



ANNUAL REPORT 2019-20

SHAPING FUTURE

Success



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Disclaimer: This document contains statements about expected future events and financials of Tilaknagar Industries Ltd., which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



₹ 65,282.78 lacs

Consolidated Revenue from
Operations for the Financial Year
ended March 31, 2020

64.40 lacs

Cases sold in 2019-20

SHAPING FUTURE Success

At Tilaknagar Industries ('TI' or 'we' or 'the Company'), we focus towards laying a strong foundation through continuous improvement in our systems and processes. We strongly believe that deeper the roots, greater the fruits. Our processes are thoughtfully designed to help us be more agile and effective. We are continuously strengthening our operational infrastructure as well as our risk mitigation scope. This approach helps us focus on greater everyday efficiency using our scale and experience. It also helps us building capabilities which create value for our customers and other stakeholders. Together, all our efforts are directed towards developing strengths needed for tomorrow, shaping future success.



Know us

Who we are

Excellence is a skill that we, at TI, continuously hone to perfection. Our journey began in the year 1933 as The Maharashtra Sugar Mills Limited, renowned manufacturer of sugar and allied products, founded by the reputed Dahanukar family of Maharashtra. TI, which started as a sugar manufacturer, diversified into distillery division in 1970s and with its strong foundation of values and beliefs, gradually advanced to become one of the leading players in the Indian alcoholic-beverages industry, primarily dominating southern and western parts of India, catering all categories straddling across various price points to suit diverse pockets. Years-rich experience and proficiency, combined with pan India presence, helped TI produce quality liquor while also developing innovative ways to preserve the environment.

Our comprehensive product portfolio and business model play a pivotal role in our success. With an integrated production process in place, we have built a strong and diverse portfolio of brands in various liquor categories including Brandy, Whisky, Vodka, Gin, and Rum.

We have state-of-the-art set up with robust manufacturing facilities, comprising 1 owned facility, 3 operating liquor subsidiaries, 3 leased and 8 tie-up units, strategically located across India. We have 100 KLPD molasses-based and 100 KLPD grain-based distillation plants and IMFL bottling plant at Shirampur (Maharashtra). We ensure seamless coordination of all our functions not just in production but also in supply chain management. From tracking market changes and market research to sourcing raw materials, manufacturing and delivering finished goods, we maintain the highest efficiency. We have broad distribution footprint in the southern region which covers various market segments.





What we're about

Worth Reaching for:

Our Vision



To continue providing superior consumer experience with a robust portfolio of brands across all categories and serve customers in their everyday and extraordinary moments alike.

Building Brands that People Love:

Our Mission



To establish ourselves as a premier spirit and liquor Company with the highest levels of quality, product delivery and service to ensure profit maximization and increased shareholder value while also demonstrating the strength of our brands and our commitment to the community as a good corporate citizen.

The Foundation of it All:

Our Values

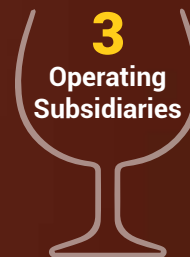


-  We are passionate about what we do. We inculcate an entrepreneurial spirit so that each member takes ownership of the job and delivers results that exceed expectations;
-  We are proud of delivering products that create lifelong loyal customers. We work relentlessly to create exciting new experiences;
-  We take innovation seriously. We aren't afraid to challenge existing practices in order to create better versions of ourselves; and
-  Care and trust define our business and our culture. We are a family and look after each other.

Manufacturing presence



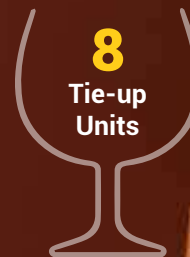
1
Owned
Facility



3
Operating
Subsidiaries



3
Leased
Units



8
Tie-up
Units



SHAPING FUTURE SUCCESS BY
LEVERAGING OUR FOCUSED

Product

RANGE

Our balanced category spread gives us an edge over competitors. A consolidated portfolio of our brands is sold predominantly across southern states with considerable presence in western and eastern states in India accounting for 90.93% of the total cases sold during 2019-20. Our Exports & Institutions segment contributes 9.07% to our sales volume.

We have a comprehensive product portfolio across various categories and price points. Our portfolio and geographic reach enable us to deliver sustainable performance and create value for our stakeholders. The consumer being centre of our business, we use world-class marketing and innovation skills to build and sustain brands with a positive impact on the society. Our strategic priority to drive growth will continue focusing on premium products that are profitable, sustainable and responsible.



Product Category-Wise Sales Volume in 2019-20 (In lacs cases)

58.55
Brandy

3.43
Rum

1.45
Whisky

0.97
Vodka & Gin



Our Brands Help Shape Our Future

Mansion House Brandy

Mansion House Brandy is amongst the largest selling brandies in the world. Over the years, Mansion House Brandy has matured and evolved significantly. TI's constant emphasis on premiumization has reinforced the brand's position in the high margin premium category.

Madira XXX Rum

Madira XXX Rum by TI is touted to be amongst the most popular Rums in India that offer an assortment of exciting flavours to eager consumers.

Vodka and Gin

Vodka and Gin, as a segment for TI, constitute a small portion of its overall brand portfolio. TI will gradually spread these brands' presence through its efficient marketing and distribution channels.

Courrier Napoleon Brandy – Green

Courrier Napoleon Brandy – Green continues to create a niche for itself in the premium space and remains brand leader in its segment.



Senate Royale - Red

This product reflects the true essence of quality drinking, blended with distinctive scotch aroma alongside a smooth and lingering aftertaste of fine scotch. It is an amalgamation of pristine Indian spirit with imported scotch malts.



Courrier Napoleon Brandy – Red

Courrier Napoleon Brandy – Red is amongst the most profitable brands in TI portfolio.



Whisky

TI has seen a significant journey transforming itself from being a Regular Whisky player to a premium one. With the impeccable and exclusive quality blend, TI's Whisky brands viz. Mansion House Whisky and Senate Royale Whisky bring the best-in-class experience for the consumers. A very distinct aroma with rich and smooth flavor enables these brands in growing their popularity and with high brand recall value.



*It's Friday...
The only decision you need to make is
Bottle or Glass!*



TI
MANSION HOUSE®



SHAPING FUTURE SUCCESS
THROUGH AN EXTENSIVE

Outreach

We serve our customers' needs through a diversified product portfolio, a robust multi-channel distribution network and a wide geographical presence.

We have, to our credit, cutting-edge consumer insights and marketing campaigns that enable us to effectively serve our consumers across the country. We continuously strive to satisfy a broader range of consumer needs with high quality premium brands. Additionally, our extensive distribution network strengthens our relationship with consumers, thus enabling us to penetrate the market further.



**Region-Wise Sales Performance**

[Quantity in lac cases]



2018-19

2019-20

58.01

← South →

55.09

5.31

← Export & Institutions →

5.84

2.28

← East →

2.43

0.83

← West →

1.04

Segment-Wise Sales Performance

[Quantity in lac cases]



2018-19

2019-20

59.15

← Brandy →

58.55

4.14

← Rum →

3.43

2.10

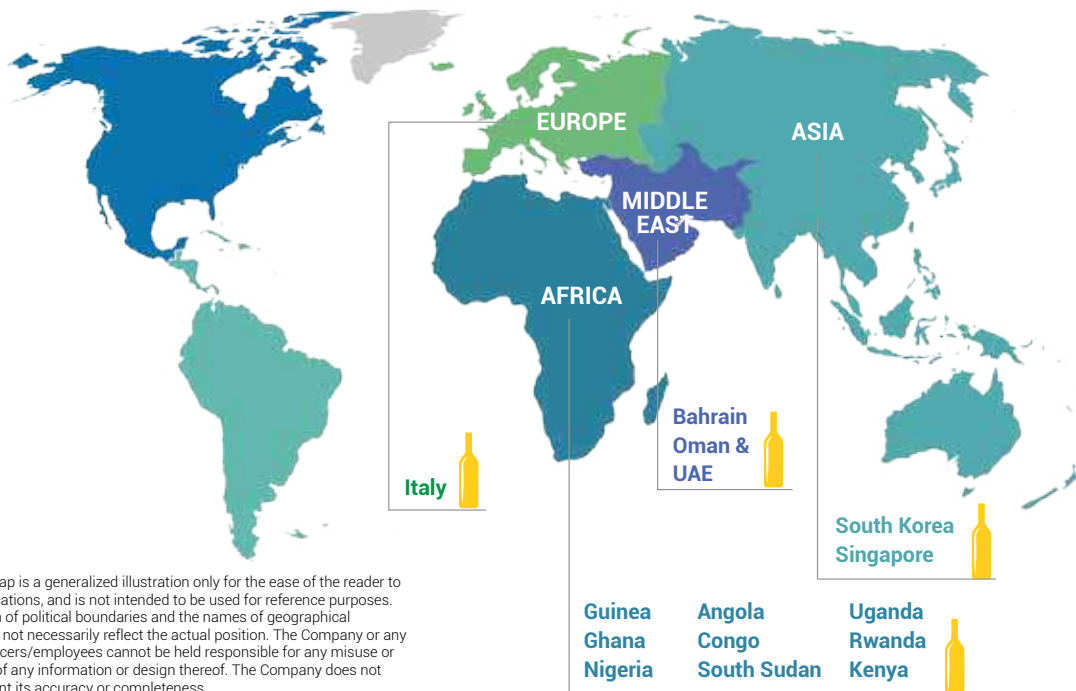
← Whisky →

1.45

1.04

← Vodka & Gin →

0.97

Market Presence Across the Globe

Disclaimer: This map is a generalized illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors/officers/employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent its accuracy or completeness.

CHAIRMAN'S Message

“
2019-20 will be remembered in the history as a year of great change. Today, 'Make in India' and the endeavour of being self-reliant ('Atmanirbhar Bharat Abhiyaan') are messages resonating every Board Room.
”





Dear Stakeholders,

We are a strong and diversified Company with a prominent presence across the Southern and Western parts of India, an impressive portfolio of brands, highly skilled talent pool and a clear commercial strategy. We understand that to reach our ambitious goals, we need to embrace challenges head-on and transform them into opportunities for success.

Restrictions imposed by the Government of India, State Governments and Local Bodies due to COVID-19, a global pandemic, necessitating working with reduced work force, social distancing norms, among others, had a negative impact on productivity and also resulted in increase in raw material costs. Increase in the retail prices of liquor by the state governments also had an adverse effect on the short-term demand. However, the Company with its assured supply side security and strong well accepted brands is well poised to strongly counter the challenges posed by this abnormal situation. With the gradual opening of business operations across India, the supply chain has now almost reached normal level of operations. In order to adapt to the 'new normal', many state governments have also allowed home delivery of liquor. This, in the long run, will result in increase in the industry revenues as many consumers, who are not comfortable going out to buy liquor from shop, have the option to get the same home delivered. Thus, posing a great opportunity to leverage and enhance our market share.

As the lockdown gradually opened, we have recommenced our manufacturing operations with changed SOPs for social distancing norms, regular health check-ups and heightened levels of safety and healthcare. We have also enabled our teams to work from home till easing of the lockdown restrictions.

As a result of the lockdown, our bottling operations were suspended from March 25, 2020, and the production and sales in March 2020 were adversely affected. During FY 2019-20, our sales volumes decreased by 3.06% to 64.40 lacs cases as compared to 66.43 lacs cases in 2018-19. However, with the staggered resumption of operations, sales have started stabilizing

across the country with certain southern states showing considerable growth and it is expected to match the yearly estimates in terms of sales, market share and margins.

Our astonishing collection of premium brands has enabled us to serve evolving customer preferences through several price points to suit diverse pockets. Premiumization, a consumer trend across all our markets, is a key element of the category expansion and our commercial strategy enhancing our growth prospects. We have continued the efforts to boost our brand visibility through online promotions and strengthening relationship with our distributors. We believe that this strategy will transform our business into a truly consumer-centric organization.

The compromise/settlements arrived at with the lenders and the restructuring agreement entered into with Edelweiss Asset Reconstruction Company Limited ("EARC") during the FY 2019-20 have significantly reduced our debt burden and consequential finance cost thereon. We have also initiated the process of cost reduction and rationalization of manpower to strengthen our financial position.

As we look towards the future, we are determined to steer growth by aiming towards consumer-centricity, operational excellence and innovation. We grasp this unique opportunity to build a stronger business which will be more connected than ever with our consumers. We shall use the learning from FY 2019-20 in leveraging our assets to create lasting value for better positioning ourselves and shaping future success.

Lastly, we thank our shareholders and investors for their continued trust and confidence in the Company. We are grateful to other stakeholders including, but not limited to, our customers, distributors and employees for their constant support. We attribute our growth to the sincerity, hard work and dedication of our employees, which will continue to help us scaling newer heights and 'Shaping Future Success'.

Best Wishes,

Amit Dahanukar

Chairman & Managing Director

PROFILE OF BOARD OF

Directors



Mr. Amit Dahanukar

Chairman & Managing Director

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



Mrs. Shivani Amit Dahanukar

Non-Executive Director

Mrs. Shivani Amit Dahanukar 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.



Dr. Ravindra Bapat

Independent Director

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

**Mr. C.V. Bijlani***Independent Director*

A post-graduate in Economics, Mr. C.V. Bijlani 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 both with State Bank of India and IndusInd Bank. He was awarded Udyog Gaurav Award in 1992 by All India Organizational Entrepreneurial Confederation for his contribution to the financial sector.

**Mr. Kishorekumar G. Mhatre***Independent Director*

Mr. Kishorekumar G. Mhatre is a graduate in Law from the Government Law College, University of Mumbai. He is an Advocate having 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 organizations/institutions in the capacity of trustee/legal advisor/secretary.

**Mr. Satish Chand Mathur***Independent Director*

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



Maj Gen Dilawar Singh (Retd.)

Independent Director

Maj Gen Dilawar Singh (Retd.) is triple post graduate and an alumni of Delhi University, Chennai University, Devi Ahilya University, Osmania University and IIM Indore. He has a unique distinction of having been the Head of the Largest Youth Organisation of the Government of India (NYKS) and has initiated hundreds of new 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 is advising the industry on Defence, Homeland Security, Youth Affairs, Sports and New Technologies and is a part of numerous Sports Organisations across many countries.



Ms. Swapna Shah

Additional (Non-Executive) Director

Ms. Swapna Shah holds Masters in Business Administration 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 several 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).



Ms. Aparna Praveen Chaturvedi

Additional (Non-Executive and Independent) Director

Ms. Aparna Praveen Chaturvedi holds MBA in Finance from University of Lucknow and has also received coveted Chevening Scholarship at Manchester Business School. She is having industry experience of more than 35 years with Financial Institutions viz. UTI AMC Ltd. (Mutual Fund), ASREC (Asset Reconstruction Company) and PICUP (State Financial Corporation). She has been member of various committees constituted by Ministry of Finance, Association of ARCs, etc. She is having 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

Additional (Whole-Time) Director

Mr. C. R. Ramesh is a Graduate in Science having 38 years of experience in liquor manufacturing operations.



PROFILE OF SENIOR

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

Col. Bineet Walia (Retd.) 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 specializes in Institutional Sales and Marketing.

**Mr. Ashutosh Sharma,***Vice President - Sales & Marketing*

Mr. Ashutosh Sharma is M.Phil. from JNU, New Delhi and holds a degree of Executive Master of Business Administration from AIM, Manila and has over 29 years of experience across various sectors.

**Mr. Ajit Sirsat***Assistant Vice President – Accounts & Finance*

Mr. Ajit Sirsat is a Chartered Accountant and Cost & Management Accountant with 26 years' experience in Finance and Accounts across industries.

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

Mr. Varadarajan Srinivasaraghavan is B.Tech. (Mechanical) and has over 25 years of experience in the liquor Industry.



Mr. Shankar Pawar

Deputy General Manager – Accounts & Finance

Mr. Shankar Pawar is a Chartered Accountant and has 16 years of experience in the areas of accounts, finance and taxation across various sectors.



Mr. S. Balakumar

Deputy General Manager – Production & Operations

Mr. S. Balakumar is a graduate in Commerce and holds a Masters degree in Business Finance from Indian Institute of Finance, New Delhi. He has over 26 years of experience in various sectors.



Mr. Dattatray More

Deputy General Manager – HR & IR

Mr. Dattatray More is a graduate in Commerce and holds Masters degree in Business Administration (Human Resource), MSW and has 25 years of experience in HR, IR, Legal and Administration in different reputed MNCs in various sectors.



Ms. Hemangi Joshi Naik

Deputy General Manager – Legal

Ms. Hemangi Joshi Naik is a graduate in Law from the Siddharth College of Law, University of Mumbai, and has over 15 years of experience in corporate laws across various sectors.



Mr. Naveen Chandran K. V.

Deputy General Manager – Sales and Marketing

Mr. Naveen Chandran K. V. is a graduate in Economics. He has 32 years of sales experience in liquor industry.



MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY OVERVIEW

The global economic growth continued to remain muted in CY 2019 after registering growth of 2.9% in CY 2018. Despite temporary resolution in the standoff between the USA and China, bottoming out of slowdown in the global manufacturing sector and positive shift towards favorable monetary policy, economic growth once again weakened in the last quarter owing to the COVID-19 pandemic and subsequent lockdown worldwide. While the primary impact of the outbreak was disruption in supply chains, its secondary impact was in terms of loss of lives and livelihoods. Furthermore, the COVID-19 pandemic is projected to shrink global growth significantly in the current financial year as well.

Across the world, the governments and central banks have promptly responded to the crisis, using series of monetary and fiscal support tools. These fiscal and monetary safeguards are expected to remain in effect for some time, with the recovery in growth likely to be sluggish and more interrupted than initially anticipated.

OUTLOOK

According to the International Monetary Fund's World Economic Outlook (IMF WEO) June, 2020, the global economy is expected to contract by 4.9% in CY 2020. The worldwide lockdowns to contain the spread of the virus, protect lives and allow the healthcare systems to cope, have impacted economic activities. However, the global economy is expected to grow by 5.4% in CY 2021 as economic activities normalize, with the aid of policy measures. The synchronized actions of central banks are expected to generate the space for Emerging Markets and Developing Economies (EMDEs) to use monetary policy to respond to domestic cyclical conditions.

GLOBAL SPIRITS MARKET

The global alcoholic-beverages market is expected to grow from USD 515.2 billion in CY 2019 to USD 528.5 billion in CY 2020 at a rate of 2.6%. The low growth is mainly due to economic slowdown across countries owing to the COVID-19 pandemic and subsequent lockdown to contain it. However, the market is anticipated to recover and witness growth rate of 7% from CY 2021 and reach USD 647.7 billion in CY 2023. The market is driven by the premiumization of drinks. In addition, the demand for lighter alcoholic beverages, that pose fewer health risks, is anticipated to boost the growth of the alcoholic drinks market.



The global alcoholic-beverages market was largely dominated by the Asia Pacific region accounting for 41% in CY 2019, followed by North America at 24% while Middle East was the smallest.

(Source: Research and Markets)

INDIAN ECONOMY OVERVIEW

India's growth softened in 2019-20 on account of global headwinds, liquidity constraints in the economy and structural impediments affecting consumer sentiments and investor confidence. There was a strong hope of recovery in the last quarter of 2019-20. Growth and fiscal metrics declined in the last quarter of the year, given the focus on containing the COVID-19 pandemic and the ensuing fiscal policy measures. The GDP growth for 2019-20 was 4.2% as compared to 6.1% in 2018-19.

The Government and the RBI quickly acted to help offset the pandemic-induced disruptions. To enhance liquidity in the economy and improve the credit scenario, the RBI supported with monetary policies rate cuts. The Government also announced ₹ 20,00,000 crores fiscal stimulus packages to help support lives and livelihoods. Supportive monetary measures, like reduction of policy repo rates, provided the much-needed relief to revitalize the economy. In addition, it also announced the 'Atmanirbhar Bharat Abhiyaan' to revive every sphere of the economy ranging from demand and supply to manufacturing for making India self-reliant.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

OUTLOOK

The Indian economy is expected to see a revival in consumption growth in 2020-21. However, the outbreak of COVID-19 is likely to hamper the growth, with projected GDP contraction for 2020-21 by 4.5%, according to IMF WEO June, 2020. The steps like nationwide lockdown imposed to contain the spread of virus have resulted in slowdown in economic activity and impacted consumption as well as investment. The spread of the virus is likely to curb supply and demand side pressures as well. However, the IMF expects the Indian economy to sharply recover with a GDP growth of 6% in 2021-22.

INDIAN LIQUOR INDUSTRY

India is one of the fastest growing alcohol markets in the world. The industry is divided into three categories: Spirits [Indian Manufactured Foreign Liquor (IMFL) and Country Liquor], Beer and Wine. As the average per adult intake of alcohol is considerably low in India, it provides great opportunity to drive growth of alcoholic-beverages industry. It is estimated that per capita consumption will increase on the back of rising working-age population, changes in lifestyle and aspiration of the population.



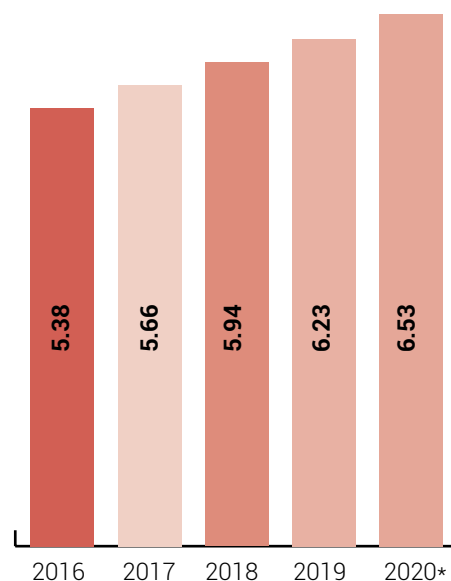
IMFL is the largest segment in the Indian alcoholic-beverages industry. The industry has grown at an overall steady pace triggered by increasing population and rising disposable income coupled with the fact that it is increasingly gaining social acceptance.

Beer is the third largest and second fastest growing market in the Indian alcoholic-beverages industry. It can be segmented into strong beer and mild beer, based on their alcohol content. Strong beer with an alcohol content of more than 5%, dominates the Indian market indicating its popularity and preference.

Wine industry in India is in its initial stage. Cities like Mumbai, Delhi and Bangalore have the maximum share of wine

consumers. Imported wines consumption is expected to grow in near future.

CONSUMPTION OF ALCOHOLIC-BEVERAGES IN INDIA (BILLION LITRES)



*Figures for 2020 are estimates

(Source: Statista, Euromonitor)

According to the Euromonitor International, from CY 2020 to 2024, IMFL sales volume is anticipated to recover significantly and witness CAGR of 5.9% and value growth by 5.7%.

GROWTH DRIVERS

Indian alcoholic-beverages industry holds huge growth potential given the low per capita consumption. The growth can be attributed to the following factors:

- Rising affluence is the main factor driving the growth. As the disposable income increases, the consumer behaviour and spending patterns are also evolving with preference for premium brands;
- Favourable demographics with a median age of 27.9 years and growing social acceptability of alcoholic-beverage consumption are likely to bode well for the industry;
- Grain-based liquor is gaining popularity as against traditionally popular molasses-based liquor;
- Rapid urbanization is also leading to spur in aspirational values of people, leading to higher consumption of premium alcoholic-beverage brands;



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

- Sale of alcohol through online channel is also gaining traction that will enhance accessibility for all consumers; and
- Permission granted by many State Governments for home delivery of liquor will also drive the sale of alcohol in the long run.

CHALLENGES

The economic shock of the COVID-19 pandemic was virtually felt by all businesses across the world. The lockdown across the nation, to contain COVID-19 pandemic, resulted in loss of sales during the last week of the 2019-20. Also, closure of restaurants and bars and shift in eating out habits will have short to medium term impact on the sales volume. The higher taxes levied by the state governments on liquor have also adversely impacted the industry. This, in turn, resulted in increase in the price and reduction in demand of the products. The alcoholic- beverage companies are constrained to focus on adapting to highly variable demand patterns while also managing severe disruptions in supply chains and workforce availability.

COMPANY OVERVIEW

Tilaknagar Industries Ltd. (TI) is a recognized player in the alcoholic-beverages industry with an outstanding collection of brands. It has built a leading portfolio of brands across IMFL segment including Whisky, Brandy, Rum, Gin and Vodka. TI has some of the best performing and most trusted brands in South India and CSD stores and also has presence across regions like South-East Asia, African countries, Middle East and Europe. TI is built and sustained through innovation and it curates experiences with evolving consumer preferences. The comprehensive brand portfolio and state-of-the-art facilities enable it to offer high quality premium products with smooth taste and value addition.

What sets us apart

Product offerings: TI has enviable portfolio of brands with over 15 iconic brands across the IMFL segment (Whisky, Rum, Vodka, Gin and Brandy), comprising Mansion House Brandy, a millionaire brand, among others sold across various geographies, categories and price points.

Manufacturing facilities: TI works towards highest quality and manufacturing standards. It produces locally through its state-of-the-art robust manufacturing facilities, comprising 1 owned facility, 3 operating liquor subsidiaries, 3 leased and 8 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).

With respect to the Company's application 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, follow up is being made with the State Government for obtaining permission for operating the distillation section of the said plant.

Premium Brand Portfolio: Using its deep understanding of trends and consumer socializing occasions, TI focuses on premium brand portfolio as under:

Brandy

TI's constant emphasis on premiumization has reinforced the brand's position in the high margin premium category in the Brandy segment with its following iconic brands:

- **Mansion House Brandy** is amongst the largest selling brandies across the world. Over the years, Mansion House Brandy has matured and evolved significantly. This, in turn, has enabled TI to position itself in the high margin premium category.
- **Courrier Napoleon Brandy – Green** continues to create a niche for itself in premium space and remains the brand leader in its segment.
- **Courrier Napoleon Brandy – Red** is amongst the most profitable brands in TI portfolio.

Rum

Madira XXX Rum by TI is touted to be amongst the most popular Rums in India that offers an assortment of exciting flavors to eager consumers.

Whisky

TI has seen a significant journey from a regular whisky player to a premium one. With an impeccable and exclusive quality blend, TI's Whisky brands viz. Mansion House Whisky and Senate Royale Whisky, bring the superior consumer experience. These brands have very high recall value owing to distinct aroma with rich and smooth flavor.

Vodka and Gin

Vodka and Gin, as a segment for TI, constitute a small portion of its overall brand portfolio. TI will gradually spread these brands' presence through its efficient marketing and distribution channels.

COVID-19 AND ITS IMPACT

The outbreak of COVID-19 pandemic continues to spread across India and given its unpredictable and evolving nature and on account of restrictions imposed by the Government

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

of India, state governments and local bodies, the bottling operations of the Company were suspended from March 25, 2020, and there was no production and sale till the partial resumption of operations in the second week of May 2020. As a result of the lockdown, the production and sales in March 2020 was 53% and 59%, respectively, of the corresponding previous year and in the first quarter of the current financial year only 48% and 45%, respectively, of the corresponding previous year.

The operations in all of the bottling units have been resumed and the Company has taken all necessary steps to ensure strict compliance with the guidelines laid down with relation to social distancing, mandatory use of facemask, proper sanitization facilities and operating with reduced work force. The same is being strictly followed in all the manufacturing units, corporate and other administrative offices that have commenced operations.

Increase in the retail prices of liquor by the State Governments also had an adverse effect on the short-term demand. However, the Company having assured supply side security and strong well accepted brands is well poised to strongly counter the challenges posed by this abnormal situation. With the gradual opening of business operations across India, the supply chain has now almost reached normal level of operations. In order to adapt to the 'new normal', many State Governments have also allowed home delivery of liquor. This, in the long run, will result in increase in the industry revenues

as many consumers, who are not comfortable going out to buy liquor from shop, have the option to get the same home delivered. Thus, posing a great opportunity to leverage and enhance its market share.

FINANCIAL PERFORMANCE

During the year, the sales volume has, on consolidated basis, decreased by 3.06% to 64.40 lacs cases as compared to 66.43 lacs cases during the financial year ended March 31, 2019. Revenue from operations (net of excise duty) on consolidated basis, stood at ₹ 65,282.78 lacs as compared to ₹ 66,133.00 lacs during the financial year ended March 31, 2019. Finance cost has, on consolidated basis, decreased from ₹ 18,420.68 lacs during the financial year ended March 31, 2019 to ₹ 12,893.28 lacs during the financial year ended March 31, 2020. The compromise/settlements and restructuring agreement entered into by the Company, during the financial year, have significantly reduced the debt burden and consequential finance cost thereon.

The EBITDA has, on consolidated basis, decreased to ₹ 2,200.00 lacs) during the financial year ended March 31, 2020, as compared to ₹ 6,134.11 lacs during the financial year ended March 31, 2019. The total comprehensive income, on consolidated basis, stood at ₹ 26,958.91 lacs during the financial year ended March 31, 2020 as against the total comprehensive loss of ₹ 15,968.68 lacs during the financial year ended March 31, 2019, on account of amount written back consequent to compromise/settlements with the banks.

KEY FINANCIAL RATIOS

Key Ratios	2019-20	2018-19	Change %	Explanation, if required
Debtors Turnover (Days)	60	58	4	
Inventory Turnover (Times)	4.46	3.60	24	
Interest Coverage Ratio (Times)	1.29	0.44	192	On account of restructuring of loan and one time settlement done with the lenders
Current Ratio (Times)	1.26	1.49	(15)	
Debt Equity Ratio (Times)	(32.62)	(3.83)	752	On account of restructuring of loan and one time settlement done with the lenders
Operating Profit Margin (%)	14.01	17.07	(18)	On account of increase in raw material cost by more than 20% compared to the previous year which could not be passed on to the end consumer
Net Profit Margin (%)	(6.16)	(15.42)	(60)	On account of write back of loan amount due to settlement done with the lenders
Return on Net Worth (%)	242.09	35.79	576	



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

PRODUCT CATEGORY-WISE SALES VOLUME IN 2019-20

(In lac cases)

Category	Sales Volume	% Growth
Brandy	58.55	(1.01)
Rum	3.43	(17.15)
Whisky	1.45	(30.95)
Vodka & Gin	0.97	(6.73)

MARKETING AND BRANDING

The Company invests in world-class marketing to responsibly build vibrant brands that resonate with its consumers. It has a rigorous marketing strategy to promote brands that enable it to further push its products.

Social Media Marketing:

The Company did online brand promotions to enhance popularity and reach amongst the consumers/millennial. Mansion House Brandy and Courier Napoleon Brandy were the leading brands in social media in terms of likes/comments/shares as well as video views on Facebook and Instagram.

Brand Building:

As a part of brand building, celebration pack of Courier Napoleon Brandy - Green was introduced in Karnataka market, resulting in increased market share and increased brand visibility of the brand in the state.

Mobile App:

A dedicated Mobile App was introduced for sales automation to get work more organized for the sales team. This will help track the productivity of the sales force and make them more effective in the market place.

DISTRIBUTION NETWORK

The Company partners with geographically exclusive distributors who oversee the sales execution. TI's leading brand portfolio offers its consumers a broad range of products across categories and price points. It has extensive operation and sells through State Corporations across Telangana, Andhra Pradesh, Karnataka, Kerala, West Bengal and Odisha. It also operates through a distributor channel located in Maharashtra, Goa, Silvassa, Assam, Sikkim and Puducherry. The Company is also one of the dominant names in the CSD marketplace.

MATERIAL DEVELOPMENTS

- During the year under review, the Company has signed

and executed restructuring agreement with Edelweiss Asset Reconstruction Company Limited ("EARC"), acting as Trustee of EARC Trust SC233, EARC Trust SC241 and EARC Trust SC269 with respect to restructuring of the debts owed to it;

- During the year under review, the Company settled the dues payable to State Bank of India (SBI) as per the terms of compromise/settlement and the application filed before the National Company Law Tribunal (NCLT), Mumbai under Section 7 of the Insolvency & Bankruptcy Code was withdrawn by SBI;
- During the year under review, the Company completed payment of the compromise amount in full and final settlement of its dues to the Bank of India (BOI) and IDBI Ltd.; and
- During the year under review, the Company submitted a formal proposal to the lenders of Prag Distillery (P) Ltd, wholly owned subsidiary (under liquidation) for full and final settlement of all their claims, final approval of which is awaited.

RISK MANAGEMENT

TI follows a well-defined approach to identifying, assessing, managing, and mitigating risks by implementing appropriate strategies. It is a vital part of business management embedded in its culture and practices and tailored to fit the business functions and processes.

The process is a continuous loop comprising context formation, risk assessment, risk mitigation, communication, consultation, monitoring and review. TI has established processes and guidelines, along with a strong overview and monitoring system, at the Board and Senior Management levels.

TI also actively manages risks arising from regulatory environment, raw material price fluctuation and foreign exchange volatility, besides the financial risks which include liquidity management and close monitoring of interest costs.

HUMAN RESOURCES

TI strives to maintain a cordial relationship and healthy working environment for its employees at all the levels. Continuous commitment to upgrading skills is an integral part of its human resource development policy. It actively promotes diversity in its workforce and provides equal opportunities to employees to optimize their potential and improve their standard of living.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

TI's HR Philosophy:

- To be identified as an employer of choice by prospective candidates;
- To develop a culture based on open communication, trust, fairness and one that promotes equality;
- To be an equal opportunity employer, promoting diversity across national, cultural, and linguistic backgrounds;
- To foster a culture which recognizes and promotes merit/performance-based compensation and rewards; and
- Building the organization from within, by grooming, mentoring and promoting its people to a large extent and resorting to external hires only to complement the existing skill/competency base or fill positions for which suitable internal resources are unavailable.

Employees' welfare forms a paramount consideration for the Company and accordingly, following HR initiatives have been taken:

- Flexi working hours have been introduced in Head Office to provide employees with better work life balance;
- The leave policy has been aligned with current industry standards to encourage employees to plan and utilize their leaves during the year;
- Basket of tax saving allowances has been introduced for employees to enable them to pick and choose allowances which are relevant to them; and
- As per the Government guidelines on COVID-19, the Company encouraged remote working, increased levels of sanitization across facilities and corporate offices, implemented various social distancing measures and created detailed plans for enabling return-to-work in a phased manner.

INFORMATION TECHNOLOGY

Technology is the foundation for process and operational efficiency within the organization. TI's strong data-driven platform, derived from renowned and trusted software and hardware platforms, is the key towards seamless business operations. During 2019-20, Windows 2007 Operating System was upgraded to Windows 2010 Operating System and Sophos XG 135 firewall was also installed as a part of up-gradation of IT infrastructure.

Due to travelling restrictions imposed in the lockdown on account of COVID-19, collaborative meeting culture was encouraged using video conferencing facilities with support

for screen sharing creating a digital workforce resulting in increased productivity, one to one human connection, speeding up of decision making process, savings in time and travel expenses without compromising on data security by accessing data through SSL VPN by using AES – 128 bit encryption for data transfer and SHA2 256 encryption for authentication.

INTERNAL CONTROL SYSTEMS

TI has robust internal financial reporting and control system designed to ensure proper recording of financial and operational information, compliance of various internal controls and other regulatory compliances. Internal and Statutory Auditors evaluate the system of internal controls frequently, thus, mitigating/avoiding fraud or any other discrepancies in the daily operational activities.

