block	
	As at April 01, 2020	Additions	Deductions	As at April 01, 2020	For the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
<b>a) Property, Plant and Equipment</b>								
Land	13,698.16	-	-	-	-	-	13,698.16	13,698.16
Buildings	10,205.65	-	2.83	3,180.94	280.14	3,459.77	6,743.05	7,024.71
Roads & Bridges	182.69	-	-	81.49	33.40	114.89	67.80	101.20
Lease Hold Improvement	42.00	-	-	25.03	4.03	29.06	12.94	16.97
Plant and Equipment	51,460.16	6.86	61.40	23,377.24	2,725.20	26,049.23	25,356.39	28,082.92
Tools & Equipments	0.37	-	-	0.19	0.02	0.21	0.16	0.18
Furniture and Fixtures	337.39	-	-	252.55	19.76	272.31	65.08	84.84
Motor Vehicles	444.83	-	23.45	344.03	24.40	349.97	71.41	100.80
Office Equipment	321.09	0.28	1.53	298.60	3.54	300.69	19.15	22.49
Computers	926.86	1.28	0.91	872.24	9.55	880.93	46.30	54.62
Electrical Installation	1,859.80	-	-	997.22	166.52	1,163.74	696.06	862.58
Library Books	0.28	-	-	0.28	-	0.28	-	-
Live Stock	0.25	-	-	-	-	-	0.25	0.25
<b>Total Property, Plant and Equipment</b>	<b>79,479.53</b>	<b>8.42</b>	<b>90.12</b>	<b>29,429.81</b>	<b>3,266.56</b>	<b>32,621.08</b>	<b>46,776.75</b>	<b>50,049.72</b>
<b>b) Right Of Use Asset</b>								
Premises	123.04	8.16	10.15	41.50	41.46	76.66	44.39	81.54
<b>Total Right Of Use Asset</b>	<b>123.04</b>	<b>8.16</b>	<b>10.15</b>	<b>41.50</b>	<b>41.46</b>	<b>76.66</b>	<b>44.39</b>	<b>81.54</b>
<b>c) Intangible Assets</b>								
Brands	3,345.07	-	-	3,345.07	-	3,345.07	-	-
Software	598.98	-	-	558.57	4.41	562.98	36.00	40.41
Product Development	173.94	-	-	173.94	-	173.94	-	-
<b>Total Intangible Assets</b>	<b>4,117.99</b>	<b>-</b>	<b>-</b>	<b>4,077.58</b>	<b>4.41</b>	<b>4,081.99</b>	<b>36.00</b>	<b>40.41</b>
<b>Grand Total</b>	<b>83,720.56</b>	<b>16.58</b>	<b>100.27</b>	<b>33,548.89</b>	<b>3,312.43</b>	<b>36,779.73</b>	<b>46,857.14</b>	<b>50,171.67</b>

Note: The title deeds of the immovable properties are held in the name of the Company.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 2(i) CAPITAL WORK-IN-PROGRESS

(₹ in lacs)

	Year Ended, March 31,2022	Year Ended, March 31,2021
Opening Carrying value as at April 1	10,010.02	10,035.97
Additions/ Adjustments	11.67	(25.95)
Transfer to property, Plant and Equipment	-	-
Closing Carrying value as at March 31	10,021.69	10,010.02

### Ageing Schedule- Project Temporarily Suspended As on March 31, 2022

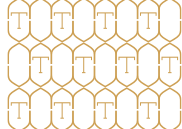
(₹ in lacs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project Temporarily Suspended	11.67	(25.95)	119.21	9,916.76	10,021.69
<b>Total</b>	<b>11.67</b>	<b>(25.95)</b>	<b>119.21</b>	<b>9,916.76</b>	<b>10,021.69</b>

### Ageing Schedule- Project Temporarily Suspended As on March 31, 2021

(₹ in lacs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project Temporarily Suspended	(25.95)	119.21	88.23	9,828.53	10,010.02
<b>Total</b>	<b>(25.95)</b>	<b>119.21</b>	<b>88.23</b>	<b>9,828.53</b>	<b>10,010.02</b>



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 3 INVESTMENTS

(₹ in lacs)

	As at March 31, 2022		As at March 31, 2021	
<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>3.22</b>		<b>3.22</b>
<b>IV) Investment in Mutual Fund #</b>		-		-
<b>Aggregate of unquoted investments</b>		<b>3.77</b>		<b>3.77</b>
<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)		3.22		3.22
Impairment in value of Investments		(169.00)		(169.00)
		<b>3.77</b>		<b>3.77</b>

**Note:-**

# During the year the Holding Company purchased and sold Mutual Funds of ₹ 6,999.65 lacs and ₹ 7,032.15 lacs respectively.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 4 LOANS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>				
Employee Loans	-	-	-	0.47
	-	-	-	<b>0.47</b>

## 5 OTHER FINANCIAL ASSETS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Term Bank Deposits	1,733.99	340.48	-	-
(Maturity exceeding 12 months)				
Advance to Employees	-	-	22.19	8.00
Deposits	4,503.05	4,616.16	-	-
Others	1,511.93	1,511.93	1,677.57	16.85
	<b>7,748.97</b>	<b>6,468.57</b>	<b>1,699.76</b>	<b>24.85</b>
Less : Allowance for doubtful deposits	(2,108.42)	(2,078.42)	-	-
Less : Allowance for doubtful other financial assets	(1,496.05)	(1,488.20)	-	-
	<b>4,144.50</b>	<b>2,901.95</b>	<b>1,699.76</b>	<b>24.85</b>

### 5.1 Movement in loss allowance for doubtful deposits is provided below :

(₹ in lacs)

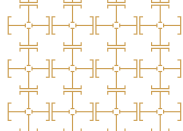
Particulars	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Balance at the beginning of the year</b>	<b>2,078.42</b>	<b>2,078.42</b>	-	-
Loss allowance (net)	30.00	-	-	-
Write off	-	-	-	-
<b>Balance at the end of the year</b>	<b>2,108.42</b>	<b>2,078.42</b>	-	-

### 5.2 Movement in loss allowance for doubtful other financial assets is provided below :

(₹ in lacs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Balance at the beginning of the year</b>	<b>1,488.20</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>1,488.20</b>	-	-





# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 6 DEFERRED TAX ASSETS (NET)

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets (Net)	-	-	-	-
(Refer Note 27)				
	-	-	-	-

## 7 OTHER ASSETS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>				
Capital advances	103.40	6,075.21	-	-
Balance with Government Authorities / Others	1,061.31	1,077.84	1,233.28	873.64
Deposits with Court	4.33	4.33	-	-
Advances to Suppliers	-	-	5,217.53	7,016.19
Prepaid Expense	-	-	667.89	525.56
	<b>1,169.04</b>	<b>7,157.38</b>	<b>7,118.70</b>	<b>8,415.39</b>
Less : Allowance for doubtful advances / Balance with Government Authorities	(253.96)	(181.30)	(4,786.57)	(4,546.47)
	<b>915.08</b>	<b>6,976.08</b>	<b>2,332.13</b>	<b>3,868.92</b>

### 7.1 Movement in loss allowance for Balance with Government Authorities & doubtful advances is provided below :

(₹ in lacs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Balance at the beginning of the year</b>	181.30	181.30	4,546.47	4,793.96
Loss allowance (net)	72.66	-	240.10	(247.49)
Write off	-	-	-	-
<b>Balance at the end of the year</b>	<b>253.96</b>	<b>181.30</b>	<b>4,786.57</b>	<b>4,546.47</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 8 INVENTORIES

(₹ in lacs)

	As at March 31, 2022	As at March 31, 2021
(At lower of cost and net realisable value)		
Raw Materials	1,525.81	1,149.46
Stores, Spares and Packing Materials	1,853.95	1,763.17
Work-In-Progress	356.80	292.85
Finished Goods	3,495.34	4,002.13
	<b>7,231.90</b>	<b>7,207.61</b>

### 8.1 Amounts recognised in the Statement of Profit and Loss:

Provision for non-moving and obsolete inventories for the year amounting to ₹ 296.55 lacs (P.Y. ₹ 983.94 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, 2022	As at March 31, 2021
Unsecured, considered good	23,830.64	18,158.99
Significant Credit Risk	612.73	960.56
Credit Impaired	-	-
	<b>24,443.37</b>	<b>19,119.55</b>
Less: Expected Credit Loss	766.77	1,009.37
	<b>23,676.60</b>	<b>18,110.18</b>

### 9.1 Movement in Expected Credit Loss for Trade Receivables is provided below :

(₹ in lacs)

Particulars	March 31, 2022	March 31, 2021
<b>Balance at the beginning of the year</b>	<b>1,009.37</b>	<b>633.25</b>
Loss allowance (net)	(242.60)	376.12
Write off	-	-
<b>Balance at the end of the year</b>	<b>766.77</b>	<b>1,009.37</b>



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 9.2(a) 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 years	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>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>

## 9.2(b) Ageing Schedule (2020-2021)

(₹ in lacs)

Particulars	Outstanding for following periods from due date of payment							Total Outstanding
	Unbilled	Not Due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	16,282.65	134.17	736.19	1,005.98	-	-	18,158.99
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	407.83	3.34	549.39	960.56
(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>16,282.65</b>	<b>134.17</b>	<b>736.19</b>	<b>1,413.81</b>	<b>3.34</b>	<b>549.39</b>	<b>19,119.55</b>
Less: Expected Credit Loss								1,009.37
<b>Total Trade Receivables after Expected Credit Loss</b>								<b>18,110.18</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 10 CASH AND BANK BALANCES

(₹ in lacs)

	As at March 31, 2022	As at March 31, 2021
<b>a) Cash and Cash Equivalents</b>		
i) Balances with Banks		
In Current Accounts	4,189.36	4,409.95
ii) Short-Term Bank Deposits (Maturity within 3 months)	73.95	68.43
iii) Cash on Hand	10.70	8.02
	<b>4,274.01</b>	<b>4,486.40</b>
<b>b) Other Bank Balances</b>		
i) Earmarked Balances with Banks (Unpaid Dividend Accounts)	-	11.85
ii) Short-Term Bank Deposits (Maturity within 12 months)	2,788.47	312.64
	<b>2,788.47</b>	<b>324.49</b>
	<b>7,062.48</b>	<b>4,810.89</b>

## 11 EQUITY SHARE CAPITAL

(₹ in lacs)

	As at March 31, 2022	As at March 31, 2021
<b>Authorised Shares</b>		
180,000,000 equity shares of ₹ 10/- each (P.Y. 150,000,000 equity shares of ₹ 10/- each)	<b>18,000.00</b>	<b>15,000.00</b>
<b>Issued, subscribed and paid up shares</b>		
158,621,804 equity shares of ₹ 10/- each fully paid up (P.Y. 125,434,603 Equity Shares of ₹ 10/- each fully paid up)	15,862.18	12,543.46
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>15,862.18</b>	<b>12,543.46</b>

### a) Reconciliation of the number of shares outstanding

(Nos. in lacs)

	As at March 31, 2022	As at March 31, 2021
Number of Equity Shares at the beginning of the year	1,254.35	1,251.34
Equity shares issued during the year	331.87	3.01
Number of Equity Shares at the end of the year	<b>1,586.22</b>	<b>1,254.35</b>



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 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, 2022		As at March 31, 2021	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Shivani Amit Dahanukar #	329.76	20.79%	329.76	26.29%
Amit Dahanukar #	298.45	18.81%	298.45	23.79%
Barclays Wealth Trustees India Pvt Ltd acting as a Trustee of Lotus Family Trust#	118.87	7.49%	-	0.00%
<b>Total</b>	<b>747.08</b>	<b>47.10%</b>	<b>628.21</b>	<b>50.08%</b>

# Refer Note No. 48

## d) Disclosures of Shareholding of Promoters - Shares held by the Promoters

(Nos. in lacs)

Name of the shareholder	As at March 31, 2022		As at March 31, 2021		Changes in %
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding	
<b>Promoters</b>					
Shivani Amit Dahanukar	329.76	20.79%	329.76	26.29%	-5.50%
Amit Dahanukar	298.45	18.81%	298.45	23.79%	-4.98%
Priyadarshini A Dahanukar	5.38	0.34%	5.38	0.43%	-0.09%
Anupama Arun Dahanukar	4.58	0.29%	4.58	0.36%	-0.08%
<b>Promoter Group</b>					
M L Dahanukar And Co Pvt Ltd	35.64	2.25%	35.64	2.84%	-0.59%
Aunoday Investments Pvt Ltd	38.32	2.42%	11.91	0.95%	1.47%
	<b>712.13</b>	<b>44.89%</b>	<b>685.72</b>	<b>54.67%</b>	

## 12 OTHER EQUITY

(₹ in lacs)

	As at March 31, 2022	As at March 31, 2021
<b>a) Securities Premium Account</b>		
Balance at the beginning of the year	19,950.43	19,916.58
Allotment of shares	9,535.28	10.16
Exercise of Employee Stock Options	213.90	23.69
Balance at the end of the year	<b>29,699.61</b>	<b>19,950.43</b>



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in lacs)

	As at March 31, 2022	As at March 31, 2021
<b>b) General Reserve</b>		
Balance at the beginning of the year	1,520.24	1,430.01
Transfer from Share Based Payment Reserve Account	78.88	90.23
Balance at the end of the year	<b>1,599.12</b>	<b>1,520.24</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	388.68	502.60
Transfer to General Reserve	(78.88)	(90.23)
Exercise of Employee Stock Options	(213.90)	(23.69)
Share based payment reserve created during the year	364.91	-
Balance at the end of the year	<b>460.81</b>	<b>388.68</b>
<b>e) Money Received against Share Warrants</b>	<b>1,225.00</b>	-
<b>f) Retained Earnings</b>		
Balance at the beginning of the year	(39,993.62)	(36,118.82)
Add: Profit / (Loss) after tax for the year	4,518.72	(3,840.30)
Add: Remeasurement of defined benefit plans	(39.38)	(34.50)
Balance at the end of the year	<b>(35,514.28)</b>	<b>(39,993.62)</b>
<b>Total Other Equity</b>	<b>(2,510.77)</b>	<b>(18,115.30)</b>

**Footnotes:**

**a) Securities Premium Account:**

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.

**b) General Reserve:**

The general reserve represents amounts appropriated out of retained earnings based on the provisions of the Act.

**c) Capital Reserve:**

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.

**d) Share Based Payments Reserve Account:**

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 Scheme.

**e) Money Received against Share Warrants:**

Money received against Share Warrants represents amounts received at the time of subscription of warrants.

**f) Retained Earnings:**

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.



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 13 BORROWINGS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Secured Loans</b>				
<b>From Asset Reconstruction Company</b>				
Rupee Term Loans	23,702.17	29,142.17	5,440.00	4,480.00
Balance Debts	10,282.14	10,168.88	-	-
Other Debts	-	3,386.75	-	-
<b>From Banks</b>				
Hire Purchase Car Loans (with banker's lien on cars)	-	-	-	3.68
Cash Credit (including Working Capital Demand Loan) (Refer Note No 47)	-	-	-	2,816.08
Current maturities of Term Loans- Foreign Currency Loan (Refer Note No 47)	-	-	-	970.13
<b>Unsecured</b>				
Vendor Financing	4,115.16	3,197.26	456.79	1,114.74
From other parties	-	-	14,501.23	14,909.80
	<b>38,099.47</b>	<b>45,895.06</b>	<b>20,398.02</b>	<b>24,294.43</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. Vahni Distilleries Private Limited and PunjabExpo Breweries Private Limited are the Corporate Obligor to the term loans from Edelweiss Asset Reconstruction Company (EARC).
- 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).
- Other debts of ₹ 3,386.75 lacs from Asset Reconstruction Company (EARC) has been converted into equity shares of 139.04 lacs which have been allotted to EARC on April 24, 2021.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

h) Maturity profile of term loans from Edelweiss Asset Reconstruction Company (EARC) are as set out as below:

(₹ in lacs)

Lender trusts	Current	Non Current
	Less than 1 year	1 to 2 years
EARC trust SC 233	680.00	1,567.69
EARC trust SC 241	3,400.00	18,896.68
EARC trust SC 269	1,360.00	3,237.80
<b>Total</b>	<b>5,440.00</b>	<b>23,702.17</b>

## 14 OTHER FINANCIAL LIABILITIES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Trade Deposits & Others (Unsecured)	4,018.06	6,021.50	-	-
Payable for purchase of Fixed Assets	-	-	59.92	6,110.61
Employee dues	-	-	785.00	690.35
Unclaimed Dividend	-	-	-	11.85
Other Payables	-	-	929.76	522.20
	<b>4,018.06</b>	<b>6,021.50</b>	<b>1,774.68</b>	<b>7,335.01</b>

## 15 PROVISIONS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity (Refer note 32)	391.70	354.77	74.05	56.32
Provision for Leave Encashment	82.33	78.23	20.98	19.18
Provision for Excise Duty on Finished Goods	-	-	2,533.95	2,826.29
	<b>474.03</b>	<b>433.00</b>	<b>2,628.98</b>	<b>2,901.79</b>

## 16 OTHER LIABILITIES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Payable towards Statutory Liabilities	-	-	549.87	652.47
Deferred Fair Value Gain	1,452.50	3,053.22	1,290.52	1,276.28
Advance from Customers	-	-	139.52	-
	<b>1,452.50</b>	<b>3,053.22</b>	<b>1,979.91</b>	<b>1,928.75</b>



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 17 TRADE PAYABLES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro & small enterprises (Refer Note 38)	-	-	2,372.01	2,540.36
Total outstanding dues of creditors other than micro & small enterprises	-	-	14,758.61	12,264.01
	-	-	<b>17,130.62</b>	<b>14,804.37</b>

### 17.1(a) Ageing Schedule (2021-2022)

(₹ 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	-	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>

### 17.1(b) Ageing Schedule (2020-2021)

(₹ 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	-	857.72	1,036.74	323.63	115.19	207.08	2,540.36
Others	-	1,496.51	3,409.74	777.87	672.73	5,907.16	12,264.01
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
<b>Total</b>	-	<b>2,354.23</b>	<b>4,446.48</b>	<b>1,101.50</b>	<b>787.92</b>	<b>6,114.24</b>	<b>14,804.37</b>

## 18 REVENUE FROM OPERATIONS

(₹ in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
<b>Revenue from contracts with customers</b>		
Sales of products	178,805.91	141,624.72
	<b>178,805.91</b>	<b>141,624.72</b>
<b>Reconciliation of Gross Revenue with Revenue from Contracts with Customers</b>		
Contract price	180,142.51	142,314.05
Less: Discount / Demurrage	1,336.60	689.33
Revenue recognised	<b>178,805.91</b>	<b>141,624.72</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 18.1 Other Operating Income

(₹ in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of by products, scrap and other income	216.68	73.19
Royalty Income	143.39	138.51
Contract Manufacturing Income	39.89	-
	<b>399.96</b>	<b>211.70</b>

## 19 OTHER INCOME

(₹ in lacs)

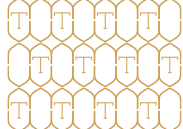
	Year ended March 31, 2022	Year ended March 31, 2021
Duty drawback on exports	0.30	0.50
Sundry balance written back	75.97	252.24
Excess provision written back	466.52	650.34
Interest income on margin money / fixed deposits/ others	175.07	58.97
Foreign Exchange Fluctuation Gain	-	136.46
Profit on Sale of Investments	32.50	-
Reversal of Expected Credit Loss on trade receivables	242.60	-
Profit on sale of fixed assets	1.12	-
Miscellaneous receipts	52.71	43.44
	<b>1,046.79</b>	<b>1,141.95</b>

## 20 COST OF MATERIALS CONSUMED

(₹ in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
i) Raw Material Consumption		
Inventories at the beginning of the year	1,149.46	489.96
Add: Purchases	18,320.66	15,183.90
Less: Inventories at the end of the year	1,525.81	1,149.46
	<b>17,944.31</b>	<b>14,524.40</b>
ii) Packing Materials & Consumables	19,854.11	14,607.68
	<b>37,798.42</b>	<b>29,132.08</b>





# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 21 (INCREASE) / DECREASE IN INVENTORIES

(₹ in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the year		
i) Work-In-Progress	292.85	1,046.44
ii) Finished Goods	4,002.13	1,854.79
	<b>4,294.98</b>	<b>2,901.23</b>
Less : Inventories at the end of the year		
i) Work-In-Progress	356.80	292.85
ii) Finished Goods	3,495.34	4,002.13
	<b>3,852.14</b>	<b>4,294.98</b>
<b>(Increase) / Decrease in Inventories</b>	<b>442.84</b>	<b>(1,393.75)</b>

## 22 EMPLOYEE BENEFIT EXPENSE

(₹ in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages and Bonus	2,581.51	2,278.01
Employee Stock Option Expenses	364.91	-
Contribution to provident fund and family pension fund ( Refer Note 32)	114.44	111.68
Staff welfare expenses	95.48	78.99
Gratuity (Refer Note 32)	52.19	46.88
	<b>3,208.53</b>	<b>2,515.56</b>

## 23 FINANCE COST

(₹ in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on Term Loans	2,893.31	3,125.81
Interest on Cash Credits / Working Capital Demand Loan	392.21	334.60
Interest on Lease Liabilities	5.81	10.87
Others *	2,895.55	3,625.22
	<b>6,186.88</b>	<b>7,096.50</b>

\* Includes unwinding of discount of ₹ 1,586.49 lacs (P.Y. ₹ 1,133.96 lacs) and amortisation of deferred fair value gains of ₹ 1,586.49 lacs (P.Y. ₹ 1,133.96 lacs).