The Audit Committee regularly evaluates the adequacy and effectiveness of internal controls as well as findings of Internal and Statutory Auditors. Findings are then reviewed by the top management and proper follow up action is ensured, wherever required.

DISCLOSURE OF ACCOUNTING TREATMENT

TI has prepared financial statements for the 2019-20 in accordance with 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

The global economy, affected due to the novel COVID-19 pandemic, has forced businesses across the world to suspend operations leading to periodical interruption. Revenue loss in 2020-21 is anticipated owing to weak Q1 due to lockdown. However, with the staggered resumption of operations, sales have started stabilizing across the country with certain southern states showing considerable growth and it is expected to match the yearly estimates in terms of sales, market share and margins.

TI is determined to steer growth by aiming towards consumer-centricity, operational excellence and innovation. This unique opportunity shall be used to build a stronger business which will be more connected than ever with the consumers. The learning from 2019-20 shall be used in leveraging the assets to create lasting value for better positioning the Company and shaping future success.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

CAUTIONARY STATEMENT

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

expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

DIRECTORS' REPORT

Dear Members,

The Directors hereby present their 85th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2020.

1. FINANCIAL HIGHLIGHTS

The summary of the Company's financial results for the financial year ended March 31, 2020 is furnished below:

(₹ in lacs)

Sr. No.	Particulars	Standalone	
		Year ended March 31, 2020	Year ended March 31, 2019
I	Revenue from Operations	1,47,918.39	78,161.22
II	Other Income	1,864.84	204.39
III	Total Income (I + II)	1,49,783.23	78,365.61
IV	Expenses		
	(a) Cost of materials consumed	32,086.37	23,554.86
	(b) Changes in inventories of finished goods, stock-in-trade and work- in-progress	2,857.72	(2,355.10)
	(c) Excise duty	83,063.01	29,262.11
	(d) Employee benefits expense	1,897.80	2,359.46
	(d) Finance costs	12,508.30	16,819.13
	(f) Depreciation and amortization expense	3,118.90	3,499.44
	(g) Other expenses	28,892.00	20,113.69
	Total Expenses	1,64,424.10	93,253.59
V	Profit/(Loss) before Exceptional Items and Tax (III-IV)	(14,640.87)	(14,887.98)
VI	Exceptional Items	45,518.35	-
VII	Profit/(Loss) before Tax (V-VI)	30,877.48	(14,887.98)
VIII	Tax Expense		
	(a) Current tax (including earlier years)	85.48	-
	(b) Deferred tax	-	-
	Total Tax Expense	85.48	-
IX	Profit/(Loss) for the Period (VII-VIII)	30,792.00	(14,887.98)
X	Other Comprehensive Income/(Loss)		
	(a) Items that will not be reclassified to Profit & Loss		
	(i) Re-measurement gain/(loss) in respect of the defined benefit Plans	(14.09)	(7.94)
	(ii) Deferred tax on re-measurement gain/(loss) in respect of defined benefit plans	-	-
	(b) Items that will be reclassified to Profit & Loss	-	-
	Total Other Comprehensive Income/(Loss) for the Period [(a) +(b)]	(14.09)	(7.94)
XI	Total Comprehensive Income/(Loss) for the Period (IX+X)	30,777.91	(14,895.92)



DIRECTORS' REPORT (Contd.)

During the year, the revenue from operations (net of excise duty) stood at ₹ 64,855.38 lacs as compared to ₹ 48,899.11 lacs during the financial year ended March 31, 2019. Finance cost has decreased from ₹ 16,819.13 lacs during the financial year ended March 31, 2019 to ₹ 12,508.3 lacs during the financial year ended March 31, 2020. The compromise/settlements and restructuring agreement entered into by the Company during the financial year have significantly reduced the debt burden and consequential finance cost thereon.

The total comprehensive income stood at ₹ 30,777.91 lacs during the financial year ended March 31, 2020 as against the total comprehensive loss of ₹ 14,895.92 lacs during the financial year ended March 31, 2019 on account of amount written back consequent upon compromise/settlements with the banks.

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

2. OPERATIONAL REVIEW

Operations

The Company has established its unique identity in the IMFL industry and is among India's leading alcobev business companies. It has a wide range of brands across the IMFL spectrum comprising 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 States with considerable presence in Western and Eastern States in India accounting for 90.93% of the total cases sold during 2019-20. Exports & Institutions segment contributes 9.07% to total sales volume.

On account of restrictions imposed by the Government of India, State Governments and Local Bodies due to COVID-19, the bottling operations of the Company were suspended from March 25, 2020 and there was no production and sale till the partial resumption of operations in the second week of May 2020. As a result of the lockdown, the production and sales in March 2020 was 53% and 59% respectively of the corresponding previous year and in the first quarter of the current financial year only 48% and 45% respectively of the corresponding previous year.

The operations in all the bottling units have been

resumed and the Company has taken all necessary steps to ensure strict compliance with the guidelines laid down with relation to social distancing, mandatory use of facemask, proper sanitization facilities and operating with reduced work force. The same is being strictly followed in all the manufacturing units, corporate and other administrative offices that have commenced operations.

During the year under review, the Company faced challenges in terms of increase in the price of raw materials, delayed payment from the Corporations and non-availability of bank finance resulting in liquidity crunch. Due to which, the Company was unable to meet in full the demand of its brands in key profitable States. The Company is making efforts to address these issues and improve its liquidity position.

Manufacturing Facilities

The Company has ultra-modern set up with robust manufacturing facilities comprising of 1 owned facility, 3 operating liquor subsidiaries, 3 leased and 8 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).

During the financial year 2019-20, 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 September 02, 2021. It is expected that permission for operating the distillation section also will be received soon.

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 consumers' most preferred brands across Southern region.

During the financial year 2019-20, the sales volume decreased by 3.06% to 64.40 lacs cases as compared to 66.43 lacs cases in the financial year 2018-19. Region-wise, the Company has registered sales volume of 55.09 lacs cases in Southern region, 2.43 lacs cases in Eastern region, 1.04 lacs cases in Western region and 5.84 lacs cases in Exports & Institutions segment. Segment-wise,

DIRECTORS' REPORT (Contd.)

Brandy contributed 90.92%, followed by Rum, Whisky, Vodka & Gin segments, which have contributed 5.33%, 2.25% and 1.51%, 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 15 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 South Korea and Singapore in East and South-East Asia, Guinea, Ghana, Nigeria, Angola, Congo, South Sudan, Uganda, Rwanda and Kenya in Africa, Bahrain, Oman & UAE in Middle-East and Italy in Europe.

Material Developments

- During the year under review, the Company has signed and executed restructuring agreement with Edelweiss Asset Reconstruction Company Limited ("EARC"), acting as Trustee of EARC Trust SC233, EARC Trust SC241 and EARC Trust SC269 with respect to restructuring of the debts owed to it;
- During the year under review, the Company has settled the dues payable to State Bank of India (SBI)

as per the terms of compromise/settlement and the application filed before the National Company Law Tribunal (NCLT), Mumbai under Section 7 of the Insolvency & Bankruptcy Code was withdrawn by SBI;

- During the year under review, the Company has completed payment of the compromise amount in full and final settlement of its dues to the Bank of India (BOI) and IDBI Ltd.; and
- During the year under review, the Company has submitted a formal proposal to the lenders of Prag Distillery (P) Ltd, wholly owned subsidiary (under liquidation) for full and final settlement of all their claims, final approval of which is awaited.

3. DIVIDEND

In order to conserve the resources, the Directors have not recommended any dividend for the financial year ended March 31, 2020.

4. SHARE CAPITAL

During the year under review, there was no change in the authorized, issued, subscribed and paid-up share capital of the Company. As on March 31, 2020, the Company was having share capital of ₹ 15,000 lacs comprising of 1,500 lacs equity shares of ₹ 10/- each out of which issued, subscribed and paid-up share capital of the Company was ₹ 12,513.38 lacs comprising of 1,251.33 lacs equity shares of ₹ 10/- each.

5. SUBSIDIARY AND ASSOCIATE COMPANIES

The Company is having 8 subsidiary companies falling under the purview of Section 2(87) of the Companies

**DIRECTORS' REPORT (Contd.)**

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
(A)	OPERATING SUBSIDIARIES	
1	Prag Distillery (P) Ltd. (100%) (under liquidation)	The revenue from operations, during the financial year 2019-20, of Prag stood at ₹ 537.07 lacs as compared to ₹ 10,601.08 lacs in the previous year. It has incurred total comprehensive loss of ₹ 665.73 lacs during the financial year 2019-20 as compared to ₹ 1,299.50 lacs in the previous year. The National Company Law Tribunal ("NCLT") ordered for liquidation of Prag vide its order dated July 26, 2018 as a going concern in the Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016. Consequent to the liquidation order passed by NCLT, liquidation of the Prag as a going concern has been initiated by the Official Liquidator. TI has submitted a formal proposal to the lenders of Prag Distillery (P) Ltd, wholly owned subsidiary (under liquidation) for full and final settlement of all their claims, final approval of which is awaited.
2	Vahni Distilleries Private Limited (100%)	During the financial year 2019-20, the revenue from operations of Vahni stood at ₹ 338.89 lacs as compared to ₹ 50,395.76 lacs in the previous year. It has incurred total comprehensive income of ₹ 99.05 lacs during the financial year 2019-20 as compared to loss of ₹ 137.78 lacs in the previous year.
3	PunjabExpo Breweries Private Limited (100%)	During the financial year 2019-20, the revenue from operations of PunjabExpo stood at ₹ 218.67 lacs as compared to ₹ 24,923.54 lacs in the previous year. It has earned total comprehensive loss of ₹ 965.49 lacs during the financial year 2019-20 as compared to income of ₹ 128.86 lacs in the previous year.
(B)	OTHER SUBSIDIARIES	
4	Kesarval Springs Distillers Pvt. Ltd. (100%)	During the financial year 2019-20, no activities have been carried out by Kesarval and it has incurred total comprehensive income of ₹ 3.32 lacs during the year as compared to loss of ₹ 0.49 lacs in the previous year.
5	Mykingdom Ventures Pvt. Ltd. (100%)	During the financial year 2019-20, no activities have been carried out by Mykingdom and it has incurred total comprehensive loss of ₹ 0.91 lacs during the year as compared to ₹ 0.76 lacs in the previous year.
6	Studd Projects P. Ltd. (100%)	During the financial year 2019-20, no activities have been carried out by Studd and it has not incurred total comprehensive income during the year as compared to loss of ₹ 1.21 lacs in the previous year.
7	Srirampur Grains Pvt. Ltd. (100%)	During the financial year 2019-20, no activities have been carried out by Srirampur and it has incurred total comprehensive loss of ₹ 2.20 lacs during the year as compared to ₹ 1.92 lacs in the previous year.
8	Shivprabha Sugars Ltd. (90%)	During the financial year 2019-20, no activities have been carried out by Shivprabha and it has incurred total comprehensive loss of ₹ 1.04 lacs during the year as compared to ₹ 0.41 lac in the previous year.

Apart from the above mentioned subsidiary companies, the Company is having one associate company falling under the purview of Section 2(6) of the Companies Act, 2013 viz. Mason and Summers Marketing Service Private Limited in which the Company is having 26% stake. During the financial year 2019-20, no significant changes in its financial performance

DIRECTORS' REPORT (Contd.)

have taken place as compared to previous year.

The consolidated financial statements of the Company and its subsidiaries for the financial year ended March 31, 2020, 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 ensuing Annual General Meeting in accordance with the provisions of Section 129(3) of the Companies Act, 2013. 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.

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 and are also available for inspection at its Registered Office and Corporate Office.

During the financial year 2019-20, 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 except that National Company Law Tribunal("NCLT") has ordered for liquidation of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company ("Prag") vide its order No. MA 309/2018 in CP1067/ 2017 dated July 26, 2018, as a going concern. The Official Liquidator having initiated the preliminary process of liquidation of Prag as a going concern has submitted a formal proposal to the lenders of Prag Distillery (P) Ltd, Wholly Owned Subsidiary (under liquidation) for full and final settlement of all their claims, final approval of which is awaited.

6. DIRECTORS

At the 84th Annual General Meeting of the Company held on September 11, 2019, Mr. Amit Dahanukar, who retired by rotation in 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. Mr. Satish Chand Mathur and Maj Gen Dilawar Singh (Retd.), who were appointed as Additional (Non-Executive and Independent) Directors of the Company by the Board with effect from October 31, 2018 to hold office until the 84th Annual General Meeting were also appointed through Ordinary Resolutions passed by the Members in the said Annual General Meeting as Independent Directors of the Company, not liable to retire by rotation for a period of 5 (Five) consecutive years commencing from October 31, 2018 and expiring on October 30, 2023 (both days inclusive).

In accordance with the provisions of Section 152(6) of the Act, Mrs. Shivani Amit Dahanukar, 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.

Consequent upon, the Company falling into the category of Top 1000 Listed Companies on the basis of Market Capitalization as on March 31, 2020 and in accordance with proviso to Regulation 17(1)(a) of the SEBI (LODR) Regulations, 2015 ("Listing Regulations"), Ms. Aparna Praveen Chaturvedi (DIN: 00028647) was appointed as Additional (Non-Executive and Independent) Director of the Company by the Board with effect from July 31, 2020, to hold office until the ensuing Annual General Meeting and is eligible for appointment. The Company has received notice from a Member proposing her candidature as Independent Woman Director of the Company at the ensuing Annual General Meeting. Accordingly, proposal to appoint Ms. Aparna Praveen Chaturvedi as Independent Woman Director of the Company, not liable to retire by rotation for a period of 1 (one) year commencing from July 31, 2020 and expiring on July 30, 2021 (both days inclusive) has been placed in the ensuing Annual General Meeting for approval of the Members.

Mr. Kishorekumar Ganpatrao Mhatre (DIN: 07527683) was appointed as Independent Director of the Company with effect from June 09, 2016 for a term of 5 consecutive years. Accordingly, his term as Independent Director is expiring on June 08, 2021 and is eligible for re-appointment for a second term of five consecutive

**DIRECTORS' REPORT (Contd.)**

years commencing from June 09, 2021 and ending on June 08, 2026(both days inclusive). The Company has received notice from a Member proposing his candidature as Independent Director of the Company at the ensuing Annual General Meeting. Accordingly, proposal to re-appoint Mr. Kishorekumar Ganpatrao Mhatre as Independent Director of the Company, not liable to retire by rotation for a period of 5 (five) consecutive years commencing from June 09, 2021 and ending on June 08, 2026(both days inclusive) has been placed in the ensuing Annual General Meeting for approval of the Members.

For ensuring appropriate balance of skills, experience and knowledge in the composition of the Board of Directors, Ms. Swapna Vinodchandra Shah (DIN: 08807901), Advisor of the Company, was appointed as an Additional (Non-Executive) Director of the Company by the Board with effect from July 31, 2020, to hold office until the ensuing Annual General Meeting and is eligible for appointment. The Company has received notice from a Member proposing her candidature as Non-Executive Director of the Company at the ensuing Annual General Meeting. Accordingly, proposal to appoint Ms. Swapna Shah as Non-Executive Director of the Company, liable to retire by rotation, has been placed in the ensuing Annual General Meeting for approval of the Members.

Mr. Amit Dahanukar (DIN: 00305636) was re-appointed as Chairman & Managing Director of the Company by the Members by way of Special Resolution passed through Postal Ballot on March 29, 2017 for a period of 3 years commencing from November 07, 2017 and ending on November 06, 2020(both days inclusive), subject to approval of the Central Government. The Central Government, vide its letter bearing reference number G641290685/4/2017-CL-VII dated August 03, 2017, had approved his re-appointment for the abovementioned tenure at a remuneration of ₹ 18,00,000/- (Rupees Eighteen Lacs Only) per annum and on such other terms and conditions as mentioned in the said letter. As his tenure was expiring on November 06, 2020, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, has re-appointed Mr. Amit Dahanukar(who is also Chairman & Managing Director of PunjabExpo Breweries Private Limited, a wholly owned subsidiary) as Chairman & Managing Director of the Company, subject to approval of the Members of the Company,

at a remuneration of ₹ 60,00,000/- (Rupees Sixty Lacs Only) per annum for a period of 3 years commencing from November 07, 2020 and ending on November 06, 2023(both days inclusive). Accordingly, proposal to re-appoint Mr. Amit Dahanukar as Chairman & Managing Director of the Company, liable to retire by rotation, has been placed in the ensuing Annual General Meeting for approval of the Members.

Mr. Chemangala Ramachar Ramesh (DIN: 08876738) was appointed as an Additional Director and designated as Whole-Time Director of the Company by the Board, subject to the approval of the Members, with effect from November 13, 2020 for a period of 3 (three) years commencing from November 13, 2020 and ending on November 12, 2023(both days inclusive), to hold office until the ensuing Annual General Meeting and is eligible for appointment. The Company has received notice from a Member proposing his candidature as Director of the Company at the ensuing Annual General Meeting. Accordingly, proposal to appoint Mr. Chemangala Ramachar Ramesh as Whole-Time Director of the Company, liable to retire by rotation for a period of 3 (three) years commencing from November 13, 2020 and ending on November 12, 2023(both days inclusive) has been placed in the ensuing Annual General Meeting for approval of the Members.

The Board, based on the recommendation of the Nomination and Remuneration Committee, recommends the abovementioned appointment/re-appointment under the applicable provisions of the Act.

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

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

7. NOMINATION, REMUNERATION AND EVALUATION POLICY

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

DIRECTORS' REPORT (Contd.)

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 Act. The Company has uploaded the Nomination, Remuneration and Evaluation Policy on its website, accessible at the Weblink: <http://www.tilind.com/investors/#codepolicies>.

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 13, 2020, 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 2019-20 in its Meeting held on July 31, 2020 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 2018-19 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, 10 Meetings of the Board of Directors were held as per details given below:

- (i) June 14, 2019;
- (ii) July 26, 2019;
- (iii) August 09, 2019;
- (iv) November 14, 2019;
- (v) November 27, 2019;
- (vi) December 16, 2019;
- (vii) January 23, 2020;
- (viii) February 03, 2020;
- (ix) February 13, 2020; and
- (x) March 03, 2020.

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 when the recommendations of the Committee were not accepted by the Board.

11. KEY MANAGERIAL PERSONNEL

As on March 31, 2020, Mr. Amit Dahanukar, Chairman & Managing Director, Mr. Srijit Mullick, Chief Financial Officer and Mr. Gaurav Thakur, 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.

Consequent upon, the revision in the Retirement Policy of the Company, Mr. Srijit Mullick, Chief Financial Officer, aged above 60 years has retired from the position of Chief Financial Officer with effect from September 15, 2020. The Board has, in its Meeting held on November 13, 2020, accepted resignation of Mr. Gaurav Thakur from the position of the Company Secretary with effect from November 30, 2020, due to his personal reasons.

The Board had placed on record its appreciation for services rendered by Mr. Srijit Mullick and Mr. Gaurav Thakur, during their respective tenure as KMP of the Company.

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 84th AGM to fill the casual vacancy caused due to resignation of M/s. M. M. Parikh & Co., Chartered Accountants (Firm Registration No. 107557W) for a term of 5 years from the conclusion of the 84th AGM till the conclusion of the 89th AGM of the Company, after considering various parameters like capability to serve the complex business structure covering tie-up and leased units, audit experience, market standing of the firm, clientele served, technical knowledge etc., 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.

Pursuant to the Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014 as amended by the Companies (Amendment) Act, 2017 and the Companies (Audit and Auditors) Amendment Rules, 2018 respectively, had omitted the provisions relating to annual ratification of the appointment of the Statutory Auditors with effect from May 07, 2018. Therefore, the appointment of Statutory Auditors is not required to be ratified each year at the AGM.

No frauds have been reported by the Statutory Auditors during the financial year 2019-20 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 2019-20.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the Board has, on the recommendation of the Audit Committee, appointed CMA Dr. Netra Shashikant Apte having Membership No. 11865 and Firm Registration No. 102229 as Cost Auditor for conducting the audit of cost accounting records maintained by the Company relating to manufacturing of the products covered under the Companies (Cost Records and Audit) Rules, 2014 at a remuneration of ₹ 1,50,000/- (Rupees One Lac Fifty Thousand Only) plus tax as applicable tax and reimbursement of out of pocket expenses as may be incurred by the Cost Auditor for conducting the Cost Audit for the financial year 2020-21.

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

DIRECTORS' REPORT (Contd.)

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, 2019 submitted by CMA Dr. Netra Shashikant Apte, Cost Auditor on September 07, 2019. The Cost Audit Report for the financial year ended March 31, 2020 has been filed on November 04, 2020.

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 has re-appointed M/s. Ragini Chokshi & Co., Practicing Company Secretaries as Secretarial Auditors of the Company for the financial year 2020-21.

The Secretarial Audit Report for the financial year ended March 31, 2020 is set out in Annexure 'A' to this Report.

The Board's responses with respect to the Secretarial Auditors' observations in their Secretarial Audit Report for the financial year ended March 31, 2020 are as under:

1) Secretarial Auditors' observations under Point (i):

The audited financial results (consolidated and standalone) for the 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 ₹ 3,36,300/- each to BSE and NSE in this regard.

Board's Response:

The abovementioned results could not be prepared within the stipulated timelines due to delay in receipt of certain financial details from its contract

manufacturing units.

2) Secretarial Auditors' observations under Point (ii):

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.

Board's Response:

The abovementioned results could not be prepared within the stipulated timelines due to delay in receipt of certain financial details from its contract manufacturing units.

Internal Auditors and Internal Audit Report

The Company was having M/s. Devdhar Joglekar & Srinivasan, Chartered Accountants as its Internal Auditors in accordance with the provisions of Section 138(1) of the Act. 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 Rules 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out in Annexures 'C' and 'D' to this Report.

**DIRECTORS' REPORT (Contd.)****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, 2020 on its website, accessible at the Weblink : <http://www.tilind.com/investors/#shareholder-services>.

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 2019-20.

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 weblink : <http://www.tilind.com/investors/#shareholder-services>.

17. 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 Nation's (UN) Sustainable Development Goals (SDG) and is mainly directing its efforts towards health & nutrition, education & environment conservation. The details of the CSR programs or activities undertaken by the Company during the financial year 2019-20 are as follows:

i. Health & Nutrition Program

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:

a) Mother and Child Nutrition Centres

Mother and Child nutrition centres (free of cost) are running in Shrirampur, Loni hospital and outreach centres among different villages around Shrirampur. At these centres, the doctors, nutritionists along with local community workers support women in the community in practising 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 counselled on correct breastfeeding and complementary feeding techniques. In 2019-20, 13 villages benefited from these outreach centres.

Total, 410 beneficiaries are registered over the past one year and on an average 51 children and pregnant women visit the clinic on monthly basis. Cooking demonstrations are also conducted on weekly basis.

b) Community nutrition raising activities

In addition to the Mother and Child Nutrition Centres, outreach activities viz. nutritional cooking demonstrations, health videos screening, talks, celebration of National Nutrition Week and World Breastfeeding Week etc. have been conducted during the financial year 2019-20 to raise awareness regarding maternal and child health among different villages and areas in and around the plant of the Company in Shrirampur. 483 beneficiaries benefitted in 20 cooking demos and 557 beneficiaries benefitted through 17 monthly activities.

c) Hospital-based Infant Young Child Feeding (IYCF) Counselling Centre

The Company continues to support an IYCF counselling centre (a weekly outpatient clinic) at Pravara Medical Trust (PMT), Loni. Breastfeeding and complementary feeding counselling on OPD basis is conducted by the health and nutrition team. The team also

DIRECTORS' REPORT (Contd.)

visits the delivery and paediatric wards to provide lactation counselling to the admitted mothers. At OPD, 268 children were benefited from nutrition counselling and 79 lactating mother benefited through breast feeding counselling.

d) 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.

ii. Community kitchen

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

iii. Education

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

iv. Supply of R.O water

The Company supplies safe drinking (R.O) water to various wadis.

v. Sports outreach

The Company continues to support training of the sports faculty of schools, distribution of sports equipment, maintenance of playgrounds at ZP schools and conducting various inter village matches in order to develop sports talent that lies hidden in the villages. 3789 students were benefited from this program that covered 36 ZP schools in the area. The Company has also organized inter school sports event which saw overwhelming response from students as well as parents with 19 schools participating with 931 students entering the various sporting competition. The second activity that is carried out under the

sports outreach program is "Kridamandal" aimed at engaging youth and unemployed in sports to keep them away from addiction towards tobacco, alcohol etc.

vi. Environment Conservation

The Company believes in organic and sustainable farming and grows soybean, sugarcane, fruits, vegetables, maize, ginny grass, jowar grass and lasun grass in its land grounds besides maintaining a flower nursery. Additionally, with support of the in-house school students and the Company's employees, various tree plantation drives were undertaken during the year under review.

vii. Arunodaya Sanskruti Pratishthan

The Arunodaya Sanskruti Pratishthan Institute launched, with an aim of reviving the Indian culture and study of Vedas, organized workshops on the subjects of Chandogya Upnishad and Dyaneshwari Pravchan during the year under review.

viii. Animal Welfare Centre

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

During the financial year 2019-20, the Company was not required to spend any amount on CSR activities as per the provisions of Section 135(5) of the Companies Act, 2013. However, a budget of ₹ 51.00 lacs was earmarked for spending on ongoing CSR Activities during the financial year 2019-20. As against the budgeted amount of ₹ 51.00 lacs, the Company has spent ₹ 39.49 lacs on CSR activities during the financial year 2019-20.

The Annual Report on CSR activities as required under Section 134(3)(o) of the Companies Act, 2013 read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is set out in Annexure 'F' to this Report. The Company has uploaded the CSR Policy and the Annual Report on CSR Activities for the financial year 2019-20 on its website, accessible at weblinks: <http://www.tilind.com/investors/#code-policies> and <http://www.tilind.com/investors/#shareholder-services> respectively.

ix. Mumbai - Maternal & Child Nutrition (Location- Dhobhighat and Jijamata, Warali)

During the financial year 2019-20, 105 Children

**DIRECTORS' REPORT (Contd.)**

were registered, 134 beneficiaries benefited through 31 cooking demos. 354 beneficiaries were benefited through 6 community talk. 51 pregnant mothers benefited through 13 pregnancy club session and 8 education talks were conducted.

x. Achievements:

- Capacity Building Workshop on Data Collection & Data Analysis Training was conducted at IIT B CTARA Mumbai;
- "India Spend" published the Company's article on breast feeding results;
- BPNI Uploaded SMDT Team photos of Breastfeeding Counseling and Home Visit on their official Brochure on occasion of World Breast Feeding week; and
- 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 Vice President of India.

18. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

19. CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34(3) of the Listing Regulations, Corporate Governance Report containing the details as required under Schedule (V)(C) of the said Regulations along with a certificate from the Practicing Company Secretary confirming 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 2019-20.

22. FIXED DEPOSITS

As on April 01, 2019, 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 2019-20. As on March 31, 2020, the Company was not having any outstanding deposit falling under the scope of the said Chapter.

DIRECTORS' REPORT (Contd.)

23. DETAILS OF UNCLAIMED BONUS SHARES IN THE SUSPENSE ACCOUNT

Pursuant to Regulation 34(3) of the Listing Regulations, details in respect of unclaimed bonus shares lying in dematerialized form in the 'Tilaknagar Industries Ltd. - Unclaimed Suspense Account' as required under Schedule(V)(F) of the said Regulations are as follows:

Particulars	Bonus Issue – 2009		Bonus Issue – 2010	
	No. of Members	No. of Shares	No. of Members	No. of Shares
Aggregate number of Members and the outstanding shares in the suspense account lying at the beginning of the year	172	10,044	211	43,612
Number of Members who approached the Company for transfer of shares from suspense account during the year	-	-	-	-
Number of Members to whom shares were transferred from suspense account during the year	-	-	-	-
Transferred to IEPF Authority	76	3,350	126	25,814
Aggregate number of Members and the outstanding shares in the suspense account lying at the end of the year*	76	6,694	85	17,798

* The voting rights on the shares outstanding in the suspense account as on March 31, 2020 are frozen till the rightful owner claims such shares.

24. TRANSFER OF DIVIDEND/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 ₹ 6,24,796/- being dividend for the financial year 2011-12 lying unclaimed for a period of 7 years was transferred by the Company during the financial year 2019-20 to the IEPF. An amount of ₹ 10,31,976/- lying unclaimed in the unclaimed dividend account for the financial year 2012-13 has been transferred to the IEPF on November 11, 2020.

Pursuant to Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), the Company is, also, required to transfer all shares in respect of which dividend has not been claimed for 7 (seven) consecutive years or more to the IEPF Authority. Accordingly, 87,731 (Eighty Seven Thousand Seven Hundred and Thirty One) shares relating to financial year 2011-12 have been transferred by the Company during the financial year 2019-20 to the IEPF Authority.

Details of the abovementioned unclaimed dividend/shares transferred to IEPF have been uploaded on the website of the Company, accessible at the weblink:

<http://www.tilind.com/investors/#shareholder-services> and also on the website of the IEPF Authority i.e. www.iefp.gov.in.

Details of the unclaimed dividend lying with the Company as on March 31, 2020 and shares/dividend (for the financial year 2012-13) proposed to be transferred to IEPF as required under the provisions of the IEPF Rules have also been uploaded on the website of the Company i.e. www.tilind.com. The Company has sent individual notices to the Members through registered post and also published public notice in the newspapers to enable them to claim the dividend lying unclaimed.

25. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There 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 such transactions. Further, no transactions have been entered into by the Company with related parties during the financial year 2019-20, qualifying as material transactions under the provisions of the Listing Regulations.

**DIRECTORS' REPORT (Contd.)****26. RISK MANAGEMENT**

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

The Risk Management Committee has been voluntarily constituted by the Company and is entrusted with the responsibilities of developing risk mitigation plans, implementing risk reduction/mitigation strategies and reviewing the effectiveness of the Risk Management Policy.

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:

i. Regulatory Risk

The IMFL industry is a high-risk industry, primarily on account of high taxes and innumerable regulations governing it. As a result, liquor companies suffer from low pricing flexibility and have underutilized capacities, which, in turn, may lead to low margins. To mitigate this risk, the Company complies with all the applicable rules and regulations in all the States where it is present.

ii. Strategic Risk

The Company's strategy and its execution is dependent on uncertainties and untapped opportunities. To mitigate this risk, the Company has adopted resilient policies which not only allow the Company to maximize opportunities under normal conditions but also ensure that acceptable results are achieved under extraordinary adverse conditions.

iii. Concentration Risk

A large percentage of the Company's turnover is derived from South India, where any unfavourable regulatory policy may impact its business. Also, the major portion of revenue of the Company is derived from Brandy sales, exposing the Company to category vulnerability. To mitigate this risk,

the Company has extended its focus on other geographies viz. Eastern Region, etc. and product categories viz. Whisky, Vodka, etc.

27. 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 2019-20.

28. 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 2019-20, no employee was denied access to the Audit Committee. The Whistle Blower Policy of the Company can be accessed at the Weblink: <http://www.tilind.com/investors/#code-policies>.

29. 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;

DIRECTORS' REPORT (Contd.)

- 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 Act 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."

30. BUSINESS RESPONSIBILITY REPORT (BRR)

The Securities and Exchange Board of India (SEBI), has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of Annual Report for top 1000 listed entities based on market capitalization at the BSE Limited (BSE) and the National Stock Exchange of India Ltd. (NSE).

Accordingly, in terms of Regulation 34(2)(f) of the Listing Regulations, the first BRR describing the initiatives taken by the Company from an environmental, social and governance perspective Report is set out in Annexure 'G' as a separate report forming an integral part of this Report. It has also been uploaded on the website of the Company, accessible at the weblink: <https://tilind.com/investors/#shareholder-services>

31. CREDIT RATINGS

During the year 2019-20, 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 the weblink: <https://tilind.com/investors/#shareholder-services>.

32. 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.

33. RESIDUARY DISCLOSURES

- i. During the financial year 2019-20, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;
- ii. During the financial year 2019-20, 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 2019-20, 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; and
- v. During the financial year 2019-20, 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.



DIRECTORS' REPORT (Contd.)

34. ACKNOWLEDGEMENTS

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation 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.

Place: Mumbai

Date: November 13, 2020

For and on behalf of the Board of Directors

Amit Dahanukar

Chairman & Managing Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[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]

To,
The Members,
Tilaknagar Industries Ltd.,
P.O. Tilaknagar, Tal. Shirampur,
Dist. Ahmednagar, Maharashtra – 413 720

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tilaknagar Industries Ltd. (CIN: L15420PN1933PLC133303)** (hereinafter called 'the Company'). 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 the Company's books, papers, minute books, forms and returns filed and other records maintained by **Tilaknagar Industries Ltd.** 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 **April 01, 2019 to March 31, 2020** ('the Reporting Period') 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 period **April 01, 2019 to March 31, 2020** 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 there under;
- (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, 2018;
- 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 to the Company 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 to the Company during the Audit Period);**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);** and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period).**

(vi) We, based on the representation made by the Company and its officers for systems and mechanism framed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company, further report that, the Company has complied with the following laws applicable specifically to the Company:

- a) The Trade Marks Act, 1999;
- b) Food Safety and Standards Act, 2006;
- c) The Indian Boilers Act, 1923;

**ANNEXURE 'A' TO THE DIRECTORS' REPORT (Contd.)**

- d) The Bombay Prohibition Act, 1949;
- e) The Emblems and Names (Prevention of Improper Use) Act, 1950; and
- f) Environments Laws.

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

1. Secretarial Standards i.e. SS-1 and SS-2 issued by The Institute of Company Secretaries of India; and
2. The Listing Agreements entered into by the Company with BSE Limited ('BSE') & National Stock Exchange of India Limited ('NSE'), as specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that:

- (i) ***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 ₹ 3,36,300/- each to BSE and NSE in this regard; and***
- (ii) ***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;***

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 meeting of the Board of Directors duly recorded and signed by the Chairperson, the decisions of the Board were unanimous and no dissenting views have been recorded therein.

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 compliances by the Company of applicable Financial Laws like Direct & Indirect Tax Laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same is subject to review by the statutory auditors, tax auditors and other designated professionals.

We further report that during the audit period, there were following specific events/actions reported having a major bearing on the Company's operations:

1. the Company had proposed to issue equity shares on Preferential Basis but the proposal was cancelled later.

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

Ragini Chokshi
(Partner)

C.P.No. 1436/
FCS No. 2390

Place: Mumbai

Date: July 14, 2020

UDIN: F002390B000451124

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]

(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 2019-20 as compared to financial year 2018-19 is given herein below:

Sr. No.	Particulars	Unit	Year ended March 31, 2020	Year ended March 31, 2019
1	Biogas generation	Lac M ³	2.52	1.87
2	Spent-wash treated	Lac M ³	0.09	0.06
3	Ratio of biogas generation to spent-wash treated	M ³ /M ³	28.00	31.11
4	Biogas utilization:			
	a. for steam generation in boiler	Lac M ³	1.53	0.98
	b. biogas flared during start-up & interruptions	Lac M ³	0.96	0.88
5	Coal saved:			
	a. quantity	MT	152	98
	b. value	₹ (Lac)	10.03	7.00

Note:

Coal saved during the financial year 2019-20 was higher than the financial year 2018-19 consequent upon biogas digesters' repairs undertaken by the Company.