# Notes to Consolidated Financial Statements

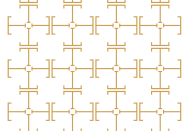
for the year ended March 31, 2022

## 24 OTHER EXPENSES

	(₹ in lacs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Power and fuel	475.42	363.24
Repairs & maintenance		
i) Plant & Equipment	20.22	12.70
ii) Buildings	-	0.97
iii) Others	249.55	138.42
Insurance	110.30	73.12
Rent ( Refer Note 31)	12.69	19.91
Contract manufacturing cost	4,000.34	3,409.28
Legal and professional charges	598.08	550.64
Auditor's Remuneration (Refer Note 37)	25.82	24.04
Rates and taxes	2,351.23	2,137.92
Freight, transport charges & other expenses	3,075.12	1,989.08
Selling expenses [Sales Promotion & Advertising etc.]	12,276.42	8,210.07
Travelling and conveyance expenses	72.54	52.75
Printing and stationery	19.84	20.79
Communication expenses	43.85	27.68
Vehicle running expenses	11.17	8.12
Director sitting fees (Refer Note 35)	49.83	45.95
Expected Credit Loss on trade receivables	-	376.12
Loss on Sale of Assets	-	10.77
Donation	1.00	47.20
Corporate Social Responsibility	46.85	44.83
Foreign Exchange Fluctuation Loss	170.93	-
Provision for non-moving and obsolete inventories	296.55	983.94
Allowance for doubtful advances / deposits	673.34	5.00
Advances written off	37.79	-
Miscellaneous expenses	1,056.55	659.55
	<b>25,675.43</b>	<b>19,212.09</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 Consolidated Financial Statements

for the year ended March 31, 2022

## 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, 2022

(₹ in lacs)

	Carrying amount				Total carrying amount
	Financial assets - FVTPL	FVOCI - Equity Instruments	Financial assets - cost / amortised cost	Financial liabilities - cost / amortised cost	
<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.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

**As at March 31, 2021**

(₹ in lacs)

	Carrying amount					Total carrying amount
	Financial assets - FVTPL	FVOCI - Equity Instruments	Financial assets - cost / amortised cost	Financial liabilities - cost / amortised cost		
<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	-	-	18,110.18	-	-	18,110.18
Cash and Cash Equivalents	-	-	4,486.40	-	-	4,486.40
Other Bank Balances	-	-	324.49	-	-	324.49
Loans	-	-	0.47	-	-	0.47
Other Financial Assets	-	-	2,926.80	-	-	2,926.80
	-	-	<b>25,848.89</b>	-	-	<b>25,848.89</b>
<b>Financial liabilities not measured at fair value</b>						
Borrowings	-	-	-	70,189.49	-	70,189.49
Lease Liabilities	-	-	-	56.06	-	56.06
Trade Payables	-	-	-	14,804.37	-	14,804.37
Other Financial Liabilities	-	-	-	13,356.51	-	13,356.51
	-	-	-	<b>98,406.43</b>	-	<b>98,406.43</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, 2022			As at March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Asset</b>	-	-	-	-	-	-
Non current Investments	-	-	3.22	-	-	3.22
Current Investment	-	-	-	-	-	-

## 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



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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, 2022	As at March 31, 2021
Trade Receivables	23,676.60	18,110.18
Cash and Cash Equivalents	4,274.01	4,486.40
Other Bank Balances	2,788.47	324.49
Loans	-	0.47
Other Financial Assets	5,844.26	2,926.80
<b>Total</b>	<b>36,583.34</b>	<b>25,848.34</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
<b>As at March 31, 2022</b>	<b>23,676.60</b>	<b>23,676.60</b>	-
As at March 31, 2021	18,110.18	18,110.18	-



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 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, 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>

#### As at March 31, 2021

(₹ in lacs)

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	70,189.49	24,294.43	45,895.06
Lease Liabilities	56.06	45.50	10.56
Trade Payables	14,804.37	14,804.37	-
Other Financial Liabilities	13,356.51	7,335.01	6,021.50
	<b>98,406.43</b>	<b>46,479.31</b>	<b>51,927.12</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 Consolidated Financial Statements

for the year ended March 31, 2022

## 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:

	As at March 31, 2022 USD in lacs	As at March 31, 2021 USD in lacs
Export receivables	0.22	0.08
Overseas payables	(74.28)	(87.53)
<b>Total</b>	<b>(74.06)</b>	<b>(87.45)</b>

## Foreign currency sensitivity

1% increase in foreign exchange rates will have the following impact on profit before tax:

	As at March 31, 2022	As at March 31, 2021
Increase / (decrease) in profit	(55.93)	(64.05)
<b>Total increase / (decrease) in profit</b>	<b>(55.93)</b>	<b>(64.05)</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 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:

	As at March 31, 2022	As at March 31, 2021
<b>Fixed rate instruments</b>		
<b>Financial liabilities</b>		
Borrowings / Other Financial Liabilities	62,401.55	72,310.78
<b>Total</b>	<b>62,401.55</b>	<b>72,310.78</b>
<b>Variable-rate instruments</b>		
<b>Financial liabilities</b>		
Borrowings / Other Financial Liabilities	-	3,786.21
<b>Total</b>	<b>-</b>	<b>3,786.21</b>

(₹ in lacs)

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 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, 2022</b>	
Variable-rate instruments	-
<b>Cash flow sensitivity</b>	<b>-</b>
<b>March 31, 2021</b>	
Variable-rate instruments	(37.86)
<b>Cash flow sensitivity</b>	<b>(37.86)</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	Opening Balance as at 01-04-2021	Recognised in statement of Profit & loss	Closing Balance as at 31-03-2022
<b>Deferred Tax liabilities in relation to</b>			
Property Plant & Equipment	(5,745.76)	269.83	(5,475.93)
<b>Total A</b>	<b>(5,745.76)</b>	<b>269.83</b>	<b>(5,475.93)</b>
<b>Deferred Tax Assets in relation to</b>			
Lease Liabilities / ROU assets	2.94	(2.27)	0.67
Employee Benefit obligation	147.39	17.58	164.97
Provision / Impairment for Doubtful Debts / Advances / Deposits	4,019.21	345.49	4,364.70
Impairment in value of Investments	80.29	-	80.29
MAT Credit	32.61	(3.65)	28.96
Business Losses / Unabsorbed depreciation	1,463.32	(626.98)	836.34
<b>Total B</b>	<b>5,745.76</b>	<b>(269.83)</b>	<b>5,475.93</b>
<b>Total (A+B)</b>	<b>-</b>	<b>-</b>	<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, 2022 (P.Y. ₹ 34,187.87 lacs).



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 28 INCOME TAXES

(₹ in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
<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	(399.52)	(17.58)
<b>Deferred Tax</b>		
In respect of current year	-	-
Adjustments in respect of deferred tax of previous years	-	-
<b>Total</b>	<b>(399.52)</b>	<b>(17.58)</b>
<b>b) Income tax expense recognised in Other Comprehensive Income</b>		
Income tax expense on remeasurement of defined benefit plans	-	-
	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>c) Current Tax Liabilities</b>		
Provision for Taxation (Net of Advance Tax)	-	0.62
<b>d) Non-Current Tax Assets</b>		
Advance Tax (Net of Provision for Taxation)	312.52	380.09

## 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, 2022	As at March 31, 2021
Total Net Debt	54,223.48	65,703.09
Total Equity	13,351.41	(5,571.84)
Debt to Equity Ratio	4.06	Nil

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 30 CONTINGENT LIABILITY NOT PROVIDED FOR:

Particulars	(₹ in lacs)	
	As at March 31, 2022	As at March 31, 2021
a) Corporate guarantees issued to banks on behalf of Subsidiary Company	-	970.13
b) Bank guarantees issued on behalf of the Company	89.95	85.35
c) 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	36.94
F.Y. 2010-2011 (Central Sales Tax)	244.96	244.96
F.Y. 2011-2012 (Central Sales Tax)	-	295.06
F.Y. 2012-2013 (MVAT)	-	1,322.25
F.Y. 2012-2013 (Central Sales Tax)	-	1,334.96
F.Y. 2013-2014 (MVAT)	1,290.65	1,290.65
F.Y. 2013-2014 (Central Sales Tax)	1,201.20	1,201.20
F.Y. 2014-2015 (MVAT)	57.85	57.85
F.Y. 2014-2015 (Central Sales Tax)	27.29	27.29
F.Y. 2015-2016 (MVAT)	94.35	94.35
F.Y. 2015-2016 (Central Sales Tax)	146.72	146.72
F.Y. 2013-2014 (KVAT- Kerala)	-	28.31
F.Y. 2013-2014 (CST- Kerala)	6.24	141.94
F.Y. 2014-2015 (KVAT- Kerala)	-	32.17
F.Y. 2014-2015 (CST- Kerala)	-	170.02
F.Y. 2015-2016 (KVAT- Kerala)	-	0.43
F.Y. 2015-2016 (CST -Kerala)	-	113.62
F.Y. 2016-2017 (CST -Kerala)	-	5.12
F.Y. 2017-2018 (CST-Kerala)	-	0.41
F.Y. 2011-2012 (Karnataka VAT)	-	23.09
F.Y. 2015-2016 (Karnataka CST)	-	2.45
F.Y. 2016-2017 (MVAT)	52.93	-
F.Y. 2016-2017 (Central Sales Tax)	42.87	-
F.Y. 2014-2015 (CST - AP )	0.09	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	-
F.Y. 2017-2018 (KTEG-Karnataka )	2.17	-
F.Y. 2017-2018 (CST-Karnataka )	1.42	-
F. Y. 2013-2014 ( PVT Punjab)	0.10	-
F. Y. 2013-2014 ( CST Punjab)	24.65	-
F. Y. 2014-2015 ( CST Punjab)	122.08	-
ii) <u>Central Excise / Service tax</u>		
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)	67.35	
iii) <u>Goods and Service Tax</u>		
F.Y. 2017-2018 ( GST )	1.08	-





# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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.

## 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:

(₹ in lacs)

Particulars	As at	
	March 31, 2022	March 31, 2021
Carrying amount right-of-use assets at beginning of the year	44.39	81.54
Additions to right-of-use assets during the year	17.04	8.16
Deletions to right-of-use assets during the year	5.78	3.85
Amortisation of right-of-use assets during the year	37.91	41.46
Interest expense (unwinding of discount) on lease liabilities	5.81	10.87
Total cash outflows in respect of leases	51.84	50.99
Carrying amount right-of-use assets at year end	17.74	44.39

- b) Lease rentals of ₹ 12.69 lacs (P.Y. ₹ 19.91 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 ₹ NIL (₹1.74 lacs) 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	Less than 1 year	1 to 3 years	3 to 5 years	above 5 years
Lease Liabilities	20.41	7.37	13.04	-	-

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 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 ₹ 114.44 lacs (P.Y. ₹ 111.68 lacs) under defined contribution plan as employer's contribution to Provident Fund.

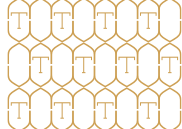
### Defined Benefit Plan

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. The obligation for leave encashment is recognized in the manner as gratuity.

The net value of the defined commitment is detailed below:

(₹ in lacs)

	As at March 31, 2022		As at March 31, 2021	
	Funded Gratuity	Unfunded Gratuity	Funded Gratuity	Unfunded Gratuity
Present Value of obligation	407.72	121.65	359.93	106.54
Fair Value of Plans	63.62	-	55.38	-
<b>Net Liability in the balance sheet</b>	<b>344.10</b>	<b>121.65</b>	<b>304.55</b>	<b>106.54</b>
<b>Defined Benefit Obligations</b>	-	-	-	-
Balance at the beginning of the year	359.93	106.54	376.99	92.66
Interest expenses	22.53	7.16	25.71	1.75
Current service cost	18.71	7.26	20.19	2.76
Past service cost	-	-	-	-
(Liability Transferred Out / Divestments)	-	-	-	-
Benefit paid directly by the employer	(34.77)	(2.16)	(86.29)	(1.98)
Benefit paid directly from the fund	-	-	-	-
Actuarial (gain) / loss-Due to change in Demographic Assumptions	(0.09)	(0.09)	18.71	3.80
Actuarial (gain) / loss-Due to change in Financial assumptions	(6.75)	(3.51)	7.33	0.94
Actuarial (gain) / loss- Due to Experience	48.16	6.45	(2.71)	6.61
<b>Balance at the end of the year</b>	<b>407.72</b>	<b>121.65</b>	<b>359.93</b>	<b>106.54</b>
<b>Plan Assets</b>				
Balance at the beginning of the year	55.38	-	51.68	-
Interest Income	3.47	-	3.52	-
Expected return on plan assets	4.77	-	0.18	-
Paid Funds	-	-	-	-
Actuarial (gain) / loss	-	-	-	-
<b>Balance at the end of the year</b>	<b>63.62</b>	<b>-</b>	<b>55.38</b>	<b>-</b>



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in lacs)

	Year ended March 31, 2022		Year ended March 31, 2021	
	Funded Gratuity	Unfunded Gratuity	Funded Gratuity	Unfunded Gratuity
<b>Return on Plan Assets</b>				
Expected return on plan assets	4.77	-	0.17	-
Actuarial (gain) / loss	-	-	-	-
<b>Actual Return on Plan Assets</b>	<b>4.77</b>	<b>-</b>	<b>0.17</b>	<b>-</b>
<b>Expenses Recognised in the Statement of Profit or Loss on defined benefit plan</b>				
Current service costs	18.71	7.26	20.19	2.76
Past service cost	-	-	-	-
Interest expense	22.53	7.16	25.71	1.75
Interest Income	(3.47)	-	(3.53)	-
Expected return on plan assets	-	-	-	-
<b>Expenses Recognised</b>	<b>37.77</b>	<b>14.42</b>	<b>42.37</b>	<b>4.51</b>
<b>Expenses Recognised in the Other Comprehensive Income (OCI) on defined benefit plan</b>				
Actuarial (gain) / loss	41.30	2.85	23.33	11.34
Expected return on plan assets	(4.77)	-	(0.17)	-
Net (Income)/ Expense for the period Recognised in OCI	<b>36.53</b>	<b>2.85</b>	<b>23.16</b>	<b>11.34</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, 2022		For the year ended March 31, 2021	
1 <sup>st</sup> Following Year	116.29	4.61	95.18	2.01
2 <sup>nd</sup> Following Year	52.34	9.64	51.90	1.98
3 <sup>rd</sup> Following Year	50.88	11.23	50.32	5.21
4 <sup>th</sup> Following Year	43.61	9.26	37.81	4.95
5 <sup>th</sup> Following Year	33.80	11.69	28.97	4.88
Sum of Years 6 to 10	129.08	58.32	105.64	19.82
Sum of Years 11 and above	126.92	36.92	108.86	24.56

(₹ in lacs)

Sensitivity Analysis	For the year ended March 31, 2022		For the year ended March 31, 2021	
Projected Benefits Obligations on Current Assumptions	407.72	121.65	359.93	106.54
Delta Effect +1% Change in Rate of Discounting	(14.35)	(9.02)	(12.82)	(2.37)
Delta Effect -1% Change in Rate of Discounting	15.77	10.27	14.11	2.63
Delta Effect +1% Change in Rate of Salary Increase	15.15	9.00	13.42	1.27
Delta Effect -1% Change in Rate of Salary Increase	(14.06)	(5.68)	(12.41)	(1.19)
Delta Effect +1% Change in Rate of Employee Turnover	1.50	1.73	1.06	0.05
Delta Effect -1% Change in Rate of Employee Turnover	(1.65)	(1.91)	(1.17)	(0.11)

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in lacs)

Investments Details	% Invested	% Invested	% Invested	% Invested
	March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2021
Funds Managed by Life Insurance Corporation	100	-	100	-
Public Sector Unit Bonds	-	-	-	-
State / Central Guaranteed securities	-	-	-	-
Special deposit schemes	-	-	-	-
Other (excluding bank balances)	-	-	-	-
	<b>100</b>	<b>-</b>	<b>100</b>	<b>-</b>

(₹ in lacs)

Actuarial assumptions	Year ended March 31, 2022		Year ended March 31, 2021	
	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)	6.70%	6.83%	6.26%	6.59%
Expected rate of return on plan assets (per annum)	6.70%	-	6.26%	-
Rate of escalation in salary (per annum)	5.00%	4.00%	5.00%	5.00%

## Defined Contribution Plan

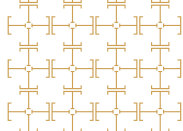
Present value of DBO, Fair Value of Plan Assets, Deficit/ (Surplus), Experience Adjustments for current and earlier periods:

(₹ in lacs)

Funded Gratuity for the year ended	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Present value of DBO	407.72	359.93	376.99	354.36	344.10
Fair value of plan assets	63.62	55.38	51.68	51.29	47.93
Deficit/(Surplus)	<b>344.10</b>	<b>304.55</b>	<b>325.31</b>	<b>303.07</b>	<b>296.17</b>

(₹ in lacs)

Unfunded Gratuity for the year ended	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Present value of DBO	121.65	106.54	92.66	79.50	46.73
Fair value of plan assets	-	-	-	-	-
Deficit/(Surplus)	<b>121.65</b>	<b>106.54</b>	<b>92.66</b>	<b>79.50</b>	<b>46.73</b>



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 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, 2022 the following schemes were in operation :

### A) Employee Stock Option Scheme 2010

Particulars	Grant 5	Grant 6	Grant 7	Grant 8
Date of Grant	July 5, 2016	June 14, 2018	May 27, 2021	August 14, 2021
Date of the Board Approval	July 5, 2016	June 14, 2018	May 27, 2021	August 14, 2021
Date of the Shareholders Approval	Sept 20, 2010	Sept 20, 2010	Sept 20, 2010	Sept 20, 2010
Number of options granted till March 31, 2022	2,150,000	1,200,000	1,075,000	1,363,500
Number of options cancelled till March 31, 2022	627,450	68,000	-	-
Number of options lapsed till March 31, 2022	1,297,700	526,347	-	-
Number of options exercised till March 31, 2022	224,850	412,171	-	8,000
Net options outstanding as on March 31, 2022	-	193,482	1,075,000	1,355,500
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

### B) Employee Stock Option Scheme 2012

Particulars	Grant 5	Grant 6	Grant 7
Date of Grant	July 5, 2016	June 14, 2018	August 14, 2021
Date of the Board Approval	July 5, 2016	June 14, 2018	August 14, 2021
Date of the Shareholders Approval	May 24, 2012	May 24, 2012	May 24, 2012
Number of options granted till March 31, 2022	3,000,000	2,600,000	1,775,000
Number of options cancelled till March 31, 2022	600,000	111,016	-
Number of options lapsed till March 31, 2022	1,661,800	541,808	-
Number of options exercised till March 31, 2022	738,200	1,251,118	20,000
Net options outstanding as on March 31, 2022	-	696,058	1,755,000
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

### C) The details of the options as on March 31, 2022 are as under:

Particulars	ESOP Scheme 2010	ESOP Scheme 2012
<b>Financial Year 2020-21</b>		
<b>Options outstanding as on April 01, 2020</b>	<b>20.14</b>	<b>39.30</b>
Options granted from April 01, 2020 to March 31, 2021	-	-
Options cancelled from April 01, 2020 to March 31, 2021	0.72	0.47
Options lapsed from April 01, 2020 to March 31, 2021	8.20	9.55
Options exercised April 01, 2020 to March 31, 2021	0.56	2.45
<b>Options outstanding as on March 31, 2021</b>	<b>10.67</b>	<b>26.83</b>



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Particulars	ESOP Scheme 2010	ESOP Scheme 2012
<b>Financial Year 2021-22</b>		
<b>Options outstanding as on April 01, 2021</b>	10.67	26.83
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>

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
Dates of Grant	Jul 05, 2016	June 14, 2018	August 14, 2021
Market Price (₹ per share) on the dates of grant	15.80	20.65	41.60
Volatility	51.21%	57.12%	55.04%
Risk free rate	6.57%	7.90%	5.08%
Exercise price	13	15	31
Time to maturity (years)	3	3	3
Dividend yield	0.91%	0.00%	0.00%
Option fair value (₹ per share)	7.04	11.45	21.3

## 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, 2022, three customers contributed 10% or more to the Company's revenue.