(iii) Capital investment on energy conservation equipments:

During the financial year 2019-20, 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 2019-20, neither capital nor revenue expenditure was incurred by the Company on research and development.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2019-20, the foreign exchange earned in terms of actual inflows was ₹ 171.04 lacs (P.Y. ₹ 189.81 lacs) and the foreign exchange outgo during the financial year 2019-20, in terms of actual outflows, was ₹ 21.27 lacs (P.Y. ₹ 2.91 lacs).

For and on behalf of the Board of Directors

Place: Mumbai

Date: November 13, 2020

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 2019-20 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 2019-20:**

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	6.53	-
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	Mr. Srijit Mullick	Chief Financial Officer	Not Applicable	-
9	Mr. Gaurav Thakur	Company Secretary	Not Applicable	-

* The remuneration for the financial year 2019-20 was paid as per the Central Government's approval

The Non-Executive and Independent Directors were paid only sitting fees during the financial year 2019-20

- (ii) **The percentage increase in the median remuneration of employees in the financial year 2019-20:**

The median remuneration of employees in the financial year 2019-20 has declined by 16.59% as compared to the previous year.

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

As on March 31, 2020, 270 permanent employees were on the rolls of the Company.

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

During the financial year 2019-20, there was no increase in the managerial remuneration under Section 197 of the Companies Act, 2013 in view of the losses incurred by the Company.

In order to provide for increased cost of living/inflation, average percentile increase of 1.21% was made in the salaries of employees other than the managerial personnel during the financial year 2019-20, 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 2019-20 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place: Mumbai

Date: November 13, 2020

Amit Dahanukar

Chairman & Managing Director

ANNEXURE 'D' TO THE DIRECTORS' REPORT

Statement pursuant to Rules 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name	Designation	Remuneration (inclusive of employer's contribution to PF) (₹ in lacs)	Nature of employment, whether contractual or otherwise	Qualifications	Total experience (Years)	Date of commencement of employment	Age (Years)	Last employment held	No. of shares held as on March 31, 2020	Relative of any Director or Manager
1	Mr. Srijit Mullick	Chief Financial Officer	62.6	Permanent	B.Com., FCA, ACMA	41	05.10.2013	65	E City Ventures Group of Companies	1,05,000	No
2	Mr. Benedict William	Senior Vice President - Sales (South)	56.4	Permanent	M.A., Diploma in Business Management	37	19.08.2015	61	Consultant	30,000	No
3	Mr. Bineet Walia	Senior Vice President	52.16	Permanent	MMS, MSS	37	15.06.2018	59	Consultant	Nil	No
4	Mr. Gaurav Thakur	Company Secretary	38.25	Permanent	M.Com., ACS, ACMA	20	15.01.2011	42	Gini & Jony Ltd.	Nil	No
5	Mr. Varadarajan Srinivasaraghavan	General Manager - Manufacturing	38.04	Permanent	B. Tech	23	22.10.2018	47	United Spirit LTD	14,110	No
6	Mr. Ajit Sirsat	Assistant Vice President - Finance & Accounts	36.0	Permanent	B.Com., ACA, Grad. CMA	26	22.06.2012	49	Raymond Apparel Ltd.	Nil	No
7	Mr. Ashutosh Sharma	Vice President	30.17	Permanent	Master's Degree in Philosophy and Business Administration	29	01.06.2018	56	Kool Solutions India	Nil	No

ANNEXURE 'D' TO THE DIRECTORS' REPORT (Contd.)

Sr. No.	Name	Designation	Remuneration (inclusive of employer's contribution to PF) (₹ in lacs)	Nature of employment, whether contractual or otherwise	Qualifications	Total experience (Years)	Date of commencement of employment	Age (Years)	Last employment held	No. of shares held as on March 31, 2020	Relative of any Director or Manager
8	Mr. Ashish Choudhury	Assistant Vice President	28.14	Permanent	B.A.	36	03.09.2009	64	SAB Miller India	1,186	No
9	Mr. C. R. Ramesh	General Manager – Operations & Quality	27.29	Permanent	B.Sc.	38	15.04.2008	60	Radico Khaitan Ltd.	4,200	No
10	Mr. S Balakumar	Deputy General Manager	19.86	Permanent	B.Com, MBA	26	02.08.2012	48	SPR & RG Constructions Private Limited	Nil	No

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman & Managing Director

Place: Mumbai
Date: November 13, 2020

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 06, 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 1st year, 20% after 2nd year, 30% after 3rd year and 40% after 4th year from the date of respective grant. 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:	Out of the total options granted, 30% options vest after 1st year, 30% after 2nd year and 40% after 3rd year from the date of respective grant. 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:	Out of the total options granted, 30% options vest after 1st year, 30% after 2nd year and 40% after 3rd year from the date of respective grant. 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:																																						
4	Pricing Formula	<table><tr><th>Date of Grant</th><th>Minimum Exercise Price (₹)</th></tr><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></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><tr><th>Date of Grant</th><th>Minimum Exercise Price (₹)</th></tr><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></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	<table><tr><th>Date of Grant</th><th>Minimum Exercise Price (₹)</th></tr><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></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
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ANNEXURE 'E' TO THE DIRECTORS' REPORT (Contd.)

Sr. No.	Particulars	ESOP Scheme 2008	ESOP Scheme 2010	ESOP Scheme 2012
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	26,15,950	45,04,600
9	Number of stock options granted during the year	Nil	Nil	Nil
10	Number of stock options forfeited/lapsed/cancelled during the year	Nil	6,02,000	5,74,600
11	Number of stock options vested during the year	Nil	8,70,900	15,40,000
12	Number of stock options exercised during the year	Nil	Nil	Nil
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	Nil	Nil
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	20,13,950	39,30,000
17	Number of stock options exercisable at the end of the year	Nil	11,73,950	21,10,000

ANNEXURE 'E' TO THE DIRECTORS' REPORT (Contd.)

Sr. No.	Particulars	ESOP Scheme 2008	ESOP Scheme 2010	ESOP Scheme 2012
18	Stock options granted to Senior Managerial Personnel/Key Managerial Personnel : Nil			
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 33 of the Notes to Accounts		
22	Diluted Earnings Per Share (EPS) on issue of shares pursuant to all the Schemes in accordance with Ind AS	Refer Note 33 of the Notes to Accounts		
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		
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 33 of the Notes to Accounts		

ANNEXURE 'E' TO THE DIRECTORS' REPORT (Contd.)

Sr. No.	Particulars	ESOP Scheme 2008	ESOP Scheme 2010	ESOP Scheme 2012
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: a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model; b) the method used and the assumptions made to incorporate the effects of expected early exercise; c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition.			

Refer Note 33 of the Notes to Accounts

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 85th Annual General Meeting.

For and on behalf of the Board of Directors

Place: Mumbai

Date: November 13, 2020

Amit Dahanukar
Chairman & Managing Director



ANNEXURE 'F' TO THE DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) Activities

[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. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

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

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

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

A) Eradicate Extreme Poverty, Hunger and Malnutrition by:

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

B) Promotion of Education by:

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

C) Promotion of Rural Sports by:

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

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

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

ANNEXURE 'F' TO THE DIRECTORS' REPORT (Contd.)

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

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

F) Ensuring Environmental Sustainability by:

- i. conducting afforestation drives across the country through own or other plant nurseries;
- ii. promoting environmental conservation through promotion of sustainable farming;
- iii. demonstrating sustainable farming and waste management methods on its lands to communities;
- iv. training farmers, government agencies and NGOs on sustainable farming and waste management;
- v. undertaking/promoting cultivation of organic foods; and
- vi. undertaking water conservation and promoting the need for the same in communities.

G) Animal Welfare by:

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

Details of the CSR projects, programs or activities undertaken by the Company during the financial year 2019-20 are provided under the 'Corporate Social Responsibility' Section of the Directors' Report forming part of the Annual Report.

The CSR Policy of the Company and projects or programs can be accessed at the Weblink: <https://tilind.com/investors/#code-policies>.

2. The Composition of the CSR Committee:

As on March 31, 2020, the CSR Committee comprises of Mrs. Shivani Amit Dahanukar, Non-Executive Director and Dr. Ravindra Bapat and Mr. C.V. Bijlani, Independent Directors of the Company. Mrs. Shivani Amit Dahanukar is the Chairperson of the Committee and the Company Secretary acts as the Secretary to the Committee.



ANNEXURE 'F' TO THE DIRECTORS' REPORT (Contd.)

(₹ in lacs)

3. Average net profit of the Company for last three financial years	:	(20,830.90)
4. Prescribed CSR Expenditure [Rounded off] (two percent of the amount as in item 3 above)	:	Nil
5. Details of CSR spent during the financial year 2019-20		
a. Total amount to be spent for the financial year	:	51.00
b. Amount unspent, if any	:	11.51
c. Manner in which the amount spent during the financial year 2019-20:	:	Refer Annexure

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reason for not spending the amount in its Board Report:

During the financial year 2019-20, the Company was not required to spend any amount on CSR activities as per the provisions of Section 135(5) of the Companies Act, 2013. However, a budget of ₹ 51.00 lacs was earmarked for spending on ongoing CSR Activities during the financial year 2019-20. As against the budgeted amount of ₹ 51.00 lacs, the Company has spent ₹ 39.49 lacs on CSR activities during the financial year 2019-20.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company:

The CSR Committee confirms that the implementation and monitoring of the CSR Policy of the Company is in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the Board of Directors

Amit Dahanukar

Chairman & Managing Director

Place: Mumbai

Date: November 13, 2020

For and on behalf of the CSR Committee

Shivani Amit Dahanukar

Chairperson – CSR Committee

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 2019-20 forming part of this Annual Report is as follows:

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number of the Company	L15420PN1933PLC133303
2.	Name of the Company	Tilaknagar Industries Ltd.
3.	Registered address	P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Shrirampur- 413720
4.	Website	www.tilind.com
5.	E-mail id	investor@tilind.com
6.	Financial Year reported	2019-20
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 - Nil B) Number of National Locations- 15
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):	12,513.38
2.	Total Turnover (₹ in lacs):	1,47,918.39
3.	Total profit after taxes (₹ in lacs):	30,792.00
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :	0.13%
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, 2020: - Prag Distillery (P) Ltd. – <i>Under Liquidation</i>; - 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; and - Shivprabha Sugars Ltd.
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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/Director 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 + 91 22 2283 1718
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:	Business 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?	https://tilind.com/investors/#code-policies								
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)	-	-	-	-	-	-	-	-	-

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:

The BR performance is first time assessed in the financial year 2019-20 and same shall be assessed annually by the CSR Committee.



ANNEXURE 'G' TO THE DIRECTORS' REPORT (Contd.)

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

This is the first Business Responsibility Report being published for the Financial Year 2019-20 by the Company. The same will be displayed on the website of the Company i.e. www.tilind.com

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 year 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?

During the year under review, coal saved was higher than the financial year 2018-19 consequent upon biogas digesters' repairs undertaken by the Company. The Company has a technical team to support the customer, to improve the efficiency as and when required.

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

ANNEXURE 'G' TO THE DIRECTORS' REPORT (Contd.)

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.

The Company has an ongoing process to reduce, to recycle and to reuse the available resources. The waste generated in the Company's manufacturing operations is either reuse/recycled, wherever possible or disposed of safely.

Principle 3- Wellbeing of Employees

1. Please indicate the Total number of employees: 270 employees

2. Please indicate the Total number of employees hired on temporary/ contractual/casual basis: 18 Contractual employees

3. Please indicate the Number of permanent women employees: 22 Women employees

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

5. Do you have an employee association that is recognized by Management:

Yes, TI has employee's association/Union and it is recognized by Management.

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

40.38% of permanent employees are members of this recognized employee association

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	85%
b	Permanent Women Employees	90%
c	Casual/Temporary/Contractual Employees	85%
d	Employees with Disabilities	Not Applicable (as there are no employees with disabilities at present)

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.



ANNEXURE 'G' TO THE DIRECTORS' REPORT (Contd.)

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

No.

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.

ANNEXURE 'G' TO THE DIRECTORS' REPORT (Contd.)

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 year, by the Company.

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 ₹ 39.49 lacs, during the financial year 2019-20, 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.



ANNEXURE 'G' TO THE DIRECTORS' REPORT (Contd.)

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 32 Consumer Complaints in the financial year 2019-20 out of which 18 (56.25%) complaints were pending as on the end of the financial year.

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, 2020

[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, 2020, 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 management has not impaired 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 44 of the standalone financial statements.

Same observations have been given with respect to note 45 of the consolidated financial statements.

Board's response: The Company had 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 September 02, 2021. It is expected that permission for operating the distillation section 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 and consolidated financial statements:

The Company has not made impairment of advances given to certain parties amounting to ₹ 6,074.08 lacs, as required by Indian Accounting Standard (Ind AS 109) Financial Instruments. Reference is invited to note 45 of the standalone financial statements.

Same observations have been given with respect to note 46 of the consolidated financial statements.

Board's response: In lieu of advances given to certain parties amounting to ₹ 6,074.08 lacs, the Company had received land from one of the group concerns of the

parties. The land received has been registered in the name of the Company. The advances have not been adjusted pending certain formalities to be completed on the part of the said parties. In view of this, the management believes that no provision is considered necessary in the books of accounts.

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

The Company has not impaired for Equity Investment of ₹ 1,543.35 lacs in its wholly owned subsidiary, Prag Distillery (P) Ltd as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets' though the Subsidiary has been referred to National Company Law Tribunal for Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency and Bankruptcy Code 2016 (the Code) by its creditors. Reference is invited to Note 48 of the standalone financial statements.

Board's response: The National Company Law Tribunal ("NCLT") ordered for liquidation of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company ("Prag") vide its order dated July 26, 2018, as a going concern. The Official Liquidator having initiated the preliminary process of liquidation of Prag as a going concern has sought for further directions from NCLT in the matter, which is still awaited. TI has also submitted a formal proposal to the lenders for full and final settlement of all their claims, final approval for which is awaited. The impairment, if any, of the equity investment in Prag will be considered on completion of the liquidation process/ final settlement as the case may be.

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

PunjabExpoBreweriesPrivate Limited ("thePunjabexpo") 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

**ANNEXURE 'H' TO THE DIRECTORS' REPORT (Contd.)**

₹ 1,080.40 lacs and advances given of ₹ 3,436.87 lacs to Punjabexpo as required by Indian Accounting Standard (Ind AS 36) 'Impairment of assets'. Reference is invited to note no. 49 of the standalone annual financial statements.

Board's response: The net worth of PunjabExpo Breweries Private Limited, a subsidiary of TI, has eroded consequent to the losses incurred in 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 the company. Moreover, the Company is also in the process of rationalization of its administrative overheads the effect of which is expected in the last quarter of 2020-21. 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 Company'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 advances given are required.

v. Auditors' observations under paragraph c of 'Basis for Qualified Opinion' of the Auditors' Report to the consolidated financial statements:

We draw attention to note no. 36 of the financial statements of Prag which states that it has incurred capital expenditure of ₹ 10,035.97 lacs as at March 31, 2020 on expansion 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. Prag has not tested the said project for impairment loss as per Ind AS 36 - Impairment of Assets.

Board's response: The National Company Law Tribunal ("NCLT") has ordered for liquidation of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company ("Prag") vide its order No. MA 309/2018 in CP1067/ 2017 dated July 26, 2018, as a going concern. The Official Liquidator having initiated the preliminary process of liquidation of Prag as a going concern has sought for further directions from NCLT in the matter, which is still awaited. Tilaknagar Industries Ltd. has also submitted a formal proposal to the lenders for full and final settlement of all their claims, final approval for which is awaited. Hence, the accounts of Prag have been prepared on a going concern basis. The impairment, if any, of the project undertaken by Prag in earlier years will be considered on completion of the liquidation process/ final settlement as the case may be, as the recoverable value is not currently ascertainable.

vi. Auditors' observations under paragraph c of 'Basis for Qualified Opinion' of the Auditors' Report to the consolidated financial statements:

We draw attention to note no. 37 of the financial statements of Prag which states that there are unsecured overdue trade receivables of ₹ 586.55 lacs from Andhra Pradesh Beverage Corporation Ltd. The management has not considered any provision for allowance on doubtful trade receivables/expected credit loss though it is long overdue.

Board's response: Trade Receivables of Prag include ₹ 586.55 lacs (PY ₹ 2,174.13 lacs) receivable from Andhra Pradesh Beverage Corporation Ltd. towards sale of IMFL made by the Company in 2018-19 and 2019-20. Prag, through the Liquidator is in the process of filing an application with National Company Law Tribunal for approval 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.

For and on behalf of the Board of Directors

Place: Mumbai

Amit Dahanukar

Date: November 13, 2020

Chairman & Managing Director

CORPORATE GOVERNANCE REPORT

The Report on Corporate Governance for the financial year ended March 31, 2020 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 corporate governance requirements specified under Regulations 17 to 27 read

with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, as applicable to the Company, during the financial year ended March 31, 2020 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, legal, 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("the Act"), 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 7 Directors as on March 31, 2020 with an optimum combination of Executive, Non-Executive, Independent and Woman Directors. The Company has disclosed profiles of its Directors on its website, accessible at the weblink: <https://tilind.com/our-story/#leadership>.



CORPORATE GOVERNANCE REPORT (Contd.)

Composition of the Board along with the number of other Directorships/Committee positions held as on March 31, 2020 by the Directors is as follows:

Name of the Director	Director Identification Number	Category	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
Mr. Amit Dahanukar	00305636	Chairman & Managing Director (E, P)	8	Nil	Nil	Nil	Nil
Mrs. Shivani Amit Dahanukar	00305503	Non-Executive Director (NE, P)	8	Nil	Nil	Nil	Nil
Dr. Ravindra Bapat	00353476	Director (NE, I)	1	1	Nil	Nil	Nil
Mr. C.V. Bijlani	02039345	Director (NE, I)	2	Nil	1	Nil	Nil
Mr. Kishorekumar G. Mhatre	07527683	Director (NE, I)	Nil	Nil	Nil	Nil	Nil
Mr. Satish Chand Mathur	03641285	Director (NE, I)	4	Nil	Nil	Indiabulls Housing Finance Limited	Director (NE, I)
Maj Gen Dilawar Singh (Retd.)	08216047	Director (NE, I)	Nil	Nil	Nil	Nil	Nil

NE: Non-Executive, I: Independent, E: Executive, P : Promoter

* Private limited companies (other than subsidiary of public company), foreign companies and companies under Section 8 of the Act are excluded for the above purpose

Only Audit Committee and Stakeholders Relationship Committee have been considered for the above purpose

Note: Ms. Aparna Chaturvedi (DIN: 00028647) has been appointed as an Additional (Non-Executive and Independent) Director of the Company and Ms. Swapna Shah (DIN: 08807901), Advisor of the Company, has been appointed as an Additional (Non-Executive) Director of the Company with effect from July 31, 2020; Mr. C.R. Ramesh (DIN: 08876738) has been appointed as an Additional (Whole-Time) Director of the Company with effect from November 13, 2020.

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 Act 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 fulfil the conditions specified in the Listing Regulations and are independent of the management. None of them is a Whole-Time Director in any listed company or serves as Independent Director in more than 7 listed companies.

CORPORATE GOVERNANCE REPORT (Contd.)

The maximum tenure of the Independent Directors is in accordance with the provisions of the Act 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 the weblink: <https://tilind.com/investors/#shareholder-services>.

The Board has met 10 times during the financial year 2019-20 as per details given below:

(i) June 14, 2019;

(ii) July 26, 2019;

(iii) August 09, 2019;

(iv) November 14, 2019;

(v) November 27, 2019;

(vi) December 16, 2019;

(vii) January 23, 2020;

(viii) February 03, 2020;

(ix) February 13, 2020; and

(x) March 03, 2020.

The attendance of the Directors at the Board Meetings held during the financial year 2019-20 and the last Annual General Meeting held on September 11, 2019 is as follows:

Name of the Director	Category	Attendance at the Meetings held during 2019-20	
		Board Meetings	Annual General Meeting
Mr. Amit Dahanukar	Chairman & Managing Director	10	Yes
Mrs. Shivani Amit Dahanukar	Non-Executive Director	8	Yes
Dr. Ravindra Bapat	Independent Director	3	No
Mr. C.V. Bijlani	Independent Director	10	Yes
Mr. Kishorekumar G. Mhatre	Independent Director	8	Yes
Mr. Satish Chand Mathur	Independent Director	5	No
Maj Gen Dilawar Singh (Retd.)	Independent Director	8	Yes

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;

- adherence by Executive Director to operational policies approved by the Board;
- ability to contribute to and monitor Company's Corporate Governance practices;
- ability to contribute by introducing best practices to address top-management issues;
- active participation in long-term strategic planning; and
- commitment to the fulfillment of their obligations and fiduciary responsibilities (including participation and attendance at the Board/Committee 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.

**CORPORATE GOVERNANCE REPORT (Contd.)****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.

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, 2017 and he is re-appointed as Chairman and Managing Director by the Board, subject to approval of Members, for a further period of 3 years upon expiry of current term, is proposed in the ensuing 85th Annual General Meeting. 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 2019-20, Mr. Amit Dahanukar was paid remuneration in accordance with the approval granted by the Central Government vide its letter no. G641290685/4/2017 - CL-VII dated August 03, 2017.

Remuneration paid to the Directors for the financial year 2019-20 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	16.48	1.08	Nil
Mrs. Shivani Amit Dahanukar	Non-Executive Director	Nil	Nil	0.50
Dr. Ravindra Bapat	Independent Director	Nil	Nil	0.60
Mr. C.V. Bijlani	Independent Director	Nil	Nil	1.15
Mr. Kishorekumar G. Mhatre	Independent Director	Nil	Nil	0.60
Mr. Satish Chand Mathur	Independent Director	Nil	Nil	0.30
Maj Gen Dilawar Singh (Retd.)	Independent Director	Nil	Nil	0.45

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 2019-20, 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 ₹ 4,50,00,000/- (Rupees Four crores Fifty lacs) per annum from its subsidiary company i.e. PunjabExpo Breweries Private Limited.

Mrs. Shivani Amit Dahanukar, Non-Executive Director is drawing remuneration of ₹ 3,00,00,000/- (Rupees Three crores) per annum from its subsidiary company i.e. PunjabExpo Breweries Private Limited.

CORPORATE GOVERNANCE REPORT (Contd.)

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, 2020	As on March 31, 2019	As on March 31, 2020	As on March 31, 2019
Mr. Amit Dahanukar	Chairman & Managing Director	29,844,552	29,844,552	Nil	Nil
Mrs. Shivani Amit Dahanukar	Non-Executive Director	32,976,043	32,976,043	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

Since the Act prohibits grant of ESOPs to the Independent Directors, no ESOPs were granted to them during the financial year 2019-20.

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 the weblink: <https://tilind.com/investors/#code-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, 2020. 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 has 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 ensures fair disclosure of events and occurrences that could

impact price discovery in the market for shares of the Company and prevention of dealing in its shares by the employees and other connected persons, while they are exposed to or expected to be exposed to unpublished price sensitive information.

Separate Meeting of Independent Directors

In accordance with the provisions of Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Directors, chaired by Mr. C. V. Bijlani, was held on February 13, 2020, 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 except Mr. Kishorekumar G. Mhatre, who sought leave of absence, 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 the weblink: <https://tilind.com/investors#shareholder-services>.



CORPORATE GOVERNANCE REPORT (Contd.)

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 Act 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 Act read with Regulation 18 of the Listing Regulations, comprised of 3 Independent Directors as on March 31, 2020 having knowledge/expertise in the areas

of accounting/financial management.

The Audit Committee met 6 times during the financial year 2019-20 as per details given herein below:

- (i) June 14, 2019;
- (ii) July 26, 2019;
- (iii) August 09, 2019;
- (iv) November 14, 2019;
- (v) December 16, 2019; and
- (vi) February 13, 2020.

The composition of the Audit Committee as on March 31, 2020 and attendance of the Committee Members at the Audit Committee Meetings held during the financial year 2019-20 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.	6
Dr. Ravindra Bapat	Member	M.S., M.B.A., F.I.S.C.	3
Mr. Kishorekumar G. Mhatre	Member	L.L.B.	4

Details of Members appointed after March 31, 2020 are as follows:

Ms. Swapna Shah*	Member	M.B.A., IBM	N.A.
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*Appointed as a Member consequent upon reconstitution of Audit Committee w.e.f. September 15, 2020

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 11, 2019.

The terms of reference of the Committee are as follows:

- i. overseeing the Company's financial reporting process and disclosure of financial information to ensure presentation of correct, sufficient and credible financial statements;
- ii. recommending to the Board, the appointment, remuneration and terms of appointment of auditors of the Company and payment for any other services rendered by them;
- iii. reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to the following:
 - matters required to be included in the Directors' Responsibility Statement to be

included in the Board's Report in terms of clause (c) of Section 134(3) of the Companies Act, 2013;

- changes, if any, in accounting policies and practices and reasons for the same;
- major accounting entries involving estimates based on the exercise of judgment by management;
- significant adjustments made in the financial statements arising out of audit findings, if any;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions; and
- modified opinion(s) in the draft audit report, if any;
- 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

CORPORATE GOVERNANCE REPORT (Contd.)

- raised through an issue (public issue, rights issue, preferential issue, etc.), quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1), annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) and making appropriate recommendations to the Board to take up steps in this regard;
- vi. reviewing and monitoring the auditors' 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 utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower; and
 - xxii. carrying out such other functions as may be assigned by the Board from time to time.
- The Committee is vested with necessary powers to discharge the abovementioned roles and responsibilities. There have not been any instances during the year when the recommendations of the Committee were not accepted by the Board.

B) Stakeholders Relationship Committee

The Stakeholders Relationship Committee, constituted in accordance with the provisions of Section 178 of the Act read with Regulation 20 of the Listing Regulations, comprised of 3 Directors as on March 31, 2020.

**CORPORATE GOVERNANCE REPORT (Contd.)**

The Stakeholders Relationship Committee met 4 times during the financial year 2019-20 on June 14, 2019; August 09, 2019; November 14, 2019 and February 13, 2020.

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, 2020 and attendance of the Committee Members at the Stakeholders Relationship Committee Meetings held during the financial year 2019-20 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	3

Details of Members appointed after March 31, 2020 are as follows:

Ms. Aparna Praveen Chaturvedi*	Member	N.A.
Maj Gen Dilawar Singh (Retd.)*	Member	N.A.

*Appointed as a Member consequent upon reconstitution of Stakeholders Relationship Committee w.e.f. September 15, 2020

The terms of reference of the Committee are as follows:

- overseeing the performance of the Registrar and Share Transfer Agents;
- resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
- resolving any other grievances of the security holders.

Statement of various complaints received and resolved during the financial year 2019-20 is as follows:

Nature of Complaint	Opening balance as on April 01, 2019	Received during the year	Resolved during the year	Closing balance as on March 31, 2020
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	4	4	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	4	4	Nil
Total	Nil	8	8	Nil

All the complaints received from the Members were resolved to their satisfaction.

CORPORATE GOVERNANCE REPORT (Contd.)

C) Nomination and Remuneration Committee

The Nomination and Remuneration Committee, constituted in accordance with the provisions of Section 178 of the Act read with Regulation 19 of the Listing Regulations, comprised of 3 Independent Directors as on March 31, 2020.

The Nomination and Remuneration Committee met once during the financial year 2019-20 on June 14, 2019.

The composition of the Nomination and Remuneration Committee as on March 31, 2020 and attendance of the Committee Members at the Nomination and Remuneration Committee Meeting held during the financial year 2019-20 are as follows:

Name of the Member	Designation	No. of Meetings attended
Mr. C.V. Bijlani	Chairman	1
Dr. Ravindra Bapat	Member	1
Mr. Kishorekumar G. Mhatre	Member	0

Details of Members appointed after March 31, 2020 are as follows:

Maj Gen Dilawar Singh (Retd.)*	Member	N.A.
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*Appointed as a Member consequent upon reconstitution of Nomination and Remuneration Committee w.e.f. September 15, 2020

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 11, 2019.

The terms of reference of the Committee are as follows:

- i. 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:
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate them;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to Directors, Key Managerial Personnel and Senior Management Personnel 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;

- ii. identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommending to the Board 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;
- iii. devising a policy on diversity of Board of Directors;
- iv. 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
- v. 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



CORPORATE GOVERNANCE REPORT (Contd.)

formulated the following policies:

i. **Nomination, Remuneration and Evaluation Policy**

The Policy seeks to harmonize the aspirations of human resources consistent with the Company's goals by achieving the following objectives:

- formulation of the criteria for determining qualifications, positive attributes required for appointment of Directors, Key Managerial Personnel and Senior Management and also the criteria for determining the independence of a Director;
- setting up the framework for tenure, removal/retirement of Directors, Key Managerial Personnel and Senior Management;
- setting up the framework for determining remuneration (fixed and performance linked) payable to the Directors, Key Managerial Personnel and Senior Management; and
- setting up the framework for evaluation of the performance of the Board and its constituents.

The key principles pertaining to Directors' appointment and remuneration as contained in the Policy are as follows:

- The Nomination and Remuneration Committee shall have regard to integrity, qualification, expertise and experience in general corporate management, finance, banking or other allied fields appropriate to the business of the Company while nominating a candidate for Directorship, so as to have a diverse Board;
- The Committee, while nominating a candidate as Independent Director, shall also satisfy itself that such candidate meets the criteria of independence as prescribed in Regulation 16(1) (b) of the Listing Regulations and Section 149(6) of the Companies Act, 2013;
- The Committee, while recommending remuneration structure for the Directors, shall

ensure that the same is based on the prevailing industry norms, performance of the Company, track record, potential and performance of Directors and is suitably rewarding and sufficient to attract, retain and motivate them to achieve superior operational results;

- The Committee shall ensure that the remuneration of the Executive Directors aims at striking a balance between fixed pay and incentive pay (commission) reflecting short and long term performance objectives appropriate to the working of the Company and its goals; and
- The Committee may also recommend payment of commission to Non-Executive Directors (including Independent Directors) based on the Company's performance apart from sitting fees payable to them for attending the Board/Committee meetings.

The Company has uploaded the Nomination, Remuneration and Evaluation Policy on its website, accessible at the weblink: <https://tilind.com/investors/#code-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 the weblink: <https://tilind.com/investors/#code-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:

CORPORATE GOVERNANCE REPORT (Contd.)

Sr. No.	Core skills/expertise/competencies	AD	SAD	RB	CVB	KGM	SCM	MGDS
1.	Entrepreneurship	✓	✓	✓	✓	✓	✓	✓
2.	Business Management	✓	✓	-	✓	✓	✓	-
3.	Strategy Planning	✓	✓	-	✓	✓	-	✓
4.	Community Welfare	-	✓	✓	-	-	-	✓
5.	Financial Planning and Financial Modeling	-	-	-	✓	-	-	-
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; SAD- Mrs. Shivani Amit Dahanukar; RB- Dr. Ravindra Bapat; CVB- Mr. C.V. Bijlani; KGM- Mr. Kishorekumar G. Mhatre; SCM- Mr. Satish Chand Mathur; and MGDS- Maj Gen Dilawar Singh (Retd.).

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 the weblink: <https://tilind.com/investors/#code-policies>.

D) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (CSR Committee), constituted in accordance with the provisions of Section 135 of the Act comprised of 3 Directors as on March 31, 2020.

The Committee met once during the financial year 2019-20 on July 26, 2019.

The Company Secretary, is the Secretary to the Committee.

The composition of the CSR Committee as on March 31, 2020 and attendance of the Committee Members at the CSR Committee Meeting held during the financial year 2019-20 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
Details of Members appointed after March 31, 2020 are as follows:		
Ms. Swapna Vinodchandra Shah*	Member	N.A.
Ms. Aparna Praveen Chaturvedi*	Member	N.A.

*Appointed as a Member consequent upon reconstitution of CSR Committee w.e.f. September 15, 2020

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

- to formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) which shall indicate, inter-alia, the CSR activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 as amended from time to time;
- to recommend and obtain approval of the Board for the amount of expenditure that can be incurred on the activities referred to in clause(i);
- to ensure that the activities as are included in CSR Policy of the Company are undertaken by the Company;

**CORPORATE GOVERNANCE REPORT (Contd.)**

- 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/CFD/CMD/10/2015 dated November 04, 2015 and to decide on any matter or doubt with respect to the applicability, interpretation, operation and implementation of the said Policy; and
- vi. to discharge such other functions as may be assigned by the Board from time to time.

The Committee has been entrusted with necessary powers to discharge the above mentioned roles and responsibilities.

The Company has uploaded the CSR Policy and the Annual Report on CSR Activities for the financial year 2019-20 on its website, accessible at the weblinks: <https://tilind.com/investors/#code-policies> and <https://tilind.com/investors/#shareholder-services> respectively.

E) Compensation Committee

The Compensation Committee, constituted in accordance with the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, comprised of 3 Directors as on March 31, 2020.

The Committee met once during the financial year 2019-20 on June 14, 2019.

The composition of the Compensation Committee as on March 31, 2020 and attendance of the Committee Members at the Compensation Committee Meeting held during the financial year 2019-20 are as follows:

Name of the Member	Designation	No. of Meetings attended
Dr. Ravindra Bapat	Chairman	1
Mrs. Shivani Amit Dahanukar	Member	1
Mr. Kishorekumar G. Mhatre	Member	Nil

Details of Members appointed after March 31, 2020 are as follows:

Ms. Swapna Vinodchandra Shah*	Member	N.A.
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*Appointed as a Member consequent upon reconstitution of Compensation Committee w.e.f. September 15, 2020

The Company Secretary, is the Secretary to the Committee.

The terms of reference of the Committee are as follows:

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

- iv. exercising the powers and performing the duties as prescribed under SEBI (Share Based Employee Benefits) Regulations, 2014.

The Committee is vested with necessary powers to discharge the abovementioned roles and responsibilities.

F) Risk Management Committee

The Company has voluntarily constituted the Risk Management Committee. The Committee met 4 times during the financial year 2019-20 on June 05, 2019, August 01, 2019, November 06, 2019 and February 05, 2020.

CORPORATE GOVERNANCE REPORT (Contd.)

The composition of the Risk Management Committee as on March 31, 2020 and attendance of the Committee Members at the Risk Management Committee Meetings held during the financial year 2019-20 are as follows:

Name of the Member	Designation	No. of Meetings attended
Mr. Amit Dahanukar (Chairman & Managing Director)	Chairman	4
Mr. C.V. Bijlani (Independent Director)	Member	4
Mr. Srijit Mullick (Chief Financial Officer)*	Member	4

Details of Members appointed after March 31, 2020 are as follows:

Mrs. Shivani Amit Dahanukar*	Member	N.A.
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* Retired w.e.f. September 15, 2020;

*Appointed as a Member consequent upon reconstitution of Risk Management Committee w.e.f. September 15, 2020

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.

G) Share Transfer Committee

The Share Transfer Committee, constituted in accordance with the provisions of Regulation 40(2) of the Listing Regulations, comprised of 3 Directors as on March 31, 2020.