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

## 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	: Mr. Amit Dahanukar	- Chairman & Managing Director
	: Mrs. Shivani Amit Dahanukar	- Non-Executive Director
	: Dr. Ravindra Bapat	- Independent Director
	: Mr. C V Bijlani	- Independent Director
	: Mr. Kishorekumar Mhatre	- Independent Director
	: Maj.Gen. Dilawar Singh (Retd.)	- Independent Director
	: Mr. Satish Chand Mathur	- Independent Director
	: Ms. Aparna Chaturvedi	- Independent Woman Director
	: Ms. Swapna Shah	- Non-Executive Director
	: Mr. C R Ramesh	- Whole time Director
	: Mr. Ajit Anant Sirsat	- Chief Financial Officer
	: Mr. Shekhar Singh	- Company Secretary (up to September 30, 2021)
	: Ms. Dipti Todkar	- Company Secretary (from March 30, 2022)

Relative of Key Managerial Personnel	: Dr. Priyadarshini A. Dahanukar
	: Ms. Sanaya Amit Dahanukar

b) Entities controlled by Key Managerial Personnel	: M.L. Dahanukar & Co. Pvt. Ltd.
	: Arunoday Investments Pvt. Ltd.
	: Maharashtra Sugar Mills Pvt. Ltd.
	: Smt. Malati Dahanukar Trust
	: Dahanukar Vidyalyaya Trust (Dahanukar English Medium School)

(₹ in lacs)

Nature of Transaction (excluding reimbursements)	Parties referred in (a) above		Parties referred in (b) above	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
<b>Corporate Social Responsibility</b>				
Smt. Malati Dahanukar Trust	-	-	24.00	26.00
<b>Total</b>	-	-	<b>24.00</b>	<b>26.00</b>
<b>Donations</b>				
Dahanukar Vidyalyaya Trust (Dahanukar English Medium School)	-	-	-	22.20
<b>Total</b>	-	-	-	<b>22.20</b>

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in lacs)

Nature of Transaction (excluding reimbursements)	Parties referred in (a) above		Parties referred in (b) above	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
<b>Payments to Key Managerial Personnel</b>				
Remuneration and Sitting Fees to Executive Directors / Relatives of Holding Company	87.57	48.81	-	-
Remuneration to Chief Financial Officer / Company Secretary	56.70	88.31	-	-
Remuneration and Sitting Fees to Executive Directors of Subsidiary Companies	693.81	741.22	-	-
Sitting Fees and Consultancy Charges to Non-Executive Director / Independent Director of Holding Company and Subsidiary Companies	60.13	59.90	-	-
Rent to Executive Directors / Relatives	40.80	35.13	-	-
<b>Total</b>	<b>939.01</b>	<b>973.37</b>	<b>-</b>	<b>-</b>
<b>Repayment of Loan</b>				
Maharashtra Sugar Mills Pvt. Ltd.	-	-	-	-
<b>Total</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>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.

(₹ in lacs)

b) Compensation of key management personnel of the Company **	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits	832.38	875.29
Directors sitting fees / Consultancy Charges	65.83	62.95
<b>Total compensation of key management personnel of the Company</b>	<b>898.21</b>	<b>938.24</b>

\*\*Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.

- 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 Consolidated Financial Statements

for the year ended March 31, 2022

## 37 AUDITOR'S REMUNERATION CHARGED TO ACCOUNTS:

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Audit fees	18.21	17.69
b) Limited review fees	7.13	6.25
c) Reimbursement of expenses	0.48	0.10
	<b>25.82</b>	<b>24.04</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, 2022	As at March 31, 2021
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	2,573.91	2,811.04
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	201.90	270.68
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 EARNINGS PER SHARE:

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit/ (Loss) After Tax	4,518.72	(3,840.30)
Weighted average number of shares	1,435.13	1,252.11
Basic Earnings Per Share	3.15	(3.07)
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	1,466.80	1,252.11
Diluted Earnings Per Share	3.08	(3.07)
Face Value per Equity Share	10.00	10.00

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

- 40 The Group does not enter into any derivative instruments for trading or speculative purposes. The foreign currency exposure not hedged as at March 31, 2022 are as under:

(₹ in lacs)

Particulars	Currency	As at March 31, 2022		As at March 31, 2021	
		FC Amount (in lacs)	(₹ in lacs)	FC Amount (in lacs)	(₹ in lacs)
Receivable - Debtors	USD	0.22	16.50	0.08	5.66
Payable - Creditors	USD	74.28	5,609.11	74.28	5,440.20
Term Loans	USD	-	-	13.25	970.13

- 41 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 in accordance with the paragraphs on principal versus agent considerations in Ind AS 115 (Revenue from contracts with customers). 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)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations / Other Income	73,010.67	49,855.40
<b>Total Income</b>	<b>73,010.67</b>	<b>49,855.40</b>
Cost of materials consumed / (Increase) / decrease in Inventories	21,267.30	14,046.67
Excise Duty	26,119.96	20,382.44
Finance Cost / Other expenses	2,168.56	1,692.16
<b>Total expenses</b>	<b>49,555.82</b>	<b>36,121.27</b>
<b>Profit/(Loss)</b>	<b>23,454.85</b>	<b>13,734.13</b>

(₹ in lacs)

In Balance Sheet	As at March 31, 2022	As at March 31, 2021
<b>Assets</b>		
Inventory	2,146.64	3,017.44
Trade Receivables	15,387.42	10,819.91
Cash and Bank Balances	1,911.74	1,015.94
Other Financial Assets	191.34	196.43
Other Assets	2,108.82	1,935.46
<b>Liabilities</b>		
Trade Payables	3,825.83	1,775.90
Provisions	900.47	1,125.86
Other Liabilities	232.60	102.81





# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

- 42** The Company expects to restart the grain distillery plant during the financial year 2022-2023 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 are the same. This clubbing application has been allowed.
- 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.
- 44** The net worth of PunjabExpo Breweries Private Limited ("PunjabExpo"), a subsidiary of TI, has been eroded and has incurred net loss during the current year. However, the parent company is actively exploring the possibility of entering into northern markets where PunjabExpo will be one of the major sources of supply. It is also in talks with other brand owners to enter into bottling arrangements for the said brand owners. This would significantly improve the capacity utilisation and have favourable impact on the profitability of PunjabExpo. Moreover, PunjabExpo is also in the process of rationalization of its administrative overheads. In order to repose faith in PunjabExpo, during the current year, TI has subscribed to rights issue of 1,60,00,000 shares of ₹ 10 each of PunjabExpo thereby further improving the net worth of the company. 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.
- 45** The National Company Law Tribunal ("NCLT") had ordered for liquidation of Prag Distillery (P) Ltd. ("Prag"), wholly owned subsidiary of the Company, as a going concern in 2018-2019. A liquidator had been appointed to manage the affairs of Prag. The outstanding dues of Standard Chartered Bank and DCB Bank has been settled and no dues certificates have also been received. Hence, the accounts of Prag have been prepared on a going concern basis. The impairment, if any, of the capex project undertaken by Prag in earlier years of ₹ 10,021.69 lacs and of the existing Building, Plant and Equipment of Prag will be considered on outcome of the liquidation process as the case may be, as the recoverable value is not currently ascertainable. Following NCLT's approval, Prag has entered into a lease agreement with the Holding Company and the operations are expected to restart soon after completion of the necessary statutory formalities.
- 46** 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 mainly given for the expansion of Prag capacity and the same would be capitalised as soon as the entire licence fees are paid and the plant become operational at expanded capacity.

# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

- 47** Consequent to the full and final payment to Standard Chartered Bank and DCB Bank, Prag Distillery (P) Ltd, a wholly owned subsidiary of the Company, has written back ₹ 96.10 lacs and ₹ 1,225.41 lacs respectively being the difference between the settlement amount and the total dues including interest accrued in the books of accounts. The same is accounted under exceptional items.
- 48** During the year, after the requisite Board and shareholders' approvals where applicable, the Holding Company has allotted 3,12,11,350 equity shares of face value of ₹ 10/- each to entities on preferential basis. This includes allotment of shares to promoters / promoter group on preferential basis at an issue price of ₹ 53/- per equity share including a premium of ₹ 43/- per share. Further, 92,45,283 warrants issued to promoter groups on a preferential basis at an issue price of ₹ 53/- per warrant including a premium of ₹ 43/- per warrant are outstanding as on March 31, 2022.
- 49** The Board of Directors of Tilaknagar Industries Ltd. ("TI" or the Transferee Company") at their Board Meeting held on May 30, 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.

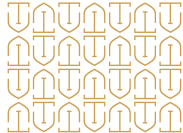
The Scheme, inter alia, provides for amalgamation by way of absorption and vesting of four wholly-owned subsidiaries of the Company, viz. (i) Kesarval Spring Distillers Private Limited ("KSDPL"); (ii) Mykingdom Ventures Private Limited ("MVPL"); (iii) Shrirampur Grains Private Limited ("SGPL"); and (iv) 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 April 01, 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.

- 50** Subject to the approval of the shareholders at the Annual General Meeting, the Board recommended payment of Dividend of ₹ 0.10 per equity share of ₹ 10/- each for the financial year ended March 31, 2022.

## **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 which is yet to be registered with ROC beyond the statutory period.
- 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.



# Notes to Consolidated Financial Statements

for the year ended March 31, 2022

- 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 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 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.
- 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 Company 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 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)

**Ajit Anant Sirsat**

Chief Financial Officer

**C. V. Bijlani**

Director

(DIN:02039345)

**Dipti Todkar**

Company Secretary

Place : Mumbai

Date : May 30, 2022

## 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, 2022

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I. SI. 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	1,80,252.66	1,80,252.66
2	Total Expenditure	1,77,454.96	1,89,164.69
3	Net Profit/(Loss) before tax	4,119.21	(7,590.52)
4	Earnings Per Share (In ₹)	2.87	(5.29)
5	Total Assets	1,01,328.10	89,618.37
6	Total Liabilities	1,01,328.10	89,618.37
7	Net Worth	13,351.42	1,641.69
8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

**II. Audit Qualification (each audit qualification separately):**

a. **Details of Audit Qualification:**

(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. 6 of the consolidated annual financial results.

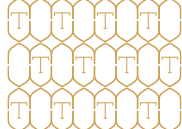
(ii) The following paragraph in respect of Basis for Qualified Opinion was included in the audit report dated May 28, 2022 issued on the Financial Statements of Prag Distillery (P) Ltd ("Prag"), a subsidiary company of the Holding Company issued by an Independent Firm of Chartered Accountants, is reproduced as under:

- We draw attention to note no. 34 of the Statement which states that the Company has incurred capital expenditure of ₹ 10,021.69 lakhs as at March 31, 2022 on expansion project (the Project) grouped under the head capital work in progress. Work on the said project has been suspended and has not been completed since many years. Further the Building, Plant & Equipment of the Company has remained idle due to Plant shutdown. The Company has not tested the said Project, Building, Plant and equipment (Tangible Assets) for impairment loss as per Indian Accounting Standard (Ind AS 36) 'Impairment of Assets'. In absence of sufficient appropriate audit evidence, we were unable to determine the amount of impairment in the value of project and Tangible assets.
- We draw attention to note no. 35 of the statement which states that there are unsecured overdue trade receivables of ₹ 586.55 lakhs and deposits of ₹ 182.05 from Andhra Pradesh Beverage Corporation Ltd and unsecured advances given to suppliers of ₹ 210.99 lakhs 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.

Note no. 34 and 35 of Prag as described above is reproduced as note no. 8 and 9 to the consolidated financial results respectively.

b. **Type of Audit Qualification:** Qualified Opinion

c. **Frequency of qualification:** Point (i) - Appearing seventh time  
Point (ii) - Appearing third time



<b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>	<u>Response to Point (II)(a)(ii)</u> <ul style="list-style-type: none"><li>The National Company Law Tribunal ("NCLT") had ordered for liquidation of Prag Distillery (P) Ltd. ("Prag"), wholly owned subsidiary of the Company, as a going concern in 2018-2019. A liquidator had been appointed to manage the affairs of Prag. The outstanding dues of Standard Chartered Bank and DCB Bank has been settled and no dues certificates have also been received. Hence, the accounts of Prag have been prepared on a going concern basis. The impairment, if any, of the capex project undertaken by Prag in earlier years of ₹ 10,021.69 lacs and of the existing Building, Plant and Equipment of Prag will be considered on outcome of the liquidation process as the case may be, as the recoverable value is not currently ascertainable. Following NCLT's approval, Prag has entered into a lease agreement with the Holding Company and the operations are expected to restart soon after completion of the necessary statutory formalities.</li><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 mainly given for the expansion of Prag capacity and the same would be capitalised as soon as the entire licence fees are paid and the plant become operational at expanded capacity.</li></ul>
<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>	<b>(i) Management's estimation on the impact of audit qualification:</b> Nil for the reasons given at para 2(e)(ii) below
<b>(ii) If management is unable to estimate the impact, reasons for the same:</b>	<u>Response to Point (II)(a)(i)</u> <p>The Company expects to restart the grain distillery plant during the financial year 2022-2023 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.</p>
<b>(iii) Auditors' Comments on (i) or (ii) or(iii) above:</b>	Refer II (a) above
<b>III. Signatories:</b>	<ul style="list-style-type: none"><li><b>CEO/Managing Director</b> Amit Dahanukar</li><li><b>CFO</b> Ajit Anant Sirsat</li><li><b>Audit Committee Chairman</b> C.V. Bijlani</li><li><b>Statutory Auditor</b> For <b>Harshil Shah &amp; Company</b> Harshil Shah (Partner)</li></ul>
Place: Mumbai	
Date : May 30, 2022	



# 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, 2022, 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, 2022, the profits and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

- a) 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. 41 of the standalone financial statements.
- b) The National Company Law Tribunal ("NCLT") has ordered for liquidation of Prag Distillery (P) Ltd ("Prag") wholly owned subsidiary of the Company, vide its order No. MA 309/2018 in CP1067/ 2017 dated July 26, 2018. However, the Company has not made impairment provision for equity investment of ₹ 1,543.35 lacs in Prag as required by Indian Accounting Standard (Ind AS 36) 'Impairment of assets'. Reference is invited to note no. 44 of the standalone financial statements.
- c) PunjabExpo Breweries Private Ltd (the "PunjabExpo") a wholly owned subsidiary of the Company has incurred net loss during the year and due to accumulated losses

the net-worth is negative. Despite adverse financial condition the Management has not recognised provision for impairment in equity investment of ₹ 2,680.40 lacs and loans/ advances given of ₹ 3,611.76 lacs to PunjabExpo as required by Indian Accounting Standard (Ind AS 36) Impairment of Assets. Reference is invited to note no. 43 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.

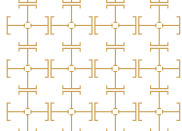
### Key Audit Matters

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, 2022 the Company has significant tax exposures and is subject to periodic assessments / challenges by tax authorities on range of indirect tax matters. The Company has also filed appeals with various appellate authorities against such demands. At March 31, 2022, the Company held provisions of approx ₹ 731.10 lacs in respect of legal claims and has disclosed total contingent liabilities of ₹ 4063.47 lacs. These provisions are based on judgements and accounting estimates made by management in determining the likelihood and magnitude of claims. Accordingly, unexpected adverse outcomes could significantly impact the Company's reported profit and balance sheet position.



## Independent Auditor's Report (Contd.)

Refer Note no. 29, 42 and 1.3(vii) of standalone financial statements and accounting policies for contingent liabilities, provisions and related disclosures.

### Auditor's response:

- We evaluated the design and tested the operating effectiveness of controls in respect of the determination of the provisions. We determined that the operation of the controls provided us with evidence over the completeness, accuracy and valuation of the provisions.
- We read the summary of litigation matters provided by management and held discussions with the management and their legal counsels and tax experts. We requested legal letters from some of the Company's external legal/tax advisors with respect to the matters included in the aforesaid disclosures. Where appropriate, we examined correspondence connected with the cases.
- For litigation provisions, we tested the calculation of the provisions, assessed the assumptions against third party data, where available and assessed the estimates against historical trends.
- We considered management's judgements on the level of provisioning and disclosures in respect of the aforesaid matters.

Based on the above procedures, we considered the management's assessment in recognising provisions and disclosing contingent liabilities as 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

## Independent Auditor's Report (Contd.)

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.



## Independent Auditor's Report (Contd.)

- 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, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 director 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, 2022 - Refer note 29 of the standalone financial statements.
  - 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, 2022.
  - 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

## Independent Auditor's Report (Contd.)

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. 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 ₹ 0.10 per share which is in accordance with section 123 of the Act, as applicable.

For **Harshil Shah & Company**  
Chartered Accountants  
ICAI Firm Reg. No. 141179W

**Harshil Shah**  
Partner

Place : Mumbai

Date : May 30, 2022

Membership No. 124146

ICAI UDIN: 22124146AKCPDG2964





## 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)

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 The Company has made investments and granted unsecured loans to subsidiaries during the year, in respect of which:

(a) During the year, the Company has granted loans as summarised below:

Particulars	Loans* (₹ In lacs)
Aggregate amount granted during the year	
- Subsidiaries	2,657.03
Balance outstanding as at Balance sheet date	
- Subsidiaries	9,804.79

\*The amounts reported are at gross amounts, without considering provisions made.

(b) According to the information and explanations given to us and based on the audit procedures carried out by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans during the year are prima facie, not prejudicial to the interest of 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 sheet date since the schedule of repayment of principal and payment of interest has not been stipulated.

## Annexure - A to the Independent Auditors' Report (Contd.)

- (e) In our opinion and on the basis of information and explanations given to us, no loans have fallen due during the year. Hence, reporting under clause 3(iii)(e) is not applicable.
- (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	9,164.38	93.47%
PunjabExpo Breweries Pvt Ltd	540.87	5.52%
Mykingdom Ventures Pvt Ltd	9.20	0.09%
Studd Projects Pvt Ltd	16.71	0.17%
Srirampur Grains Pvt Ltd	27.03	0.28%
Shivprabha Sugars Pvt Ltd	46.59	0.48%

\*The amounts reported are at gross amounts, without considering provisions made.

Further, the Company has not provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties.

- 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, related to the generation of power 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 same.
- 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.
- According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (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 - January 2016	CESTAT
Sales Tax Rules	MVAT (Maharashtra)	36.94	2010-2011	Deputy Commissioner (Appeals)
Sales Tax Rules	CST (Maharashtra)	244.96	2010-2011	Deputy Commissioner (Appeals)
Sales Tax Rules	MVAT (Maharashtra)	1,290.65	2013-2014	Joint Commissioner (Appeals)



## Annexure - A to the Independent Auditors' Report (Contd.)

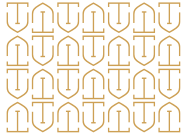
Nature of Statute	Nature of dues	Amount (₹ In lacs)*	Period to which the amount relates	Forum where the dispute is pending
Sales Tax Rules	CST (Maharashtra)	1,201.20	2013-2014	Joint Commissioner (Appeals)
Sales Tax Rules	MVAT (Maharashtra)	57.85	2014-2015	Joint Commissioner (Appeals)
Sales Tax Rules	CST (Maharashtra)	27.29	2014-2015	Joint Commissioner (Appeals)
Sales Tax Rules	MVAT (Maharashtra)	94.35	2015-2016	Joint Commissioner (Appeals)
Sales Tax Rules	CST (Maharashtra)	146.72	2015-2016	Joint Commissioner (Appeals)
Sales Tax Rules	CST (Kerala)	6.24	2013-2014	Deputy Commissioner (Appeals)
Sales Tax Rules	MVAT (Maharashtra)	52.93	2016-2017	Joint Commissioner (Appeals)
Sales Tax Rules	CST (Maharashtra)	42.87	2016-2017	Joint Commissioner (Appeals)
Goods and Service Tax	GST	1.08	2017-18	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 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.