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, 2020 is as follows:

Name of the Member	Designation
Mr. Amit Dahanukar	Chairman
Mrs. Shivani Amit Dahanukar	Member
Mr. C.V. Bijlani	Member

Details of Members appointed after March 31, 2020 are as follows:

Mr. Satish Chand Mathur*	Member
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*Appointed as a Member consequent upon reconstitution of Share Transfer Committee w.e.f. September 15, 2020

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 shares approved by the Committee is placed in the Meeting of the Board of Directors.

4. SUBSIDIARY COMPANIES

The Company has 8 subsidiary companies and none of them except Prag Distillery (P) Ltd. (which is under liquidation) is falling under the definition of "material subsidiary" for the financial year 2020-21. 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



CORPORATE GOVERNANCE REPORT (Contd.)

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 the weblink: <https://tilind.com/investors/#code-policies>.

The National Company Law Tribunal ("NCLT") ordered for liquidation of Prag Distillery (P) Ltd., wholly owned subsidiary of the Company ("Prag") vide its order dated July 26, 2018, as a going concern. The Official Liquidator has initiated the process of liquidation of Prag as a going concern and has submitted a formal proposal to the lenders of Prag Distillery (P) Ltd, wholly owned subsidiary (under liquidation) for full and final settlement of all their claims, final approval of which is awaited.

5. SECRETARIAL AUDIT

In accordance with the Regulation 24A of the Listing Regulations, read with Section 204 of the Act, the Secretarial Audit Report of the Company and its material subsidiaries i.e. Vahni Distilleries Private Limited and PunjabExpo Breweries Private Limited for the financial year ended March 31, 2020 obtained from M/s. Ragini Chokshi & Co., Practicing Company Secretaries are annexed to the respective Directors' Reports.

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, 2020 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 2019-20, quarterly compliance reports on corporate governance have 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 Annual Secretarial Compliance Report from M/s. Ragini Chokshi & Co., Practicing Company Secretaries: confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended March 31, 2020.
- A certificate confirming 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 Listing Regulations, 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 2019-20. 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

CORPORATE GOVERNANCE REPORT (Contd.)

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 the weblink: <https://tilind.com/investors/#code-policies>.

B) Disclosure of Accounting Treatment

The Company has prepared the financial statements for the financial year 2019-20 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) 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 ₹ 3,36,300/- each to BSE and NSE in this regard; and
- (ii) 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 2019-20, no employee was denied access to the Audit Committee. The Whistle Blower Policy of the Company can be accessed at the Weblink: <https://tilind.com/investors/#code-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 SEBI (Depositories and Participants) Regulations, 2018 submitted by M/s. Ragini Chokshi & Associates, Practicing Company Secretaries confirms that as on March 31, 2020, 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 2019-20. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

H) Utilization of Funds raised through Preferential Allotment or Qualified Institutions Placement.

The Company has not raised funds through preferential allotment or qualified institutions placement during the financial year 2019-20.

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.



CORPORATE GOVERNANCE REPORT (Contd.)

J) Fees for all services paid to the Statutory Auditors and all entities in the network firm of the Statutory Auditors

A total fee of ₹ 14,50,000/- (Fourteen lacs Fifty Thousand Only/-), on a consolidated basis, was paid by the Company to M/s. Harshil Shah & Company, Statutory Auditors and all entities in the network firm of which they are part.

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 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 2019-20.

L) 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 except that the audited/un-audited financial results (consolidated and standalone) for the financial year ended March 31, 2019 and for the quarter and half year ended September 30, 2019 pursuant to the Regulation 33 of the Listing Regulations, were filed beyond the prescribed timeline due to delay in receipt of certain financial details from its contract manufacturing units.

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. 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, 2020 which are disclosed in the Directors' Report along with explanation/comments of the Board thereon.

iv. Separate posts of Chairman and Chief Executive Officer(CEO)

The Company is not having separate post of Chairman and CEO. Mr. Amit Dahanukar is the Chairman & Managing Director of the Company in accordance with proviso to Section 203(1) of the Act read with Article No. 96 of the Articles of Association of the Company.

v. Reporting of Internal Auditor

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

CORPORATE GOVERNANCE REPORT (Contd.)

9. GENERAL BODY MEETINGS

Details of last three Annual General Meetings held along with Special Resolutions passed thereat are as under.

Financial Year	Day, Date & Time	Venue	Particulars of Special Resolutions passed*
2018-19	Wednesday September 11, 2019 10.30 a.m.	P.O. Tilaknagar, Tal. Shirampur, Dist. Ahmednagar, Maharashtra – 413 720	Nil
2017-18	Saturday September 22, 2018 10:30 a.m.	P.O. Tilaknagar, Tal. Shirampur, Dist. Ahmednagar, Maharashtra – 413 720	Re-appointment of Dr. Ravindra Bapat (DIN: 00353476) as an Independent Director of the Company; and Re-appointment of Mr. Chanderbhan Verhomal Bijlani (DIN: 02039345) as an Independent Director of the Company.
2016-17	Monday September 25, 2017 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.

Passing of Resolution by Postal Ballot

During the financial year 2019-20, no special resolution was passed through postal ballot. At the ensuing Annual General Meeting, no resolution is proposed to be passed through postal ballot.

10. MEANS OF COMMUNICATION

i. Quarterly/Half Yearly/Annual Results

Quarterly/Half Yearly/Annual Results of the Company are regularly submitted to the Stock Exchanges through NSE Electronic Application Processing System 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. 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 to enable the Members to register their complaints, if any, for expeditious redressal.



CORPORATE GOVERNANCE REPORT (Contd.)

11. GENERAL SHAREHOLDER INFORMATION

I	85th Annual General Meeting	
	Day, Date and Time	: Tuesday, December 29, 2020 at 10.30 a.m.
	Venue	: To be held through Video Conference or Other Audio Visual Means only as per the General circular dated May 05, 2020 issued by MCA.
II	Financial Calendar	
	Financial Year	: 1st April to 31st March
	Financial reporting of results	
	Quarterly unaudited results (other than last quarter)	1st quarter – On October 06, 2020 2nd quarter – On November 12, 2020 3rd quarter – On or before February 14, 2021
	Annual audited results	: On or before May 30, 2021
III	Book Closure Date	: From Wednesday, December 23, 2020 to Tuesday, December 29, 2020 (both days inclusive) for the purpose of the 85th Annual General Meeting.
IV	Dividend Payment Date	: The Board of Directors has not recommended any Dividend for the financial year 2019-20.
V	Registrar and Share Transfer Agents	Bigshare Services Pvt. Ltd. Unit: Tilaknagar Industries Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai – 400 059 Ph: (022) 6263 8200 Fax: (022) 6263 8299 Email: investor@bigshareonline.com Website: www.bigshareonline.com
VI	Share Transfer System	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 Committee meets on fortnightly basis to approve the share transfers. All request(s) received for share transmission(s) are processed and share certificate(s) duly endorsed are returned within the period stipulated under Regulation 40(9) of the Listing Regulations, provided the documents are valid and complete in all respects. SEBI has mandated the transfer of securities of listed entities to be carried out only in dematerialized 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. During the year, the Company had accepted those transfer requests pertaining to securities held in physical form which were lodged for transfer before April 1, 2019 and were returned due to objections. 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. The Company obtains half-yearly certificate from M/s. Ragini Chokshi & Associates, 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.

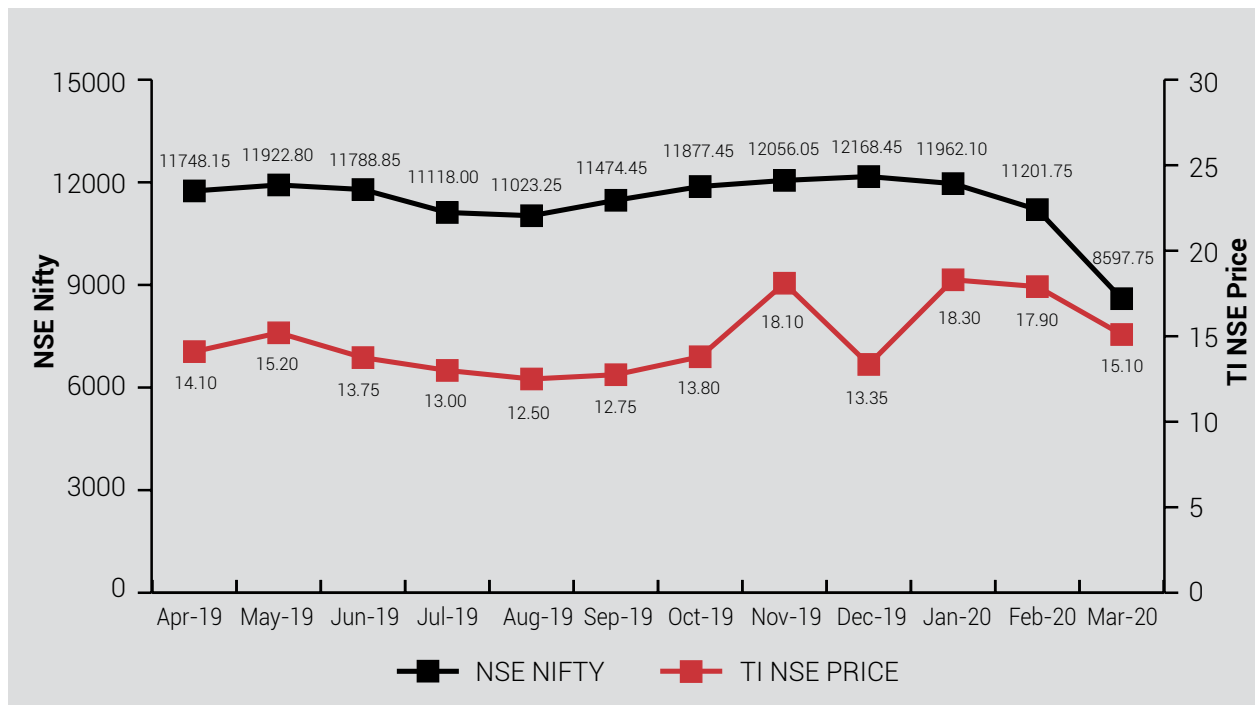
CORPORATE GOVERNANCE REPORT (Contd.)

VII	Corporate Identification Number (CIN)	: L15420PN1933PLC133303
VIII	Listing on Stock Exchanges	: BSE Limited (Scrip Code: 507205) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, Maharashtra - 400 001 National Stock Exchange of India Limited (Scrip Code: TI) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra - 400 051 The Company has paid the annual listing fees for the financial year 2020-21 to the abovementioned stock exchanges in the prescribed timelines.
IX	Dematerialization of Shares & Liquidity	: Trading in equity shares of the Company is permitted only in dematerialized form. The Company's shares are held in dematerialized form to the extent of 99.12% of the total issued and paid up shares as on March 31, 2020. The promoters hold their entire shareholding in dematerialized form.
X	Demat ISIN For Equity Shares	: INE133E01013 The Company has paid the annual custodian fees for the financial year 2020-21 to NSDL and CDSL in the prescribed timelines.
XI	Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion date and likely impact on equity	: The Company does not have any outstanding GDRs/ADRs/ Warrants/Convertible Instruments as on March 31, 2020.
XII	Plant Locations	: (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
XIII	Commodity price risk or foreign exchange risk & hedging activities	: 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, 2020 are disclosed in the Notes to the financial statements.
XIV	List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year	: 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 the weblink: http://www.tilind.com/investors/#shareholder-services . During the financial year 2019-20, there was no revision in the Credit Ratings obtained by the Company.
XV	Address for Correspondence	: Mr. Amit Dahanukar, Chairman & Managing Director, Tilaknagar Industries Ltd., Corporate Office: 3rd Floor, Industrial Assurance Building, Churchgate, Mumbai - 400 020. Tel: (022) 2283 1716/18 Fax: (022) 2204 6904 Website: www.tilind.com Email: investor@tilind.com

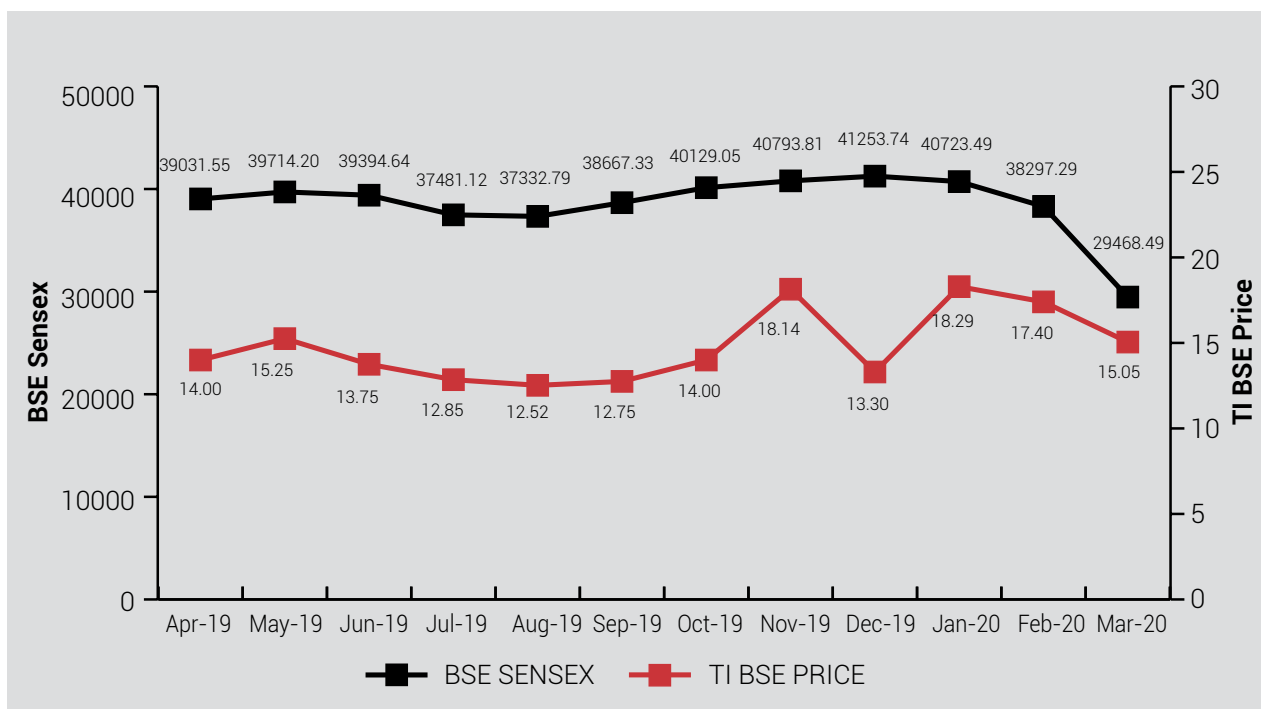


CORPORATE GOVERNANCE REPORT (Contd.)

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.)
2019						
April	15.85	13.65	1,01,889	15.40	13.65	9,80,138
May	16.35	12.56	3,26,627	16.75	12.55	13,64,311
June	16.50	13.70	2,53,136	16.90	13.40	9,63,374
July	14.40	11.60	2,95,067	14.50	11.50	20,04,159
August	14.29	12.27	2,29,302	14.25	12.35	9,16,569
September	13.20	12.14	1,07,686	13.70	12.05	12,31,649
October	14.71	12.38	1,43,010	14.70	11.40	9,21,991
November	20.18	12.46	6,51,521	20.15	12.45	51,46,502
December	19.95	12.80	3,85,997	19.80	12.90	15,75,856
2020						
January	19.15	12.81	2,28,759	19.40	12.70	9,33,734
February	19.50	17.00	2,03,357	19.90	16.60	10,09,601
March	18.00	13.45	2,67,997	18.00	13.35	19,21,565

XIX Shareholding Pattern

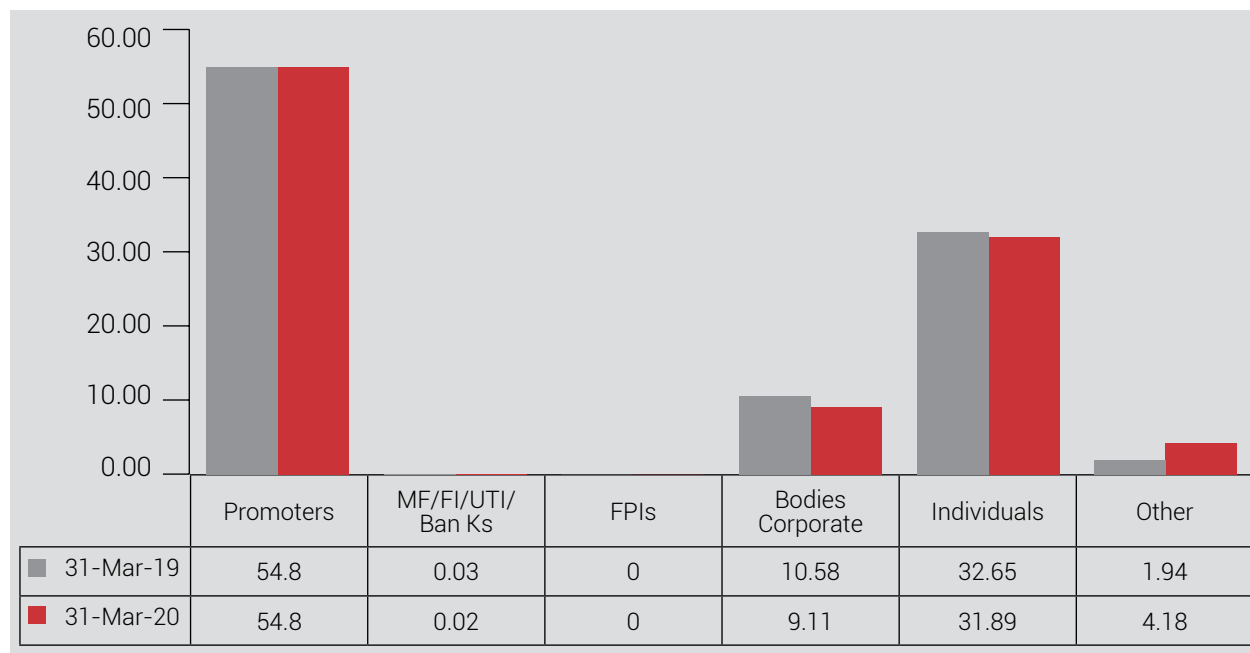
Category	As on March 31, 2020*			As on March 31, 2019*		
	No. of Shareholders	No. of Shares held	%	No. of Shareholders	No. of Shares held	%
Promoter Holding	6	6,85,71,668	54.80	6	68,571,668	54.80
Public Holding						
• Mutual Funds/UTI	0	0	0.00	0	0	0.00
• Financial Institutions/Banks	14	19,983	0.03	17	33,837	0.03
• Foreign Portfolio Investors	0	0	0.00	0	0	0.00
• Bodies Corporate	196	1,14,00,123	9.11	327	1,32,41,229	10.58
• Individuals	23,782	3,98,99,124	31.89	27,055	4,08,55,169	32.65
• Clearing Members	58	10,18,319	0.81	48	2,91,051	0.23
• NRI	227	13,70,053	1.09	248	16,88,797	1.35
• Overseas Bodies Corporate	0	0	0.00	0	0	0.00
• Trusts	0	0	0.00	1	50	0.00
• TI – Unclaimed Suspense Account	1	24,492	0.02	1	53,656	0.04
• IEPF	1	4,84,561	0.39	1	3,96,983	0.32
• NBFCs registered with RBI	1	1,075	0.00	3	1,325	0.00
Total Public Shareholding	24,928	5,65,62,097	45.20	27,701	5,65,62,097	45.20
Total Shareholding	24,928	12,51,33,765	100.00	27,707	12,51,33,765	100.00

* Shareholding clubbed on the basis of PAN



CORPORATE GOVERNANCE REPORT (Contd.)

Shareholding Pattern



XX Distribution of Shareholding as on March 31, 2020*

Shareholding of nominal value (₹)	Share Holders		Share Amount	
	Number	% of total	₹	% of total
Upto-5,000	18,035	70.44	3,12,49,130	2.50
5,001-10,000	3,204	12.51	2,67,59,860	2.14
10,001-20,000	1,922	7.51	3,02,76,030	2.42
20,001-30,000	737	2.88	1,90,32,930	1.52
30,001-40,000	352	1.37	1,25,50,560	1.00
40,001-50,000	367	1.43	1,73,08,310	1.38
50,001-1,00,000	481	1.88	3,54,84,990	2.84
1,00,001 and above	505	1.97	1,07,86,75,840	86.20
Total	25,603	100.00	125,13,37,650	100.00

* Shareholding not clubbed on the basis of PAN

XXI Top Ten Shareholders (other than Promoters) as on March 31, 2020

Sr. No.	Name of the Shareholders	No. of Shares held	% of Holding
1	Aqua Proof Wall Plast Private Limited	52,51,192	4.20
2	Anand	30,49,419	2.44
3	Dhruva Shumsher Rana	14,54,682	1.16
4	Hsquare Globetrade LLP	10,75,294	0.86
5	Shailendra Shrimal	9,70,000	0.78
6	Sai Telecom Limited	8,52,349	0.68
7	Ravi Chug (HUF)	7,18,000	0.57
8	Ghanshyam Bachubhai Wadiwala	7,04,833	0.56
9	Namrata Parasmal Jain	6,41,643	0.51
10	Proficient Multitrade Private Limited	6,00,000	0.48
Total		1,53,17,412	12.24



DECLARATION ON CODE OF CONDUCT

To,
The Board of Directors,
Tilaknagar Industries Ltd.,
Corp. Office: 3rd 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, 2020, as envisaged in Regulation 26(3) thereof.

For **Tilaknagar Industries Ltd.**

Place: Mumbai
Date: September 15, 2020

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 conditions of corporate governance by **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') for the financial year ended March 31, 2020 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("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 opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by Directors and the Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations for the financial year ended March 31, 2020.

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)

Ragini Chokshi
(Partner)

Place: Mumbai
Date : July 15, 2020

C.P. No. 1436
FCS No. 2390

UDIN: F002390B000459561



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) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2020 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 11, 2019
2	Mrs. Shivani Amit Dahanukar	00305503	September 22, 2018
3	Mr. Chanderbhan Verhomal Bijlani	02039345	April 01, 2019
4	Dr. Ravindra Bapat	00353476	April 01, 2019
5	Mr. Kishorekumar G. Mhatre	07527683	June 09, 2016
6	Mr. Satish Chand Mathur	03641285	October 31, 2018
7	Maj Gen Dilawar Singh (Retd.)	08216047	October 31, 2018

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)

Ragini Chokshi
(Partner)

Place: Mumbai
Date : July 15, 2020

C.P. No. 1436
FCS No. 2390
UDIN: F002390B000459550



CMD & CFO CERTIFICATION

To,
The Board of Directors,
Tilaknagar Industries Ltd.,
Corp. Office: 3rd Floor,
Industrial Assurance Building,
Churchgate, Mumbai 400 020

Dear Sirs,

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement of Tilaknagar Industries Ltd. ("the Company") for the financial year ended March 31, 2020 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, 2020 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in internal control over financial reporting during the financial year ended March 31, 2020;
 - (ii) significant changes, if any, in accounting policies during the financial year ended March 31, 2020 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: September 15, 2020

For **Tilaknagar Industries Ltd.**

Srijit Mullick
Chief Financial Officer



INDEPENDENT AUDITOR'S REPORT

To the Members of **Tilaknagar Industries Ltd.**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Qualified Opinion

We have audited the accompanying consolidated financial statements of **Tilaknagar Industries Ltd.** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries collectively referred to as "the Company" or "the Group"), and an associate which comprise the consolidated balance sheet as at March 31, 2020, 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, 2020, 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. 45 of the consolidated annual financial statements.
- b. The Holding Company has not recognised impairment loss on long overdue advances given to certain parties amounting to ₹ 6,074.08 lacs as required by Indian Accounting Standard (Ind AS 109) 'Financial

Instruments'. Reference is invited to Note no. 46 of the consolidated annual financial statements.

- c. The following paragraph in respect of Basis for Qualified Opinion was included in the audit report dated September 12, 2020 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. 36 of the Financial Statements which states that the Company has incurred capital expenditure of ₹ 10,035.97 lacs as at March 31, 2020 on expansion 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. The Company has not tested the said project 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 capital work in progress.
- We draw attention to note no. 37 of the financial statements which states that there are unsecured overdue trade receivables of ₹ 586.55 lacs from Andhra Pradesh Beverage Corporation Ltd. The management has not considered any provision for allowance on doubtful trade receivables / expected credit loss 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.

Note no. 36 and 37 of Prag as described above is reproduced as note no. 50 and 51 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Material uncertainty related to going concern in respect of subsidiaries:

- a. The following paragraph in respect of material uncertainty related to going concern was included in the audit report dated September 12, 2020 issued on the Financial statements of PunjabExpo Breweries Pvt. Ltd. ("Punjabexpo"), a subsidiary company of the Holding Company issued by an Independent firm of Chartered Accountants, is reproduced as under:

We draw attention to Note no. 38 of the financial statements which states that the Company has incurred a net loss of ₹ 967.35 lacs during the current year and the business operations have been scaled down significantly. The Company has accumulated losses of ₹ 824.52 lacs and its net worth has been fully eroded as at March 31, 2020. 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. 38 of Punjabexpo as described above is reproduced as note no. 48 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 September 12, 2020 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. 35 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). Further the Company has incurred net loss during the year ended March 31, 2020 and as of that date the business has ceased completely and there are defaults in repayment of bank loans. 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. 35 of Prag as described above is reproduced as note no. 49 to the consolidated audited financial statements.

Emphasis of matter

The following Emphasis of matter was included in the audit report dated September 12, 2020 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. 38 of the financial statements regarding the pending litigation between the Company and DCB Bank wherein the outcome of the matter is uncertain. Our opinion is not modified in respect of this matter.

Note no. 38 of Prag as described above is reproduced as note no. 52 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.

i. Provisions for Contingencies and Litigations and disclosure of Contingent liabilities

Description of Key Audit Matter:

As at March 31, 2020 the Group has significant tax exposures and is subject to periodic assessments/ challenges by tax authorities on income tax and

**INDEPENDENT AUDITOR'S REPORT (Contd.)**

range of indirect tax matters. The Group has also filed appeals with various appellate authorities against such demands. At March 31, 2020, the Group held provisions of ₹ 731.10 lacs in respect of legal claims and has disclosed total contingent liabilities of ₹ 8,695.96 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. 31, 47 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.

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

ii. Management's assessment of appropriateness of Going Concern assumption**Description of Key Audit Matter:**

During the year, the Group incurred loss before exceptional items and had accumulated losses of ₹ 36,118.82 lacs as on March 31, 2020. Further the Group's net worth has been fully eroded as at March 31, 2020. The Group has executed a Master Restructuring Agreement during the year with Edelweiss Asset Reconstruction Company Limited to restructure its outstanding loans (refer Note no. 30). This will result in cash outflows over the next few years for which the management has prepared cash flow forecast based on estimates and judgements. These conditions indicate requirement of assessment of the Group's ability to continue as a going concern and hence, we have identified this matter as a key audit matter.

The Group's financial statements have been prepared on a going concern basis on the reporting date. The management's assessment in respect of going concern assumption is set out in Note no. 53 of the consolidated financial statements.

Our response:

- We evaluated the appropriateness of management's use of going concern basis of accounting in the preparation of financial statements in accordance with Standard on Auditing issued by ICAI in this regard. We assessed the Group's disclosures regarding Going Concern in the financial statements.
- We discussed and evaluated the management's plans for future actions and cash flow projections in relation to its going concern assessment, to assess whether the outcome of those plans is likely to improve the situation and whether management's plans are feasible in the circumstances.
- We assessed the possible mitigating actions identified by management in the event that actual cash flows are below forecast.
- We assessed the Group's responses to the emerging business trends and consequential impact on the cash flows.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- We reviewed the terms of the Master Restructuring Agreement along with the repayment schedule to assess the ability of the Group to service the interest / principal payments over the next twelve months.

Information Other than the 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 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 we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management for 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.

In preparing the consolidated 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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



INDEPENDENT AUDITOR'S REPORT (Contd.)

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 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.

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.

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 ₹ 19,004.01 lacs as at March 31, 2020 and total revenue of ₹ 2,227.09 lacs and total loss of ₹ 1,533.00 lacs including other comprehensive income for the year ended March 31, 2020 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, 2020 as considered in the consolidated financial statements in respect of 1 Associate whose financial statements have not been audited by us. The Financial Statements / information of the Associate is not available and the Group has provided its share of loss to the extent of the Investment. In our opinion and according to the information and explanation given to us by the management this financial statements /

INDEPENDENT AUDITOR'S REPORT (Contd.)

information are not material to the Group. Our opinion is not modified in respect of the above matter.

- c) Due to COVID-19 related lockdown restrictions, the management of the Group was able to perform year end physical verification of inventories, only subsequent to the year end. Also we were not able to physically observe the stock verification when carried out by the management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance note provided in SA 501 "Audit evidence – Specific Considerations for Selected items" and have obtained sufficient appropriate audit evidence to issue our opinion on the Group's financial statements. Our opinion is not modified in respect of this matter.
- d) The comparative financial information of the company for the year ended March 31, 2019 were reviewed by the predecessor auditor who expressed modified opinion on that financial information on July 26, 2019.

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 subsidiary 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 subsidiary 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, 2020 taken on record by the Board of Directors of the Company and its subsidiary incorporated in India, none of the directors of the Company and its subsidiary incorporated in India is disqualified as on March 31, 2020 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 subsidiary 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.



INDEPENDENT AUDITOR'S REPORT (Contd.)

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 Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. (Refer Note 31 of the consolidated 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 are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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

Harshil Shah
Partner

Place: Mumbai
Date: September 15, 2020

Membership No. 124146
ICAI UDIN: 20124146AAAADM5362

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")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **Tilaknagar Industries Ltd.** ("the Holding Company") and its subsidiaries incorporated in India (the Holding Company and its subsidiary incorporated in India collectively referred to as "the Company" or "the Group").

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control



ANNEXURE - A TO THE AUDITORS' REPORT (Contd.)

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the 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, 2020 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.