## Annexure - A to the Independent Auditors' Report (Contd.)

- (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.
- xvi (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.



## Annexure - A to the Independent Auditors' Report (Contd.)

- xx (a) According to the information and explanations given to us and based on audit procedures performed by us, the Company was not required to spend any amount in terms of Section 135 of the Act during the year. Accordingly, second proviso to sub-section (5) of section 135 of the said Act and paragraph 3(xx)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of sub-section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.
- (xxi) This Report is issued on the standalone financial statements of the Company. Accordingly, paragraph 3(xx) of the Order is not applicable.

For **Harshil Shah & Company**  
Chartered Accountants  
ICAI Firm Reg. No. 141179W

**Harshil Shah**

Partner

Membership No. 124146

ICAI UDIN:22124146AKCPDG2964

Place : Mumbai

Date : May 30, 2022



## 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, 2022 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, 2022, 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

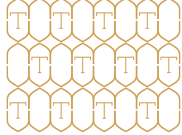
Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable 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



## Annexure - B to the Auditors' Report (Contd.)

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

Date : May 30, 2022

Membership No. 124146

ICAI UDIN: 22124146AKCPDG2964

# Standalone Balance Sheet

as at March 31, 2022

Particulars	Note No.	₹ in lacs	
		As at March 31, 2022	As at March 31, 2021
<b>I ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2a	42,174.66	44,923.99
Right of Use Assets	2b	17.74	44.39
Other Intangible Assets	2c	33.19	35.45
Financial Assets			
Investments	3	6,363.85	4,763.85
Loans	4	-	-
Other Financial Assets	5	3,826.91	2,604.45
Deferred Tax Assets (Net)	26	-	-
Other Non-Current Assets	6	730.45	6,865.84
Non-Current Tax Assets (Net)		250.01	363.31
		<b>53,396.81</b>	<b>59,601.28</b>
<b>Current Assets</b>			
Inventories	7	7,164.04	7,139.76
Financial Assets			
Trade Receivables	8	23,051.93	17,485.50
Cash and Cash Equivalents	9a	3,544.70	1,288.95
Other Bank Balances	9b	2,748.19	186.02
Loans	4	640.40	868.10
Other Financial Assets	5	5,950.52	5,624.22
Other Current Assets	6	1,753.30	3,283.03
		<b>44,853.08</b>	<b>35,875.58</b>
<b>TOTAL ASSETS</b>		<b>98,249.89</b>	<b>95,476.86</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	10	15,862.18	12,543.46
Other Equity	11	(3,784.56)	(17,780.24)
		<b>12,077.62</b>	<b>(5,236.78)</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	12	38,099.47	45,895.06
Lease Liabilities	30	7.37	10.56
Other Financial Liabilities	13	4,018.06	6,021.50
Provisions	14	320.08	293.27
Deferred Tax Liabilities (Net)	26	-	-
Other Non-Current Liabilities	15	1,452.50	3,053.22
		<b>43,897.48</b>	<b>55,273.61</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	12	20,284.02	20,390.54
Lease Liabilities	30	13.04	45.50
Trade Payables			
Total outstanding dues of micro & small enterprises	16	2,107.08	2,220.71
Total outstanding dues of creditors other than micro & small enterprises	16	14,051.26	11,058.95
Other Financial Liabilities	13	1,270.48	6,970.70
Provisions	14	2,619.38	2,892.70
Other Current Liabilities	15	1,929.53	1,860.93
		<b>42,274.79</b>	<b>45,440.03</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>98,249.89</b>	<b>95,476.86</b>
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	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

**Amit Dahanukar**  
Chairman & Managing Director  
(DIN:00305636)

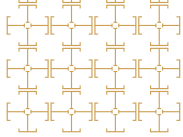
**C. V. Bijlani**  
Director  
(DIN:02039345)

**Harshil Shah**  
Partner  
Membership No.124146

**Ajit Anant Sirsat**  
Chief Financial Officer

**Dipti Todkar**  
Company Secretary

Place : Mumbai  
Date : May 30, 2022



# Standalone Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in lacs)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
<b>INCOME</b>			
Revenue from Operations			
Sale of Products	17	178,805.91	141,624.72
Other Operating Income	17.1	399.96	211.70
Other Income	18	959.59	1,170.00
<b>Total Income</b>		<b>180,165.46</b>	<b>143,006.42</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	19	37,798.42	29,132.08
(Increase) / Decrease in Inventories	20	442.84	(1,393.75)
Excise Duty		100,868.62	86,961.34
Employee Benefit Expense	21	2,078.99	1,554.84
Finance Cost	22	5,776.41	6,540.05
Depreciation and Amortisation	2	3,116.72	3,141.28
Other Expenses	23	27,576.13	19,995.75
<b>Total Expenses</b>		<b>177,658.13</b>	<b>145,931.59</b>
<b>Profit/ (loss) before exceptional items and tax</b>		<b>2,507.33</b>	<b>(2,925.17)</b>
Add/ (less) : Exceptional Items		-	-
<b>Profit / (Loss) Before Tax</b>		<b>2,507.33</b>	<b>(2,925.17)</b>
Less : Tax Expense			
1) Current Tax		-	-
2) Taxes for Earlier Years	27	(399.69)	(45.96)
3) Deferred Tax	26	-	-
<b>Total Tax Expense</b>		<b>(399.69)</b>	<b>(45.96)</b>
<b>Profit / (Loss) After Tax</b>		<b>2,907.02</b>	<b>(2,879.21)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit &amp; Loss</b>			
Remeasurement of Defined Benefit Plans	31	(36.53)	(23.16)
<b>Items that will be reclassified to Profit &amp; Loss</b>			
		-	-
<b>Total Other Comprehensive Income / (Loss)</b>		<b>(36.53)</b>	<b>(23.16)</b>
<b>Total Comprehensive Income for the Year</b>		<b>2,870.49</b>	<b>(2,902.37)</b>
<b>Earnings per equity share</b>			
	38		
1) Basic		2.03	(2.30)
2) Diluted		1.98	(2.30)
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	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

**Amit Dahanukar**  
Chairman & Managing Director  
(DIN:00305636)

**C. V. Bijlani**  
Director  
(DIN:02039345)

**Harshil Shah**  
Partner  
Membership No.124146

**Ajit Anant Sirsat**  
Chief Financial Officer

**Dipti Todkar**  
Company Secretary

Place : Mumbai  
Date : May 30, 2022

# Stanadalone Statement of Cash Flow

for the year ended March 31, 2022

(₹ in lacs)

	Year Ended March 31, 2022		Year Ended March 31, 2021	
<b>A) Cash flow from Operating activities</b>				
Net profit (Loss) before tax		2,507.33		(2,925.17)
Adjustment for:				
Depreciation / Amortisation	3,116.72		3,141.28	
Loss / (Profit) on sale of assets	(1.12)		9.66	
Loss / (Profit) on sale of Investment	(32.50)		-	
Excess provision written back	(417.37)		(650.34)	
Gain on write back of loans under restructuring	-		-	
Allowance for doubtful advances / deposits	2,609.63		831.88	
Provision for non-moving and obsolete inventories	296.55		983.94	
Advances written off	36.26		29.38	
Sundry balance written back	(75.79)		(251.83)	
Expected Credit Loss / (Write back)	(242.60)		358.62	
Unrealised Foreign Exchange Fluctuation (Gain) / Loss	170.93		(136.46)	
Employee stock option expenses	364.91		-	
Finance costs	5,776.41		6,540.04	
Interest income	(181.13)	11,420.90	(87.43)	10,768.74
<b>Operating Profit before working capital changes</b>		<b>13,928.23</b>		<b>7,843.57</b>
Adjustment for:				
(Decrease) / Increase in trade payables, current liabilities, provisions and other financial liabilities	(5,101.47)		(1,299.81)	
(Increase) / Decrease in financial assets, loans and advances and other assets	4,115.53		(3,196.34)	
(Increase) / Decrease in inventories	(320.84)		(2,181.92)	
(Increase) / Decrease in trade receivables	(5,323.82)	(6,630.60)	5,851.24	(826.83)
Direct taxes (net) refund / (paid)		476.45		138.38
<b>Net Cash from Operating activities</b>		<b>7,774.08</b>		<b>7,155.12</b>
<b>B) Cash Flow from Investing activities</b>				
Purchase of property, plant and equipment	(328.63)		(7.66)	
Sale of property, plant and equipment	2.54		1.95	
Investment in Subsidiaries	(1,600.00)		-	
Prurchase of Invesments in Mutual Funds	(6,999.65)		-	
Sale of investments in Mutual Funds	7,032.15		-	
(Increase) / Decrease in other bank balances	(2,562.17)		(74.99)	
Interest received	181.13		46.32	
<b>Net Cash from Investing Activities</b>		<b>(4,274.63)</b>		<b>(34.38)</b>





# Stanadalone Statement of Cash Flow

for the year ended March 31, 2022

(₹ in lacs)

	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>C) Cash Flow from Financing activities</b>		
Proceeds from issue of shares including application money	9,219.02	40.25
Proceeds from borrowings	7,629.47	3,337.57
Repayment of borrowings including current maturities	(12,368.11)	(4,765.32)
Payment of unclaimed dividend	(11.85)	(10.39)
Principal payment of lease liabilities	(51.84)	(51.23)
Finance costs paid	(5,660.39)	(5,482.23)
<b>Net Cash from Financing Activities</b>	<b>(1,243.70)</b>	<b>(6,931.35)</b>
<b>Net increase in Cash &amp; Cash equivalents ( A+B+C)</b>	<b>2,255.75</b>	<b>189.39</b>
Opening cash & cash equivalents	1,288.95	1,099.56
Closing cash & cash equivalents	<b>3,544.70</b>	<b>1,288.95</b>

## Notes :

### (a) Cash and cash equivalents comprises of

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
i) Balances with Banks		
In Current Accounts	3,513.11	1,274.23
ii) Short-Term Bank Deposits (Maturity within 3 months)	23.06	7.49
iii) Cash on Hand	8.53	7.23
	<b>3,544.70</b>	<b>1,288.95</b>

### (b) Change in liability arising from financing activities

(₹ in lacs)

Particulars	As at April 01, 2021	Cash Flow (net)	Non Cash Flow	As at March 31, 2022
Borrowings	66,285.60	(10,399.03)	2,496.92	58,383.49

(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

**Ajit Anant Sirsat**  
Chief Financial Officer

**Dipti Todkar**  
Company Secretary

Place : Mumbai  
Date : May 30, 2022

# Stanadalone Statement of Changes in Equity

for the year ended March 31, 2022

## A) EQUITY SHARE CAPITAL

(₹ in lacs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Balance as at April 01</b>	<b>12,543.46</b>	<b>12,513.38</b>
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 01	<b>12,543.46</b>	<b>12,513.38</b>
Changes in equity share capital during the year	3,318.72	30.08
<b>Balance as at March 31</b>	<b>15,862.18</b>	<b>12,543.46</b>

## B) OTHER EQUITY

### 1) Current Reporting Period

(₹ in lacs)

	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>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	-	-	-	-	-	-
Restated balances at the beginning of the current reporting period	<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	-	<b>2,907.02</b>
Remeasurement of defined benefit plans	-	-	-	(36.53)	-	<b>(36.53)</b>
Exercise of Employee Stock Options	213.90	-	(213.90)	-	-	-
Share based payment reserve created during the year	-	-	364.91	-	-	<b>364.91</b>
Transfer to General Reserve	-	78.88	(78.88)	-	-	-
Allotment of shares to employees & Others	9,535.28	-	-	-	-	<b>9,535.28</b>
Money Received against Share Warrants	-	-	-	-	1,225.00	<b>1,225.00</b>
<b>Balance at the end 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>



# Stanadalone Statement of Changes in Equity

for the year ended March 31, 2022

## 2) Previous Reporting Period

(₹ in lacs)

	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>18,725.33</b>	<b>1,430.01</b>	<b>502.60</b>	<b>(35,545.97)</b>	-	<b>(14,888.03)</b>
Changes in Accounting Policies or prior period errors	-	-	-	-	-	-
Restated balances at the beginning of the current reporting period	<b>18,725.33</b>	<b>1,430.01</b>	<b>502.60</b>	<b>(35,545.97)</b>	-	<b>(14,888.03)</b>
Profit / (Loss) after tax	-	-	-	(2,879.21)	-	<b>(2,879.21)</b>
Remeasurement of defined benefit plans	-	-	-	(23.16)	-	<b>(23.16)</b>
Exercise of Employee Stock Options	23.69	-	(23.69)	-	-	-
Share based payment reserve created during the year	-	-	-	-	-	-
Transfer to General Reserve	-	90.23	(90.23)	-	-	-
Allotment of shares to employees & Others	10.16	-	-	-	-	<b>10.16</b>
Money Received against Share Warrants	-	-	-	-	-	-
<b>Balance at the end 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>

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

**Ajit Anant Sirsat**  
Chief Financial Officer

**Dipti Todkar**  
Company Secretary

Place : Mumbai  
Date : May 30, 2022

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 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 Shirampur, 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 30, 2022.

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 end March 31, 2022 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.

**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



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

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.

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).



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 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 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



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

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.

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

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

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:

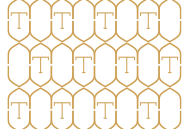
Revenue is recognised at transaction price on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

### b) 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.

### c) Interest

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

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.

## d) 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.

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.

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 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 -

- (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

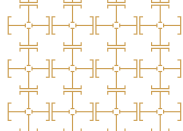
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred 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





# Notes to Standalone Financial Statements

for the year ended March 31, 2022

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 23, 2022, Ministry of Corporate Affairs ('MCA') amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below

### a) Ind AS 103 - Business Combinations:

The amendment clarifies that while applying the acquisition method for recognition, the assets and liabilities taken over, in a business combination, must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of

India at the acquisition date. The Company does not expect the amendment to have any impact in its financial statements.

### b) Ind AS 16 – Property, Plant and Equipment :

The amendment requires that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendment to have any significant impact in its financial statements.

### c) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

The amendment clarifies in relation to onerous contracts that the cost of fulfilling a contract comprises the costs that relate directly to the contract which consist of incremental costs of fulfilling that contract (examples would be direct labour, materials) and an allocation of other costs that relate directly to fulfilling contracts. The Company does not expect the amendment to have any significant impact in its financial statements.

### d) Ind AS 41 – Agriculture:

The amendment relates to recognition and measurement of biological assets or agricultural produce. The Company does not expect the amendment to have any impact in its financial statements.

### e) Ind AS 109 – Financial Instruments

The amendment clarifies that while determining the fees paid (net of fees received) when a borrower applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability, the borrower to include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Company does not expect the amendment to have any significant impact in its financial statements.

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 2 PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

	Gross Block		Depreciation and Amortisation			Net Block	
	As at April 01, 2021	Additions	Deductions	As at April 01, 2021	For the year 2022	As at March 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	5,604.83	5,841.35
Roads & Bridges	132.69	-	-	67.39	33.40	31.90	65.30
Leasehold Improvement	42.00	-	-	28.95	4.03	9.02	13.05
Plant and Equipment	49,571.00	321.76	-	24,899.41	2,612.23	22,381.12	24,671.59
Furniture and Fixtures	331.38	0.59	-	266.71	18.23	47.03	64.67
Motor Vehicles	328.47	-	28.47	308.91	4.73	13.41	19.56
Office Equipment	307.72	2.25	-	290.80	2.45	16.72	16.92
Computers	884.00	2.53	-	840.89	5.76	39.88	43.11
Electrical Installations	1,816.23	-	-	1,126.84	157.69	531.70	689.39
Library Books	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>27.05</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	13.84	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>13.84</b>	<b>17.74</b>	<b>44.39</b>
<b>c) Intangible Assets</b>							
Brands	3,345.07	-	-	3,345.07	-	-	-
Software	588.19	1.51	-	552.74	3.77	33.19	35.45
Product Development	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>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>40.89</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 Standalone Financial Statements

for the year ended March 31, 2022

## 2 PROPERTY, PLANT AND EQUIPMENT (Previous Financial Year 2020-21)

(₹ in lacs)

	Gross Block			Depreciation and Amortisation			Net Block	
	As at April 01, 2020	Additions	Deductions	As at April 01, 2020	For the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
<b>a) Property, Plant and Equipment</b>								
Land	13,498.80	-	-	-	-	-	13,498.80	13,498.80
Buildings	8,742.67	-	2.83	2,663.20	1.31	2,898.49	5,841.35	6,079.47
Roads & Bridges	132.69	-	-	33.99	-	67.39	65.30	98.70
Leasehold Improvement	42.00	-	-	24.92	-	28.95	13.05	17.08
Plant and Equipment	49,625.80	6.08	60.88	22,338.83	52.89	24,899.41	24,671.59	27,286.97
Furniture and Fixtures	331.38	-	-	247.10	-	266.71	64.67	84.28
Motor Vehicles	347.48	-	19.01	311.92	16.97	308.91	19.56	35.56
Office Equipment	308.07	0.28	0.63	288.60	0.59	290.80	16.92	19.47
Computers	882.88	1.28	0.16	832.43	0.15	840.89	43.11	50.45
Electrical Installations	1,816.23	-	-	963.90	-	1,126.84	689.39	852.33
Library Books	0.28	-	-	0.28	-	0.28	-	-
Live Stock	0.25	-	-	-	-	-	0.25	0.25
<b>Total Property, Plant and Equipment</b>	<b>75,728.53</b>	<b>7.64</b>	<b>83.51</b>	<b>27,705.17</b>	<b>71.91</b>	<b>30,728.67</b>	<b>44,923.99</b>	<b>48,023.36</b>
<b>b) Right Of Use Asset</b>								
Premises	120.90	8.16	8.00	39.36	4.15	41.46	44.39	81.54
<b>Total Right Of Use Asset</b>	<b>120.90</b>	<b>8.16</b>	<b>8.00</b>	<b>39.36</b>	<b>4.15</b>	<b>41.46</b>	<b>44.39</b>	<b>81.54</b>
<b>c) Intangible Assets</b>								
Brands	3,345.07	-	-	3,345.07	-	3,345.07	-	-
Software	588.19	-	-	548.33	-	552.74	35.45	39.86
Product Development	173.94	-	-	173.94	-	173.94	-	-
<b>Total Intangible Assets</b>	<b>4,107.20</b>	<b>-</b>	<b>-</b>	<b>4,067.34</b>	<b>-</b>	<b>4,071.75</b>	<b>35.45</b>	<b>39.86</b>
<b>Grand Total</b>	<b>79,956.63</b>	<b>15.80</b>	<b>91.51</b>	<b>31,811.87</b>	<b>76.06</b>	<b>34,877.09</b>	<b>45,003.83</b>	<b>48,144.76</b>

Note: The title deeds of the immovable properties are held in the name of the Company.

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 3 INVESTMENTS

(₹ in lacs)

	As at March 31, 2022		As at March 31, 2021	
<b>Non-Current Investments</b>				
<b>I) Investments measured at Cost</b>	<b>Nos.</b>		<b>Nos.</b>	
<b>a) Investment in Subsidiaries (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	5,600,000	1,080.40
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>4,910.38</b>
Less: Impairment in value of Investments		(150.00)		(150.00)
		<b>6,360.38</b>		<b>4,760.38</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>2.92</b>		<b>2.92</b>
		-		-
		<b>6,363.85</b>		<b>4,763.85</b>
<b>IV) Investment in Mutual Fund #</b>		-		-
<b>Aggregate of unquoted investments</b>		<b>6,363.85</b>		<b>4,763.85</b>



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in lacs)

	As at March 31, 2022	As at March 31, 2021
<b>Category wise Non-Current Investments</b>		
Financial Investments measured at Cost	6,679.38	5,079.38
Financial Investments measured at Amortised Cost	0.55	0.55
Financial Investments measured at Fair Value through other comprehensive income (FVOCI)	2.92	2.92
Impairment in value of Investments	(319.00)	(319.00)
	<b>6,363.85</b>	<b>4,763.85</b>

Notes:-

\* The company has subscribed to right issue of its subsidiary PunjabExpo Breweries Private Limited for 1,60,00,000 equity shares of ₹ 10/- each during the year.

# During the year company purchased and sold Mutual Funds of ₹ 6,999.65 lacs and ₹ 7,032.15 lacs respectively.

## 4 LOANS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>				
Employee Loans	-	-	-	0.47
Loan to Subsidiary Companies ( Refer Note 34 & 48)	-	-	9,804.78	8,087.87
	-	-	<b>9,804.78</b>	<b>8,088.34</b>
Less : Allowance for doubtful advances to Subsidiaries	-	-	(9,164.38)	(7,220.24)
	-	-	<b>640.40</b>	<b>868.10</b>

### 4.1 Movement in loss allowance for doubtful advances to subsidiary companies is provided below :

(₹ in lacs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Balance at the beginning of the year</b>	-	-	<b>7,220.24</b>	<b>6,388.36</b>
Loss allowance (net)	-	-	1,944.14	831.88
Write off	-	-	-	-
<b>Balance at the end of the year</b>	-	-	<b>9,164.38</b>	<b>7,220.24</b>

### 4.2 Outstanding balance of loans given to related parties that are repayable on demand :

(₹ in lacs)

Particulars	March 31, 2022		March 31, 2021	
	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	9,804.78	100.00%	8,087.87	99.99%



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 5 OTHER FINANCIAL ASSETS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Term Bank Deposits (Maturity exceeding 12 months)	1,684.43	319.77	-	-
Advance to Employees	-	-	22.17	8.00
Deposits	4,240.02	4,352.22	-	-
Others	811.08	811.08	1,677.57	14.52
Advances to Subsidiary Companies * (Refer Note 34 & 48)	-	-	4,250.78	5,601.70
	<b>6,735.53</b>	<b>5,483.07</b>	<b>5,950.52</b>	<b>5,624.22</b>
Less : Allowance for doubtful deposits	(2,098.42)	(2,068.42)	-	-
Less : Allowance for doubtful other financial assets	(810.20)	(810.20)	-	-
	<b>3,826.91</b>	<b>2,604.45</b>	<b>5,950.52</b>	<b>5,624.22</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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Balance at the beginning of the year</b>	<b>2,068.42</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>2,068.42</b>	-	-

### 5.2 Movement in loss allowance for doubtful other financial assets is provided below :

(₹ in lacs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<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 Standalone Financial Statements

for the year ended March 31, 2022

## 6 OTHER ASSETS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>				
Capital advances	103.40	6,075.21	-	-
Balance with Government Authorities / Others	805.48	896.40	1,221.02	852.47
Deposits with Court	4.33	4.33	-	-
Advances to Suppliers	-	-	4,996.55	6,795.37
Prepaid Expense	-	-	317.30	176.66
	<b>913.21</b>	<b>6,975.94</b>	<b>6,534.87</b>	<b>7,824.50</b>
Less : Allowance for doubtful advances / Balance with Government Authorities	(182.76)	(110.10)	(4,781.57)	(4,541.47)
	<b>730.45</b>	<b>6,865.84</b>	<b>1,753.30</b>	<b>3,283.03</b>

### 6.1 Movement in loss allowance for Balance with Government Authorities & doubtful advances is provided below :

(₹ in lacs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Balance at the beginning of the year</b>	<b>110.10</b>	<b>110.10</b>	<b>4,541.47</b>	<b>4,793.96</b>
Loss allowance (net)	72.66	-	240.10	(252.49)
Write off	-	-	-	-
<b>Balance at the end of the year</b>	<b>182.76</b>	<b>110.10</b>	<b>4,781.57</b>	<b>4,541.47</b>

## 7 INVENTORIES

(₹ in lacs)

	As at March 31, 2022	As at March 31, 2021
(At lower of cost and net realisable value)		
Raw Materials	1,491.20	1,114.85
Stores, Spares and Packing Materials	1,839.83	1,749.06
Work-In-Progress	337.67	273.72
Finished Goods	3,495.34	4,002.13
	<b>7,164.04</b>	<b>7,139.76</b>

### 7.1 Amounts recognised in the Statement of Profit and Loss:

Provision for non-moving and obsolete inventories for the year amounting to ₹ 296.55 lacs (P.Y ₹ 983.94 lacs) has been recognised as an expense during the year and is included in Other Expenses in the Statement of Profit and Loss.

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 8 TRADE RECEIVABLES

(₹ in lacs)

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	23,244.08	17,572.43
Significant Credit Risk	112.81	460.63
Credit Impaired	-	-
	<b>23,356.89</b>	<b>18,033.06</b>
Less: Expected Credit Loss	304.96	547.56
	<b>23,051.93</b>	<b>17,485.50</b>

### 8.1 Movement in Expected Credit Loss for Trade Receivables is provided below :

(₹ in lacs)

Particulars	March 31, 2022	March 31, 2021
<b>Balance at the beginning of the year</b>	<b>547.56</b>	<b>188.94</b>
Loss allowance (net)	(242.60)	358.62
Write off	-	-
<b>Balance at the end of the year</b>	<b>304.96</b>	<b>547.56</b>

### 8.2(a) 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 years	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>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>



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 8.2(b) Ageing Schedule (2020-2021)

(₹ in lacs)

Particulars	Outstanding for following periods from due date of payment							Total Outstanding
	Unbilled	Not Due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	16,282.65	134.17	736.19	419.42	-	-	17,572.43
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	407.84	3.34	49.45	460.63
(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>16,282.65</b>	<b>134.17</b>	<b>736.19</b>	<b>827.26</b>	<b>3.34</b>	<b>49.45</b>	<b>18,033.06</b>
Less: Expected Credit Loss								547.56
<b>Total Trade Receivables after Expected Credit Loss</b>								<b>17,485.50</b>

## 9 CASH AND BANK BALANCES

(₹ in lacs)

	As at March 31, 2022	As at March 31, 2021
<b>a) Cash and Cash Equivalents</b>		
i) Balances with Banks		
In Current Accounts	3,513.11	1,274.23
ii) Short-Term Bank Deposits (Maturity within 3 months)	23.06	7.49
iii) Cash on Hand	8.53	7.23
	<b>3,544.70</b>	<b>1,288.95</b>
<b>b) Other Bank Balances</b>		
i) Earmarked Balances with Banks (Unpaid Dividend Accounts)	-	11.85
ii) Short-Term Bank Deposits (Maturity within 12 months)	2,748.19	174.17
	<b>2,748.19</b>	<b>186.02</b>
	<b>6,292.89</b>	<b>1,474.97</b>

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 10 EQUITY SHARE CAPITAL

(₹ in lacs)

	As at March 31, 2022	As at March 31, 2021
<b>Authorised Shares</b>		
180,000,000 equity shares of ₹ 10/- each	18,000.00	15,000.00
(P.Y. 150,000,000 equity shares of ₹ 10/- each)		
<b>Issued, subscribed and paid up shares</b>		
158,621,804 equity shares of ₹ 10/- each fully paid up	15,862.18	12,543.46
(P.Y. 125,434,603 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>15,862.18</b>	<b>12,543.46</b>

### a) Reconciliation of the number of shares outstanding

(Nos. in lacs)

	As at March 31, 2022	As at March 31, 2021
Number of equity shares at the beginning of the year	1,254.35	1,251.34
Equity shares issued during the year	331.87	3.01
Number of equity shares at the end of the year	<b>1,586.22</b>	<b>1,254.35</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.

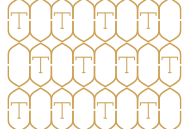
### c) Details of shareholders holding more than 5% shares in the Company

(Nos. in lacs)

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Shivani Amit Dahanukar#	329.76	20.79%	329.76	26.29%
Amit Dahanukar#	298.45	18.82%	298.45	23.79%
Barclays Wealth Trustees India Pvt Ltd acting as a Trustee of Lotus Family Trust#	118.87	7.49%	-	-
<b>Total</b>	<b>747.08</b>	<b>47.10%</b>	<b>628.21</b>	<b>50.08%</b>

# Refer Note No. 45





# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## d) Disclosures of Shareholding of Promoters - Shares held by the Promoters

(Nos. in lacs)

Name of the shareholder	As at March 31, 2022		As at March 31, 2021		Changes in %
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding	
<b>Promoters</b>					
Shivani Amit Dahanukar	329.76	20.79%	329.76	26.29%	-5.50%
Amit Dahanukar	298.45	18.82%	298.45	23.79%	-4.98%
Priyadarshini A Dahanukar	5.38	0.34%	5.38	0.43%	-0.09%
Anupama Arun Dahanukar	4.58	0.29%	4.58	0.37%	-0.08%
<b>Promoter Group</b>					
M L Dahanukar And Co Pvt Ltd	35.64	2.25%	35.64	2.84%	-0.59%
Aunoday Investments Pvt Ltd	38.32	2.42%	11.91	0.95%	1.47%
	<b>712.13</b>	<b>44.89%</b>	<b>685.72</b>	<b>54.67%</b>	

## 11 OTHER EQUITY

(₹ in lacs)

	As at March 31, 2022	As at March 31, 2021
<b>a) Securities Premium Account</b>		
Balance at the beginning of the year	18,759.18	18,725.33
Allotment of shares	9,535.28	10.16
Exercise of Employee Stock Options	213.90	23.69
Balance at the end of the year	<b>28,508.36</b>	<b>18,759.18</b>
<b>b) General Reserve</b>		
Balance at the beginning of the year	1,520.24	1,430.01
Transfer from Share Based Payment Reserve Account	78.88	90.23
Balance at the end of the year	<b>1,599.12</b>	<b>1,520.24</b>
<b>c) Share Based Payments Reserve Account</b>		
Balance at the beginning of the year	388.68	502.60
Transfer to General Reserve	(78.88)	(90.23)
Exercise of Employee Stock Options	(213.90)	(23.69)
Share based payment reserve created during the year	364.91	-
Balance at the end of the year	<b>460.81</b>	<b>388.68</b>
<b>d) Money Received against Share Warrants</b>		
	<b>1,225.00</b>	-

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in lacs)

	As at March 31, 2022	As at March 31, 2021
<b>e) Retained Earnings</b>		
Balance at the beginning of the year	(38,448.34)	(35,545.97)
Add: Profit / (Loss) after tax for the year	2,907.02	(2,879.21)
Add: Remeasurement of defined benefit plans	(36.53)	(23.16)
Balance at the end of the year	<b>(35,577.85)</b>	<b>(38,448.34)</b>
<b>Total Other Equity</b>	<b>(3,784.56)</b>	<b>(17,780.24)</b>

## Footnotes:

### a) Securities Premium Account:

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.

### b) General Reserve :

The general reserve represents amounts appropriated out of retained earnings based on the provisions of the Act.

### c) Share Based Payments Reserve Account :

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 Scheme.

### d) Money Received against Share Warrants:

Money received against Share Warrants represents amounts received at the time of subscription of warrants.

### e) Retained Earnings:

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.

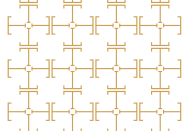
## 12 BORROWINGS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Secured Loans</b>				
<b>From Asset Reconstruction Company</b>				
Rupee Term Loans	23,702.17	29,142.17	5,440.00	4,480.00
Balance Debts	10,282.14	10,168.88	-	-
Other Debts	-	3,386.75	-	-
<b>Unsecured</b>				
Vendor Financing	4,115.16	3,197.26	456.79	1,114.74
From other parties	-	-	14,387.23	14,795.80
	<b>38,099.47</b>	<b>45,895.06</b>	<b>20,284.02</b>	<b>20,390.54</b>

a) 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.

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.



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

- 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. Vahini 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) Other debts of ₹ 3,386.75 lacs from Asset Reconstruction Company (EARC) has been converted into equity shares of 139.04 lacs which have been allotted to EARC on April 24, 2021.
- h) Maturity profile of term loans from Edelweiss Asset Reconstruction Company (EARC) are as set out below:

(₹ in lacs)

Lender trusts	Current	Non Current
	Less than 1 year	1 to 2 years
EARC trust SC 233	680.00	1,567.69
EARC trust SC 241	3,400.00	18,896.68
EARC trust SC 269	1,360.00	3,237.80
<b>Total</b>	<b>5,440.00</b>	<b>23,702.17</b>

## 13 OTHER FINANCIAL LIABILITIES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Trade Deposits & Others (Unsecured)	4,018.06	6,021.50	-	-
Payable for purchase of Fixed Assets	-	-	42.57	6,093.26
Employee dues	-	-	543.77	600.05
Unclaimed Dividend	-	-	-	11.85
Other Payables	-	-	684.14	265.54
	<b>4,018.06</b>	<b>6,021.50</b>	<b>1,270.48</b>	<b>6,970.70</b>

## 14 PROVISIONS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity (Refer Note 31)	274.66	252.14	69.44	52.41
Provision for Leave Encashment	45.42	41.13	15.99	14.00
Provision for Excise Duty on Finished Goods	-	-	2,533.95	2,826.29
	<b>320.08</b>	<b>293.27</b>	<b>2,619.38</b>	<b>2,892.70</b>

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 15 OTHER LIABILITIES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Payable towards Statutory Liabilities	-	-	499.49	584.65
Deferred Fair Value Gain	1,452.50	3,053.22	1,290.52	1,276.28
Advance from Customers	-	-	139.52	-
	<b>1,452.50</b>	<b>3,053.22</b>	<b>1,929.53</b>	<b>1,860.93</b>

## 16 TRADE PAYABLES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro & small enterprises ( Refer Note 37)	-	-	2,107.08	2,220.71
Total outstanding dues of creditors other than micro & small enterprises	-	-	14,051.26	11,058.95
	-	-	<b>16,158.34</b>	<b>13,279.66</b>

### 16(a) Ageing Schedule (2021-2022)

(₹ in lacs)

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 years	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>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>

### 16(b) Ageing Schedule (2020-2021)

(₹ in lacs)

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total Outstanding
MSME	-	857.72	1,036.74	268.60	56.59	1.06	2,220.71
Others	-	1,496.43	3,392.47	679.71	606.04	4,884.30	11,058.95
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
<b>Total</b>	-	<b>2,354.15</b>	<b>4,429.21</b>	<b>948.31</b>	<b>662.63</b>	<b>4,885.36</b>	<b>13,279.66</b>



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 17 REVENUE FROM OPERATIONS

(₹ in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
<b>Revenue from contracts with customers</b>		
Sales of products	178,805.91	141,624.72
	<b>178,805.91</b>	<b>141,624.72</b>
<b>Reconciliation of Gross Revenue with Revenue from Contracts with Customers</b>		
Contract price	180,142.51	142,314.05
Less: Discount / Demurrage	1,336.60	689.33
Revenue recognised	<b>178,805.91</b>	<b>141,624.72</b>

### 17.1 Other Operating Income

(₹ in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of by products, scrap and other income	216.68	73.19
Royalty	143.39	138.51
Contract Manufacturing Income	39.89	-
	<b>399.96</b>	<b>211.70</b>

## 18 OTHER INCOME

(₹ in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
Duty drawback on exports	0.30	0.50
Sundry balance written back	75.79	251.83
Excess provision written back	417.37	650.34
Interest income on margin money / fixed deposits/ others	181.13	87.43
Foreign Exchange Fluctuation Gain	-	136.46
Profit on Sale of Investments	32.50	-
Reversal of Expected Credit Loss on trade receivables	242.60	-
Profit on sale of fixed assets	1.12	-
Miscellaneous receipts	8.78	43.44
	<b>959.59</b>	<b>1,170.00</b>



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 19 COST OF MATERIALS CONSUMED

	(₹ in lacs)	
	Year ended March 31, 2022	Year ended March 31, 2021
i) Raw Material Consumption		
Inventories at the beginning of the year	1,114.85	455.35
Add: Purchases	18,320.66	15,183.90
Less: Inventories at the end of the year	1,491.20	1,114.85
	<b>17,944.31</b>	<b>14,524.40</b>
ii) Packing Materials & Consumables	19,854.11	14,607.68
	<b>37,798.42</b>	<b>29,132.08</b>

## 20 (INCREASE) / DECREASE IN INVENTORIES

	(₹ in lacs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the year		
i) Work-In-Progress	273.72	1,027.31
ii) Finished Goods	4,002.13	1,854.79
	<b>4,275.85</b>	<b>2,882.10</b>
Less : Inventories at the end 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>
<b>(Increase) / Decrease in Inventories</b>	<b>442.84</b>	<b>(1,393.75)</b>

## 21 EMPLOYEE BENEFIT EXPENSE

	(₹ in lacs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages and Bonus	1,506.88	1,362.50
Employee Stock Option Expenses	364.91	-
Contribution to provident fund and family pension fund (Refer Note 31)	87.94	84.95
Staff welfare expenses	81.49	65.02
Gratuity (Refer Note 31)	37.77	42.37
	<b>2,078.99</b>	<b>1,554.84</b>

## 22 FINANCE COST

	(₹ in lacs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest on Term Loans	2,875.21	3,081.79
Interest on Lease Liabilities	5.81	10.87
Others *	2,895.39	3,447.39
	<b>5,776.41</b>	<b>6,540.05</b>

\* Includes unwinding of discount of ₹ 1,586.49 lacs (P.Y ₹ 1,133.96 lacs) and amortisation of deferred fair value gains of ₹ 1,586.49 lacs (P.Y ₹ 1,133.96 lacs)



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 23 OTHER EXPENSES

(₹ in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
Power and fuel	447.23	334.25
Repairs & maintenance		
i) Plant & Equipment	14.86	11.34
ii) Buildings	-	0.97
iii) Others	242.76	123.08
Insurance	105.59	67.10
Rent (Refer Note 30)	12.69	19.91
Contract manufacturing cost	4,454.63	3,773.02
Legal and professional charges	541.99	473.15
Auditor's Remuneration (Refer Note 36 )	14.56	14.00
Rates and taxes	2,152.67	2,041.94
Freight, transport charges & other expenses	3,075.07	1,989.08
Selling expenses [Sales Promotion & Advertising etc.]	12,276.42	8,210.07
Travelling and conveyance expenses	68.82	47.94
Printing and stationery	18.45	19.43
Communication expenses	38.94	23.54
Vehicle running expenses	9.03	7.55
Director sitting fees(Refer Note 34)	39.05	37.30
Expected Credit Loss on trade receivables	-	358.62
Loss on Sale of Assets	-	9.66
Donation	1.00	47.20
Corporate Social Responsibility	46.85	44.83
Foreign Exchange Fluctuation Loss	170.93	-
Provision for non-moving and obsolete inventories	296.55	983.94
Allowance for doubtful advances / deposits	2,609.63	831.88
Advances written off	36.26	29.38
Miscellaneous Expenses	902.15	496.57
	<b>27,576.13</b>	<b>19,995.75</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.

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

**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.

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, 2022**

(₹ in lacs)

	Carrying amount			
	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>
<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>



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## As at March 31, 2021

(₹ in lacs)

	Carrying amount			
	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	-	4,760.93	-	4,760.93
Trade Receivables	-	17,485.50	-	17,485.50
Cash and Cash Equivalents	-	1,288.95	-	1,288.95
Other Bank Balances	-	186.02	-	186.02
Loans	-	868.10	-	868.10
Other Financial Assets	-	8,228.67	-	8,228.67
	-	<b>32,818.17</b>	-	<b>32,818.17</b>
<b>Financial liabilities not measured at fair value</b>				
Borrowings	-	-	66,285.60	66,285.60
Lease Liabilities	-	-	56.06	56.06
Trade Payables	-	-	13,279.66	13,279.66
Other Financial Liabilities	-	-	12,992.20	12,992.20
	-	-	<b>92,613.52</b>	<b>92,613.52</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, 2022			As at March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Asset	-	-	-	-	-	-
Non current Investments	-	-	2.92	-	-	2.92
Current Investment	-	-	-	-	-	-

## 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

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

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

## 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, 2022	As at March 31, 2021
Trade Receivables	23,051.93	17,485.50
Cash and Cash Equivalents	3,544.70	1,288.95
Other Bank Balances	2,748.19	186.02
Loans	640.40	868.10
Other Financial Assets	9,777.43	8,228.67
<b>Total</b>	<b>39,762.65</b>	<b>28,057.24</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
<b>As at March 31, 2022</b>	<b>23,051.93</b>	<b>23,051.93</b>	-
As at March 31, 2021	17,485.50	17,485.50	-





# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 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 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, 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>

#### As at March 31, 2021

(₹ in lacs)

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	66,285.60	20,390.54	45,895.06
Lease Liabilities	56.06	45.50	10.56
Trade Payables	13,279.66	13,279.66	-
Other Financial Liabilities	12,992.20	6,970.70	6,021.50
	<b>92,613.52</b>	<b>40,686.40</b>	<b>51,927.12</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.

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 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.