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

Harshil Shah
Partner

Place: Mumbai

Date: September 15, 2020

Membership No. 124146
ICAI UDIN: 20124146AAAADM5362

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2020

(₹ in lacs)

	Note No.	As at March 31, 2020	As at March 31, 2019
I ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	50,049.72	52,787.71
Capital Work-in-Progress		10,035.97	11,427.57
Right of Use Assets	2	81.54	-
Goodwill		-	2,326.23
Other Intangible Assets	2	40.41	44.83
Financial Assets			
Investments	3	3.77	3.77
Loans	4	-	3.00
Other Financial Assets	5	2,823.80	5,037.73
Deferred Tax Assets (Net)	6	-	33.22
Other Non-Current Assets	7	6,994.21	7,620.99
Non-Current Tax Assets (Net)	28	651.33	603.75
		70,680.75	79,888.80
Current Assets			
Inventories	8	6,009.64	9,779.58
Financial Assets			
Investments	3	-	344.47
Trade Receivables	9	24,337.52	24,098.82
Cash and Cash Equivalents	10a	3,733.58	5,017.01
Other Bank Balances	10b	237.77	288.82
Loans	4	1.65	4.66
Other Financial Assets	5	143.51	46.93
Other Current Assets	7	2,861.72	8,636.39
		37,325.39	48,216.68
Total		1,08,006.14	1,28,105.48
II EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	12,513.38	12,513.38
Other Equity	12	(14,250.66)	(41,235.23)
		(1,737.28)	(28,721.85)
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	13	48,940.21	13.15
Lease Liabilities		52.48	-
Other Financial Liabilities	14	20,455.44	14,159.83
Provisions	15	438.34	386.76
Other Non-Current Liabilities	16	4,329.51	-
		74,215.98	14,559.74
Current Liabilities			
Financial Liabilities			
Borrowings	13	5,000.16	81,527.39
Lease Liabilities		39.63	-
Trade Payables	17	-	-
Total outstanding dues of micro enterprises and small enterprises		1,722.91	911.29
Total outstanding dues of creditors other than micro enterprises and small enterprises		13,803.69	18,554.37
Other Financial Liabilities	14	12,042.98	38,450.48
Provisions	15	1,388.54	2,335.89
Current Tax Liabilities (Net)	28	0.62	1.39
Other Current Liabilities	16	1,528.91	486.78
		35,527.44	1,42,267.59
Total		1,08,006.14	1,28,105.48
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-56		

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: September 15, 2020

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary



CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lacs)

	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
INCOME			
Revenue from Operations			
Sale of Products	18	148,098.38	152,358.65
Other Operating Income	18.1	247.41	190.70
Other Income	19	2,994.22	520.65
Total Income		151,340.01	153,070.00
EXPENSES			
Cost of Materials Consumed	20	32,108.21	33,741.68
(Increase) / Decrease in Stock	21	3,112.09	(1,774.81)
Excise Duty		83,063.01	86,416.35
Employee Benefit Expense	22	2,960.03	3,328.13
Finance Cost	23	12,893.28	18,420.68
Depreciation and Amortisation	2	3,298.13	3,674.93
Other Expenses	24	32,296.67	25,224.54
Total Expenses		169,731.42	169,031.50
Profit/ (loss) before exceptional items and tax		(18,391.41)	(15,961.50)
Add/ (less) : Exceptional Items	44	45,518.35	-
Profit / (Loss) Before Tax		27,126.94	(15,961.50)
Less : Tax Expense			
1) Current Tax		0.62	23.05
2) Taxes for Earlier Years		120.34	-
3) Deferred Tax	6	33.22	64.15
4) MAT Credit		-	(97.37)
Total Tax Expense		154.18	(10.17)
Profit / (Loss) After Tax		26,972.76	(15,951.33)
Less : Share of Non-Controlling Interest		-	-
Profit / (Loss) After Tax		26,972.76	(15,951.33)
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss			
Remeasurement of Defined Benefit Plans		(13.85)	(17.62)
Tax On Above		-	0.27
Items that will be reclassified to Profit & Loss			
Total Other Comprehensive Income / (Loss)		(13.85)	(17.35)
Total Comprehensive Income For The Year		26,958.91	(15,968.68)
Profit / (Loss) After Tax For The Year Attributable To :			
Owners of the Company		26,972.76	(15,951.33)
Non-Controlling Interest		-	-
Profit / (Loss) After Tax For The Year		26,972.76	(15,951.33)
Other Comprehensive Income / (Loss) for the Year attributable to :			
Owners of the Company		(13.85)	(17.35)
Non-Controlling Interest		-	-
Other Comprehensive Income / (Loss) For The Year		(13.85)	(17.35)
Total Comprehensive Income For The Year attributable to :			
Owners of the Company		26,958.91	(15,968.68)
Non-Controlling Interest		-	-
Total Comprehensive Income For The Year		26,958.91	(15,968.68)
Earnings per equity share	41		
1) Basic		21.56	(12.76)
2) Diluted		21.49	(12.76)
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-56		

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: September 15, 2020

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lacs)

	2019-2020	2018-2019
A) Cash flow from Operating activities		
Net profit before tax	27,126.94	(15,961.50)
Adjustment for:		
Depreciation	3,298.13	3,674.93
Loss / (Profit) on sale of assets	(1.77)	1.06
Loss / (Profit) on sale of investments	(40.49)	(238.35)
Gain on fair valuation of investments	-	(11.48)
Gain on write back of loans under restructuring	(45,518.35)	-
Dividend Income	(0.03)	(0.03)
Impairment for doubtful advances	7,968.52	5,543.09
Impairment for goodwill	2,326.23	-
Advances written off	3,621.41	129.18
Sundry balance written back	(2,231.90)	(62.20)
Expected Credit Loss provided / (reversed)	(382.19)	701.82
Bad Debts	423.62	-
Foreign Exchange Fluctuation Loss	417.49	324.23
Employee stock option expenses	25.66	201.65
Finance Costs	12,893.28	18,420.68
Interest income	(70.74)	(190.47)
Operating Profit before working capital changes	(17,271.13)	28,494.11
Adjustment for:		
(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	7,943.29	4,822.63
(Increase) / Decrease in loans and advances and other assets	(2,040.82)	(996.00)
(Increase) / Decrease in inventories	3,769.94	(1,798.83)
(Increase) / Decrease in trade receivables	(280.13)	9,392.28
Direct taxes refund / (paid)	(169.32)	(533.08)
Net Cash from Operating activities	19,078.77	6,540.94
B) Cash Flow from Investing activities		
Purchase of property, plant and equipment	(47.43)	(249.27)
Sale of property, plant and equipment	4.45	0.49
(Increase) / Decrease in other bank balances	51.05	(137.21)
Purchase of investments	-	(10,693.46)
Sale of investments	384.96	10,598.82
Dividend received	0.03	0.03
Interest received	70.74	167.40
Net Cash from Investing Activities	463.80	(313.20)
C) Cash Flow from Financing activities		
Issue of share capital		49.09
Proceeds from borrowings including current maturities	5,111.25	13,783.82
Repayment of borrowings including current maturities	(4,606.03)	(12,129.07)
Principal payment of lease liabilities	(30.34)	-
Payment of unclaimed dividend	(6.42)	-
Finance costs paid	(21,294.46)	(9,598.20)
Net Cash from Financing Activities	(20,826.00)	(7,894.36)
Net increase in Cash & Cash equivalents	(1,283.43)	(1,666.62)
Opening cash & cash equivalents	5,017.01	6,683.63
Closing cash & cash equivalents	3,733.58	5,017.01



CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

Notes :

(a) Cash and cash equivalents comprises of

(₹ in lacs)

	As at March 31, 2020	As at March 31, 2019
i) Balances with Banks		
In Current Accounts	3,670.18	5,004.75
ii) Short-Term Bank Deposits (Maturity within 3 months)	52.13	-
iii) Cash on Hand	11.27	12.26
	3,733.58	5,017.01

(b) Change in liability arising from financing activities

(₹ in lacs)

	As at April 01, 2019	Cash Flow	Non-cash changes	As at March 31, 2020
Borrowings including current maturities (Refer Note 13 & 14)	111,089.85	(20,789.24)	(32,531.93)	57,768.68

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

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

Harshil Shah
Partner
Membership No.124146

Place: Mumbai
Date: September 15, 2020

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lacs)

	As at March 31, 2020	As at March 31, 2019
A) Equity Share Capital		
Balance at the beginning of the reporting year	12,513.38	12,475.61
Changes in Equity Share Capital during the year	-	37.77
Balance at the end of the reporting year	12,513.38	12,513.38

B) Other Equity

(₹ in lacs)

	Reserves and Surplus					Total
	Securities Premium Account	General Reserve	Capital Reserve	Share Based Payments Reserve	Retained Earnings	
Balance as at April 01, 2018	19,878.68	1,378.70	18.97	353.17	(47,109.05)	(25,479.53)
Additions during the year :						
a) Profit / (Loss) for the year	-	-	-	-	(15,951.33)	(15,951.33)
b) Remeasurement of defined benefit plans	-	-	-	-	(17.62)	(17.62)
c) Tax on above	-	-	-	-	0.27	0.27
d) Utilised on allotment of shares under ESOP	-	-	-	(26.57)	-	(26.57)
e) Share based payment reserve created during the period	-	-	-	201.65	-	201.65
f) Transfer to General Reserve	-	51.31	-	(51.31)	-	-
g) Securities Premium	37.90	-	-	-	-	37.90
Balance as at March 31, 2019	19,916.58	1,430.01	18.97	476.94	(63,077.73)	(41,235.23)
Additions during the year :						
a) Profit / (Loss) for the year	-	-	-	-	26,972.76	26,972.76
b) Remeasurement of defined benefit plans	-	-	-	-	(13.85)	(13.85)
c) Tax on above	-	-	-	-	-	-
c) Utilised on allotment of shares under ESOP	-	-	-	-	-	-
d) Share based payment reserve created during the period	-	-	-	25.66	-	25.66
e) Transfer to General Reserve	-	-	-	-	-	-
f) Securities Premium	-	-	-	-	-	-
Balance as at March 31, 2020	19,916.58	1,430.01	18.97	502.60	(36,118.82)	(14,250.66)

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: September 15, 2020

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

1.1 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 (Contd.)

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, 2020	March 31, 2019	
Prag Distillery (P) Ltd.	India	100%	100%	Manufacturing and sale of Indian Made Foreign Liquor
Vahni Distilleries Private Limited	India	100%	100%	Manufacturing and sale of Indian Made Foreign Liquor
Kesarval Springs Distillers Pvt. Ltd.	India	100%	100%	Manufacturing and sale of Indian Made Foreign Liquor
PunjabExpo Breweries Private Limited	India	100%	100%	Manufacturing and sale 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.

1.2 Reporting Entity

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. 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.

1.3 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, 2020 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 September 15, 2020.

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.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 in the year ending March 31, 2020 is included in the following notes:

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,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 profit or loss.

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).

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 if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

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 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.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 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 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, 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 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 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 profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

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.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

viii) Leases**As a lessee**

The Company has adopted modified simplified approach under Ind AS 116 - Leases, with effect from April 01, 2019. Accordingly, the Company has recognised 'Right of use (ROU)' assets of ₹ 117.99 lacs, accumulated amortisation of ₹ Nil and present value of lease liabilities of ₹ 117.99 lacs as on April 01, 2019.

In the statement of profit and loss for the year, instead of rent expenses (as accounted under previous periods), amortisation of right of use has been accounted under depreciation and amortisation expenses and unwinding of discount on lease liabilities has been accounted under finance cost. The impact on the profits / (loss) for the year due the above change in accounting policy is additional expense of ₹ 15.12 lacs.

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 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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 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



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 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 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. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 expire.

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 (Contd.)

2. PROPERTY, PLANT AND EQUIPMENT

(` in lacs)

	Gross Block			Depreciation / Amortisation			Net Block	
	As on April 01, 2019	Additions	Deductions	As at March 31, 2020	As on April 01, 2019	For the year	As at March 31, 2020	As at March 31, 2019
TANGIBLE ASSETS								
Land	13,698.16	-	-	13,698.16	-	-	13,698.16	13,698.16
Buildings	10,080.39	125.26	-	10,205.65	2,899.50	281.44	3,180.94	7,180.89
Roads & Bridges	77.02	105.67	-	182.69	73.17	8.32	81.49	3.85
Lease Hold Improvement	42.00	-	-	42.00	21.00	-	25.03	21.00
Plant and Equipment	51,200.47	259.69	-	51,460.16	20,659.08	2,718.16	23,377.24	30,541.39
Tools & Equipments	0.37	-	-	0.37	0.16	0.03	0.19	0.21
Furniture and Fixtures	337.39	-	-	337.39	231.13	21.42	252.55	106.26
Motor Vehicles	465.31	-	20.48	444.83	331.33	17.80	344.03	133.98
Office Equipment	319.68	1.41	-	321.09	294.59	-	298.60	25.09
Computers	922.22	4.64	-	926.86	861.34	-	872.24	60.88
Electrical Installations	1,841.12	18.68	-	1,859.80	825.37	171.85	997.22	1,015.75
Library Books	0.28	-	-	0.28	0.28	-	0.28	-
Live Stock	0.25	-	-	0.25	-	-	-	0.25
Total Tangible Assets	78,984.66	515.35	20.48	79,479.53	26,196.95	17.80	3,250.66	50,049.72
								52,787.71
Right Of Use Asset								
Premises	117.99	18.13	13.08	123.04	-	1.55	43.05	81.54
Total Right Of Use Asset	117.99	18.13	13.08	123.04	-	1.55	43.05	81.54
								-
INTANGIBLE ASSETS								
Brands	3,345.07	-	-	3,345.07	3,345.07	-	3,345.07	-
Software	598.98	-	-	598.98	554.15	4.42	558.57	44.83
Product Development	173.94	-	-	173.94	173.94	-	173.94	-
Total Intangible Assets	4,117.99	-	-	4,117.99	4,073.16	-	4.42	44.83
								44.83
Grand Total	83,220.64	533.48	33.56	83,720.56	30,270.11	19.35	3,298.13	50,171.67
Previous Year	83,046.59	87.16	31.10	83,102.65	26,624.73	29.55	3,674.93	52,832.54

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. PROPERTY, PLANT AND EQUIPMENT [Schedule for the Previous Year 2018-19]

(₹ in lacs)

	Gross Block			Depreciation / Amortisation			Net Block	
	As on	Additions	Deductions	As on	As on	For the	As on	As at
	April 01, 2018			March 31, 2019	April 01, 2018	year	March 31, 2019	March 31, 2018
TANGIBLE ASSETS								
Land	13,698.16	-	-	13,698.16	-	-	13,698.16	13,698.16
Buildings	10,080.39	-	-	10,080.39	2,622.36	277.14	2,899.50	7,458.03
Roads & Bridges	77.02	-	-	77.02	73.17	-	73.17	3.85
Lease Hold Improvement	42.00	-	-	42.00	16.97	4.03	21.00	25.03
Plant and Equipment	51,198.60	1.87	-	51,200.47	17,936.81	2,722.27	20,659.08	33,261.79
Tools & Equipments	0.37	-	-	0.37	0.14	0.02	0.16	0.23
Furniture and Fixtures	337.39	-	-	337.39	208.70	22.43	231.13	128.69
Motor Vehicles	447.14	49.08	30.91	465.31	326.54	29.37	331.33	120.60
Office Equipment	315.03	4.84	0.19	319.68	289.31	0.18	294.59	25.72
Computers	898.46	23.76	-	922.22	848.44	-	861.34	60.88
Electrical Installations	1,841.12	-	-	1,841.12	649.91	175.46	825.37	1,191.21
Library Books	0.28	-	-	0.28	0.28	-	0.28	-
Live Stock	0.25	-	-	0.25	-	-	-	0.25
Total Tangible Assets	78,936.21	79.55	31.10	78,984.66	22,972.63	29.55	26,196.95	55,963.58
INTANGIBLE ASSETS								
Brands	3,345.07	-	-	3,345.07	2,928.88	416.19	3,345.07	416.19
Software	591.37	7.61	-	598.98	549.28	4.87	554.15	42.09
Product Development	173.94	-	-	173.94	173.94	-	173.94	-
Total Intangible Assets	4,110.38	7.61	-	4,117.99	3,652.10	-	4,073.16	458.28
Grand Total	83,046.59	87.16	31.10	83,102.65	26,624.73	29.55	30,270.11	56,421.86
Previous Year	74,750.72	8,332.34	36.47	83,046.59	22,918.93	25.33	26,624.73	56,421.86



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

3. INVESTMENTS(*₹ in lacs*)

	As at March 31, 2020		As at March 31, 2019	
	Nos.		Nos.	
Non Current Investments				
I) Investments measured at Cost				
Investment in Associate (Unquoted)				
Investment in Equity Instruments				
Equity shares of ₹ 10/- each				
Mason & Summers Marketing Services Pvt. Ltd.	130,000	169.00	130,000	169.00
Less: Impairment in value of Investments		(169.00)		(169.00)
		-		-
II) Investments measured at Amortised Cost				
Investment in Government Securities (Unquoted)				
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
		0.55		0.55
III) Investments measured at Fair Value through other comprehensive income (FVOCI)				
Investment in Equity Instruments (Unquoted)				
Equity shares of ₹ 100/- each				
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 Vitthal Co-operative Bank Ltd.	3,000	0.30	3,000	0.30
		3.22		3.22
		3.77		3.77
Aggregate of unquoted investments		3.77		3.77
Category wise Non-Current Investments				
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)
		3.77		3.77

	As at March 31, 2020		As at March 31, 2019	
	Nos.		Nos.	
Current Investments				
I) Investments measured at fair value through Profit & Loss				
Investment in Mutual Funds				
a) ICICI Prudential Saving Fund – Growth	-	-	51,839.72	142.78
b) HDFC Low Duration Fund – Retail – Regular Plan – Growth	-	-	5,510.22	201.69
		-		344.47

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

4. LOANS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good				
Employee Loan	-	3.00	1.65	4.66
	-	3.00	1.65	4.66

5. OTHER FINANCIAL ASSETS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Term Bank Deposits	287.07	31.58	-	-
(Maturity exceeding 12 months)		-		
Advance to Employees	-	-	27.62	19.96
Deposits	4,591.42	4,647.32	-	-
Electricity Subsidy Receivable	-	-	106.02	-
Others	1,511.93	1,519.03	9.87	4.20
Advances with Tie-up Units	-	-	-	6,323.72
	6,390.42	6,197.93	143.51	6,347.88
Less: Allowance for doubtful deposits	(2,078.42)	(10.00)	-	-
Less: Allowance for doubtful other financial assets	(1,488.20)	(1,150.20)	-	-
Less: Allowance for doubtful advances with tie up units	-	-	-	(6,300.95)
	2,823.80	5,037.73	143.51	46.93

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

Particulars	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance at the beginning of the year	10.00	-	-	-
Loss allowance (net)	2,068.42	10.00	-	-
Write off	-	-	-	-
Balance at the end of the year	2,078.42	10.00	-	-

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

	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance at the beginning of the year	1,150.20	707.14	-	-
Loss allowance (net)	361.06	443.06	-	-
Write off	(23.06)	-	-	-
Balance at the end of the year	1,488.20	1,150.20	-	-

5.3 Movement in loss allowance for doubtful advances with tie up units is provided below :

	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance at the beginning of the year	-	-	6,300.95	2,000.95
Loss allowance (net)	-	-	-	4,300.00
Write off	-	-	(6,300.95)	-
Balance at the end of the year	-	-	-	6,300.95



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

6. DEFERRED TAX ASSETS (NET)

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets (Net) (Refer Note 27)	-	33.22	-	-
	-	33.22	-	-

7. OTHER ASSETS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good				
Capital advances	6,077.35	6,544.27	-	-
Balance with Government Authorities	983.64	1,010.30	539.43	853.84
Deposits with Court	4.42	66.42	-	-
Prepaid Expense	-	-	418.86	645.41
Advances to Suppliers	-	-	6,807.49	8,337.52
	7,065.41	7,620.99	7,765.78	9,836.77
Less: Allowance for balances with government authorities	(71.20)	-	-	-
Less: Allowance for doubtful advances	-	-	(4,904.06)	(1,200.38)
	6,994.21	7,620.99	2,861.72	8,636.39

7.1 Movement in loss allowance for balances with government authorities:

	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance at the beginning of the year	-	-	-	-
Loss allowance (net)	71.20	-	-	-
Write off	-	-	-	-
Balance at the end of the year	71.20	-	-	-

7.2 Movement in loss allowance for doubtful advances is provided below:

	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance at the beginning of the year	-	-	1,200.38	434.07
Loss allowance (net)	-	-	4,904.06	766.31
Write off	-	-	(1,200.38)	-
Balance at the end of the year	-	-	4,904.06	1,200.38

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

8. INVENTORIES

(₹ in lacs)

	As at March 31, 2020	As at March 31, 2019
(At lower of cost and net realisable value)		
(Net of provision for non-moving and obsolete stocks)		
Raw Materials	489.96	752.82
Stores, Spares and Packing Materials	2,618.45	3,013.44
Work-In-Progress	1,046.44	1,621.25
Finished Goods	1,854.79	4,392.07
	6,009.64	9,779.58

9. TRADE RECEIVABLES

(₹ in lacs)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	24,232.34	24,187.73
Unsecured, considered doubtful	738.43	926.53
High Credit Risk	-	-
Credit Impaired	-	-
	24,970.77	25,114.26
Less: Expected Credit Loss	633.25	1,015.44
	24,337.52	24,098.82

Movement in loss allowance for Trade Receivables is provided below :

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	1,015.44	313.62
Loss allowance (net)	41.43	701.82
Write off	(423.62)	-
Balance at the end of the year	633.25	1,015.44

10. CASH AND BANK BALANCES

(₹ in lacs)

	As at March 31, 2020	As at March 31, 2019
a) Cash and Cash Equivalents		
i) Balances with Banks		
In Current Accounts	3,670.18	5,004.75
ii) Short-Term Bank Deposits	52.13	-
(Maturity within 3 months)		
iii) Cash on Hand	11.27	12.26
	3,733.58	5,017.01
b) Other Bank Balances		
i) Earmarked Balances with Banks	22.24	28.66
ii) Short-Term Bank Deposits	215.53	260.16
(Maturity within 12 months)		
	237.77	288.82
	3,971.35	5,305.83

* Cash and Bank Balances includes an amount of ₹ 1,892.03 lacs marked as a lien by Development Credit Bank in the Subsidiary Company's Current account held with them.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

11. EQUITY SHARE CAPITAL

(₹ in lacs)

	As at March 31, 2020	As at March 31, 2019
Authorised Shares		
150,000,000 equity shares of ₹ 10/- each (P.Y. 150,000,000 equity shares of ₹ 10/- each)	15,000.00	15,000.00
Issued, subscribed and paid up shares		
125,133,765 equity shares of ₹ 10/- each fully paid up (P.Y. 125,133,765 Equity Shares of ₹ 10/- each fully paid up)	12,513.38	12,513.38
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		
	12,513.38	12,513.38

a) Reconciliation of the number of shares outstanding

(Nos. in lacs)

	As at March 31, 2020	As at March 31, 2019
Number of Equity Shares at the beginning	1,251.34	1,247.56
Equity shares issued on exercise of employee stock options	-	3.78
Number of Equity Shares at the end	1,251.34	1,251.34

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, 2020		As at March 31, 2019	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Shivani Amit Dahanukar	329.76	26.35%	329.76	26.35%
Amit Dahanukar	298.45	23.85%	298.45	23.85%
Total	628.21	50.20%	628.21	50.20%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

12. OTHER EQUITY

a) Securities Premium Account

(₹ in lacs)

	As at March 31, 2020	As at March 31, 2019
As per last Balance Sheet	19,916.58	19,878.68
Additions during the year	-	37.90
	19,916.58	19,916.58

b) General Reserve

As per last Balance Sheet	1,430.01	1,378.70
Transfer from Share Based Payment Reserve	-	51.31
	1,430.01	1,430.01

c) Capital Reserve

As per last Balance Sheet	18.97	18.97
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d) Share Based Payments Reserve Account

As per last Balance Sheet	476.94	353.17
Transfer to General Reserve	-	(51.31)
Utilised on allotment of shares under ESOP	-	(26.57)
Additions during the year	25.66	201.65
	502.60	476.94

e) Retained Earnings

As per last Balance Sheet	(63,077.73)	(47,109.05)
Add: Profit / (Loss) after tax for the year	26,972.76	(15,951.33)
Add: Remeasurement of defined benefit plans	(13.85)	(17.62)
Add: Tax on above	-	0.27
	(36,118.82)	(63,077.73)
	(14,250.66)	(41,235.23)

13. BORROWINGS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Secured Loans				
From Asset Reconstruction Company				
(Refer Note No. 30)				
Rupee Term Loans	32,898.81	-	-	-
Balance Debts	9,034.92	-	-	-
Other Debts	3,386.75	-	-	-
From Banks				
Hire Purchase Car Loans (with banker's lien on cars)	4.12	13.15	-	-
Cash Credit (including Working Capital Demand Loan)	-	-	2,481.50	80,373.22
Unsecured				
Vendor Financing	3,615.61	-	-	-
From Directors and related parties	-	-	-	12.45
From other parties	-	-	2,518.66	1,141.72
	48,940.21	13.15	5,000.16	81,527.39

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

- a) The loans from Asset Reconstruction Company ("term loans") are secured against first pari passu charge on all the tangible / intangible assets of the Company, both present and future and second pari passu charge on all the 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.
- c) The term loans are further secured by way of first charge of unpledged shareholding of the Company held by the Promoter, second charge by way of pledge of already pledged shareholding of the Company held by the Promoter and pledge of 100% shareholding of the Subsidiary Companies. The said security creation is pending.
- d) The term loans outstanding at the end of the financial year have been guaranteed by the personal guarantee of Chairman & Managing Director of the Company.
- e) Subsidiary Companies i.e. Vahni Distilleries Private Limited and PunjabExpo Breweries Private Limited are the Corporate Obligor to the term loans from Edelweiss Asset Reconstruction Company (EARC).
- f) The term loans from Edelweiss Asset Reconstruction Company (EARC) are repayable by March 31, 2024 as per the repayment schedule provided by EARC. Interest is payable on Quarterly basis @ 9.00% (compounded quarterly).
- g) Maturity profile of term loans from Edelweiss Asset Reconstruction Company (EARC) are as set out as below:

(₹ in lacs)

Lender trusts	Current	Non Current		
	Less than 1 year	1 to 2 years	2 - 3 years	3 - 4 years
EARC trust SC 233	80.00	560.00	680.00	1,567.68
EARC trust SC 241	1,400.00	2,800.00	3,400.00	18,173.33
EARC trust SC 269	160.00	1,120.00	1,360.00	3,237.80
Total	1,640.00	4,480.00	5,440.00	22,978.81

- h) The cash credit (including Working Capital Demand Loan) loan of a subsidiary is secured against first pari passu charge on all current assets both present and future and second pari passu charge on all the fixed assets of the subsidiary, both present and future situated at Andhra Pradesh.
- i) Secured loans from bank of a subsidiary outstanding at the end of the financial year have been guaranteed by the personal guarantee of the Promoter of the Company.
- j) The defaults in repayment of loan to a bank of a subsidiary included in borrowings are as under:

(₹ in lacs)

Bank	Period of Default	Cash Credit Outstanding Amount	Cash Credit Interest
Development Credit Bank	August 2018 to March 2020	2,000.00	481.50
Total		2,000.00	481.50

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

14. OTHER FINANCIAL LIABILITIES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Trade Deposits & Others (Unsecured)	20,455.44	14,159.83	-	-
Current maturities of Hire Purchase Car Loans	-	-	10.80	12.10
Current maturities of Term Loans- Foreign Currency Loan	-	-	1,770.19	1,583.62
Current maturities of Term Loans-Rupee Loans	-	-	1,640.00	27,953.59
Current maturities of Vendor Financing	-	-	407.32	-
Payable for purchase of Fixed Assets	-	-	6,110.61	6,118.80
Employee dues	-	-	664.15	548.44
Unclaimed Dividend*	-	-	22.24	28.66
Other Payables	-	-	1,417.67	2,205.27
	20,455.44	14,159.83	12,042.98	38,450.48

- a) The Company has defaulted in repayment of principal dues of term loans to EARC. The defaults in repayment of term loans to EARC included in current maturities of term loans are as under:

Default in Principal

(₹ in lacs)

Bank	Period of Default	Term Loan Principal
EARC Trust SC 241 (IFCI)	February 2020 to March 2020	1,000.00
Total		1,000.00

The above amount in default has since been paid on June 30, 2020.

- b) The term loan of a subsidiary are secured against first pari passu charge on plant & equipment and other fixed assets and second pari passu charge on all the current assets of the subsidiary, both present and future situated at Andhra Pradesh.
- c) Foreign Currency term loan from a bank of a subsidiary carry interest @ 3.46% (Rate as per Claim filed by SCB with Liquidator). The loan instalments have become overdue and are repayable immediately along with interest.
- d) Secured loans from bank of a subsidiary outstanding at the end of the financial year have been guaranteed by the personal guarantee of the Promoter of the Company.
- e) The defaults in repayment of term loan to a bank of a subsidiary included in current maturities of term loans are as under:

(₹ in lacs)

Bank	Period of Default	Term Loan Principal	Term Loan Interest
Standard Chartered Bank	April 2016 to March 2020	1,548.98	221.21
Total		1,548.98	221.21

15. PROVISIONS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Provision for Gratuity (Refer note 33)	355.11	311.12	62.86	71.46
Provision for Leave Encashment	83.23	75.64	20.60	20.77
Provision for Excise Duty on Finished Goods	-	-	1,305.08	2,243.66
	438.34	386.76	1,388.54	2,335.89



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

16. OTHER LIABILITIES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Payable towards Statutory Liabilities	-	-	394.95	486.78
Deferred Fair Value Gain (Refer Note 30)	4,329.51	-	1,133.96	-
	4,329.51	-	1,528.91	486.78

17. TRADE PAYABLES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Trade Payables				
Total outstanding dues of micro enterprises and small enterprises (Refer Note 40)	-	-	1,722.91	911.29
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	13,803.69	18,554.37
	-	-	15,526.60	19,465.66

18. REVENUE FROM OPERATIONS

(₹ in lacs)

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contracts with customers		
Sales of products	1,48,098.38	1,52,358.65
	1,48,098.38	1,52,358.65

Reconciliation of Gross Revenue with Revenue from Contracts with Customers

Contract price	1,49,208.24	1,53,750.95
Less: Discount/Demurrage	1,109.86	1,392.30
Revenue recognised	1,48,098.38	1,52,358.65

18.1 Other Operating Income

Sale of by products, scrap and other income	88.87	126.44
Royalty Income	158.54	64.26
	247.41	190.70

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

19. OTHER INCOME

(₹ in lacs)

	Year ended March 31, 2020	Year ended March 31, 2019
Duty drawback on exports	0.37	1.07
Miscellaneous receipts	63.19	17.05
Sundry balance written back	2,231.90	62.20
Interest income on margin money / fixed deposits/Others	70.74	190.47
Profit on Sale of Investments	40.49	238.35
Gain on investments carried at fair value through P & L	-	11.48
Dividend on current investments	0.03	0.03
Profit on sale of fixed asset	1.77	-
Reversal of Expected Credit Loss on trade receivables	382.19	-
Electricity Refund	203.54	-
	2,994.22	520.65

20. COST OF MATERIALS CONSUMED

(₹ in lacs)

	Year ended March 31, 2020	Year ended March 31, 2019
i) Raw Material Consumption		
Opening Stock	752.82	747.97
Add: Purchases	15,655.95	15,929.00
Less: Closing Stock	489.96	752.82
	15,918.81	15,924.15
ii) Packing Materials & Consumables	16,189.40	17,817.53
	32,108.21	33,741.68

21. (INCREASE) / DECREASE IN STOCK

(₹ in lacs)

	Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock		
i) Work-In-Progress	1,621.25	1,443.01
ii) Finished Goods	4,392.07	2,795.50
	6,013.32	4,238.51
Less : Closing Stock		
i) Work-In-Progress	1,046.44	1,621.25
ii) Finished Goods	1,854.79	4,392.07
	2,901.23	6,013.32
(Increase) / Decrease in Stock	3,112.09	(1,774.81)

22. EMPLOYEE BENEFIT EXPENSE

(₹ in lacs)

	Year ended March 31, 2020	Year ended March 31, 2019
Salary and wages	2,636.36	2,830.04
Employee Stock Option Expenses	25.66	201.65
Contribution to provident fund and family pension fund	122.11	117.93
Staff welfare expenses	110.78	90.08
Gratuity	65.12	88.43
	2,960.03	3,328.13



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

23. FINANCE COST

(₹ in lacs)

	Year ended March 31, 2020	Year ended March 31, 2019
Interest on Term Loans	3,158.93	4,444.34
Interest on Cash Credits / Working Capital Demand Loan	6,641.91	11,436.57
Interest on Lease Liabilities	15.12	-
Others *	3,077.32	2,539.77
	12,893.28	18,420.68

* Includes unwinding of discount of ₹ 1,007.51 lacs and amortisation of deferred fair value gains of ₹ 1,007.51 lacs

24. OTHER EXPENSES

(₹ in lacs)

	Year ended March 31, 2020	Year ended March 31, 2019
Power and fuel	378.66	652.63
Repairs & maintenance		
i) Plant & Equipment	19.13	48.78
ii) Buildings	0.04	1.31
iii) Others	201.21	231.30
Insurance	108.92	48.86
Rent	31.04	95.14
Contract manufacturing cost	2,837.31	3,778.18
Legal and professional charges	1,257.73	1,057.35
Auditor's Remuneration (Refer Note 38)	27.56	15.66
Rates and taxes	2,257.58	2,592.74
Freight, transport charges & other expenses	1,997.11	2,396.46
Selling expenses [Sales Promotion & Advertising etc.]	7,486.88	6,418.58
Travelling and conveyance expenses	79.59	116.64
Printing and stationery	28.35	29.37
Communication expenses	54.92	53.72
Vehicle running expenses	21.91	38.91
Director sitting fees	4.30	2.28
Expected Credit Loss on trade receivables	-	701.82
Bad Debts	423.62	-
Loss on Sale of Assets	-	1.06
Donation		
i) To Political Parties	-	100.00
ii) Others	0.50	73.66
Corporate Social Responsibility	39.49	70.96
Foreign Exchange Fluctuation Loss	417.49	324.23
Allowance for doubtful advances / deposits / Inventory	7,968.52	5,543.09
Impairment for Goodwill	2,326.23	-
Advances written off	3,621.41	129.18
Miscellaneous expenses	707.17	702.63
	32,296.67	25,224.54

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 Company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.
- c) **The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:**

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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, 2020

(₹ in lacs)

	Carrying amount				
	Financial assets - FVTPL	FVOCI - Equity Instruments	Financial assets - cost / amortised cost	Financial liabilities - cost / amortised cost	Total carrying amount
Financial assets measured at fair value					
Investments	-	3.22	-	-	3.22
	-	3.22	-	-	3.22
Financial assets not measured at fair value					
Investments	-	-	0.55	-	0.55
Trade Receivables	-	-	24,337.52	-	24,337.52
Cash and Cash Equivalents	-	-	3,733.58	-	3,733.58
Other Bank Balances	-	-	237.77	-	237.77
Loans	-	-	1.65	-	1.65
Other Financial Assets	-	-	2,967.31	-	2,967.31
	-	-	31,278.38	-	31,278.38
Financial liabilities not measured at fair value					
Borrowings	-	-	-	53,940.37	53,940.37
Trade Payables	-	-	-	15,526.60	15,526.60
Lease Liabilities	-	-	-	92.11	92.11
Other Financial Liabilities	-	-	-	32,498.42	32,498.42
	-	-	-	1,02,057.50	1,02,057.50

The Company has not disclosed the fair values for financial instruments such as investments, 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 (Contd.)

As at March 31, 2019

(₹ in lacs)

	Carrying amount				
	Financial assets - FVTPL	FVOCI - Equity Instruments	Financial assets - cost / amortised cost	Financial liabilities - cost / amortised cost	Total carrying amount
Financial assets measured at fair value					
Investments	344.47	3.22	-	-	347.69
	344.47	3.22	-	-	347.69
Financial assets not measured at fair value					
Investments	-	-	0.55	-	0.55
Trade Receivables	-	-	24,098.82	-	24,098.82
Cash and Cash Equivalents	-	-	5,017.01	-	5,017.01
Other Bank Balances	-	-	288.82	-	288.82
Loans	-	-	7.66	-	7.66
Other Financial Assets	-	-	5,084.66	-	5,084.66
	-	-	34,497.52	-	34,497.52
Financial liabilities not measured at fair value					
Borrowings		-	-	81,540.54	81,540.54
Trade Payables		-	-	19,465.66	19,465.66
Other Financial Liabilities		-	-	52,610.31	52,610.31
		-	-	1,53,616.51	1,53,616.51

The Company has not disclosed the fair values for financial instruments such as investments, 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, 2020			As at March 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Asset	-	-	-	-	-	-
Non current Investments	-	-	3.22	-	-	3.22
Current Investment	-	-	-	-	344.47	-

26. FINANCIAL RISK MANAGEMENT**Objectives and policies****Risk management framework**

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 :-

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	24,337.52	24,098.82
Cash and cash equivalents	3,733.58	5,017.01
Other bank balances	237.77	288.82
Loans	1.65	7.66
Other financial assets	2,967.31	5,084.66
Total	31,277.83	34,496.97

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

(₹ in lacs)

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
As at March 31, 2020	24,337.52	24,337.52	-
As at March 31, 2019	24,098.82	24,098.82	-

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.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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, 2020*(₹ in lacs)*

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	53,940.37	5,000.16	48,940.21
Lease Liabilities	92.11	39.63	52.48
Other Financial Liabilities	32,498.42	12,042.98	20,455.44
Trade Payables	15,526.60	15,526.60	-
	1,02,057.50	32,609.37	69,448.13

As at March 31, 2019*(₹ in lacs)*

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	81,540.54	81,527.39	13.15
Lease Liabilities	-	-	-
Other Financial Liabilities	52,610.31	38,450.48	14,159.83
Trade Payables	19,465.66	19,465.66	-
	1,53,616.51	1,39,443.53	14,172.98

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The Company manages market risk through a risk management committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Exposure to currency risk

The Company's exposure to currency risk as reported to the management is as follows: *(in lacs)*

Particulars	As at March 31, 2020 USD	As at March 31, 2019 USD
Export receivables	0.25	0.08
Overseas payables	(94.91)	(94.91)
Total	(94.66)	(94.83)

Foreign currency sensitivity

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

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Increase / (decrease) in profit	(71.09)	(65.88)
Total increase / (decrease) in profit	(71.09)	(65.88)

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:

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed rate instruments		
<i>Financial liabilities</i>		
Borrowings	73,843.51	1,027.72
Total	73,843.51	1,027.72
Variable-rate instruments		
<i>Financial liabilities</i>		
Borrowings	4,251.68	1,09,910.43
Total	4,251.68	1,09,910.43

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.

Particulars	Profit or loss
March 31, 2020	
Variable-rate instruments	(42.52)
Cash flow sensitivity	(42.52)
March 31, 2019	
Variable-rate instruments	(1,099.10)
Cash flow sensitivity	(1,099.10)

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.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

27. DEFERRED TAX ASSETS (NET)

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 April 1, 2019	Recognised in Profit & loss	Closing Balance as at March 31, 2020
Deferred Tax liabilities in relation to			
Property Plant & Equipment	(8,265.08)	2,105.91	(6,159.17)
Unrealized gain on Investment	(0.56)	0.56	-
Total A	(8,265.64)	2,106.47	(6,159.17)
Deferred Tax Assets in relation to			
Lease Liabilities/ ROU assets	-	2.66	2.66
Employee Benefit obligation	72.38	78.76	151.14
Provision/ Impairment for Doubtful Debts/ Advances/ Deposits	-	3,750.24	3,750.24
Impairment in value of Investments	-	80.29	80.29
MAT Credit	97.37	(64.76)	32.61
Business Loss/ Unabsorbed depreciation	8,129.11	(5,986.88)	2,142.23
Total B	8,298.86	(2,139.69)	6,159.17
Total (A+B)	33.22	(33.22)	-

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 ₹ 26,804.81 lacs as on March 31, 2020 (P.Y. ₹ 22,241.4 lacs).

27.2 Impact of tax rate change:

The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred Tax Assets/ (Liabilities) basis the rate prescribed in the said section. The full impact of this change has been recognised in the statement of Profit & Loss for the year.

28. INCOME TAXES

(₹ in lacs)

	As at March 31, 2020	As at March 31, 2019
a) Income Tax recognised in the Statement of Profit and Loss		
Current Tax		
In respect of current year	0.62	23.05
Adjustments in respect of previous years	120.34	-
Deferred Tax		
In respect of current year	33.22	64.15
Adjustments in respect of deferred tax of previous years	-	-
MAT credit (including earlier year)	-	(97.37)
Total	154.18	(10.17)
b) Income tax expense recognised in Other Comprehensive Income		
Income tax expense on remeasurement of defined benefit plans	-	0.27
c) Current Tax Liabilities		
Provision for Taxation (Net of Advance Tax)	0.62	1.39
d) Non-Current Tax Assets		
Advance Tax (Net of Provision for Taxation)	651.33	603.75

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 :-

	As at March 31, 2020	As at March 31, 2019
Total Net Debt	54,035.10	1,06,072.84
Total Equity	(1,737.28)	(28,721.85)
Debt to Equity Ratio	Nil	Nil

(₹ in lacs)

30. NOTE ON RESTRUCTURING:

In 2017 Punjab National Bank and AXIS Bank assigned their working capital facilities on the same terms and conditions as contained in their respective existing Working capital documents and IFCI assigned its Term loan on the same terms and conditions as contained in their existing Term Loan documents to Edelweiss Asset Reconstruction Company Limited vide their respective assignment agreements. Edelweiss Asset Reconstruction Company Limited shall be acting in capacity of the trustee of EARC Trust SC269, EARC Trust SC233 and EARC Trust SC241 (hereinafter referred to as the "Lender"). Post the assignment of the aforesaid loans, the total outstanding dues of the Company to the Lender as at March 31, 2019 was ₹ 52,332.37 lacs.

The Company had requested the Lenders for restructuring of the total outstanding debt as the operations had come under strain due to change in market conditions, Government policies and various other external reasons.

Based on the request of the Company and Amit Dahanukar, Vahni Distilleries Private Ltd and PunjabExpo Breweries Private Ltd (collectively referred as the 'Co-Obligors'), restructuring of the total outstanding loan has been approved by the Lender. Accordingly, the Lender, the Company and Co-Obligors have executed a Master Restructuring Agreement (MRA) dated February 6, 2020 to record the terms and give effect to the restructuring package contained in the Sanction letter.

The significant highlights of the MRA are as under:

- 1 Total loan of ₹ 52,332.37 lacs is covered under the MRA.
- 2 With effect from the cut-off date the EARC Trust SC233 debt shall be restructured into Term loan of ₹ 7,408.81 lacs consisting of restructured Debt of ₹ 2,899.36 lacs (restructured Debt 1) and balance debt of ₹ 4,509.45 lacs (Balance Debt 1)
- 3 With effect from the cut-off date the EARC Trust SC241 debt shall be restructured into Term loan of ₹ 27,953.59 lacs consisting of restructured debt of ₹ 25,647.23 lacs (Restructured Debt 2) and balance debt of ₹ 2,306.36 lacs (Balance debt 2)
- 4 With effect from the cut-off date the EARC Trust SC269 debt shall be restructured into Term loan of ₹ 16,969.97 lacs consisting of restructured debt of ₹ 5,900.64 lacs (Restructured Debt 3) and balance debt of ₹ 11,069.33 lacs (Balance Debt 3)
- 5 The Company shall pay interest @ 9% per annum on the Restructured Debt compounded on quarterly basis.
- 6 Balance debt 1, 2 and 3 aggregating ₹ 17,885.14 lacs shall be collectively referred to as Balance Debt.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- 7 Out of the balance debt, ₹ 3,386.75 lacs shall not bear Interest and be converted into Equity shares. (referred to as Converted Balance Debt)
- 8 On the balance debt minus the converted balance debt i.e. ₹ 14,498.38 lacs, interest shall accrue at 0.001% till such time as the Restructured debt is repaid by the Company to the Lender, to the satisfaction of Lender. Upon such payment/repayment being complete the outstanding balance debt along with accrued Interest shall be waived by the Lender.
- 9 There shall be a moratorium on Interest payment and Principal repayment as per the MRA.
- 10 The revised repayment schedule and Interest payment is given in note no.13

The Financial impact arising out of the restructuring is as under:

As a result of the substantial modification in the terms of existing loans due to the restructuring package, the Company has de-recognised the existing loans and has recognised the new loans with revised terms with effect from April 01, 2019. The terms of the restructuring package are summarised as follows:

(₹ in lacs)

Lender trusts	Carrying amount of existing loans de-recognised as on April 01, 2019*	Amount of restructured loans recognised as on April 01, 2019	Balance debt
EARC trust SC 233	7,408.81	2,899.36	4,509.45
EARC trust SC 241	27,953.59	25,647.23	2,306.36
EARC trust SC 269	16,969.97	5,900.64	11,069.33
Total	52,332.37	34,447.23	17,885.14

*At amortised cost including interest as on April 01, 2019.

The treatment of the balance debts has been agreed as follows:

(₹ in lacs)

Particulars	Number of shares to be issued (in lacs)	% Share in the Company's equity capital	Amount
(A) Balance debt as above			17,885.14
(B) Equity shares to be issued to the following trusts on fully diluted basis:			
EARC trust SC 233	33.77	1.70%	575.74
EARC trust SC 241	79.45	4.00%	1,354.70
EARC trust SC 269	85.41	4.30%	1,456.31
Converted balance debt			3,386.75
(C) Balance debt after converted balance debt to be waived off (A-B)			14,498.38

The above balance debt of ₹ 14,498.38 lacs carries interest at the rate of 0.001% per annum. At initial recognition, the same has been accounted at present value, discounted at an estimated fair value rate of 12% per annum. The gain on initial recognition has been deferred and is being amortised over the period of the loan by netting off against the interest cost on the amortised cost of the loan in the subsequent periods.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

31. CONTINGENT LIABILITY NOT PROVIDED FOR:

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Bank guarantees issued on behalf of the Company	135.80	90.30
b) Corporate guarantees issued to banks on behalf of Subsidiary Company	1,548.98	1,429.77
c) In respect of disputed Income tax matters, pending before the appropriate Income tax authorities, contested by the Company		
A.Y. 2009-10	562.47	562.47
d) In respect of disputed Sales tax matters, pending before the appropriate tax authorities, contested by the Company		
April 2012 - January 2016 (Central Excise)	1.84	-
F. Y. 2015-16 (MVAT)	94.35	-
F. Y. 2015-16 (Central Sales Tax)	146.72	-
F. Y. 2014-15 (MVAT)	57.85	57.85
F. Y. 2014-15 (Central Sales Tax)	27.29	27.29
F. Y. 2014-15 (KVAT- Kerala)	32.17	-
F. Y. 2014-15 (CST- Kerala)	170.02	-
F. Y. 2013-14 (MVAT)	1,290.65	1,290.65
F. Y. 2013-14 (Central Sales Tax)	1,201.20	1,201.20
F. Y. 2013-14 (KVAT- Kerala)	28.31	-
F. Y. 2013-14 (CST- Kerala)	141.94	-
F. Y. 2012-13 (MVAT)	1,322.25	1,322.25
F. Y. 2012-13 (Central Sales Tax)	1,334.96	1,334.96
F. Y. 2011-12 (Central Sales Tax)	295.06	295.06
F. Y. 2010-11 (MVAT)	36.94	36.94
F. Y. 2010-11 (Central Sales Tax)	244.96	244.96
F. Y. 2015-16 (Entry Tax - Karnataka)	22.00	-
e) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	-	-

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 CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

32. 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, 2020
Carrying amount right-of-use assets at beginning of the year	117.99
Additions to right-of-use assets during the year	18.13
Deletions to right-of-use assets during the year	11.53
Amortisation of right-of-use assets during the year	43.05
Interest expense (unwinding of discount) on lease liabilities	15.12
Total cash outflows in respect of leases	47.04
Carrying amount right-of-use assets at year end	81.54

- b) Lease rentals of ₹ 31.04 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 ₹ 25.49 lacs paid towards lease rentals has been charged to Statement of Profit and Loss under the Contract manufacturing cost.
- d) Maturity profile :

(₹ in lacs)

Maturities of Lease Liabilities	Carrying amount	Less than 1 year	1 to 3 years	3 to 5 years	above 5 years
Lease Liabilities	92.11	39.63	52.48	-	-

33. 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 ₹ 122.11 lacs (P.Y. ₹ 117.93 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, 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The net value of the defined commitment is detailed below:

(₹ in lacs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Funded Gratuity	Unfunded Gratuity	Funded Gratuity	Unfunded Gratuity
Present Value of obligation	376.99	92.66	354.36	79.50
Fair Value of Plans	51.68	-	51.28	-
Net Liability in the balance sheet	325.31	92.66	303.08	79.50
Defined Benefit Obligations	-	-	-	-
Opening balance	354.36	79.50	344.10	46.73
Interest expenses	26.72	6.17	26.91	3.64
Current service cost	19.82	16.28	18.48	8.55
Past service cost	-	-	-	-
(Liability Transferred Out/ Divestments)	7.41	(7.41)	-	12.20
Benefit paid directly by the employer	(41.93)	(1.64)	(42.68)	(1.29)
Benefit paid directly from the fund	-	-	-	-
Actuarial (gain) / loss-Due to change in Financial assumptions	14.51	8.51	5.47	0.18
Actuarial (gain) / loss- Due to Experience	(3.90)	(8.75)	2.08	9.50
Closing balance	376.99	92.66	354.36	79.50
Plan Assets	-	-	-	-
Opening balance	51.29	-	47.93	-
Interest Income	3.87	-	3.75	-
Expected return on plan assets	(3.48)	-	(0.39)	-
Paid Funds	-	-	-	-
Actuarial (gain) / loss	-	-	-	-
Closing balance	51.68	-	51.29	-

(₹ in lacs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Funded Gratuity	Unfunded Gratuity	Funded Gratuity	Unfunded Gratuity
Return on Plan Assets	-	-	-	-
Expected return on plan assets	(3.48)	-	(0.39)	-
Actuarial (gain) / loss	-	-	-	-
Actual Return on Plan Assets	(3.48)	-	(0.39)	-
Expenses Recognised in the Statement of Profit or Loss on defined benefit plan	-	-	-	-
Current service costs	19.82	16.28	18.48	8.55
Past service cost	-	-	-	-
Interest expense	26.72	6.17	26.91	3.64
Interest Income	(3.87)	-	(3.75)	-
Expected return on plan assets	-	-	-	-
Expenses Recognised	42.67	22.45	41.64	12.19
Expenses Recognised in the Other Comprehensive Income (OCI)	-	-	-	-
Actuarial (gain) / loss	10.61	(0.24)	7.55	9.68
Expected return on plan assets	3.48	-	0.39	-
Net (Income)/ Expense for the period Recognised in OCI	14.09	(0.24)	7.94	9.68



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Funded Gratuity	Unfunded Gratuity	Funded Gratuity	Unfunded Gratuity
Maturity Analysis of the Benefit Payments: From the Employer / Fund				
Projected Benefits Payable in Future Years From the Date of Reporting				
1st Following Year	89.46	2.11	77.88	8.48
2nd Following Year	24.71	2.21	22.47	1.99
3rd Following Year	43.12	2.40	33.13	2.33
4th Following Year	38.35	4.76	42.39	2.25
5th Following Year	30.17	6.11	39.38	4.20
Sum of Years 6 to 10	111.40	36.42	111.18	31.02
Sum of Years 11 and above	275.21	165.68	288.10	157.62
Sensitivity Analysis				
Projected Benefits Obligations on Current Assumptions	376.99	92.67	354.36	79.50
Delta Effect +1% Change in Rate of Discounting	(19.81)	(9.28)	(18.72)	(7.41)
Delta Effect -1% Change in Rate of Discounting	22.42	10.79	21.15	8.64
Delta Effect +1% Change in Rate of Salary Increase	22.60	9.03	21.47	8.39
Delta Effect -1% Change in Rate of Salary Increase	(20.32)	(7.92)	(19.32)	(7.65)
Delta Effect +1% Change in Rate of Employee Turnover	2.53	1.32	3.59	1.45
Delta Effect -1% Change in Rate of Employee Turnover	(2.79)	(1.56)	(3.96)	(1.68)

Investments Details	As at March 31, 2020		As at March 31, 2019	
	% Invested	% Invested	% Invested	% Invested
Funds Managed by Life Insurance Corporation	100	-	100	-
Public Sector Unit Bonds	-	-	-	-
State / Central Guaranteed securities	-	-	-	-
Special deposit schemes	-	-	-	-
Other (excluding bank balances)	-	-	-	-
	100	-	100	-

Actuarial assumptions	As at March 31, 2020		As at March 31, 2019	
	Funded Gratuity	Unfunded Gratuity	Funded Gratuity	Unfunded Gratuity
Mortality (LIC)	2006-08 Ultimate		2006-08 Ultimate	
Discount rate (per annum)	6.82%	6.86%	7.54%	7.75%
Expected rate of return on plan assets (per annum)	6.82%	-	7.54%	-
Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%	5.00%
Attrition rate (per annum)	16.00%	2.00%	16.00%	2.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Present value of DBO	376.99	354.36	344.10	353.87	362.20
Fair value of plan assets	51.68	51.29	47.93	44.52	41.13
Deficit/(Surplus)	325.31	303.07	296.17	309.34	321.08
Experience adjustments on plan liabilities	-	-	-	46.89	(15.17)
Experience adjustments on plan assets	-	-	-	0.11	0.16

(₹ in lacs)

Unfunded Gratuity for the year ended	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Present value of DBO	92.66	79.50	46.73	42.23	24.93
Fair value of plan assets	-	-	-	-	-
Deficit/(Surplus)	92.66	79.50	46.73	42.23	24.93
Experience adjustments on plan liabilities	-	-	-	9.02	(1.67)
Experience adjustments on plan assets	-	-	-	-	-

34. EMPLOYEE STOCK OPTION SCHEME

- 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.
- During the financial year ended March 31, 2020 the following schemes were in operation :

A) Employee Stock Option Scheme 2008

Particulars	Grant 1	Grant 2	Grant 3	Grant 4
Date of Grant	July 02, 2009	Jan 28, 2010	June 25, 2010	Aug 07, 2010
Date of the Board Approval	July 02, 2009	Jan 28, 2010	June 25, 2010	Aug 07, 2010
Date of the Shareholders' Approval	Aug 06, 2008	Aug 06, 2008	Aug 06, 2008	Aug 06, 2008
Number of options granted till March 31, 2020	7,30,400	37,30,521	1,54,200	8,43,663
Number of options cancelled till March 31, 2020	2,41,700	8,46,381	33,870	2,02,818
Number of options lapsed till March 31, 2020	17,100	7,34,120	73,260	4,93,352
Number of options exercised till March 31, 2020	4,71,600	21,50,020	47,070	1,47,493
Net options outstanding as on March 31, 2020	-	-	-	-
Vesting period from the date of grant	4 years	4 years	4 years	4 years
Exercise period from the date of vesting	2 years	2 years	2 years	2 years



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

B) Employee Stock Option Scheme 2010

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6
Date of Grant	Jan 15, 2011	Aug 01, 2011	Oct 21, 2011	Nov 11, 2011	July 5, 2016	June 14, 2018
Date of the Board Approval	Jan 15, 2011	Aug 01, 2011	Oct 21, 2011	Nov 11, 2011	July 5, 2016	June 14, 2018
Date of the Shareholders Approval	Sept 20, 2010	Sept 20, 2010	Sept 20, 2010	Sept 20, 2010	Sept 20, 2010	Sept 20, 2010
Number of options granted till March 31, 2020	16,15,500	5,12,000	33,79,600	9,69,000	21,50,000	12,00,000
Number of options cancelled till March 31, 2020	7,56,240	1,73,840	16,84,724	-	6,23,850	-
Number of options lapsed till March 31, 2020	7,61,670	2,37,482	3,91,794	4,28,300	6,59,550	-
Number of options exercised till March 31, 2020	97,590	1,00,678	13,03,082	5,40,700	52,650	-
Net options outstanding as on March 31, 2020	-	-	-	-	8,13,950	12,00,000
Vesting period from the date of grant	3 years	3 years	3 years	3 years	3 years	3 years
Exercise period from the date of vesting	2 years	2 years	2 years	2 years	2 years	2 years

C) Employee Stock Option Scheme 2012

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6
Date of Grant	May 28, 2012	Feb 04, 2013	May 30, 2013	May 26, 2014	July 5, 2016	June 14, 2018
Date of the Board Approval	May 28, 2012	Feb 04, 2013	May 30, 2013	May 26, 2014	July 5, 2016	June 14, 2018
Date of the Shareholders Approval	May 24, 2012	May 24, 2012	May 24, 2012	May 24, 2012	May 24, 2012	May 24, 2012
Number of options granted till March 31, 2020	30,00,000	10,00,000	10,00,000	10,00,000	30,00,000	26,00,000
Number of options cancelled till March 31, 2020	2,40,442	1,56,390	3,34,630	1,21,200	6,00,000	-
Number of options lapsed till March 31, 2020	23,29,591	8,43,610	6,56,655	8,78,800	7,45,000	-
Number of options exercised till March 31, 2020	4,29,967	-	8,715	-	3,25,000	-
Net options outstanding as on March 31, 2020	-	-	-	-	13,30,000	26,00,000
Vesting period from the date of grant	3 years	3 years	3 years	3 years	3 years	3 years
Exercise period from the date of vesting	2 years	2 years	2 years	2 years	2 years	2 years

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

c) The details of the options as on March 31, 2020 are as under:

(Nos. in lacs)

Particulars	ESOP Scheme 2008	ESOP Scheme 2010	ESOP Scheme 2012
Financial Year 2018-19			
Options outstanding as on April 01, 2018	-	15.48	28.67
Options granted from April 01, 2018 to March 31, 2019		12.00	26.00
Options cancelled from April 01, 2018 to March 31, 2019		0.24	-
Options lapsed from April 01, 2018 to March 31, 2019		0.55	6.37
Options exercised April 01, 2018 to March 31, 2019		0.53	3.25
Options outstanding as on March 31, 2019	-	26.16	45.05
Financial Year 2019-20			
Options outstanding as on April 01, 2019	-	26.16	45.05
Options granted from April 01, 2019 to March 31, 2020		-	-
Options cancelled from April 01, 2019 to March 31, 2020		0.64	-
Options lapsed from April 01, 2019 to March 31, 2020		5.38	5.75
Options exercised April 01, 2019 to March 31, 2020		-	-
Options outstanding as on March 31, 2020	-	20.14	39.30

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 2008

Particulars	Grant 1	Grant 2	Grant 3	Grant 4
Dates of Grant	July 02, 2009	Jan 28, 2010	June 25, 2010	Aug 07, 2010
Market Price (₹ per share) on the dates of grant	143.45	99.45	145.75	199.65
Volatility	71.49%	68.41%	66.45%	66.11%
Risk free rate	6.24%	6.76%	7.10%	7.59%
Exercise price (pre all bonuses)	120	75	110	150
Time to maturity (years)	4	4	4	4
Dividend yield	2.00%	2.00%	2.24%	2.24%
Option fair value (₹ per share)	66.80	49.11	71.37	98.71

B) Employee Stock Option Scheme 2010

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6
Dates of Grant	Jan 15, 2011	Aug 01, 2011	Oct 21, 2011	Nov 11, 2011	Jul 05, 2016	June 14, 2018
Market Price (₹ per share) on the dates of grant	83.00	51.20	33.95	32.60	15.80	20.65
Volatility	66.25%	63.86%	63.63%	63.67%	51.21%	57.12%
Risk free rate	7.97%	8.36%	8.58%	8.99%	6.57%	7.90%
Exercise price	60	38	25	25	13	15
Time to maturity (years)	3	3	3	3	3	3
Dividend yield	2.24%	2.10%	2.10%	2.10%	0.91%	0.00%
Option fair value (₹ per share)	41.89	26.23	17.50	16.55	7.04	11.45



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

C) Employee Stock Option Scheme 2012

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6
Dates of Grant	May 28, 2012	Feb 04, 2013	May 30, 2013	May 26, 2014	Jul 05, 2016	June 14, 2018
Market Price (₹ per share) on the dates of grant	56.30	77.20	60.40	61.35	15.80	20.65
Volatility	61.31%	57.71%	55.67%	49.33%	51.21%	57.12%
Risk free rate	8.24%	7.95%	7.24%	8.52%	6.57%	7.90%
Exercise price	42	60	45	46	13	15
Time to maturity (years)	3	3	3	3	3	3
Dividend yield	1.84%	1.84%	1.83%	1.67%	0.91%	0.00%
Option fair value (₹ per share)	28.56	36.86	28.71	28.54	7.04	11.45

35. 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.

36. RELATED PARTY DISCLOSURES:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

- | | | |
|---|---|--|
| a) 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

: Mr. Srijit Mullick
: Mr. Gaurav Thakur | - Chairman & Managing Director
- Non-Executive Director
- Independent Director
- Independent Director
- Independent Director
- Independent Director
- (appointed as an Independent Director w.e.f. Oct 31, 2018)
- Independent Director
- (appointed as an Independent Director w.e.f. Oct 31, 2018)
- Chief Financial Officer
- Company Secretary |
| b) Company in which Key Managerial Personnel has substantial interest | : M.L. Dahanukar & Co. Pvt. Ltd.
: Arunoday Investments Pvt. Ltd.
: Maharashtra Sugar Mills Pvt. Ltd.
: Smt. Malati Dahanukar Trust | |
| c) Relative of Key Managerial Personnel | : Dr. Priyadarshini A. Dahanukar | |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

Nature of Transaction	Parties referred in (a) above		Parties referred in (b) above		Parties referred in (c) above	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Donations						
Smt. Malati Dahanukar Trust	-	-	22.00	24.11	-	-
Total	-	-	22.00	24.11	-	-
Remuneration to Key Managerial Personnel						
Mr. Amit Dahanukar	441.00	278.21	-	-	-	-
Mrs. Shivani Amit Dahanukar	275.51	196.29	-	-	-	-
Mr. Srijit Mullick	58.83	61.94	-	-	-	-
Mr. Gaurav Thakur	36.42	35.56	-	-	-	-
Total	811.76	572.00	-	-	-	-
Director sitting fees						
Mrs. Shivani Amit Dahanukar	0.50	0.20	-	-	-	-
Dr. Ravindra Bapat	0.60	0.65	-	-	-	-
Mr. C V Bijlani	1.15	0.65	-	-	-	-
Mr. Kishorekumar Mhatre	0.60	0.60	-	-	-	-
Maj.Gen. Dilawar Singh (Retd.)	0.45	0.10	-	-	-	-
Mr. Satish Chand Mathur	0.30	0.10	-	-	-	-
Total	3.60	2.30	-	-	-	-
Rent Expense						
Mr. Amit Dahanukar	10.12	9.20	-	-	-	-
Dr. Priyadarshini A. Dahanukar	-	-	-	-	23.80	16.97
Total	10.12	9.20	-	-	23.80	16.97
Repayment of Loan						
Maharashtra Sugar Mills Pvt. Ltd.	-	-	12.45	-	-	-
Total	-	-	12.45	-	-	-
Outstanding Receivable/ (Payable)						
Maharashtra Sugar Mills Pvt. Ltd.	-	-	-	(12.45)	-	-
Total	-	-	-	(12.45)	-	-
Rent Deposit						
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	-	-
Total	800.00	800.00	15.00	15.00	203.66	203.66

(₹ in lacs)

Compensation of key management personnel of the Company **	2019-20	2018-19
Short-term employee benefits	811.76	572.00
Post-employment benefits	-	-
Termination benefits	-	-
Sitting fees	3.60	2.30
Share-based payments	-	-
Total compensation of key management personnel of the Company	815.36	574.30

**Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- 37.** 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.

38. AUDITOR'S REMUNERATION CHARGED TO ACCOUNTS:

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Audit fees	16.76	15.39
b) Auditors remuneration in other services	10.63	-
b) Reimbursement of expenses	0.17	0.27
	27.56	15.66

- 39.** There are no amounts outstanding in respect of unpaid dividend for more than seven years to be transferred to Investor Education & Protection Fund.

- 40.** Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below :

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	1,817.46	970.40
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), 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 Micro, Small and Medium Enterprises Development Act, 2006;	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	94.55	59.11
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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-

41. EARNINGS PER SHARE:

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit After Tax	26,972.76	(15,951.33)
Weighted average number of shares	1,251.34	1,250.02
Basic Earnings Per Share	21.56	(12.76)
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	1,255.14	1,250.02
Diluted Earnings Per Share	21.49	(12.76)
Face Value per Equity Share	10.00	10.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- 42.** The Group has entered into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Group does not enter into any derivative instruments for trading or speculative purposes. The foreign currency exposure not hedged as at March 31, 2020 are as under:

Particulars	Currency	FC Amount (in lacs)	As at March 31, 2020	FC Amount (in lacs)	As at March 31, 2019
			(₹ in lacs)		(₹ in lacs)
Receivable - Debtors	USD	0.25	18.87	0.08	5.37
Term Loans	USD	20.63	1,548.98	20.63	1,429.77
Payable - Creditors	USD	74.28	5,578.81	74.28	5,158.44

- 43.** The Group 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 Group. Under such arrangements, the Group 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 Group. The Group 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)

In Profit and Loss	Year ended 2019-2020	Year ended 2018-2019
	Audited	Audited
Revenue from operations	59,752.29	67,448.32
Other Income	-	1.74
Total Income	59,752.29	67,450.06
Cost of materials consumed /Changes in inventories of finished goods, stock-in-trade and work-in-progress	16,894.34	15,295.56
Excise Duty	28,608.21	37,613.39
Finance costs	-	0.38
Other expenses	1,818.72	1,485.28
Total Expenses	47,321.27	54,394.61
Profit/(Loss)	12,431.02	13,055.45

(₹ in lacs)

In Balance Sheet	As at March 31, 2020	As at March 31, 2019
	Audited	Audited
Assets		
Inventory	2,515.10	3,400.78
Trade Receivables	14,883.10	11,448.91
Cash and Bank Balances	606.79	734.76
Other Financial Assets	57.90	50.90
Other Assets	858.42	1,569.60
Liabilities		
Trade Payables	2,174.72	4,329.52
Provisions	383.96	587.71
Other Liabilities	4,431.43	166.87



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

44. EXCEPTIONAL ITEMS ACCOUNTED AS NET INCOME INCLUDE THE FOLLOWING :

- a) During 2017-2018, the Company had entered into a One Time Settlement (OTS) with Bank of India at ₹ 9,500.00 lacs in full and final settlement of its dues payable over a period of three years. The Company has paid ₹ 3,000.00 lacs during the year ended March 31, 2020 in compliance with the payment schedule of the OTS. Until the payment of last instalment, the Company continued to provide interest in books of accounts on the principal outstanding at original contracted rates. Consequent to the full and final payment to Bank of India, the Company has written back ₹ 22,623.77 lacs being the difference between the OTS amounts paid and the total dues to Bank of India of ₹ 32,123.77 lacs, including interest accounted in books of accounts.
- b) During the current year the Company entered into a One Time Settlement (OTS) with State Bank of India at ₹10,200.00 lacs in full and final settlement of its outstanding Working Capital dues of ₹ 29,727.26 lacs as per its books of accounts including interest at original contracted rates, pursuant to which the entire settlement amount has been paid before March 31, 2020 in accordance with the terms and conditions of the OTS. Consequent to the full and final payment to State Bank of India, the Company has written back ₹ 19,527.26 lacs being the difference between the OTS amounts paid and the total dues to State Bank of India including interest in books of accounts.
- c) During the current year, the Company entered into a One Time Settlement (OTS) with IDBI Ltd. at ₹ 1,603.83 lacs in full and final settlement of its outstanding Working Capital dues of ₹ 4,971.15 lacs including interest at original contracted rates, pursuant to which the entire settlement amount has been paid before March 31, 2020 in accordance with the terms and conditions of the OTS. Consequent to the full and final payments to IDBI Ltd., the Company has written back ₹ 3,367.32 lacs being the difference between the OTS amounts paid and the total dues to IDBI Ltd. including interest in books of accounts.

Consequent to the full and final payments to the banks with respect to the above Compromise Settlements with the banks, the Company has written back in aggregate ₹ 45,518.35 lacs being the difference between the OTS amounts paid and the total dues to the various banks including interest in books of accounts on the principal outstanding at original contracted rates.

The amounts written back of ₹ 45,518.35 lacs includes interest of ₹ 6,043.97 lacs pertaining to the period April 2019 to December 2019.

- 45.** The Company had 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 September 02, 2021. 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.

- 46.** In lieu of advances given to certain bodies corporate amounting to ₹ 6,074.08 lacs, the Company had received land from their holding company. The land received has been registered in the name of the Company. The advances have not been adjusted against the dues to the said holding company pending completion of the merger formalities of the said bodies corporate with their holding company. In view of this, the management believes that no provision is considered necessary in the books of accounts.

- 47.** a) Anupama Wine Distributors has filed a suit before the City Civil Court, Bangalore claiming ₹ 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 ₹ 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 a transfer petition to club both the matters related to Anupama Wine Distributors and Anupama Distributors as the evidences are the same.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- 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.

- 48.** The net worth of PunjabExpo Breweries Private Limited, a subsidiary of TI, has eroded consequent to the losses incurred in 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 the company. Moreover, the Company is also in the process of rationalization of its administrative overheads the effect of which is expected in the last quarter of 2020-21. 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 Company'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.
- 49.** The National Company Law Tribunal("NCLT") has ordered for liquidation of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company ("Prag") vide its order No. MA 309/2018 in CP1067/ 2017 dated July 26, 2018, as a going concern. The Official Liquidator having initiated the preliminary process of liquidation of Prag as a going concern has sought for further directions from NCLT in the matter, which is still awaited. Tilaknagar Industries Ltd. has also submitted a formal proposal to the lenders for full and final settlement of all their claims, final approval for which is awaited. Hence, the accounts of Prag have been prepared on a going concern basis.
- 50.** The National Company Law Tribunal("NCLT") has ordered for liquidation of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company ("Prag") vide its order No. MA 309/2018 in CP1067/ 2017 dated July 26, 2018, as a going concern. The Official Liquidator having initiated the preliminary process of liquidation of Prag as a going concern has sought for further directions from NCLT in the matter, which is still awaited. The impairment, if any, of the project undertaken by Prag in earlier years will be considered on completion of the liquidation process/ final settlement as the case may be, as the recoverable value is not currently ascertainable.
- 51.** Trade Receivables of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company ("Prag"), include ₹ 586.55 lacs (PY ₹ 2,174.13 lacs) receivable from Andhra Pradesh Beverage Corporation Ltd. towards sale of IMFL made by the Company in 2018-2019 and 2019-2020 . Prag, through the Liquidator is in the process of filing an application with National Company Law Tribunal for approval 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.
- 52.** Prag Distillery (P) Ltd has filed an application with the Hon'ble National Company Law Tribunal seeking reversal of interest debited by DCB Bank during the Corporate Insolvency Resolution Process. The Hon'ble National Company Law Tribunal had directed DCB Bank to reverse the interest debited. The said order has been appealed against by DCB bank with the Hon'ble National Company Law Appellate Tribunal and later with the Hon'ble Supreme Court of India, where the matter is currently pending. Prag has also filed a Miscellaneous Application to the Hon'ble National Company Law Tribunal against DCB Bank Ltd., seeking removal of the lien marked on the bank account with DCB Bank and an order declaring the realisation/enforcement of security interest of DCB Bank Ltd. as null and void. The said application is pending before the National Company Law Tribunal for further arguments.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

53. The erosion of the net worth of the Group till the previous financial year has been substantially recovered in the current year and the negative networth stands at ₹ 1,737.28 lacs as at 31 March 2020 as compared to ₹ 28,721.85 lacs in the previous year. This is due to major reduction in debt resulting from compromise settlements with banks and entering into agreement, during the quarter ended March 31, 2020 with Edelweiss Asset Reconstruction Company Limited ("EARC") acting as Trustee on behalf of Trusts in favour of whom some of the lender Banks and Financial Institution have assigned all the rights, title and interests in financial assistances granted by them to the Company with respect to restructuring of the debts owed to it by the Company. The compromise settlements and restructuring agreement have significantly reduced the debt burden and consequential finance cost thereon, the benefit whereof will continue to accrue in the years to come. The Group has initiated the process of cost reduction, changes in business strategy and rationalisation of manpower which will strengthen its financial position.

In spite of the country wide lockdown due to the global pandemic affecting the operations in the first two months of the current year, ever since the staggered resumption of operations, sales have started stabilising across the country with certain southern states showing substantial growth and is expected to match the yearly estimates resulting in improved operational performance of the business in terms of sales, market share and margins.

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 Group'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.

54. In view of the country-wide lockdown due to the outbreak of COVID-19 pandemic, operations/despaches and administrative offices of the Company were scaled down or shut down for certain days beginning from second half of March, 2020. The lockdown is being lifted with systematic process by the Government at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. The Company continues to closely monitor the situation and take appropriate action in due compliance with the applicable regulations. The operations/despaches have partially resumed at certain locations of the Company in compliance with Government directives in May, 2020.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, trade receivables and other current assets. The eventual outcome or impact of COVID-19 on the Company's financials may differ from that estimated as at the date of approval of these financial statements, however, as per the current assessment of the management, the carrying amounts of these assets are expected to be recovered.

55. The consolidated financial statements of the Group for the year ended March 31, 2019 were audited by another firm of Chartered Accountants.

56. Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary

As per our Report of even date annexed.

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

Harshil Shah
Partner
Membership No.124146

Place: Mumbai
Date: September 15, 2020

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary

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, 2020, 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 the 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, 2020, 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 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. 44 of the standalone financial statements.
- b. The Company has not recognised impairment loss on long overdue advances given to certain parties amounting to ₹ 6,074.08 lacs as required by Indian Accounting Standard (Ind AS 109) 'Financial Instruments'. Reference is invited to note no. 45 of the standalone financial statements.
- c. 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. 48 of the standalone financial statements.

- d. We draw attention to note no. 49 stating that Punjab expo 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 ₹ 1,080.40 lacs and advances given of ₹ 3,436.87 lacs to Punjabexpo as required by Indian Accounting Standard (Ind AS 36) Impairment of Assets.

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 Standalone 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 standalone 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 standalone 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.

i. Provisions for Contingencies and Litigations and disclosure of Contingent liabilities

Description of Key Audit Matter:

As at March 31, 2020 the Company has significant tax exposures and is subject to periodic assessments/ challenges by tax authorities on income tax and range



INDEPENDENT AUDITOR'S REPORT (Contd.)

of indirect tax matters. The Company has also filed appeals with various appellate authorities against such demands. At March 31, 2020, the Company held provisions of ₹ 731.10 lacs in respect of legal claims and has disclosed total contingent liabilities of ₹ 8,607.96 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.