## Exposure to currency risk

The Company's exposure to currency risk as reported to the management is as follows:

	As at March 31, 2022 USD in lacs	As at March 31, 2021 USD in lacs
Export receivables	0.22	0.08
Overseas payables	(74.28)	(74.28)
<b>Total</b>	<b>(74.06)</b>	<b>(74.20)</b>

## Foreign currency sensitivity

1% increase in foreign exchange rates will have the following impact on profit before tax:

	As at March 31, 2022	As at March 31, 2021
Increase / (decrease) in profit	(55.93)	(54.35)
<b>Total increase / (decrease) in profit</b>	<b>(55.93)</b>	<b>(54.35)</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.

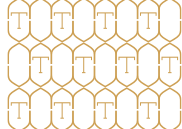
## d) Interest risk

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, 2022	As at March 31, 2021
<b>Fixed rate instruments</b>		
<b>Financial liabilities</b>		
Borrowings / Other Financial Liabilities	62,401.55	72,307.10
<b>Total</b>	<b>62,401.55</b>	<b>72,307.10</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 Standalone Financial Statements

for the year ended March 31, 2022

## 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, 2022</b>	
Variable-rate instruments	-
<b>Cash flow sensitivity</b>	-
<b>March 31, 2021</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 01-04-2021	Recognised in statement of Profit & loss	Closing Balance as at 31-03-2022
<b>Deferred Tax liabilities in relation to</b>			
Property Plant & Equipment	(5,470.86)	254.97	(5,215.89)
<b>Total A</b>	<b>(5,470.86)</b>	<b>254.97</b>	<b>(5,215.89)</b>
<b>Deferred Tax Assets in relation to</b>			
Lease Liabilities/ ROU assets	2.94	(2.27)	0.67
Employee Benefit obligation	96.74	13.33	110.06
Provision/ Impairment for Doubtful Debts/ Advances/ Deposits	3,850.20	514.51	4,364.71
Impairment in value of Investments	80.29	-	80.29
Business Losses / Unabsorbed depreciation	1,440.70	(780.54)	660.16
<b>Total B</b>	<b>5,470.86</b>	<b>(254.97)</b>	<b>5,215.89</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 ₹ 26,201.37 lacs as on March 31, 2022 (P.Y. ₹ 29,219.46 lacs)

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 27 INCOME TAXES

	(₹ in lacs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<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	(399.69)	(45.96)
<b>Deferred Tax</b>		
In respect of current year	-	-
Adjustments in respect of deferred tax of previous years	-	-
<b>Total</b>	<b>(399.69)</b>	<b>(45.96)</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%
	As at March 31, 2022	As at March 31, 2021
<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)	250.01	363.31

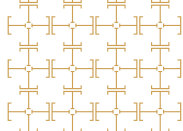
## 28 CAPITAL MANAGEMENT

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, 2022	As at March 31, 2021
Total Net Debt	54,838.79	64,996.65
Total Equity	12,077.62	(5,236.78)
Debt to Equity Ratio	4.54	Nil



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 29 CONTINGENT LIABILITY NOT PROVIDED FOR:

Particulars	(₹ in lacs)	
	As at March 31, 2022	As at March 31, 2021
a) Corporate guarantees issued to banks on behalf of Subsidiary Company	-	970.13
b) Bank guarantees issued on behalf of the Company	30.00	20.00
c) 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	36.94
F.Y. 2010-2011 (Central Sales Tax)	244.96	244.96
F.Y. 2011-2012 (Central Sales Tax)	-	295.06
F.Y. 2012-2013 (MVAT)	-	1,322.25
F.Y. 2012-2013 (Central Sales Tax)	-	1,334.96
F.Y. 2013-2014 (MVAT)	1,290.65	1,290.65
F.Y. 2013-2014 (Central Sales Tax)	1,201.20	1,201.20
F.Y. 2014-2015 (MVAT)	57.85	57.85
F.Y. 2014-2015 (Central Sales Tax)	27.29	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	-
F.Y. 2016-2017 (Central Sales Tax)	42.87	-
F.Y. 2013-2014 (KVAT- Kerala)	-	28.31
F.Y. 2013-2014 (CST- Kerala)	6.24	141.94
F.Y. 2014-2015 (KVAT- Kerala)	-	32.17
F.Y. 2014-2015 (CST- Kerala)	-	170.02
F.Y. 2015-2016 (KVAT- Kerala)	-	0.43
F.Y. 2015-2016 (CST -Kerala)	-	113.62
F.Y. 2016-2017 (CST -Kerala)	-	5.12
F.Y. 2017-2018 (CST-Kerala)	-	0.41
F.Y. 2011-2012 (Karnataka VAT)	-	23.09
F.Y. 2015-2016 (Karnataka CST)	-	2.45
ii) Excise		
April 2012 - January 2016 (Central Excise)	1.84	1.84
March 2015 - June 2017 (Central Excise)	828.55	828.55
iii) Goods and Service Tax		
F.Y. 2017-18 ( 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 Standalone Financial Statements

for the year ended March 31, 2022

## 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.

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, 2022	As at March 31, 2021
Carrying amount right-of-use assets at beginning of the year	44.39	81.54
Additions to right-of-use assets during the year	17.04	8.16
Deletions to right-of-use assets during the year	5.78	3.85
Amortisation of right-of-use assets during the year	37.91	41.46
Interest expense (unwinding of discount) on lease liabilities	5.81	10.87
Total cash outflows in respect of leases	51.84	50.99
Carrying amount right-of-use assets at year end	17.74	44.39

- b) Lease rentals of ₹ 12.69 lacs (P.Y. ₹ 19.91 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 ₹ NIL (₹ 1.74 lacs ) paid towards lease rentals has been charged to Statement of Profit and Loss under Contract manufacturing cost.
- d) Maturity profile :

Maturities of Lease Liabilities	(₹ in lacs)				
	Carrying amount	Less than 1 year	1 to 3 years	3 to 5 years	above 5 years
<b>Lease Liabilities</b>	20.41	7.37	13.04	-	-

## 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 ₹ 87.94 lacs (P.Y. ₹ 84.95 lacs ) under defined contribution plan as employer's contribution to Provident Fund.



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 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 net value of the defined commitment is detailed below:

	(₹ in lacs)	
	As at March 31, 2022	As at March 31, 2021
	Funded Gratuity	Funded Gratuity
Present Value of obligation	407.72	359.93
Fair Value of Plans	63.62	55.38
<b>Net Liability in the balance sheet</b>	<b>344.10</b>	<b>304.55</b>
<b>Defined Benefit Obligations</b>		
Balance at the beginning of the year	359.93	376.99
Interest expenses	22.53	25.71
Current service cost	18.71	20.19
Past service cost	-	-
(Liability Transferred Out/ Divestments)	-	-
Benefit paid directly by the employer	(34.77)	(86.29)
Actuarial (gain) / loss-Due to change in Demographic Assumptions	(0.09)	18.71
Actuarial (gain) / loss-Due to change in Financial assumptions	(6.75)	7.33
Actuarial (gain) / loss- Due to Experience	48.17	(2.71)
<b>Balance at the end of the year</b>	<b>407.72</b>	<b>359.93</b>
<b>Plan Assets</b>		
Balance at the beginning of the year	55.38	51.68
Interest Income	3.47	3.52
Expected return on plan assets	4.77	0.18
Paid Funds	-	-
Actuarial (gain) / loss	-	-
<b>Balance at the end of the year</b>	<b>63.62</b>	<b>55.38</b>

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
	Funded Gratuity	Funded Gratuity
<b>Return on Plan Assets</b>		
Expected return on plan assets	4.77	0.17
Actuarial (gain) / loss	-	-
<b>Actual Return on Plan Assets</b>	<b>4.77</b>	<b>0.17</b>
<b>Expenses Recognised in the Statement of Profit or Loss on defined benefit plan</b>		
Current service costs	18.71	20.19
Past service cost	-	-
Interest expense	22.53	25.71
Interest Income	(3.47)	(3.53)
Expected return on plan assets	-	-
<b>Expenses Recognised</b>	<b>37.77</b>	<b>42.37</b>
<b>Expenses Recognised in the Other Comprehensive Income (OCI) on defined benefit plan</b>		
Actuarial (gain) / loss	41.30	23.33
Expected return on plan assets	(4.77)	(0.17)
Net (Income)/ Expense for the period Recognised in OCI	<b>36.53</b>	<b>23.16</b>

## Maturity Analysis of the Benefit Payments: From the Fund

(₹ in lacs)

Projected Benefits Payable in Future Years From the Date of Reporting	Year ended March 31, 2022	Year ended March 31, 2021
	Funded Gratuity	Funded Gratuity
1 <sup>st</sup> Following Year	116.29	95.18
2 <sup>nd</sup> Following Year	52.34	51.90
3 <sup>rd</sup> Following Year	50.88	50.32
4 <sup>th</sup> Following Year	43.61	37.81
5 <sup>th</sup> Following Year	33.80	28.97
Sum of Years 6 to 10	129.08	105.64
Sum of Years 11 and above	126.92	108.86



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in lacs)

Sensitivity Analysis	Year ended March 31, 2022	Year ended March 31, 2021
	Funded Gratuity	Funded Gratuity
Projected Benefits Obligations on Current Assumptions	407.72	359.93
Delta Effect +1% Change in Rate of Discounting	(14.35)	(12.82)
Delta Effect -1% Change in Rate of Discounting	15.77	14.11
Delta Effect +1% Change in Rate of Salary Increase	15.15	13.42
Delta Effect -1% Change in Rate of Salary Increase	(14.06)	(12.41)
Delta Effect +1% Change in Rate of Employee Turnover	1.50	1.06
Delta Effect -1% Change in Rate of Employee Turnover	(1.65)	(1.17)

Investments Details	% Invested	% Invested
	March 31, 2022	March 31, 2021
Funds Managed by Life Insurance Corporation	100	100
Public Sector Unit Bonds	-	-
State / Central Guaranteed securities	-	-
Special deposit schemes	-	-
Other (excluding bank balances)	-	-
	<b>100</b>	<b>100</b>

Actuarial assumptions	Year ended March 31, 2022	Year ended March 31, 2021
	Funded Gratuity	Funded Gratuity
Mortality (LIC)	2006-08 Ultimate	2006-08 Ultimate
Discount rate (per annum)	6.70%	6.26%
Expected rate of return on plan assets (per annum)	6.70%	6.26%
Rate of escalation in salary (per annum)	5.00%	5.00%

## 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, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Present value of DBO	407.72	359.93	376.99	354.36	344.10
Fair value of plan assets	63.62	55.38	51.68	51.28	47.93
Deficit/(Surplus)	<b>344.10</b>	<b>304.55</b>	<b>325.31</b>	<b>303.08</b>	<b>296.17</b>

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 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, 2022 the following schemes were in operation :

### A) Employee Stock Option Scheme 2010

Particulars	Grant 5	Grant 6	Grant 7	Grant 8
Date of Grant	July 5, 2016	June 14, 2018	May 27, 2021	August 14, 2021
Date of the Board Approval	July 5, 2016	June 14, 2018	May 27, 2021	August 14, 2021
Date of the Shareholders Approval	Sept 20, 2010	Sept 20, 2010	Sept 20, 2010	Sept 20, 2010
Number of options granted till March 31, 2022	2,150,000	1,200,000	1,075,000	1,363,500
Number of options cancelled till March 31, 2022	627,450	68,000	-	-
Number of options lapsed till March 31, 2022	1,297,700	526,347	-	-
Number of options exercised till March 31, 2022	224,850	412,171	-	8,000
Net options outstanding as on March 31, 2022	-	193,482	1,075,000	1,355,500
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

### B) Employee Stock Option Scheme 2012

Particulars	Grant 5	Grant 6	Grant 7
Date of Grant	July 5, 2016	June 14, 2018	August 14, 2021
Date of the Board Approval	July 5, 2016	June 14, 2018	August 14, 2021
Date of the Shareholders Approval	May 24, 2012	May 24, 2012	May 24, 2012
Number of options granted till March 31, 2022	3,000,000	2,600,000	1,775,000
Number of options cancelled till March 31, 2022	600,000	111,016	-
Number of options lapsed till March 31, 2022	1,661,800	541,808	-
Number of options exercised till March 31, 2022	738,200	1,251,118	20,000
Net options outstanding as on March 31, 2022	-	696,058	1,755,000
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

### C) The details of the options as on March 31, 2022 are as under:

Particulars	ESOP Scheme 2010	ESOP Scheme 2012
<b>Financial Year 2020-21</b>		
<b>Options outstanding as on April 01, 2020</b>	<b>20.14</b>	<b>39.30</b>
Options granted from April 01, 2020 to March 31, 2021	-	-
Options cancelled from April 01, 2020 to March 31, 2021	0.72	0.47
Options lapsed from April 01, 2020 to March 31, 2021	8.20	9.55
Options exercised April 01, 2020 to March 31, 2021	0.56	2.45
<b>Options outstanding as on March 31, 2021</b>	<b>10.67</b>	<b>26.83</b>





# Notes to Standalone Financial Statements

for the year ended March 31, 2022

Particulars	ESOP Scheme 2010	ESOP Scheme 2012
<b>Financial Year 2021-22</b>		
<b>Options outstanding as on April 01, 2021</b>	10.67	26.83
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>

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
Dates of Grant	Jul 05, 2016	June 14, 2018	August 14, 2021
Market Price (₹ per share) on the dates of grant	15.80	20.65	41.60
Volatility	51.21%	57.12%	55.04%
Risk free rate	6.57%	7.90%	5.08%
Exercise price	13	15	31
Time to maturity (years)	3	3	3
Dividend yield	0.91%	0.00%	0.00%
Option fair value (₹ per share)	7.04	11.45	21.3

### 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, 2022, three customers contributed 10% or more to the Company's revenue.

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 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	: Prag Distillery (P) Ltd. : Vahni Distilleries Private Limited : PunjabExpo Breweries Private Limited : Kesarval Springs Distillers Pvt. Ltd. : Mykingdom Ventures Pvt. Ltd. : Studd Projects P. Ltd. : Srirampur Grains Private Limited : Shivprabha Sugars Ltd.	
b) Key Managerial Personnel	: Mr. Amit Dahanukar : Mrs. Shivani Amit Dahanukar : Dr. Ravindra Bapat : Mr. C V Bijlani : Mr. Kishorekumar Mhatre : Maj.Gen. Dilawar Singh (Retd.) : Mr. Satish Chand Mathur : Ms. Aparna Chaturvedi : Ms. Swapna Shah : Mr. C R Ramesh : Mr. Ajit Anant Sirsat : Mr. Shekhar Singh : Ms. Dipti Todkar	- Chairman & Managing Director - Non-Executive Director - Independent Director - Independent Director - Independent Director - Independent Director - Independent Director - Independent Woman Director - Non-Executive Director - Whole time Director - Chief Financial Officer - Company Secretary (upto September 30, 2021) - Company Secretary (from March 30, 2022)
Relative of Key Managerial Personnel	: Dr. Priyadarshini A. Dahanukar : Ms. Sanaya Amit Dahanukar	
c) Entities controlled by Key Managerial Personnel	: M.L. Dahanukar & Co. Pvt. Ltd. : Arunoday Investments Pvt. Ltd. : Maharashtra Sugar Mills Pvt. Ltd. : Smt. Malati Dahanukar Trust : Dahanukar Vidyalaya Trust (Dahanukar English Medium School)	



(₹ in lacs)

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

Nature of Transaction (excluding reimbursements)	Parties referred in (a) above		Parties referred in (b) above		Parties referred in (c) above	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
<b>Sales</b>						
Vahni Distilleries Private Limited	67.67	116.69	-	-	-	-
PunjabExpo Breweries Private Limited	13.50	24.43	-	-	-	-
<b>Total</b>	<b>81.17</b>	<b>141.12</b>	-	-	-	-
<b>Purchases</b>						
Vahni Distilleries Private Limited	52.79	11.17	-	-	-	-
PunjabExpo Breweries Private Limited	51.83	81.99	-	-	-	-
<b>Total</b>	<b>104.62</b>	<b>93.16</b>	-	-	-	-
<b>Contract Manufacturing Expenses</b>						
Vahni Distilleries Private Limited	441.61	316.32	-	-	-	-
PunjabExpo Breweries Private Limited	64.90	65.62	-	-	-	-
<b>Total</b>	<b>506.51</b>	<b>381.94</b>	-	-	-	-
<b>Interest Income</b>						
PunjabExpo Breweries Private Limited	18.12	37.19	-	-	-	-
Mykingdom Ventures Pvt Ltd	0.75	0.66	-	-	-	-
Studd Projects P. Limited	1.38	1.24	-	-	-	-
Srirampur Grain Pvt Ltd	2.23	2.01	-	-	-	-
<b>Total</b>	<b>22.48</b>	<b>41.10</b>	-	-	-	-
<b>Corporate Social Responsibility</b>						
Smt. Malati Dahanukar Trust	-	-	-	-	24.00	26.00
<b>Total</b>	-	-	-	-	<b>24.00</b>	<b>26.00</b>
<b>Donations</b>						
Dahanukar Vidyalaya Trust (Dahanukar English Medium School)	-	-	-	-	-	22.20
<b>Total</b>	-	-	-	-	-	<b>22.20</b>
<b>Payments to Key Managerial Personnel</b>						
Remuneration and Sitting Fees to Executive Directors / Relatives	-	-	87.57	48.81	-	-
Remuneration to Chief Financial Officer / Company Secretary	-	-	56.70	88.31	-	-
Sitting Fees and Consultancy Charges to Non-Executive Director / Independent Director	-	-	54.05	54.30	-	-
Rent to Executive Directors / Relatives	-	-	40.80	35.13	-	-
<b>Total</b>	-	-	<b>239.12</b>	<b>226.55</b>	-	-

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ 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, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
<b>Net Loans &amp; Advances given / ( taken)</b>						
Prag Distillery (P) Ltd.	1,944.14	831.88	-	-	-	-
Vahni Distilleries Private Limited	(916.74)	579.37	-	-	-	-
PunjabExpo Breweries Private Limited	(666.88)	841.77	-	-	-	-
Mykingdom Ventures Pvt Ltd	0.98	0.94	-	-	-	-
Studd Projects P. Limited	1.52	1.49	-	-	-	-
Srirampur Grain Pvt Ltd	2.47	2.39	-	-	-	-
Shivprabha Sugars Ltd.	0.50	0.62	-	-	-	-
<b>Total</b>	<b>365.99</b>	<b>2,258.46</b>	-	-	-	-
<b>Outstanding Balances</b>						
<b>Loans and Advances given</b>						
Prag Distillery (P) Ltd. *	9,164.38	7,220.24	-	-	-	-
Vahni Distilleries Private Limited	1,179.89	2,096.63	-	-	-	-
PunjabExpo Breweries Private Limited	3,611.76	4,278.64	-	-	-	-
Mykingdom Ventures Pvt Ltd	9.20	8.22	-	-	-	-
Studd Projects P. Limited	16.71	15.19	-	-	-	-
Srirampur Grain Pvt Ltd	27.03	24.56	-	-	-	-
Shivprabha Sugars Ltd.	46.59	46.09	-	-	-	-
<b>Total</b>	<b>14,055.56</b>	<b>13,689.57</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>

\* The Company has impaired advances with Prag Distillery (P) Ltd. for ₹ 9,164.38 lacs (P.Y. ₹ 7,220.24 lacs ) for the year ended March 31, 2022.

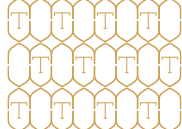
## Notes :

a) All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis.

(₹ in lacs)

b) Compensation of key management personnel of the Company **	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits	141.27	136.12
Directors sitting fees / Consultancy Charges	57.05	55.30
<b>Total compensation of key management personnel of the Company</b>	<b>198.32</b>	<b>191.42</b>

\*\*Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

**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, 2022	Year ended March 31, 2021
a) Audit fees	12.50	12.00
b) Limited review fees	2.00	2.00
c) Reimbursement of expenses	0.06	-
	<b>14.56</b>	<b>14.00</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, 2022	As at March 31, 2021
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	2,147.28	2,280.54
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	40.20	59.83
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.	-	-

## 38 EARNINGS PER SHARE:

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit / (Loss) After Tax	2,907.02	(2,879.21)
Weighted average number of shares	1,435.13	1,252.11
Basic Earnings Per Share	2.03	(2.30)
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	1,466.80	1,252.11
Diluted Earnings Per Share	1.98	(2.30)
Face Value per Equity Share	10.00	10.00

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

39 The Company does not enter into any derivative instruments for trading or speculative purposes. The foreign currency exposure not hedged as at March 31, 2022 are as under:

(₹ in lacs)

Particulars	Currency	As at March 31, 2022		As at March 31, 2021	
		FC Amount (in lacs)	(₹ in lacs)	FC Amount (in lacs)	(₹ in lacs)
Receivable - Debtors	USD	0.22	16.50	0.08	5.66
Payable - Creditors	USD	74.28	5609.11	74.28	5,440.20

40 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 in accordance with the paragraphs on principal versus agent considerations in Ind AS 115 ( Revenue from contracts with customers). 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.