Refer Note no. 30, 47 and 1.3(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 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

ii. Management's assessment of appropriateness of Going Concern assumption

Description of Key Audit Matter:

During the year, the Company incurred loss before exceptional items and had accumulated losses of

₹ 35,545.97 lacs as on March 31, 2020. Further the Company's net worth has been fully eroded as at March 31, 2020. The Company has executed a Master Restructuring Agreement during the year with Edelweiss Asset Reconstruction Company Limited to restructure its outstanding loans (refer Note no. 29). This will result in cash outflows over the next few years for which the management has prepared cash flow forecast based on estimates and judgements. These conditions indicate requirement of assessment of the Company's ability to continue as a going concern and hence we have identified this matter as a key audit matter.

The Company's financial statements have been prepared on a going concern basis on the reporting date. The management's assessment in respect of going concern assumption is set out in Note no. 46 of the standalone financial statements.

Our response:

- We evaluated the appropriateness of management's use of going concern basis of accounting in the preparation of financial statements in accordance with Standard on Auditing issued by ICAI in this regard. We assessed the Company's disclosures regarding Going Concern in the financial statements.
- We discussed and evaluated the management's plans for future actions and cash flow projections in relation to its going concern assessment, to assess whether the outcome of those plans is likely to improve the situation and whether management's plans are feasible in the circumstances.
- We assessed the possible mitigating actions identified by management in the event that actual cash flows are below forecast.
- We assessed the Company's responses to the emerging business trends and consequential impact on the cash flows.
- We reviewed the terms of the Master Restructuring Agreement along with the repayment schedule to assess the ability of the Company to service the interest/ principal payments over the next twelve months.

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

comprises the information included in the Company's Board Report but does not include the financial statements and our auditor's report thereon. The Board Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the 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 standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone financial statements or, if such



INDEPENDENT AUDITOR'S REPORT (Contd.)

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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone 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 standalone 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) Due to COVID-19 related lockdown restrictions, the management of the Company was able to perform year end physical verification of inventories, only subsequent to the year end. Also we were not able to physically

observe the stock verification when carried out by the management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance note provided in SA 501 "Audit evidence – Specific Considerations for Selected items" and have obtained sufficient appropriate audit evidence to issue our opinion on the Company's financial statements. Our opinion is not modified in respect of this matter.

- b) The comparative financial information of the Company for the year ended March 31, 2019 were reviewed by the predecessor auditor who expressed modified opinion on that financial information on July 26, 2019.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the 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 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 Flow 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, 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 litigations on its financial position in its standalone financial statements. (Refer Note no. 30)
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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

Harshil Shah
Partner

Place: Mumbai

Date: September 15, 2020

Membership No. 124146

ICAI UDIN: 20124146AAAADL5360



ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- b) As informed to us, the Company has a regular program for physical verification of fixed assets by which all fixed assets are verified in a phased manner over a period of three 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. However, the Company has not verified all the fixed assets during the last three years, hence we are unable to comment on the discrepancies if any.
- c) In our opinion and according to the information and explanations given to us and on the basis of examination of the records of the Company the title deeds of immovable properties are held in the name of the Company.
- ii. Due to COVID-19 related lockdown restrictions, the management of the Company was able to perform year end physical verification of inventories, only subsequent to the year end. Also we were not able to physically observe the stock verification when carried out by the management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance note provided in SA 501 "Audit evidence – Specific Considerations for Selected items". As explained to us, the discrepancies noticed on physical verification of inventories were not material.
- iii. The Company has not granted loans, secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the Company.
- iv. In our opinion and according to the information and explanation given to us and the records examined by us, the Company has complied with the provision of section

185 and 186 of the Act with respect to loan given and investments made.

- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Rules framed are 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 of the Act, and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company, is generally regular in depositing undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues to the appropriate authorities.

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, goods and service tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at year end for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us by the Company and on the basis of our examination of the books of account and the record, there are no dues of, Service Tax, Goods and service tax and Duty of Customs, outstanding on account of any dispute. According to the records of the Company, the dues of Income Tax, Sales Tax, Duty of excise and Value added tax outstanding on account of dispute are as follows.

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
Income Tax Act, 1961	Income Tax	562.47	2008-09	CIT (Appeals)
Central Excise Act, 1944	Excise Duty	1.84	April 2012- January 2016	CESTAT
Sales Tax Rules	MVAT	36.94	2010-11	Deputy Commissioner (Appeals)
Sales Tax Rules	CST	244.96	2010-11	Deputy Commissioner (Appeals)
Sales Tax Rules	CST	295.06	2011-12	Joint Commissioner (Appeals)
Sales Tax Rules	MVAT	1,322.25	2012-13	Joint Commissioner (Appeals)
Sales Tax Rules	CST	1,334.96	2012-13	Joint Commissioner (Appeals)
Sales Tax Rules	MVAT	1,290.65	2013-14	Joint Commissioner (Appeals)
Sales Tax Rules	CST	1,201.20	2013-14	Joint Commissioner (Appeals)
Sales Tax Rules	MVAT	57.85	2014-15	Joint Commissioner (Appeals)
Sales Tax Rules	CST	27.29	2014-15	Joint Commissioner (Appeals)
Sales Tax Rules	MVAT	94.35	2015-16	Joint Commissioner (Appeals)
Sales Tax Rules	CST	146.72	2015-16	Joint Commissioner (Appeals)
Sales Tax Rules	KVAT	28.31	2013-14	Deputy Commissioner (Appeals)
Sales Tax Rules	CST	141.94	2013-14	Deputy Commissioner (Appeals)
Sales Tax Rules	KVAT	32.17	2014-15	Deputy Commissioner (Appeals)
Sales Tax Rules	CST	170.02	2014-15	Deputy Commissioner (Appeals)

- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has defaulted in repayment of loans to EARC (Refer Note no. 13). There are no outstanding loans or borrowings from any financial institutions, Government and debenture holders. The details of default as on balance sheet date are given below:

Name of lenders	Nature of Loan	Particulars	Amount of default as at Balance Sheet date (₹ in lacs)	Period of default
Edelweiss Asset Reconstruction Company	Term Loan	EARC Trust SC 241 (IFCI)	1,000.00	February 2020 to March 2020

- ix. The Company has not raised money through initial public offer or further public offer (including debt instruments) during the year. The Company has not taken any term loan from Banks during the year. According to the information and explanations given to us the term loans taken in past have been defaulted as referred in point (viii) above.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanation given to us, the Company has paid / provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the Related Parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to

**ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT (Contd.)**

us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Hence, the provisions of section 192 of the Act are not applicable.

- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Harshil Shah & Company**

Chartered Accountants

ICAI Firm Reg. No. 141179W

Harshil Shah

Partner

Place: Mumbai

Date: September 15, 2020

Membership No. 124146

ICAI UDIN: 20124146AAAADL5360

ANNEXURE - B TO THE AUDITORS' REPORT

(Referred to in paragraph 2 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")

We have audited the Internal Financial Controls over financial reporting of Tilaknagar Industries Ltd. ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over Financial Reporting to future

**ANNEXURE - B TO THE AUDITORS' REPORT (Contd.)**

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.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Control over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at March 31, 2020, 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.

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

Harshil Shah
Partner

Place: Mumbai
Date: September 15, 2020

Membership No. 124146
ICAI UDIN: 20124146AAAADL5360

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2020

(₹ in lacs)

	Note No.	As at March 31, 2020	As at March 31, 2019
I ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	48,023.36	50,591.23
Capital Work-in-Progress		-	1,510.77
Right of Use Assets	2	81.54	-
Other Intangible Assets	2	39.86	44.29
Financial Assets			
Investments	3	4,763.85	4,763.85
Loans	4	-	2.88
Other Financial Assets	5	2,517.38	4,724.74
Deferred Tax Assets (Net)	26	-	-
Other Non-Current Assets	6	6,893.01	7,444.70
Non-Current Tax Assets (Net)	27	455.72	379.87
		62,774.72	69,462.33
Current Assets			
Inventories	7	5,941.78	7,550.58
Financial Assets			
Trade Receivables	8	23,695.35	17,694.77
Cash and Cash Equivalents	9	1,099.56	1,097.85
Other Bank Balances	9	111.03	139.66
Loans	4	1.65	4.06
Other Financial Assets	5	5,165.99	12,586.00
Other Current Assets	6	2,291.43	6,854.97
		38,306.79	45,927.89
Total		1,01,081.51	1,15,390.22
II EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	12,513.38	12,513.38
Other Equity	11	(14,888.03)	(45,691.60)
		(2,374.65)	(33,178.22)
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	12	48,936.09	-
Lease Liabilities		52.48	-
Other Financial Liabilities	13	20,455.44	9,854.49
Provisions	14	309.06	283.89
Deferred Tax Liabilities (Net)	26	-	-
Other Non-Current Liabilities	15	4,329.51	-
		74,082.58	10,138.38
Current Liabilities			
Financial Liabilities			
Borrowings	12	2,404.66	79,247.16
Lease Liabilities		39.63	-
Trade Payables	16	-	-
Total outstanding dues of micro enterprises and small enterprises		1,659.41	698.94
Total outstanding dues of creditors other than micro enterprises and small enterprises		12,314.55	14,361.13
Other Financial Liabilities	13	10,118.97	42,872.72
Provisions	14	1,383.52	908.04
Other Current Liabilities	15	1,452.84	342.07
		29,373.58	1,38,430.06
Total		1,01,081.51	1,15,390.22
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-53		

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: September 15, 2020

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary



STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

		(₹ in lacs)	
	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
INCOME			
Revenue from Operations			
Sale of Products	17	147,670.32	71,351.28
Other Operating Income	17.1	248.07	6,809.94
Other Income	18	1,864.84	204.39
Total Income		149,783.23	78,365.61
EXPENSES			
Cost of Materials Consumed	19	32,086.37	23,554.86
(Increase) / Decrease in Stock	20	2,857.72	(2,355.10)
Excise Duty		83,063.01	29,262.11
Employee Benefit Expense	21	1,897.80	2,359.46
Finance Cost	22	12,508.30	16,819.13
Depreciation and Amortisation	2	3,118.90	3,499.44
Other Expenses	23	28,892.00	20,113.69
Total Expenses		164,424.10	93,253.59
Profit/ (loss) before exceptional items and tax		(14,640.87)	(14,887.98)
Add/ (less): Exceptional Items	43	45,518.35	-
Profit / (Loss) Before tax		30,877.48	(14,887.98)
Less: Tax Expense			
1) Current Tax		-	-
2) Taxes for Earlier Years		85.48	-
3) Deferred Tax		-	-
Total Tax Expense		85.48	-
Profit / (Loss) After tax		30,792.00	(14,887.98)
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss			
Remeasurement of Defined Benefit Plans		(14.09)	(7.94)
Items that will be reclassified to Profit & Loss		-	-
Total Other Comprehensive Income (Loss)		(14.09)	(7.94)
Total Comprehensive Income For the Year		30,777.91	(14,895.92)
Earnings per equity share	40		
1) Basic		24.61	(11.91)
2) Diluted		24.53	(11.91)
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-53		

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: September 15, 2020

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary

STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lacs)

	2019-2020	2018-2019
A) Cash flow from Operating activities		
Net profit before tax	30,877.48	(14,887.98)
Adjustment for:		
Depreciation	3,118.90	3,499.44
Loss / (Profit) on sale of assets	(1.77)	1.06
Gain on write back of loans under restructuring	(45,518.35)	-
Impairment for doubtful advances	8,007.88	5,335.49
Advances written off	2,600.62	128.81
Bad Debts	423.62	
Sundry balance written back	(1,169.93)	(1.48)
Expected Credit Loss provided / (reversed)	(382.19)	257.51
Foreign Exchange Fluctuation Loss	417.49	324.23
Employee stock option expenses	25.66	201.65
Finance costs	12,508.30	16,819.13
Interest income	(44.31)	(184.80)
Operating Profit before working capital changes	(20,014.08)	26,381.04
Adjustment for:		
(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	9,329.36	13,177.48
(Increase) / Decrease in loans and advances and other assets	5,163.67	(9,376.98)
(Increase) / Decrease in inventories	1,608.79	(2,518.26)
(Increase) / Decrease in trade receivables	(6,042.01)	(11,180.19)
Direct taxes refund / (paid)	(161.34)	(246.24)
Net Cash from Operating activities	20,761.87	1,348.87
B) Cash Flow from Investing activities		
Purchase of property, plant and equipment	(47.44)	(100.68)
Sale of property, plant and equipment	4.45	0.49
(Increase) / Decrease in other bank balances	28.64	(2.37)
Interest received	44.31	151.70
Net Cash from Investing Activities	29.96	49.14
C) Cash Flow from Financing activities		
Issue of share capital	-	49.09
Proceeds from borrowings including current maturities	5,111.25	11,214.69
Repayment of borrowings including current maturities	(4,595.70)	(3,449.28)
Payment of unclaimed dividend	(6.42)	-
Principal payment of lease liabilities	(30.34)	-
Finance costs paid	(21,268.91)	(8,293.44)
Net Cash from Financing Activities	(20,790.12)	(478.94)
Net increase in Cash & Cash equivalents	1.71	919.07
Opening cash & cash equivalents	1,097.85	178.78
Closing cash & cash equivalents	1,099.56	1,097.85



STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2020

Notes:

(a) Cash and cash equivalents comprises of

(₹ in lacs)

	As at March 31, 2020	As at March 31, 2019
i) Balances with Banks		
In Current Accounts	1,086.30	1,087.65
ii) Short-Term Bank Deposits (Maturity within 3 months)	3.45	-
iii) Cash on Hand	9.81	10.20
	1,099.56	1,097.85

(b) Change in liability arising from financing activities

	As at April 01, 2019	Cash Flow (net)	Non Cash Transaction	As at March 31, 2020
Borrowings including current maturities (Refer Note 12 & 13)	107,200.75	(20,753.36)	(33,059.32)	53,388.07

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

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

Harshil Shah
Partner
Membership No.124146

Place: Mumbai
Date: September 15, 2020

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lacs)

	As at March 31, 2020	As at March 31, 2019
A) Equity Share Capital		
Balance at the beginning of the reporting year	12,513.38	12,475.61
Changes in Equity Share Capital during the year	-	37.77
Balance at the end of the reporting year	12,513.38	12,513.38

B) Other Equity

(₹ in lacs)

	Reserves and Surplus				Total
	Securities Premium Account	General Reserve	Share Based Payments Reserve	Retained Earnings	
Balance as at April 01, 2018	18,687.43	1,378.70	353.17	(51,427.96)	(31,008.66)
Additions during the year:					
a) Profit / (Loss) for the year	-	-	-	(14,887.98)	(14,887.98)
b) Remeasurement of defined benefit plans	-	-	-	(7.94)	(7.94)
c) Utilised on allotment of shares under ESOP	-	-	(26.57)	-	(26.57)
d) Share based payment reserve created during the period	-	-	201.65	-	201.65
e) Transfer to General Reserve	-	51.31	(51.31)	-	-
f) Securities Premium	37.90				37.90
Balance as at March 31, 2019	18,725.33	1,430.01	476.94	(66,323.88)	(45,691.60)
Additions during the year:					
a) Profit / (Loss) for the year	-	-	-	30,792.00	30,792.00
b) Remeasurement of defined benefit plans	-	-	-	(14.09)	(14.09)
c) Utilised on allotment of shares under ESOP	-	-	-	-	-
d) Share based payment reserve created during the period	-	-	25.66	-	25.66
e) Transfer to General Reserve	-	-	-	-	-
f) Securities Premium	-	-	-	-	-
Balance as at March 31, 2020	18,725.33	1,430.01	502.60	(35,545.97)	(14,888.03)

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: September 15, 2020

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary



NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

1.1 General 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 September 15, 2020.

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 in the year ending March 31, 2020 is included in the following notes:

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

value that are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.3 Significant Accounting Policies

i) Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing

the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in 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 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



NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

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 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.

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 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

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, 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 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 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 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 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 profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.



NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

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 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.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-

occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

viii) Leases**As a lessee**

The Company has adopted modified simplified approach under Ind AS 116 - Leases, with effect from April 01, 2019. Accordingly, the Company has recognised 'Right of use (ROU)' assets of ₹ 106.84 lacs, accumulated amortisation of ₹ Nil and present value of lease liabilities of ₹ 106.84 lacs as on April 01, 2019.

In the statement of profit and loss for the year, instead of rent expenses (as accounted under previous periods), amortisation of right of use has been accounted under depreciation and amortisation expenses and unwinding of discount on lease liabilities has been accounted under finance cost. The impact on the profits / (loss) for the year due the above change in accounting policy is additional expense of ₹ 14.51 lacs.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

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 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.



NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

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 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 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 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 Company are segregated. The Company considers all highly liquid investments that are readily

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

convertible to known amounts of cash to be cash equivalents.

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



NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

- 12 months expected credit losses, or
- Lifetime expected credit losses depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather,

it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

2. PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

	Gross Block			Depreciation / Amortisation			Net Block	
	As on April 01, 2019	Additions	Deductions	As at March 31, 2020	As on April 01, 2019	For the year	As at March 31, 2020	As at March 31, 2019
TANGIBLE ASSETS								
Land	13,498.80	-	-	13,498.80	-	-	13,498.80	13,498.80
Buildings	8,617.41	125.26	-	8,742.67	2,425.92	237.28	2,663.20	6,079.47
Roads & Bridges	27.02	105.67	-	132.69	25.67	8.32	33.99	98.70
Lease Hold Improvement	42.00	-	-	42.00	20.89	4.03	24.92	17.08
Plant and Equipment	49,372.71	253.09	-	49,625.80	19,737.16	2,601.67	22,338.83	27,286.97
Furniture and Fixtures	331.38	-	-	331.38	225.83	21.27	247.10	84.28
Motor Vehicles	367.96	-	20.48	347.48	309.89	17.80	311.92	35.56
Office Equipment	306.91	1.16	-	308.07	285.34	3.26	288.60	19.47
Computers	878.37	4.51	-	882.88	822.48	9.95	832.43	50.45
Electrical Installations	1,797.55	18.68	-	1,816.23	795.95	167.95	963.90	852.33
Library Books	0.28	-	-	0.28	0.28	-	0.28	-
Live Stock	0.25	-	-	0.25	-	-	-	0.25
Total Tangible Assets	75,240.64	508.37	20.48	75,728.53	24,649.41	17.80	27,705.17	48,023.36
Right of Use Asset								
Premises	106.84	18.13	4.07	120.90	-	1.55	39.36	81.54
Total Right of Use Asset	106.84	18.13	4.07	120.90	-	1.55	39.36	81.54
INTANGIBLE ASSETS								
Brands	3,345.07	-	-	3,345.07	3,345.07	-	3,345.07	-
Software	588.19	-	-	588.19	543.90	4.43	548.33	39.86
Product Development	173.94	-	-	173.94	173.94	-	173.94	-
Total Intangible Assets	4,107.20	-	-	4,107.20	4,062.91	4.43	4,067.34	39.86
Grand Total	79,454.68	526.50	24.55	79,956.63	28,712.32	19.35	31,811.87	50,635.52
Previous Year	79,342.53	36.41	31.10	79,347.84	25,242.43	29.55	28,712.32	50,635.52

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

2. PROPERTY, PLANT AND EQUIPMENT (SCHEDULE FOR THE PREVIOUS YEAR 2018-2019)(*₹ in lacs*)

	Gross Block			Depreciation / Amortisation			Net Block	
	As on April 01, 2018	Additions	Deductions	As at March 31, 2019	As on April 01, 2018	For the year	As at March 31, 2019	As at March 31, 2018
TANGIBLE ASSETS								
Land	13,498.80	-	-	13,498.80	-	-	13,498.80	13,498.80
Buildings	8,617.41	-	-	8,617.41	2,193.28	232.64	6,191.49	6,424.13
Roads & Bridges	27.02	-	-	27.02	25.67	-	1.35	1.35
Lease Hold Improvement	42.00	-	-	42.00	16.86	4.03	21.11	25.14
Plant and Equipment	49,372.23	0.48	-	49,372.71	17,131.28	2,605.88	29,635.55	32,240.95
Furniture and Fixtures	331.38	-	-	331.38	203.55	-	105.55	127.83
Motor Vehicles	398.87	-	30.91	367.96	313.23	29.37	58.07	85.64
Office Equipment	302.26	4.84	0.19	306.91	281.10	0.18	21.57	21.16
Computers	854.89	23.48	-	878.37	810.93	-	55.89	43.96
Electrical Installations	1,797.55	-	-	1,797.55	624.39	-	1,001.60	1,173.16
Library Books	0.28	-	-	0.28	0.28	-	-	-
Live Stock	0.25	-	-	0.25	-	-	0.25	0.25
Total Tangible Assets	75,242.94	28.80	31.10	75,240.64	21,600.57	29.55	50,591.23	53,642.37
INTANGIBLE ASSETS								
Brands	3,345.07	-	-	3,345.07	2,928.89	-	-	416.18
Software	580.58	7.61	-	588.19	539.03	4.87	44.29	41.55
Product Development	173.94	-	-	173.94	173.94	-	-	-
Total Intangible Assets	4,099.59	7.61	-	4,107.20	3,641.86	-	44.29	457.73
Grand Total	79,342.53	36.41	31.10	79,347.84	25,242.43	29.55	50,635.52	54,100.10
Previous Year	71,087.60	8,291.40	36.47	79,342.53	21,707.44	25.34	54,100.10	

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

3. INVESTMENTS

(₹ in lacs)

	As at March 31, 2020		As at March 31, 2019	
Non-Current Investments				
I) Investments measured at Cost	Nos.		Nos.	
a) Investment in Subsidiaries (Unquoted)				
Investment in Equity Instruments				
Equity shares of ₹ 100/- each				
Vahni Distilleries Private Limited	14,98,050	1,864.88	14,98,050	1,864.88
Kesarval Springs Distillers Pvt. Ltd.	30,000	150.00	30,000	150.00
Equity shares of ₹ 10/- each				
Prag Distillery (P) Ltd.	36,81,000	1,543.35	36,81,000	1,543.35
Punjab Expo Breweries Private Limited	56,00,000	1,080.40	56,00,000	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
		4,910.38		4,910.38
Less: Impairment in value of Investments		(150.00)		(150.00)
		4,760.38		4,760.38
b) Investment in Associate (Unquoted)				
Investment in Equity Instruments				
Equity shares of ₹ 10/- each				
Mason & Summers Marketing Services Pvt. Ltd.	1,30,000	169.00	1,30,000	169.00
Less: Impairment in value of Investments		(169.00)		(169.00)
		-		-
II) Investments measured at Amortised Cost				
Investment in Government Securities (Unquoted)				
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
		0.55		0.55
III) Investments measured at Fair Value through other comprehensive income (FVOCI)				
Investment in Equity Instruments				
Equity shares of ₹ 100/- each				
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
	1,000	0.25	1,000	0.25
		2.92		2.92
		4,763.85		4,763.85
Aggregate of unquoted investments		4,763.85		4,763.85
Category wise Non-Current Investments				
Financial Investments measured at Cost		5,079.38		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)
		4,763.85		4,763.85



NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

4. LOANS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good				
Employee Loan	-	2.88	1.65	4.06
	-	2.88	1.65	4.06

5. OTHER FINANCIAL ASSETS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Term Bank Deposits (Maturity exceeding 12 months)	257.44	2.96	-	-
Advance to Employees	-	-	7.48	19.66
Deposits	4,327.48	4,375.80	-	-
Electricity Subsidy Receivable	-	-	106.02	-
Others	811.08	818.18	9.75	4.08
Advance with Tie-up Units	-	-	-	6,323.72
Advances to Subsidiary Companies *	-	-	11,431.10	18,888.48
	5,396.00	5,196.94	11,554.35	25,235.94
Less: Allowance for doubtful deposits	(2,068.42)	-	-	-
Less: Allowance for doubtful other financial assets	(810.20)	(472.20)	-	-
Less: Allowance for doubtful advances with tie up units	-	-	-	(6,300.95)
Less: Allowance for doubtful advances with Subsidiaries	-	-	(6,388.36)	(6,348.99)
	2,517.38	4,724.74	5,165.99	12,586.00

* 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:

Particulars	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance at the beginning of the year				
Loss allowance (net)	2,068.42	-	-	-
Write off	-	-	-	-
Balance at the end of the year	2,068.42	-	-	-

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

	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance at the beginning of the year	472.20	449.14	-	-
Loss allowance (net)	361.06	23.06	-	-
Write off	(23.06)	-	-	-
Balance at the end of the year	810.20	472.20	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

5.3 Movement in loss allowance for doubtful advances with tie up units is provided below:

	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance at the beginning of the year	-	-	6,300.95	2,000.95
Loss allowance (net)	-	-	-	4,300.00
Write off	-	-	(6,300.95)	-
Balance at the end of the year	-	-	-	6,300.95

5.4 Movement in loss allowance for doubtful advances with subsidiaries is provided below:

	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance at the beginning of the year	-	-	6,348.99	6,102.87
Loss allowance (net)	-	-	39.37	246.12
Write off	-	-	-	-
Balance at the end of the year	-	-	6,388.36	6,348.99

6. OTHER ASSETS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good				
Capital advances	6,077.35	6,544.27	-	-
Balance with Government Authorities	811.24	834.01	527.20	773.72
Deposits with Court	4.42	66.42	-	-
Advances to Suppliers	-	-	6,590.61	7,044.25
Prepaid Expense	-	-	77.68	237.38
	6,893.01	7,444.70	7,195.49	8,055.35
Less: Allowance for doubtful advances	-	-	(4,904.06)	(1,200.38)
	6,893.01	7,444.70	2,291.43	6,854.97

6.1 Movement in loss allowance for doubtful advances is provided below:

Particulars	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance at the beginning of the year	-	-	1,200.38	434.07
Loss allowance (net)	-	-	4,904.06	766.31
Write off	-	-	(1,200.38)	-
Balance at the end of the year	-	-	4,904.06	1,200.38

7. INVENTORIES

(₹ in lacs)

	As at March 31, 2020	As at March 31, 2019
(At lower of cost and net realisable value)		
(Net of provision for non-moving and obsolete stocks)		
Raw Materials	455.35	702.28
Stores, Spares and Packing Materials	2,604.33	2,637.61
Work-In-Progress	1,027.31	1,469.00
Finished Goods	1,854.79	2,741.69
	5,941.78	7,550.58



NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

8. TRADE RECEIVABLES

(₹ in lacs)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	23,814.42	17,783.69
Unsecured, considered doubtful	69.87	482.21
High Credit Risk	-	-
Credit Impaired	-	-
	23,884.29	18,265.90
Less: Expected Credit Loss	188.94	571.13
	23,695.35	17,694.77

8.1 Movement in loss allowance for Trade Receivables is provided below:

Particulars	March 31, 2020	March 31, 2019
Balance beginning of the year	571.13	313.62
Loss allowance (net)	41.43	257.51
Write off	(423.62)	-
Balance at the end of the year	188.94	571.13

9. CASH AND BANK BALANCES

(₹ in lacs)

	As at March 31, 2020	As at March 31, 2019
a) Cash and Cash Equivalents		
i) Balances with Banks		
In Current Accounts	1,086.30	1,087.65
ii) Short-Term Bank Deposits	3.45	-
(Maturity within 3 months)		
iii) Cash on Hand	9.81	10.20
	1,099.56	1,097.85
b) Other Bank Balances		
i) Earmarked Balances with Banks	22.24	28.66
ii) Short-Term Bank Deposits	88.79	111.00
(Maturity within 12 months)		
	111.03	139.66
	1,210.59	1,237.51

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

10. EQUITY SHARE CAPITAL

(₹ in lacs)

	As at March 31, 2020	As at March 31, 2019
Authorised Shares		
150,000,000 equity shares of ₹ 10/- each (P.Y. 150,000,000 equity shares of ₹ 10/- each)	15,000.00	15,000.00
Issued, subscribed and paid up shares		
125,133,765 equity shares of ₹ 10/- each fully paid up (P.Y. 125,133,765 Equity Shares of ₹ 10/- each fully paid up)	12,513.38	12,513.38
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		
	12,513.38	12,513.38

a) Reconciliation of the number of shares outstanding

(Nos. in lacs)

	As at March 31, 2020	As at March 31, 2019
Number of equity shares at the beginning	1,251.34	1,247.56
Equity shares issued during the period	-	3.78
Number of equity shares at the end	1,251.34	1,251.34

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, 2020		As at March 31, 2019	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Shivani Amit Dahanukar	329.76	26.35%	329.76	26.35%
Amit Dahanukar	298.45	23.85%	298.45	23.85%
Total	628.21	50.20%	628.21	50.20%

11. OTHER EQUITY

a) Securities Premium Account

(₹ in lacs)

	As at March 31, 2020	As at March 31, 2019
As per last Balance Sheet	18,725.33	18,687.43
Additions during the year	-	37.90
	18,725.33	18,725.33

b) General Reserve

	As at March 31, 2020	As at March 31, 2019
As per last Balance Sheet	1,430.01	1,378.70
Transfer from Share Based Payment Reserve	-	51.31
	1,430.01	1,430.01



NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

c) Share Based Payments Reserve Account

As per last Balance Sheet	476.94	353.17
Transfer to General Reserve	-	(51.31)
Utilised on allotment of shares under ESOP	-	(26.57)
Share based payment reserve created during the period	25.66	201.65
	502.60	476.94

d) Retained Earnings

As per last Balance Sheet	(66,323.88)	(51,427.96)
Add: Profit / (Loss) after tax for the year	30,792.00	(14,887.98)
Add: Remeasurement of defined benefit plans	(14.09)	(7.94)
	(35,545.97)	(66,323.88)
	(14,888.03)	(45,691.60)

12. BORROWINGS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Secured Loans				
From Asset Reconstruction Company (Refer note 29)				
Rupee Term Loans	32,898.81	-	-	-
Balance Debts	9,034.92	-	-	-
Other Debts	3,386.75	-	-	-
From Banks				
Cash Credit (including Working Capital Demand Loan)	-	-	-	78,206.99
Unsecured				
Vendor Financing	3,615.61	-	-	-
From Directors and related parties	-	-	-	12.45
From other parties	-	-	2,404.66	1,027.72
	48,936.09	-	2,404.66	79,247.16

- a) The loans from Asset Reconstruction Company ("term loans") are secured against first pari passu charge on all the tangible / intangible assets of the Company, both present and future and second pari passu charge on all the 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.
- c) The term loans are further secured by way of first charge of unpledged shareholding of the Company held by the Promoter, second charge by way of pledge of already pledged shareholding of the Company held by the Promoter and pledge of 100% shareholding of the Subsidiary Companies. The said security creation is pending.
- d) The term loans outstanding at the end of the financial year have been guaranteed by the personal guarantee of Chairman & Managing Director of the Company.
- e) Subsidiary Companies i.e. Vahni Distilleries Private Limited and PunjabExpo Breweries Private Limited are the Corporate Obligor to the term loans from Edelweiss Asset Reconstruction Company (EARC).
- f) The term loans from Edelweiss Asset Reconstruction Company (EARC) are repayable by March 31, 2024 as per the repayment schedule provided by EARC. Interest is payable on Quarterly basis @ 9.00% (compounded quarterly).

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

g) 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	2 - 3 years	3 - 4 years
EARC trust SC 233	80.00	560.00	680.00	1,567.68
EARC trust SC 241	1,400.00	2,800.00	3,400.00	18,173.33
EARC trust SC 269	160.00	1,120.00	1,360.00	3,237.80
Total	1,640.00	4,480.00	5,440.00	22,978.81

13. OTHER FINANCIAL LIABILITIES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Trade Deposits & Others (Unsecured)	20,455.44	9,854.49	-	-
Current maturities of Term Loans-Rupee Loans	-	-	1,640.00	27,953.59
Current maturities of Vendor Financing	-	-	407.32	-
Payable for purchase of Fixed Assets	-	-	6,093.26	6,118.80
Employee dues	-	-	574.26	486.69
Unclaimed Dividend	-	-	22.24	28.66
Other Payables	-	-	1,381.89	8,284.98
	20,455.44	9,854.49	10,118.97	42,872.72

a) The Company has defaulted in repayment of principal dues of Term loans to EARC. The defaults in repayment of loans to EARC included in borrowings and current maturities of term loans are as under:

Default in Principal

(₹ in lacs)

Bank	Period of Default	Term Loan Principal
EARC Trust SC 241 (IFCI)	February 2020 to March 2020	1,000.00
Total		1,000.00

The above amount in default has since been paid on June 30, 2020.