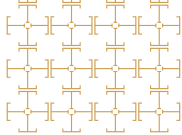
(₹ in lacs)

Particulars	Year ended March 31, 2022			Year ended March 31, 2021		
	TMUs	Subsidiaries	Total	TMUs	Subsidiaries	Total
Revenue from operations / Other Income	73,010.67	63,891.14	136,901.81	49,855.40	60,727.11	110,582.51
<b>Total Income</b>	<b>73,010.67</b>	<b>63,891.14</b>	<b>136,901.81</b>	<b>49,855.40</b>	<b>60,727.11</b>	<b>110,582.51</b>
Cost of materials consumed / (Increase) / decrease in Inventories	21,267.30	5,159.61	26,426.91	14,046.67	3,712.85	17,759.52
Excise Duty	26,119.96	54,587.68	80,707.64	20,382.44	52,702.01	73,084.45
Finance Cost / Other expenses	2,168.56	1,395.07	3,563.63	1,692.16	1,866.46	3,558.62
<b>Total expenses</b>	<b>49,555.82</b>	<b>61,142.36</b>	<b>110,698.18</b>	<b>36,121.27</b>	<b>58,281.32</b>	<b>94,402.59</b>
<b>Profit/(Loss)</b>	<b>23,454.85</b>	<b>2,748.78</b>	<b>26,203.63</b>	<b>13,734.13</b>	<b>2,445.79</b>	<b>16,179.92</b>

(₹ in lacs)

In Balance Sheet	As at March 31, 2022			As at March 31, 2021		
	TMUs	Subsidiaries	Total	TMUs	Subsidiaries	Total
<b>Assets</b>						
Inventory	2,146.64	1,148.41	3,295.05	3,017.44	1,548.48	4,565.92
Trade Receivables	15,387.42	2,460.27	17,847.69	10,819.91	2,225.15	13,045.06
Cash and Bank Balances	1,911.74	-	1,911.74	1,015.94	-	1,015.94
Other Financial Assets	191.34	-	191.34	196.43	-	196.43
Other Assets	2,108.82	1,630.81	3,739.63	1,935.46	30.53	1,965.99
<b>Liabilities</b>						
Trade Payables	3,825.83	1,426.71	5,252.54	1,775.90	1,460.85	3,236.75
Provisions	900.47	653.57	1,554.04	1,125.86	1,165.62	2,291.48
Other Liabilities	232.60	531.37	763.97	102.81	2,384.43	2,487.24





# Notes to Standalone Financial Statements

for the year ended March 31, 2022

- 41** The Company expects to restart the grain distillery plant during the financial year 2022-23 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.
- 42** 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. This clubbing application has been allowed.
- 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.
- 43** The net worth of PunjabExpo Breweries Private Limited ("PunjabExpo"), a subsidiary of TI, has been eroded and has incurred net loss during the current year. However, the parent company is actively exploring the possibility of entering into northern markets where PunjabExpo will be one of the major sources of supply. It is also in talks with other brand owners to enter into bottling arrangements for the said brand owners. This would significantly improve the capacity utilisation and have favourable impact on the profitability of PunjabExpo. Moreover, PunjabExpo is also in the process of rationalization of its administrative overheads. In order to repose faith in PunjabExpo, during the current year, TI has subscribed to rights issue of 1,60,00,000 shares of ₹ 10 each of PunjabExpo thereby further improving the net worth of the company. 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 management believes that no provision for impairment in equity investment and loans & advances given is required.
- 44** The National Company Law Tribunal ("NCLT") had ordered for liquidation of Prag Distillery (P) Ltd. ("Prag"), wholly owned subsidiary of the Company, as a going concern in 2018-2019. A liquidator had been appointed to manage the affairs of Prag. The outstanding dues of Standard Chartered Bank and DCB Bank have been settled and no dues certificates have also been received. Following NCLT's approval, Prag has entered into a lease agreement with the Company and the operations are expected to restart soon after completion of the necessary statutory formalities. The impairment, if any, of the equity investment in Prag will be considered on outcome of the liquidation process as the case may be.
- 45** During the year, after the requisite Board and shareholders' approvals where applicable, the Company has allotted 3,12,11,350 equity shares of face value of ₹ 10/- each to entities on preferential basis. This includes allotment of shares to promoters / promoter group on preferential basis at an issue price of ₹ 53/- per equity share including a premium of ₹ 43/- per share. Further, 92,45,283 warrants issued to promoter groups on a preferential basis at an issue price of ₹ 53/- per warrant including a premium of ₹ 43/- per warrant are outstanding as on March 31, 2022.
- 46** The Board of Directors of Tilaknagar Industries Ltd. ("TI" or the Transferee Company") at their Board Meeting held on May 30, 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 Spring Distillers Private Limited ("KSDPL"); (ii) Mykingdom Ventures Private Limited ("MVPL"); (iii)

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

Shrirampur 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 April 01, 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.

- 47** Subject to the approval of the shareholders at the Annual General Meeting, the Board recommended payment of Dividend of ₹ 0.10 per equity share of ₹ 10/- each for the financial year ended March 31, 2022.
- 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, 2022		As at March 31, 2021	
	Maximum amount outstanding	Balance as at the year end	Maximum amount outstanding	Balance as at the year end
Prag Distillery (P) Ltd. *	9,164.38	9,164.38	7,220.24	7,220.24
Vahni Distilleries Private Limited	2,096.63	1,179.89	2,096.63	2,096.63
PunjabExpo Breweries Private Limited	4,430.83	3,611.76	4,278.64	4,278.64
Mykingdom Ventures Pvt. Ltd.	9.20	9.20	8.22	8.22
Studd Projects P. Limited	16.71	16.71	15.19	15.19
Srirampur Grain Pvt. Ltd.	27.03	27.03	24.56	24.56
Shivprabha Sugars Ltd.	46.59	46.59	46.09	46.09
<b>Total</b>	<b>15,791.37</b>	<b>14,055.56</b>	<b>13,689.57</b>	<b>13,689.57</b>

\* The Company has impaired advances with Prag Distillery (P) Ltd. for ₹ 9,164.38 lacs (P.Y. ₹ 7,220.24 lacs) for the year ended March 31, 2022.

The above loans and advances have been given for general business purposes.

## b) Guarantees

(₹ in lacs)

	As at March 31, 2022	As at March 31, 2021
Corporate guarantees issued to a bank on behalf of a Subsidiary Company	-	970.13

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 49 RATIO ANALYSIS

Ratio	Numerator	Denominator	Current year	Previous Year	% Change	Reason for Variance
Current ratio (in times)	Total current assets	Total current liabilities	1.061	0.790	34.38%	Improvement in business resulting in faster payment to Vendors.
Debt-Equity ratio (in times)	Total borrowings and lease liabilities	Total equity	4.84	NA	Not applicable since it is negative for the previous year.	
Debt service coverage ratio (in times)	Net Profit after taxes + Depreciation and Amortization + Finance Cost	Principal repayments including interest + lease liabilities payments	0.65	0.66	-1.19%	
Return on Equity Ratio	Profit after tax	Average total equity	84.99%	75.65%	12.34%	
Inventory turnover ratio (times)	Cost of Material consumed + Changes in Inventories	Average inventory	5.35	4.24	26.08%	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	8.84	6.89	28.35%	Company is focusing on fast moving premium brands resulting in faster liquidation of inventory and improved collection
Trade payables turnover ratio (in times)	Cost of Material consumed + Changes in Inventories + Other Expenses - Inventory /Advance Provision / Advance written off	Average trade payable	4.272	3.368	26.85%	Company is focusing on fast moving premium brands resulting in faster liquidation of inventory and improved collection and faster payments to vendors
Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	69.506	-14.830	568.70%	Growth in business accompanied with improvement in working capital cycle.
Net profit ratio (in %)	Profit after tax	Revenue from operations	3.71%	-5.25%	170.73%	Growth in business, focus on premium brands and reduction in debts.
Return on capital employed (in %)	Profit before tax + finance costs	Capital employed = Tangible Net worth + Total Borrowings	11.76%	5.92%	98.55%	Growth in business, focus on premium brands, reduction in debts and private placement of Equity
Return on investment (in %)	Profit after tax	Average total equity	84.99%	75.65%	12.34%	Growth in business, focus on premium brands, reduction in debts and private placement of Equity



# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 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 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)

**Ajit Anant Sirsat**

Chief Financial Officer

**C. V. Bijlani**

Director  
(DIN:02039345)

**Dipti Todkar**

Company Secretary

Place : Mumbai

Date : May 30, 2022



# 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, 2022

( ₹ in laacs)

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	Total Comprehensive Income	Proposed Dividend	% of Shareholding
1	Prag Distillery (P) Ltd.	INR	368.10	(369.74)	12,857.60	12,859.24	0.30	101.40	604.41	-	604.41	1.19	605.60	Nil	100%
2	Vahni Distilleries Private Limited	INR	1,498.05	(2,083.59)	644.17	1,229.71	-	394.25	83.25	0.17	83.08	(0.11)	82.97	Nil	100%
3	Kesarval Springs Distillers Pvt. Ltd.	INR	30.00	(449.45)	1.22	420.68	-	-	(1.51)	-	(1.51)	-	(1.51)	Nil	100%
4	PunjabExpo Breweries Private Limited	INR	2,160.00	(2,908.66)	3,082.66	3,831.32	-	68.30	(1,013.22)	-	(1,013.22)	(3.92)	(1,017.14)	Nil	100%
5	Mykingdom Ventures Pvt. Ltd.	INR	1.00	(9.04)	1.41	9.45	-	-	(1.00)	-	(1.00)	-	(1.00)	Nil	100%
6	Studd Projects P. Ltd.	INR	1.00	(16.00)	1.97	16.97	-	-	(1.57)	-	(1.57)	-	(1.57)	Nil	100%
7	Srirampur Grains Private Limited	INR	1.00	(27.42)	1.06	27.49	-	-	(2.54)	-	(2.54)	-	(2.54)	Nil	100%
8	Shivrabha Sugars Ltd.	INR	5.00	(149.89)	16.00	160.88	-	-	(0.53)	-	(0.53)	-	(0.53)	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 30, 2022

**Dipti Todkar**  
Company Secretary

## 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.
1	Latest audited Balance Sheet Date	NA
2	Shares of Associate held by the Company on the year end	
	i Number of Equity Shares	130,000
	ii Amount of Investment in Associate	169.00
	iii Extend of Holding %	26%
3	Description of how there is significant influence	Due to shareholding
4	Reason why the associate/joint venture is not consolidated	Refer Note below *
5	Networth attributable to Shareholding as per latest audited Balance Sheet (Limited to amount of investment in Associate)	-
6	Profit / (Loss) for the year	
	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 30, 2022

**Ajit Anant Sirsat**  
Chief Financial Officer

**Dipti Todkar**  
Company Secretary





## Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted alongwith Annual Audited Financial Results (Standalone)

### Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022

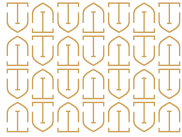
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I. SI. 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	1,80,165.46	1,80,165.46
2	Total Expenditure	1,77,658.13	1,85,375.71
3	Net Profit/(Loss) before tax	2,507.33	(5,210.25)
4	Earnings Per Share (In ₹)	1.75	(3.63)
5	Total Assets	98,249.89	90,532.31
6	Total Liabilities	98,249.89	90,532.31
7	Net Worth	12,077.62	4,360.04
8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

**II. Audit Qualification (each audit qualification separately):**

a. <b>Details of Audit Qualification:</b>	<p>(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. 5 of the standalone annual financial results.</p> <p>(ii) The National Company Law Tribunal ("NCLT") has ordered for liquidation of Prag Distillery (P) Ltd ("Prag") wholly owned subsidiary of the Company, vide its order No. MA 309/2018 in CP1067/ 2017 dated July 26, 2018. However, the Company has not made impairment provision for equity investment of ₹ 1,543.35 lacs in Prag as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets'. Reference is invited to note no. 6 of the standalone annual financial results.</p> <p>(iii) PunjabExpo Breweries Private Limited ("Punjabexpo") wholly owned subsidiary of the Company, has incurred loss during the quarter and due to accumulated losses, the net worth is negative. Despite adverse financial condition, the Management has not recognised provision for impairment in equity investment of ₹ 2,680.40 lacs and loans &amp; advances given of ₹ 3,611.76 lacs to Punjabexpo as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets'. Reference is invited to note no. 7 of the standalone annual financial results</p>
b. <b>Type of Audit Qualification:</b>	Qualified Opinion
c. <b>Frequency of qualification:</b>	Point (i) - Appearing seventh time Point (ii) - Appearing fifth time Point (iii) – Appearing for third time

<p><b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p>	<p><u>Response to Point (II)(a)(ii)</u></p> <p>The National Company Law Tribunal ("NCLT") had ordered for liquidation of Prag Distillery (P) Ltd. ("Prag"), wholly owned subsidiary of the Company, as a going concern in 2018-2019. A liquidator had been appointed to manage the affairs of Prag. The outstanding dues of Standard Chartered Bank and DCB Bank has been settled and no dues certificates have also been received. Following NCLT's approval, Prag has entered into a lease agreement with the Holding Company and the operations are expected to restart soon after completion of the necessary statutory formalities. The impairment, if any, of the equity investment in Prag will be considered on outcome of the liquidation process as the case may be.</p>
	<p><u>Response to Point (II)(a)(iii)</u></p> <p>The net worth of PunjabExpo Breweries Private Limited ("PunjabExpo"), a subsidiary of TI, has been eroded and has incurred net loss during the current quarter. However, the parent company is actively exploring the possibility of entering into northern markets where PunjabExpo will be one of the major sources of supply. It is also in talks with other brand owners to enter into bottling arrangements for the said brand owners. This would significantly improve the capacity utilisation and have favourable impact on the profitability of PunjabExpo. Moreover, PunjabExpo is also in the process of rationalization of its administrative overheads. In order to repose faith in Punjabexpo, during the year, TI has subscribed to rights issue of 1,60,00,000 shares of ₹ 10 each of Punjabexpo thereby further improving the net worth of the company. 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 management believes that no provision for impairment in equity investment and loans &amp; advances given is required.</p>
<p><b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p>	
<p><b>(i) Management's estimation on the impact of audit qualification:</b></p>	<p>Nil for the reasons given at para 2(e)(ii) below</p>
<p><b>(ii) If management is unable to estimate the impact, reasons for the same:</b></p>	<p><u>Response to Point (II)(a)</u></p> <p>The Company expects to restart the grain distillery plant during the financial year 2022-2023 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.</p>
<p><b>(iii) Auditors' Comments on (i) or (ii) or(iii) above:</b></p>	<p>Refer II (a) above</p>
<p><b>III. Signatories:</b></p>	
<p>• <b>CEO/Managing Director</b></p>	<p>Amit Dahanukar</p>
<p>• <b>CFO</b></p>	<p>Ajit Anant Sirsat</p>
<p>• <b>Audit Committee Chairman</b></p>	<p>C.V. Bijlani</p>
<p>• <b>Statutory Auditor</b></p>	<p>For <b>Harshil Shah &amp; Company</b> Harshil Shah (Partner)</p>
<p>Place: Mumbai</p>	
<p>Date : May 30, 2022</p>	



**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, **Website:** www.tilind.com, **Phone:** +91 22 22831716/18, **Fax:** +91 22 22046904

## NOTICE

**NOTICE** is hereby given that the **87<sup>th</sup> Annual General Meeting (AGM)** of the Members of Tilaknagar Industries Ltd. will be held on **Monday, August 29, 2022 at 10.30 a.m. IST** through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM'), to transact the following businesses:

### 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, 2022, Auditors' Report thereon and the Directors' Report.
2. To declare final dividend on equity shares of the Company at the rate of Re. 0.10 per equity share (1%) for the financial year 2021-22.
3. To appoint a Director in place of Ms. Swapna Shah (DIN: 08807901), who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS

#### 4. Ratification of remuneration payable to the Cost Auditor of the Company for the financial year 2022-23

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) and pursuant to 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 2022-23 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 Lac 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 be and is hereby ratified and confirmed;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby jointly and severally authorised to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to the abovementioned resolution."

#### 5. To consider and approve the appointment and remuneration of Mrs. Shivani Amit Dahanukar (DIN: 00305503) as an Executive Director of the Company

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and pursuant to the recommendation of the Nomination and Remuneration Committee and approval by the Board of Directors of the Company, Mrs. Shivani Amit Dahanukar (DIN: 00305503) be and is hereby appointed as an Executive (whole-time) Director and Key Managerial Personnel of the Company for a period of three years w.e.f. June 01, 2022 upto May 31, 2025 (both days inclusive) on terms and conditions including remuneration as follows:

- A. **Salary:** ₹ 2,00,00,000/- (Rupees Two Crores only) per annum.
- B. **Commission:** Within the permissible limits of the Companies Act, 2013 and the Rules issued there under.
- C. **Perquisites:** Mrs. Shivani Amit Dahanukar shall be entitled to perquisites which will include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, reimbursement of expenditure or allowances in respect of house maintenance and repairs, utilities, such as gas, electricity, water and furnishing, medical reimbursement, medical

insurance, hospital benefits, leave travel concession (Foreign Travel twice in a year for self and family by air including Air fare, Boarding and Lodging expenses), leave encashment and education, for herself and her family, personal accident insurance, club fees, car with driver, and any other reimbursement and allowances or perquisites, if any, in terms of the Company's rules or upto such limit as may be decided by the Board from time to time.

**Explanation:**

'Family' mentioned shall mean the spouse, dependent parents and dependent children of Executive Director as mentioned in the applicable Act, Rules or Schemes.

For the purpose of calculating the above ceiling, perquisites shall be evaluated in accordance with the Income Tax Rules, wherever applicable and in the absence of any such Rules, perquisites shall be valued at actual cost.

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 Mrs. Shivani Amit Dahanukar, Executive Director as aforesaid:-

- (i) 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;
- (ii) Gratuity payable at a rate not exceeding half a month salary for each completed year of service and ;
- (iii) Encashment of leave at the end of the tenure or at the time of ceasing to be the Executive Director pursuant to the Rules of the Company;

**RESOLVED FURTHER THAT** Mrs. Shivani Amit Dahanukar shall be entitled to reimbursement of expenses incurred by her for the business of the Company;

**RESOLVED FURTHER THAT** in the event, the Company has no profits or its profits are inadequate during the aforesaid tenure, the remuneration as mentioned above shall be paid to Mrs. Shivani Amit Dahanukar, Executive Director as the minimum remuneration as per applicable provisions of the Companies Act, 2013;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby jointly and severally authorized to do all such acts, deeds and things as may be necessary in order to give effect to the aforesaid appointment and matters arising there from or in relation thereto."

**6. Remuneration payable to Mr. Amit Dahanukar, Chairman & Managing Director for the period June 01, 2022 to November 06, 2023**

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and pursuant to the recommendation of the Nomination and Remuneration Committee and approval by the Board of Directors of the Company, the remuneration of ₹ 3,00,00,000/- (Rupees Three Crores Only) per annum be paid to Mr. Amit Dahanukar, Chairman and Managing Director (CMD) for the remaining tenure, with effect from June 01, 2022 till November 06, 2023 (both days inclusive) in capacity of CMD of the Company;

**RESOLVED FURTHER THAT** the other terms and conditions of his appointment except the remuneration part as Chairman and Managing Director as approved by the members on December 29, 2020 remain unchanged;

**RESOLVED FURTHER THAT** in the event, the Company has no profits or the profits are inadequate during the aforesaid tenure, the aforesaid managerial remuneration shall be paid to Mr. Amit Dahanukar, Chairman and Managing Director as the minimum remuneration as per applicable provisions of the Companies Act, 2013;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby jointly and severally authorized to modify his appointment letter and do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

**By Order of the Board of Directors**

Sd/-

**Dipti Todkar**

**Company Secretary**

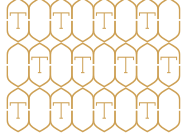
Place: Mumbai

Date: May 30, 2022

**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 and 3/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021 and May 05, 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 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 12, 2020 and January 15, 2021 and May 13, 2022, 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. Shrirampur, 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 alongwith 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. Monday, August 22, 2022.

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. Monday, August 29, 2022. Members seeking to inspect such documents can send an email to [investor@tilind.com](mailto:investor@tilind.com).

8. 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.

9. 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.
10. 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, July 29, 2022.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to furnish their PAN to Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agent of the Company.
12. As per Regulation 40 of the SEBI Listing Regulations, transfer/transmission/transposition of securities of listed companies shall be only in dematerialized form.

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/ MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021, all the Members holding shares of the Company in physical form shall furnish their PAN, KYC details and Nomination in Form ISR-1. The Form ISR-1 is available on the website of the Company at <https://tilind.com/forms-procedures/> and on the website of Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agent at <https://www.bigshareonline.com/Resources.aspx#faq>.

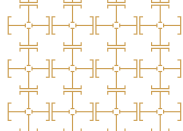
Further, SEBI vide its Circular No. SEBI/HO/MIRSD/ MIRSD\_RTAMB/P/ CIR/2022/8 dated January 25, 2022 has mandated listed companies to issue securities in dematerialised form only while processing service requests

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. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <https://tilind.com/forms-procedures/> and on the website of Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agent at <https://www.bigshareonline.com/Resources.aspx#faq>. Members are requested to note that any service request would be processed only after the folio is KYC Compliant.

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 .

13. 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 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.
14. 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 S6-2, 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.





15. 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.
16. 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.
17. 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).
18. This AGM Notice is being sent, by e-mail, only to those eligible Members who have already registered their e-mail address with the Depositories/the depository participant/the Company's Registrar and Share Transfer Agent/the Company or who will register their e-mail address with RTA, on or before Friday, July 29, 2022.
- 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.   |
19. 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. Monday, August 22, 2022, may obtain login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
20. **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**
- 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.**
  - Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
  - Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - 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.
  - 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.
  - 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. 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.
21. **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.

22. **Information and other instructions relating to Remote e-Voting are as under:**

The voting period begins on Friday, August 26, 2022 at 09.00 a.m. and ends on Sunday, August 28, 2022 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 Monday, August 22, 2022 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>

Type of Shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	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 & voting during the meeting.

**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 <b>CDSL</b>	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 022-23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	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.: 1800 1020 990 and 1800 22 44 30.

Login method for e-voting and joining virtual meeting for physical shareholders and other shareholders other than individual shareholders holding in Demat form.

- 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	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.
<b>OR</b>	
Date of Birth (DOB)	<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 022-23058738 and 022-23058542-43.

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 022-23058542-43.

23. The Board of Directors in its Meeting held on Monday, May 30, 2022 has appointed Advocate R. T. RajGuroo 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.
24. 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.
25. 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.
26. Dividend:
- (i) The Board has recommended a final dividend of Re. 0.10 per equity share (1%) for the year.
  - (ii) The Register of Members and Share Transfer books of the Company will remain closed from Tuesday, August 23, 2022 to Monday, August 29, 2022 (both days inclusive), for the purpose of AGM and Dividend. The Dividend, if declared, will be payable on or after Tuesday, August 30, 2022, to those Shareholders whose names are registered as such in the Register of Members of the Company as on Monday, August 22, 2022 and to the beneficiary holders as per the beneficiary list as on Monday, August 22, 2022 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). In view of the COVID-19 pandemic and resultant difficulties involved in dispatching of physical dividend warrants, 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 line with the Circular No. 21/2021 dated December 14, 2021 read with Circular No. 02/2021 dated January 13, 2021 and Circular No. 20/2020 dated May 05, 2020 issued by the MCA, 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 Tuesday, August 16, 2022.

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") 2022-23 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 2022-23 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 2022-23.

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, the 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 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 ("FI"), 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/FII, 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 2022-23;
- 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 2022-23;
  - 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 2022-23. 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.

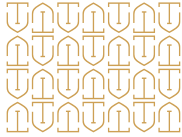
Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-Resident 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 or the Company through e-mail at 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 Tuesday, August 16, 2022. 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.

The Company shall arrange to email the soft copy of TDS certificate to the Shareholders at the registered email ID in due course, post payment of the said Dividend. An email communication informing the Shareholders regarding this change in the Income-tax Act, 1961 as well as the relevant procedure to be adopted by them to avail the applicable tax



rate is being sent by the Company at the registered email IDs of the Shareholders.

27. 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.
28. 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 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.
29. 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).
30. 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 Lac Fifty Thousand Only) plus tax as applicable and re-imbursment of out-of-pocket expenses as may be incurred by her for conducting the Cost Audit for the financial year 2022-23.

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 2022-23.

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

Mrs. Shivani Amit Dahanukar (DIN: 00305503) is a Non-Executive Director of the Company from December 01, 2015. Prior to the aforesaid period, she held the position of Executive Director.

From the financial year 2020-21, the Company has entered in growth phase and is in an expansion mode. To cater to the needs of the growing organization, the Company needs another Executive Director. Considering the vast experience and expertise of Mrs. Shivani Amit Dahanukar, it is proposed to appoint her as an Executive Director of the Company for three years with effect from June 01, 2022 to May 31, 2025 (both days inclusive) at a remuneration of ₹ 2,00,00,000/- (Rupees Two Crores Only) per annum.

The Board of Directors of the Company at its meeting held on May 30, 2022 appointed Mrs. Shivani Amit Dahanukar as an Executive (whole-time) Director and Key Managerial Personnel of the Company who is liable to retire by rotation, to hold office

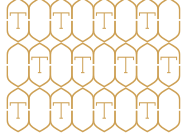
for a period of three years from June 01, 2022 to May 31, 2025 (both days inclusive), subject to consent by the members of the Company at the ensuing Annual General Meeting ("AGM") on terms and conditions including the remuneration as mentioned in this explanatory statement.

Mrs. Shivani Amit Dahanukar aged 44 years has a Masters in Business Administration from the University of San Francisco. She is also a graduate in Law from the Government Law College, University of Mumbai. She spearheads the community welfare activities of the group in the fields of nutrition, primary education and healthcare.

Mrs. Shivani Amit Dahanukar has given her consent to act as an Executive Director of the Company and is not disqualified from being appointed as a Director in terms of Section 164 of the Act. In the opinion of the Board, Mrs. Shivani Amit Dahanukar fulfills the conditions for her appointment as an Executive 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 appointment of Mrs. Shivani Amit Dahanukar as an Executive Director of the Company respectively, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out in this Notice.

1. The terms and conditions of her appointment including remuneration as under:
  - A. Salary: ₹ 2,00,00,000/- (Rupees Two Crores only) per annum
  - B. Commission: Within the permissible limits of the Companies Act, 2013 and the Rules issued there under.
  - C. Perquisites: Mrs. Shivani Amit Dahanukar shall be entitled to perquisites which will include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, reimbursement of expenditure or allowances in respect of house maintenance and repairs, utilities, such as gas, electricity, water and furnishing, medical reimbursement, medical insurance, hospital benefits, leave travel concession (Foreign Travel twice in a year for self and family by air including Air fare, Boarding and Lodging expenses), leave encashment and education for herself and her family, personal accident insurance, club fees, car with driver and any other reimbursement and allowances or perquisites, if any, in terms of the company's rules or upto such limit as may be decided by the Board from time to time.

**Explanation:**

'Family' mentioned shall mean the spouse, dependent parents and dependent children of Executive Director as mentioned in the applicable Act, Rules or Schemes.

For the purpose of calculating the above ceiling, perquisites shall be evaluated in accordance with the Income Tax Rules, wherever applicable and in the absence of any such Rules, perquisites shall be valued at actual cost.

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 Mrs. Shivani Amit Dahanukar, Executive Director as aforesaid:-

- (i) 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;
  - (ii) Gratuity payable at a rate not exceeding half a month salary for each completed year of service and ;
  - (iii) Encashment of leave at the end of the tenure or at the time of ceasing to be the Executive Director pursuant to the Rules of the Company;
2. During the period of her employment, Executive Director may undertake such traveling within India and outside India in connection with or in relation to the business of the Company. The Executive Director shall be entitled to (a) the reimbursement of all the entertainment expenses incurred by her in the course of the legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Board of Directors (b) the reimbursement of traveling, hotel and other expenses incurred by her in India and abroad exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Board of Directors.
3. In case of death of Executive Director in the course of her employment with the Company, the Company shall pay to her legal representatives, the salary and other emoluments payable hereunder for the then current month together with any such further sum as the Board in its sole and uncontrolled discretion may determine.
4. If the Executive Director is guilty of inattention to or negligence in the conduct of the business or of any other act or omission inconsistent with her duties as an Executive Director or any breach of this Agreement which in the opinion of the Board renders her vacation of the office of Executive Director desirable, the Company shall

immediately terminate this Agreement and upon the termination of the agreement the Executive Director shall cease to be the Executive Director of the Company.

5. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at any time by giving to the other party 6 months' notice in writing in that behalf without the necessity of showing any cause and on the expiry of the period of such notice this Agreement shall stand determined and the Executive Director shall cease to be the Executive Director of the Company. Provided that the aforesaid notice period may be waived mutually.
6. The terms and conditions of the said 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.
7. The above remuneration is the minimum remuneration payable to Mrs. Shivani Amit Dahanukar in case of losses or inadequate profits of the Company during any financial year.

The above may be treated as an abstract of the Agreement to be entered into between the Company and Mrs. Shivani 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.

The remuneration proposed to be paid to the Executive Director is comparable with the remuneration being paid for similar positions and responsibilities in the industry.

Mrs. Shivani Amit Dahanukar shall not receive any remuneration from any subsidiary company with effect from June 01, 2022.

The Board is of the opinion that it will be beneficial to the Company to consider her appointment and remuneration as an Executive (whole-time) Director and Key Managerial Personnel of the Company for a period of 3 years with effect from June 01, 2022 till May 31, 2025 (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.

Mrs. Shivani Amit Dahanukar is interested in the resolution set out at Item No. 5 of the Notice. The relatives of Mrs. Shivani Amit Dahanukar are interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding, if any, in the Company.

The Board of Directors recommends the above resolution for your 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. Amit Dahanukar was appointed as Chairman and Managing Director (CMD) of the Company for a period of 3 years with effect from November 07, 2020 till November 06, 2023 (both days inclusive) on the terms and conditions including the remuneration approved by the members at the annual general meeting held on December 29, 2020.

The current remuneration drawn by Mr. Amit Dahanukar is lower of the remuneration i.e. ₹ 60,00,000/- (Rupees Sixty Lacs only) per annum or 5% of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

Mr. Amit Dahanukar is on the Board of the Company since 2000. He has deep knowledge and understanding of the alco beverage industry. With his focused approach and determination, the Company successfully entered into compromise settlements with Banks. Further, the Company, under his leadership, has been making necessary efforts to improve its performance and is aggressively pursuing and implementing various strategies, including selling of high margin Semi-premium and Premium brands and cost reductions initiatives etc. The results of these initiatives are already visible and would be felt gradually in the coming years. However, the business model of the industry is very volatile in nature and purely based on consumer demand and other Government restrictions. Considering Mr. Amit Dahanukar's immense contribution to the turnaround of the Company and vast business experience, it is proposed to fix the minimum remuneration of ₹ 3,00,00,000/- per annum to Mr. Amit Dahanukar as CMD with effect from June 01, 2022 for his remaining tenure as CMD.

The Nomination and Remuneration Committee has recommended the payment of remuneration of ₹ 3,00,00,000/- per annum to Mr. Amit Dahanukar for his remaining tenure which is being approved by the Board.

Mr. Amit Dahanukar is also the CMD in PunjabExpo Breweries Pvt. Ltd. He shall not draw any remuneration as CMD from PunjabExpo Breweries Pvt. Ltd. with effect from June 01, 2022.

The other terms and conditions of his appointment except the remuneration part as CMD as approved by the members on December 29, 2020 remains unchanged.

Clause 4 of his re-appointment letter dated November 18, 2020 stands amended and shall be replaced by the following clause:

*The remuneration payable to Mr. Amit Dahanukar in any financial year shall be ₹ 3,00,00,000/- (Rupees Three Crores only) from June 01, 2022 till November 06, 2023. The same remuneration shall be paid in case of no profits or inadequacy of profits during any financial year. Any excess remuneration paid to him shall be kept by him in Trust and shall be liable to be refunded or waived in accordance with the provisions of the Companies Act, 2013.*

Save and except Mr. Amit Dahanukar and his relatives, to the extent of their shareholding, if any, in the Company, none of the other Directors, Key Managerial Personnel, and their relatives, are in any way, concerned or interested, in the said resolution.

The Special resolution as set out in item No. 6 of this Notice is accordingly recommended for your approval by the Board.

This Explanatory Statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The remuneration proposed to be paid to the CMD is comparable with the remuneration being paid for similar positions and responsibilities in the industry.

The additional information as required under Schedule V of the Companies Act, 2013 is given in ANNEXURE A.

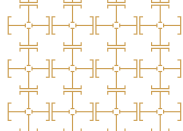
**By Order of the Board of Directors**

Place: Mumbai  
Date: May 30, 2022

**Sd/-  
Dipti Todkar  
Company Secretary**

**Registered Office:**  
P.O. Tilaknagar, Tal. Shirampur,  
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	Mrs. Shivani Amit Dahanukar	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</b>	<b>YEAR ENDED</b>	<b>YEAR ENDED</b>
		<b>31.03.2022</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
	Total Income	1,80,165.46	1,43,006.42	1,49,783.23
	Profit / (Loss) Before Interest, Depreciation, Exceptional items & tax	11,400.46	6,756.16	986.33
	Less: Interest and Finance Cost	5,776.41	6,540.05	12,508.30
	Less: Depreciation & Amortisation	3,116.72	3,141.28	3,118.90
	Add Exceptional Items	-	-	45,518.35
	(Loss) before Taxation	2,507.33	-2,925.17	30,877.48
	Less : Provision for Taxation (incl. deferred tax)	-399.69	-45.96	85.48
	Profit / (Loss) after Taxation	2,907.02	-2,879.21	30,792.00
Foreign Investments and Collaborations	The Company has not made any Foreign Investments and neither entered into any collaborations during the year 2021-22.			
<b>II. Information about the appointee</b>				
Background details	Mrs. Shivani Amit Dahanukar, aged 44 years has a Masters in Business Administration from the University of San Francisco. She is also a graduate in Law from the Government Law College, University of Mumbai. She has experience over 15 years in the IMFL industries.	Mr. Amit Dahanukar, aged 45 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 industries.		
Past Remuneration	Not Applicable	Lower of ₹ 60 lacs per annum or 5% of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013		

Particulars	Mrs. Shivani Amit Dahanukar	Mr. Amit Dahanukar
Recognition or awards	The prestigious Award for Excellence in CSR was given to the Company by 'Ambrosia', a leading alcobev magazine for the outstanding contribution made in the field of social welfare through CSR activities headed by Mrs. Shivani Amit Dahanukar.	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.
Job Profile and suitability	As the Executive Director of the Company, Mrs. Shivani Amit Dahanukar shall oversee the daily operations and spearheads its community welfare activities in the fields of nutrition, primary education and healthcare. She shall also play an instrumental role in the expansion of the Company's operations on pan India basis.	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 their roles, size and complexity of the business, the diversified product portfolio and competitive environment in which the Company operates and is commensurate 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	Besides the remuneration proposed to be paid to Mrs. Shivani Amit Dahanukar and Mr. Amit Dahanukar and their shareholding in the Company, they do not have any other pecuniary relationship with the Company. 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	The Company recorded profits in the financial year 2021-22. However, sales were impacted due to COVID-19 pandemic.	
Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms	The Company has been making necessary efforts to improve its performance and is aggressively pursuing and implementing various strategies, including selling of high margin Semi-premium and Premium brands and cost reductions initiatives etc.	
Expected increase in productivity and profits in measurable terms	Though the IMFL industry is challenged by the Government policies and with the rising raw material cost, the Company anticipates that the overall economy and consumer sentiments will revive in near future. The productivity, performance and profitability of the Company will gradually improve in the coming years owing to the persistent efforts and aggressive 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, 2022.	

**ANNEXURE B: TO ITEM NO. 3 AND ITEM NO. 5 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	Ms. Swapna Shah	Mrs. Shivani Amit Dahanukar
<b>Age</b>	59 years	44 years
<b>Date of Birth</b>	March 26, 1963	June 28, 1977
<b>Qualifications</b>	Masters in Business Administration from University of Missouri and has also studied International Business Management from Kellogg School of Management – Evanston, Illinois	Masters in Business Administration from the University of San Francisco. A graduate in Law from the Government Law College, University of Mumbai.
<b>Experience (including expertise in specific functional area)/ Brief Resume</b>	A result oriented, persuasive and tenacious professional having three decades of experience in business development, strategy, marketing, offer management, end to end solutions, supply chain, operations and quality with an ability to understand and relate to evolving business landscape to deliver results in various roles. She has also held leadership positions with organizations viz. Lucent Technologies (USA), Alcatel-Lucent (USA), Alcatel-Lucent India Limited and Nokia. She has also worked as a Business Partner with U.S. Telecom (USA) and Internat Chemicals & Allied Products, Inc. (USA).	Oversees the business daily operations and spearheads its community welfare activities in the fields of nutrition, primary education and healthcare. Plays an instrumental role in the expansion of the Company's operations on pan India basis.
<b>Terms and Conditions of Appointment / Reappointment</b>	As per Appointment Letter	As per the explanatory statement
<b>Remuneration last drawn (including sitting fees, if any)</b>	₹ 5,25,000 as sitting fees and ₹ 18,00,000 as advisory fees	₹ 3,55,000 as sitting fees
<b>Remuneration proposed to be paid</b>	₹ 18,00,000 as advisory fees. In addition, she will be paid sitting fees for attending the board and its committee meetings thereof.	As per the resolution and explanatory statement
<b>Date of first appointment on the Board</b>	July 31, 2020	September 28, 2006
<b>Shareholding in the Company as on March 31, 2022</b>	NIL	3,29,76,043 equity shares of ₹ 10/- each
<b>Relationship with other Directors/ Key Managerial Personnel</b>	Not Applicable	Mrs. Shivani Amit Dahanukar is the wife of Mr. Amit Dahanukar, Chairman and Managing Director of the Company
<b>Number of meetings of the Board attended during the year (2021-22)</b>	5	4
<b>Directorships on other Listed Companies as on March 31, 2022 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, 2022</b>	NIL	NIL

By Order of the Board of Directors

Place: Mumbai  
Date: May 30, 2022

Sd/-  
**Dipti Todkar**  
Company Secretary

**Registered Office:**  
P.O. Tilaknagar, Tal. Shrirampur,  
Dist. Ahmednagar, Maharashtra-413 720



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

**Mr. Amit Dahanukar**

*Chairman & Managing Director*

**Mrs. Shivani Amit Dahanukar**

*Executive Director (Subject to approval of Members in ensuing AGM on August 29, 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**

### Company Secretary

**Ms. Dipti Todkar** (w.e.f. March 30, 2022)

### Statutory Auditors

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

*Chartered Accountants*

### Internal Auditors

**M/s. NMAH & Co.** (w.e.f. February 09, 2022)

*Chartered Accountants*

### Cost Auditor

**Dr. Netra Shashikant Apte**

*Cost & Management Accountant*

### Secretarial Auditors

**Ragini Chokshi & Co.**

*Practicing Company Secretaries*

### Solicitors

**W. S. Kane & Co.****Advocate Umamaheshwar Rao****Economic Laws Practice (ELP)****Holla & Holla****Inttl. Advocare****Kunal Bhanage**

### Financial Institution

Edelweiss Asset Reconstruction Company Limited

### Registered Office & Works

Dist. Ahmednagar, Maharashtra - 413 720

Tel.: (02422) 265123/265032

Fax.: (02422) 265135

E-mail: investor@tilind.com

Website: www.tilind.com

### Corporate Office

3rd Floor, Industrial Assurance Building,

Churchgate, Mumbai - 400 020

Tel.: (022) 22831716/18

Fax.: (022) 22046904

E-mail: tiliquor@tilind.com

### Registrar & Share Transfer Agents

Bigshare Services Pvt. Ltd.

Office No. S6-2, 6th 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

87th Annual General Meeting is scheduled to be

held on Monday, August 29, 2022 at 10.30 a.m.

IST through Video Conferencing ('VC')/Other Audio

Visual Means ('OAVM')



CIN: L15420PN1933PLC133303  
3rd Floor, Industrial Assurance Building,  
Churchgate, Mumbai, Maharashtra - 400 020.  
Tel.: (022) 22831716/18 | Fax: (022) 22046904  
Email: [investor@tilind.com](mailto:investor@tilind.com) | Website: [www.tilind.com](http://www.tilind.com)