14. PROVISIONS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Provision for Gratuity (Refer Note 32)	264.56	240.10	60.75	62.98
Provision for Leave Encashment	44.50	43.79	17.69	16.46
Provision for Excise Duty on Finished Goods	-	-	1,305.08	828.60
	309.06	283.89	1,383.52	908.04

15. OTHER LIABILITIES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Payable towards Statutory Liabilities	-	-	318.88	342.07
Deferred Fair Value Gain (Refer Note 29)	4,329.51	-	1,133.96	-
	4,329.51	-	1,452.84	342.07



NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

16. TRADE PAYABLES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Trade Payables				
Total outstanding dues of micro & small enterprises (Refer Note 39)	-	-	1,659.41	698.94
Total outstanding dues of creditors other than micro & small enterprises	-	-	12,314.55	14,361.13
	-	-	13,973.96	15,060.07

17. REVENUE FROM OPERATIONS

(₹ in lacs)

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contracts with customers		
Sales of products	1,47,670.32	71,351.28
	1,47,670.32	71,351.28

Reconciliation of Gross Revenue with Revenue from Contracts with Customers

Contract price	1,48,807.82	72,364.26
Less: Discount/Demurrage	1,137.50	1,012.98
Revenue recognised	1,47,670.32	71,351.28

17.1 Other Operating Income

Sale of by products, scrap and other income	86.82	81.92
Income from tie-up units	-	6,599.75
Royalty	161.25	128.27
	248.07	6,809.94

18. OTHER INCOME

(₹ in lacs)

	Year ended March 31, 2020	Year ended March 31, 2019
Duty drawback on exports	0.37	1.07
Miscellaneous receipts	62.73	17.04
Sundry balance written back	1,169.93	1.48
Interest income on margin money / fixed deposits	44.31	184.80
Reversal of Expected Credit Loss on trade receivables	382.19	-
Electricity Refund	203.54	-
Profit on sale of fixed asset	1.77	-
	1,864.84	204.39

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

19. COST OF MATERIALS CONSUMED

(₹ in lacs)

		Year ended March 31, 2020	Year ended March 31, 2019
i) Raw Material Consumption			
Opening Stock	702.28		
Adjustment (Refer Note 42)	3.48	705.76	741.34
Add: Purchases		15,655.95	12,424.98
Less: Closing Stock		455.35	702.28
		15,906.36	12,464.04
ii) Packing Materials & Consumables		16,180.01	11,090.82
		32,086.37	23,554.86

20. (INCREASE) / DECREASE IN STOCK

(₹ in lacs)

		Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock			
i) Work-In-Progress	1,469.00		
Adjustment (Refer Note 42)	132.76	1,601.76	1,155.43
ii) Finished Goods	2,741.69		
Adjustment (Refer Note 42)	1,396.38	4,138.07	700.16
		5,739.83	1,855.59
Less: Closing Stock			
i) Work-In-Progress		1,027.31	1,469.00
ii) Finished Goods		1,854.80	2,741.69
		2,882.11	4,210.69
(Increase) / Decrease in Stock		2,857.72	(2,355.10)

21. EMPLOYEE BENEFIT EXPENSE

(₹ in lacs)

	Year ended March 31, 2020	Year ended March 31, 2019
Salary and wages	1,645.21	1,930.50
Employee Stock Option Expenses	25.66	201.65
Contribution to provident fund and family pension fund	96.87	90.52
Staff welfare expenses	87.39	73.39
Gratuity	42.67	63.40
	1,897.80	2,359.46

22. FINANCE COST

(₹ in lacs)

	Year ended March 31, 2020	Year ended March 31, 2019
Interest on Term Loans	3,091.58	4,402.72
Interest on Cash Credits / Working Capital Demand Loan	6,326.64	11,171.00
Interest on Lease Liabilities	14.51	-
Others *	3,075.57	1,245.41
	12,508.30	16,819.13

* Includes unwinding of discount of ₹ 1,007.51 lacs and amortisation of deferred fair value gains of ₹ 1,007.51 lacs



NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

23. OTHER EXPENSES

(₹ in lacs)

	Year ended March 31, 2020	Year ended March 31, 2019
Power and fuel	345.25	607.85
Repairs & maintenance		
i) Plant & Equipment	14.70	27.84
ii) Buildings	0.04	0.50
iii) Others	192.44	204.02
Insurance	106.41	45.47
Rent	23.75	76.81
Contract manufacturing cost	3,228.62	4,048.89
Legal and professional charges	1,176.27	622.46
Auditor's Remuneration (Refer Note 37)	17.40	11.00
Rates and taxes	2,133.90	2,108.92
Freight, transport charges & other expenses	1,983.96	1,537.24
Selling expenses [Sales Promotion & Advertising etc.]	7,483.75	4,031.92
Travelling and conveyance expenses	62.81	74.26
Printing and stationery	27.29	25.64
Communication expenses	48.04	41.09
Vehicle running expenses	20.01	33.94
Director sitting fees	4.30	2.28
Expected Credit Loss on trade receivables	-	257.51
Bad Debts	423.62	-
Loss on Sale of Assets	-	1.06
Donation	0.50	11.11
Corporate Social Responsibility	39.49	62.95
Foreign Exchange Fluctuation Loss	417.49	324.23
Allowance for doubtful advances / deposits / Inventory	8,007.88	5,335.49
Advances written off	2,600.62	128.81
Miscellaneous Expenses	533.46	492.40
	28,892.00	20,113.69

24. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATION AND FAIR VALUE MEASUREMENTS

- a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.
- b) **The following methods and assumptions were used to estimate the fair value:**
- 1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.
 - 2) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.
- c) **The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:**
- Level 1 :** Quoted (unadjusted) prices in active markets for identical assets or liabilities.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

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, 2020

(₹ in lacs)

	Carrying amount			
	FVOCI - Equity Instruments	Financial assets - cost / amortised cost	Financial liabilities - cost / amortised cost	Total carrying amount
Financial assets measured at fair value				
Investments	2.92	-	-	2.92
	2.92	-	-	2.92
Financial assets measured at fair value				
Investments	-	4,760.93	-	4,760.93
Trade Receivables	-	23,695.35	-	23,695.35
Cash and Cash Equivalents	-	1,099.56	-	1,099.56
Other Bank Balances	-	111.03	-	111.03
Loans	-	1.65	-	1.65
Other Financial Assets	-	7,683.37	-	7,683.37
	-	37,351.89	-	37,351.89
Financial liabilities not measured at fair value				
Borrowings	-	-	51,340.75	51,340.75
Trade Payables	-	-	13,973.96	13,973.96
Lease Liabilities	-	-	92.11	92.11
Other Financial Liabilities	-	-	30,574.41	30,574.41
	-	-	95,981.23	95,981.23

As at March 31, 2019

(₹ in lacs)

	Carrying amount			
	FVOCI - Equity Instruments	Financial assets - cost / amortised cost	Financial liabilities - cost / amortised cost	Total carrying amount
Financial assets measured at fair value				
Investments	2.92	-	-	2.92
	2.92	-	-	2.92
Financial assets not measured at fair value				
Investments	-	4,760.93	-	4,760.93
Trade Receivables	-	17,694.77	-	17,694.77
Cash and Cash Equivalents	-	1,097.85	-	1,097.85
Other Bank Balances	-	139.66	-	139.66
Loans	-	6.94	-	6.94
Other Financial Assets	-	17,310.74	-	17,310.74
	-	41,010.89	-	41,010.89



NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

	Carrying amount			
	FVOCI - Equity Instruments	Financial assets - cost / amortised cost	Financial liabilities - cost / amortised cost	Total carrying amount
Financial liabilities not measured at fair value				
Borrowings	-	-	79,247.16	79,247.16
Trade Payables	-	-	15,060.07	15,060.07
Other Financial Liabilities	-	-	52,727.21	52,727.21
	-	-	1,47,034.44	1,47,034.44

The Company has not disclosed the fair values for financial instruments such as investments, 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, 2020			As at March 31, 2019		
	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 and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Interest risk

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

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:-

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	23,695.35	17,694.77
Cash and cash equivalents	1,099.56	1,097.85
Other bank balances	111.03	139.66
Loans	1.65	6.94
Other financial assets	7,683.37	17,310.74
Total	32,590.96	36,249.96

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

(₹ in lacs)

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
As at March 31, 2020	23,695.35	23,695.35	-
As at March 31, 2019	17,694.77	17,694.77	-

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.



NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

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, 2020

(₹ in lacs)

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	51,340.75	2,404.66	48,936.09
Lease Liabilities	92.11	39.63	52.48
Other Financial Liabilities	30,574.41	10,118.98	20,455.43
Trade Payables	13,973.96	13,973.96	-
	95,981.23	26,537.23	69,444.00

As at March 31, 2019

(₹ in lacs)

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	79,247.16	79,247.16	-
Lease Liabilities	-	-	-
Other Financial Liabilities	52,727.21	42,872.72	9,854.49
Trade Payables	15,060.07	15,060.07	-
	1,47,034.44	1,37,179.95	9,854.49

c) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through a risk management committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing / mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales primarily denominated in US dollars.

Exposure to currency risk

The Company's exposure to currency risk as reported to the management is as follows:

(in lacs)

Particulars	As at March 31, 2020 USD	As at March 31, 2019 USD
Export receivables	0.25	0.08
Overseas payables	(74.28)	(74.28)
Total	(74.03)	(74.20)

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

Foreign currency sensitivity

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

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Increase / (decrease) in profit	(55.60)	(51.58)
Total increase / (decrease) in profit	(55.60)	(51.58)

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:

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed rate instruments		
Financial liabilities		
Borrowings	73,843.51	1,027.72
Total	73,843.51	1,027.72
Variable-rate instruments		
Financial liabilities		
Borrowings	-	1,06,160.58
Total	-	1,06,160.58

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.

Particulars	Profit or loss
March 31, 2020	
Variable-rate instruments	-
Cash flow sensitivity	-
March 31, 2019	
Variable-rate instruments	(1,061.61)
Cash flow sensitivity	(1,061.61)

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.



NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

26. DEFERRED TAX ASSETS (NET)

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 April 1, 2019	Recognised in Profit & loss	Closing Balance as at March 31, 2020
Deferred Tax liabilities in relation to			
Property Plant & Equipment	(8,001.62)	2,088.33	(5,913.29)
Total A	(8,001.62)	2,088.33	(5,913.29)
Deferred Tax Assets in relation to			
Lease Liabilities/ ROU assets	-	2.66	2.66
Employee Benefit obligation	15.77	89.07	104.84
Provision/ Impairment for Doubtful Debts/ Advances/ Deposits	-	3,614.12	3,614.12
Impairment in value of Investments	-	80.29	80.29
Business Loss/ Unabsorbed depreciation	7,985.85	(5,874.47)	2,111.38
Total B	8,001.62	(2,088.33)	5,913.29
Total (A+B)	-	-	-

26.1 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 ₹ 23,329.07 lacs as on March 31, 2020 (P.Y. ₹ 20,343.37 lacs).

26.2 Impact of tax rate change:

The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred Tax Assets/ (Liabilities) basis the rate prescribed in the said section. The full impact of this change has been recognised in the statement of Profit & Loss for the year.

27. INCOME TAXES

(₹ in lacs)

	As at March 31, 2020	As at March 31, 2019
a) Income Tax recognised in the Statement of Profit and Loss		
Current Tax		
In respect of current year	-	-
Adjustments in respect of previous years	85.48	-
Deferred Tax		
In respect of current year	-	-
Adjustments in respect of deferred tax of previous years	-	-
Total	85.48	-
b) Income tax expense recognised in Other Comprehensive Income		
Deferred tax expense on remeasurement of defined benefit plans	-	-
c) Applicable corporate tax rate	25.168%	33.384%
d) Current Tax Liabilities		
Provision for Taxation (Net of Advance Tax)	-	-
e) Non-Current Tax Assets		
Advance Tax (Net of Provision for Taxation)	455.72	379.87

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

28. 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:-

	As at March 31, 2020	As at March 31, 2019
Total Net Debt	52,288.51	1,06,102.90
Total Equity	(2,374.65)	(33,178.22)
Debt to Equity Ratio	Nil	Nil

29. NOTE ON RESTRUCTURING:

In 2017 Punjab National Bank and AXIS Bank assigned their working capital facilities on the same terms and conditions as contained in their respective existing Working capital documents and IFCI assigned its Term loan on the same terms and conditions as contained in their existing Term Loan documents to Edelweiss Asset Reconstruction Company Limited vide their respective assignment agreements. Edelweiss Asset Reconstruction Company Limited shall be acting in capacity of the trustee of EARC Trust SC269, EARC Trust SC233 and EARC Trust SC241 (hereinafter referred to as the "Lender"). Post the assignment of the aforesaid loans, the total outstanding dues of the Company to the Lender as at March 31, 2019 was ₹ 52,332.37 lacs.

The Company had requested the Lenders for restructuring of the total outstanding debt as the operations had come under strain due to change in market conditions, Government policies and various other external reasons.

Based on the request of the Company and Amit Dahanukar, Vahni Distilleries Private Ltd and PunjabExpo Breweries Private Ltd (collectively referred as the 'Co-Obligors'), restructuring of the total outstanding loan has been approved by the Lender. Accordingly, the Lender, the Company and Co-Obligors have executed a Master Restructuring Agreement (MRA) dated February 6, 2020 to record the terms and give effect to the restructuring package contained in the Sanction letter.

The significant highlights of the MRA are as under:

- 1 Total loan of ₹ 52,332.37 lacs is covered under the MRA.
- 2 With effect from the cut-off date the EARC Trust SC233 debt shall be restructured into Term loan of ₹ 7,408.81 lacs consisting of restructured Debt of ₹ 2,899.36 lacs (restructured Debt 1) and balance debt of ₹ 4,509.45 lacs (Balance Debt 1)
- 3 With effect from the cut-off date the EARC Trust SC241 debt shall be restructured into Term loan of ₹ 27,953.59 lacs consisting of restructured debt of ₹ 25,647.23 lacs (Restructured Debt 2) and balance debt of ₹ 2,306.36 lacs (Balance debt 2)
- 4 With effect from the cut-off date the EARC Trust SC269 debt shall be restructured into Term loan of ₹ 16,969.97 lacs consisting of restructured debt of ₹ 5,900.64 lacs (Restructured Debt 3) and balance debt of ₹ 11,069.33 lacs (Balance Debt 3)
- 5 The Company shall pay interest @ 9% per annum on the Restructured Debt compounded on quarterly basis.

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)**

- 6 Balance debt 1, 2 and 3 aggregating ₹ 17,885.14 lacs shall be collectively referred to as Balance Debt.
- 7 Out of the balance debt, ₹ 3,386.75 lacs shall not bear Interest and be converted into Equity shares. (referred to as Converted Balance Debt)
- 8 On the balance debt minus the converted balance debt i.e. ₹ 14,498.38 lacs, interest shall accrue at 0.001 % till such time as the Restructured debt is repaid by the Company to the Lender, to the satisfaction of Lender. Upon such payment/repayment being complete the outstanding balance debt along with accrued Interest shall be waived by the Lender.
- 9 There shall be a moratorium on Interest payment and Principal repayment as per the MRA.
- 10 The revised repayment schedule and Interest payment is given in note no.12

The Financial impact arising out of the restructuring is as under.

As a result of the substantial modification in the terms of existing loans due to the restructuring package, the Company has de-recognised the existing loans and has recognised the new loans with revised terms with effect from April 01, 2019. The terms of the restructuring package are summarised as follows:

(₹ in lacs)			
Lender trusts	Carrying amount of existing loans de-recognised as on April 01, 2019*	Amount of restructured loans recognised as on April 01, 2019	Balance debt
EARC trust SC 233	7,408.81	2,899.36	4,509.45
EARC trust SC 241	27,953.59	25,647.23	2,306.36
EARC trust SC 269	16,969.97	5,900.64	11,069.33
Total	52,332.37	34,447.23	17,885.14

*At amortised cost including interest as on April 01, 2019.

The treatment of the balance debts has been agreed as follows:

(₹ in lacs)			
Particulars	Number of shares to be issued (in lacs)	% Share in the Company's equity capital	Amount
(A) Balance debt as above			17,885.14
(B) Equity shares to be issued to the following trusts on fully diluted basis:			
EARC trust SC 233	33.77	1.70%	575.74
EARC trust SC 241	79.45	4.00%	1,354.70
EARC trust SC 269	85.41	4.30%	1,456.31
Converted balance debt			3,386.75
(C) Balance debt after converted balance debt to be waived off (A-B)			14,498.38

The above balance debt of ₹ 14,498.38 lacs carries interest at the rate of 0.001% per annum. At initial recognition, the same has been accounted at present value, discounted at an estimated fair value rate of 12% per annum. The gain on initial recognition has been deferred and is being amortised over the period of the loan by netting off against the interest cost on the amortised cost of the loan in the subsequent periods.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

30. CONTINGENT LIABILITY NOT PROVIDED FOR:

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Corporate guarantees issued to banks on behalf of Subsidiary Company	1,548.98	1,429.77
b) Bank guarantees issued on behalf of the Company	70.00	41.10
c) In respect of disputed Income tax matters, pending before the appropriate Income tax authorities, contested by the Company		
A.Y. 2009-2010	562.47	562.47
d) In respect of disputed Sales tax matters, pending before the appropriate tax authorities, contested by the Company		
April 2012 - January 2016 (Central Excise)	1.84	-
F. Y. 2015-16 (MVAT)	94.35	-
F. Y. 2015-16 (Central Sales Tax)	146.72	-
F. Y. 2014-15 (MVAT)	57.85	57.85
F. Y. 2014-15 (Central Sales Tax)	27.29	27.29
F. Y. 2014-15 (KVAT- Kerala)	32.17	-
F. Y. 2014-15 (CST- Kerala)	170.02	-
F. Y. 2013-14 (MVAT)	1,290.65	1,290.65
F. Y. 2013-14 (Central Sales Tax)	1,201.20	1,201.20
F. Y. 2013-14 (KVAT- Kerala)	28.31	-
F. Y. 2013-14 (CST- Kerala)	141.94	-
F. Y. 2012-13 (MVAT)	1,322.25	1,322.25
F. Y. 2012-13 (Central Sales Tax)	1,334.96	1,334.96
F. Y. 2011-12 (Central Sales Tax)	295.06	295.06
F. Y. 2010-11 (MVAT)	36.94	36.94
F. Y. 2010-11 (Central Sales Tax)	244.96	244.96
e) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	-	-

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 (Contd.)

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, 2020
Carrying amount right-of-use assets at beginning of the year	106.84
Additions to right-of-use assets during the year	18.13
Deletions to right-of-use assets during the year	2.52
Amortisation of right-of-use assets during the year	40.91
Interest expense (unwinding of discount) on lease liabilities	14.51
Total cash outflows in respect of leases	44.74
Carrying amount right-of-use assets at year end	81.54

- b) Lease rentals of ₹ 23.75 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 ₹ 25.49 lacs paid towards lease rentals has been charged to Statement of Profit and Loss under the Contract manufacturing cost.
- d) Maturity profile:

(₹ in lacs)

Maturities of Lease Liabilities	Carrying amount	Less than 1 year	1 to 3 years	3 to 5 years	above 5 years
Lease Liabilities	92.11	39.63	52.48	-	-

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 ₹ 96.87 lacs (P.Y. ₹ 90.52 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, 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

The net value of the defined commitment is detailed below:

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
	Funded Gratuity	Funded Gratuity
Present Value of obligation	376.99	354.36
Fair Value of Plans	51.68	51.28
Net Liability in the balance sheet	325.31	303.08
Defined Benefit Obligations		
Opening balance	354.36	344.10
Interest expenses	26.72	26.91
Current service cost	19.82	18.48
Past service cost	-	-
(Liability Transferred Out/ Divestments)	7.41	-
Benefit paid directly by the employer	(41.93)	(42.68)
Actuarial (gain) / loss-Due to change in Financial assumptions	14.51	5.47
Actuarial (gain) / loss- Due to Experience	(3.90)	2.08
Closing balance	376.99	354.36
Plan Assets		
Opening balance	51.29	47.93
Interest Income	3.87	3.75
Expected return on plan assets	(3.48)	(0.39)
Paid Funds	-	-
Actuarial (gain) / loss	-	-
Closing balance	51.68	51.28

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
	Funded Gratuity	Funded Gratuity
Return on Plan Assets		
Expected return on plan assets	(3.48)	(0.39)
Actuarial (gain) / loss	-	-
Actual Return on Plan Assets	(3.48)	(0.39)
Expenses Recognised in the Statement of Profit or Loss on defined benefit plan		
Current service costs	19.82	18.48
Past service cost	-	-
Interest expense	26.72	26.91
Interest Income	(3.87)	(3.75)
Expected return on plan assets	-	-
Expenses Recognised	42.67	41.64
Expenses Recognised in the Other Comprehensive Income (OCI) on defined benefit plan		
Actuarial (gain) / loss	10.61	7.55
Expected return on plan assets	3.48	0.39
Net (Income)/ Expense for the period Recognised in OCI	14.09	7.94
Maturity Analysis of the Benefit Payments: From the Fund		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	89.46	77.88
2nd Following Year	24.71	22.47



NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
	Funded Gratuity	Funded Gratuity
3rd Following Year	43.12	33.13
4th Following Year	38.35	42.39
5th Following Year	30.17	39.38
Sum of Years 6 to 10	111.40	111.18
Sum of Years 11 and above	275.21	288.10
Sensitivity Analysis		
Projected Benefits Obligations on Current Assumptions	376.99	354.36
Delta Effect +1% Change in Rate of Discounting	(19.81)	(18.72)
Delta Effect -1% Change in Rate of Discounting	22.42	21.15
Delta Effect +1% Change in Rate of Salary Increase	22.60	21.47
Delta Effect -1% Change in Rate of Salary Increase	(20.32)	(19.32)
Delta Effect +1% Change in Rate of Employee Turnover	2.53	3.59
Delta Effect -1% Change in Rate of Employee Turnover	(2.79)	(3.96)

Investments Details	As at March 31, 2020	As at March 31, 2019
	% Invested	% Invested
Funds Managed by Life Insurance Corporation	100	100
Public Sector Unit Bonds	-	-
State / Central Guaranteed securities	-	-
Special deposit schemes	-	-
Other (excluding bank balances)	-	-
	100	100

Actuarial assumptions	As at March 31, 2020	As at March 31, 2019
	Funded Gratuity	Funded Gratuity
Mortality (LIC)	2006-08 Ultimate	2006-08 Ultimate
Discount rate (per annum)	6.82%	7.54%
Expected rate of return on plan assets (per annum)	6.82%	7.54%
Rate of escalation in salary (per annum)	5.00%	5.00%
Attrition rate (per annum)	16.00%	16.00%

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, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Present value of DBO	376.99	354.36	344.10	353.87	362.20
Fair value of plan assets	51.68	51.28	47.93	44.52	41.13
Deficit/(Surplus)	325.31	303.07	296.17	309.34	321.07
Experience adjustments on plan liabilities	-	-	-	46.89	(15.17)
Experience adjustments on plan assets	-	-	-	0.11	0.16

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

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, 2020 the following schemes were in operation:

A) Employee Stock Option Scheme 2008

Particulars	Grant 1	Grant 2	Grant 3	Grant 4
Date of Grant	July 02, 2009	Jan 28, 2010	June 25, 2010	Aug 07, 2010
Date of the Board Approval	July 02, 2009	Jan 28, 2010	June 25, 2010	Aug 07, 2010
Date of the Shareholders' Approval	Aug 06, 2008	Aug 06, 2008	Aug 06, 2008	Aug 06, 2008
Number of options granted till March 31, 2020	7,30,400	37,30,521	1,54,200	8,43,663
Number of options cancelled till March 31, 2020	2,41,700	8,46,381	33,870	2,02,818
Number of options lapsed till March 31, 2020	17,100	7,34,120	73,260	4,93,352
Number of options exercised till March 31, 2020	4,71,600	21,50,020	47,070	1,47,493
Net options outstanding as on March 31, 2020	-	-	-	-
Vesting period from the date of grant	4 years	4 years	4 years	4 years
Exercise period from the date of vesting	2 years	2 years	2 years	2 years

B) Employee Stock Option Scheme 2010

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6
Date of Grant	Jan 15, 2011	Aug 01, 2011	Oct 21, 2011	Nov 11, 2011	July 5, 2016	June 14, 2018
Date of the Board Approval	Jan 15, 2011	Aug 01, 2011	Oct 21, 2011	Nov 11, 2011	July 5, 2016	June 14, 2018
Date of the Shareholders Approval	Sept 20, 2010	Sept 20, 2010	Sept 20, 2010	Sept 20, 2010	Sept 20, 2010	Sept 20, 2010
Number of options granted till March 31, 2020	16,15,500	5,12,000	33,79,600	9,69,000	21,50,000	12,00,000
Number of options cancelled till March 31, 2020	7,56,240	1,73,840	16,84,724	-	6,23,850	-
Number of options lapsed till March 31, 2020	7,61,670	2,37,482	3,91,794	4,28,300	6,59,550	-
Number of options exercised till March 31, 2020	97,590	1,00,678	13,03,082	5,40,700	52,650	-
Net options outstanding as on March 31, 2020	-	-	-	-	8,13,950	12,00,000
Vesting period from the date of grant	3 years	3 years	3 years	3 years	3 years	3 years
Exercise period from the date of vesting	2 years	2 years	2 years	2 years	2 years	2 years



NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

c) Employee Stock Option Scheme 2012

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6
Date of Grant	May 28, 2012	Feb 04, 2013	May 30, 2013	May 26, 2014	July 5, 2016	June 14, 2018
Date of the Board Approval	May 28, 2012	Feb 04, 2013	May 30, 2013	May 26, 2014	July 5, 2016	June 14, 2018
Date of the Shareholders Approval	May 24, 2012	May 24, 2012	May 24, 2012	May 24, 2012	May 24, 2012	May 24, 2012
Number of options granted till March 31, 2020	30,00,000	10,00,000	10,00,000	10,00,000	30,00,000	26,00,000
Number of options cancelled till March 31, 2020	2,40,442	1,56,390	3,34,630	1,21,200	6,00,000	-
Number of options lapsed till March 31, 2020	23,29,591	8,43,610	6,56,655	8,78,800	7,45,000	-
Number of options exercised till March 31, 2020	4,29,967	-	8,715	-	3,25,000	-
Net options outstanding as on March 31, 2020	-	-	-	-	13,30,000	26,00,000
Vesting period from the date of grant	3 years	3 years	3 years	3 years	3 years	3 years
Exercise period from the date of vesting	2 years	2 years	2 years	2 years	2 years	2 years

c) The details of the options as on March 31, 2020 are as under:

(Nos. in lacs)

Particulars	ESOP Scheme 2008	ESOP Scheme 2010	ESOP Scheme 2012
Financial Year 2018-19			
Options outstanding as on April 01, 2018	-	15.48	28.67
Options granted from April 01, 2018 to March 31, 2019	-	12.00	26.00
Options cancelled from April 01, 2018 to March 31, 2019	-	0.24	-
Options lapsed from April 01, 2018 to March 31, 2019	-	0.55	6.37
Options exercised April 01, 2018 to March 31, 2019	-	0.53	3.25
Options outstanding as on March 31, 2019	-	26.16	45.05
Financial Year 2019-20			
Options outstanding as on April 01, 2019	-	26.16	45.05
Options granted from April 01, 2019 to March 31, 2020	-	-	-
Options cancelled from April 01, 2019 to March 31, 2020	-	0.64	-
Options lapsed from April 01, 2019 to March 31, 2020	-	5.38	5.75
Options exercised April 01, 2019 to March 31, 2020	-	-	-
Options outstanding as on March 31, 2020	-	20.14	39.30

d) The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

A) Employee Stock Option Scheme 2008

Particulars	Grant 1	Grant 2	Grant 3	Grant 4
Dates of Grant	July 02, 2009	Jan 28, 2010	June 25, 2010	Aug 07, 2010
Market Price (₹ per share) on the dates of grant	143.45	99.45	145.75	199.65
Volatility	71.49%	68.41%	66.45%	66.11%
Risk free rate	6.24%	6.76%	7.10%	7.59%
Exercise price (pre all bonuses)	120	75	110	150
Time to maturity (years)	4	4	4	4
Dividend yield	2.00%	2.00%	2.24%	2.24%
Option fair value (₹ per share)	66.80	49.11	71.37	98.71

B) Employee Stock Option Scheme 2010

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6
Dates of Grant	Jan 15, 2011	Aug 01, 2011	Oct 21, 2011	Nov 11, 2011	Jul 05, 2016	June 14, 2018
Market Price (₹ per share) on the dates of grant	83.00	51.20	33.95	32.60	15.80	20.65
Volatility	66.25%	63.86%	63.63%	63.67%	51.21%	57.12%
Risk free rate	7.97%	8.36%	8.58%	8.99%	6.57%	7.90%
Exercise price	60	38	25	25	13	15
Time to maturity (years)	3	3	3	3	3	3
Dividend yield	2.24%	2.10%	2.10%	2.10%	0.91%	0.00%
Option fair value (₹ per share)	41.89	26.23	17.50	16.55	7.04	11.45

C) Employee Stock Option Scheme 2012

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6
Dates of Grant	May 28, 2012	Feb 04, 2013	May 30, 2013	May 26, 2014	Jul 05, 2016	June 14, 2018
Market Price (₹ per share) on the dates of grant	56.30	77.20	60.40	61.35	15.80	20.65
Volatility	61.31%	57.71%	55.67%	49.33%	51.21%	57.12%
Risk free rate	8.24%	7.95%	7.24%	8.52%	6.57%	7.90%
Exercise price	42	60	45	46	13	15
Time to maturity (years)	3	3	3	3	3	3
Dividend yield	1.84%	1.84%	1.83%	1.67%	0.91%	0.00%
Option fair value (₹ per share)	28.56	36.86	28.71	28.54	7.04	11.45

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.



NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

35. RELATED PARTY DISCLOSURES:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, 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

: Mr. Srijit Mullick
: Mr. Gaurav Thakur | - Chairman & Managing Director
- Non-Executive Director
- Independent Director
- Independent Director
- Independent Director
- Independent Director
- (appointed as an Independent Director w.e.f. Oct 31, 2018)
- Independent Director
- (appointed as an Independent Director w.e.f. Oct 31, 2018)
- Chief Financial Officer
- Company Secretary |
| c) Company in which Key Managerial Personnel has substantial interest | : M.L. Dahanukar & Co. Pvt. Ltd.
: Arunoday Investments Pvt. Ltd.
: Maharashtra Sugar Mills Pvt. Ltd.
: Smt. Malati Dahanukar Trust | |
| d) Relative of Key Managerial Personnel | : Dr. Priyadarshini A. Dahanukar | |

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

Nature of Transaction	Parties referred in (a) above		Parties referred in (b) above		Parties referred in (c) above		Parties referred in (d) above	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Sales								
Prag Distillery (P) Ltd.	-	166.07	-	-	-	-	-	-
Vahni Distilleries Private Limited	31.11	7.61	-	-	-	-	-	-
PunjabExpo Breweries Private Limited	26.49	224.75	-	-	-	-	-	-
Total	57.60	398.43	-	-	-	-	-	-
Purchases								
Prag Distillery (P) Ltd.	106.97	101.55	-	-	-	-	-	-
Vahni Distilleries Private Limited	1.30	7.32	-	-	-	-	-	-
PunjabExpo Breweries Private Limited	110.82	31.31	-	-	-	-	-	-
Total	219.09	140.18	-	-	-	-	-	-
Expenses -Bottling Charges								
Vahni Distilleries Private Limited	355.83	289.98	-	-	-	-	-	-
Prag Distillery (P) Ltd.	-	9.56	-	-	-	-	-	-
PunjabExpo Breweries Private Limited	74.58	655.73	-	-	-	-	-	-
Total	430.41	955.27	-	-	-	-	-	-
Brand Owners' Surplus (Income)								
Prag Distillery (P) Ltd.	-	44.91	-	-	-	-	-	-
Vahni Distilleries Private Limited	-	2,832.39	-	-	-	-	-	-
PunjabExpo Breweries Private Limited	-	3,722.45	-	-	-	-	-	-
Total	-	6,599.75	-	-	-	-	-	-
Royalty Income								
PunjabExpo Breweries Private Limited	3.03	64.01	-	-	-	-	-	-
Total	3.03	64.01	-	-	-	-	-	-
Interest Income								
Mykingdom Ventures Pvt Ltd	0.59	0.44	-	-	-	-	-	-
Studd Projects P. Limited	1.13	0.93	-	-	-	-	-	-
Srirampur Grain Pvt Ltd	1.83	1.55	-	-	-	-	-	-
Total	3.55	2.92	-	-	-	-	-	-
Donations								
Smt. Malati Dahanukar Trust	-	-	-	-	22.00	24.11	-	-
Total	-	-	-	-	22.00	24.11	-	-
Remuneration to Key Managerial Personnel								
Mr. Amit Dahanukar	-	-	17.05	16.49	-	-	-	-
Mr. Srijit Mullick	-	-	58.83	61.94	-	-	-	-
Mr. Gaurav Thakur	-	-	36.42	35.56	-	-	-	-
Total	-	-	112.30	113.99	-	-	-	-
Payment to Independent Directors								
Director sitting fees								
Mrs. Shivani Amit Dahanukar	-	-	0.50	0.20	-	-	-	-
Dr. Ravindra Bapat	-	-	0.60	0.65	-	-	-	-
Mr. C.V.Bijlani	-	-	1.15	0.65	-	-	-	-
Mr. Kishorekumar Mhatre	-	-	0.60	0.60	-	-	-	-
Maj.Gen. Dilawar Singh (Retd.)	-	-	0.45	0.10	-	-	-	-
Mr. Satish Chand Mathur	-	-	0.30	0.10	-	-	-	-
Total	-	-	3.60	2.30	-	-	-	-



NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

Nature of Transaction	Parties referred in (a) above		Parties referred in (b) above		Parties referred in (c) above		Parties referred in (d) above	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Net Loans & Advances given / (taken)								
Prag Distillery (P) Ltd.	39.36	246.13	-	-	-	-	-	-
Vahni Distilleries Private Limited	(841.04)	(1,325.59)	-	-	-	-	-	-
PunjabExpo Breweries Private Limited	(6,661.69)	9,662.91	-	-	-	-	-	-
Mykingdom Ventures Pvt Ltd	1.01	2.48	-	-	-	-	-	-
Studd Projects P. Limited	1.48	2.24	-	-	-	-	-	-
Srirampur Grain Pvt Ltd	2.29	1.79	-	-	-	-	-	-
Shivprabha Sugars Ltd.	1.21	0.30	-	-	-	-	-	-
Total	(7,457.38)	8,590.26	-	-	-	-	-	-
Rent Payment								
Mr. Amit Dahanukar	-	-	10.12	9.20	-	-	-	-
Dr. Priyadarshini A. Dahanukar	-	-	-	-	-	-	23.80	16.97
Total	-	-	10.12	9.20	-	-	23.80	16.97
Repayment of Loan								
Maharashtra Sugar Mills Pvt. Ltd.	-	-	-	-	12.45	-	-	-
Total	-	-	-	-	12.45	-	-	-
Outstanding Receivable/ (Payable)								
Prag Distillery (P) Ltd. *	6,388.36	6,348.99	-	-	-	-	-	-
Vahni Distilleries Private Limited	1,517.25	2,358.30	-	-	-	-	-	-
PunjabExpo Breweries Private Limited	3,436.87	10,098.56	-	-	-	-	-	-
Mykingdom Ventures Pvt Ltd	7.28	6.27	-	-	-	-	-	-
Studd Projects P. Limited	13.70	12.22	-	-	-	-	-	-
Srirampur Grain Pvt Ltd	22.17	19.88	-	-	-	-	-	-
Shivprabha Sugars Ltd.	45.47	44.26	-	-	-	-	-	-
Maharashtra Sugar Mills Pvt. Ltd.	-	-	-	-	-	(12.45)	-	-
Total	11,431.10	18,888.48	-	-	-	(12.45)	-	-
Rent Deposit								
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	-	-
Total	-	-	800.00	800.00	15.00	15.00	203.66	203.66

* The Company has impaired advances with Prag Distillery (P) Ltd. for ₹ 6,388.36 lacs (P.Y. ₹ 6,348.99 lacs) for the year ended March 31, 2020.

(₹ in lacs)

Compensation of key management personnel of the Company **	2019-20	2018-19
Short-term employee benefits	112.30	113.99
Post-employment benefits	-	-
Termination benefits	-	-
Sitting fees	3.60	2.30
Share-based payments	-	-
Total compensation of key management personnel of the Company	115.90	116.29

**Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

- 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.

37. AUDITOR'S REMUNERATION CHARGED TO ACCOUNTS:

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Audit fees	11.00	11.00
b) Auditors remuneration in other services	6.35	-
b) Reimbursement of expenses	0.05	-
	17.40	11.00

- 38.** There are no amounts outstanding in respect of unpaid dividend for more than seven years to be transferred to Investor Education & Protection Fund.

- 39.** Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below:

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	1,720.03	720.13
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), 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 Micro, Small and Medium Enterprises Development Act, 2006;	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	60.62	21.19
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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-

40. EARNINGS PER SHARE:

(₹ in lacs)

	March 31, 2020	March 31, 2019
Profit After Tax	30,792.00	(14,887.98)
Weighted average number of shares	1,251.34	1,250.02
Basic Earnings Per Share	24.61	(11.91)
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	1,255.14	1,250.02
Diluted Earnings Per Share	24.53	(11.91)
Face Value per Equity Share	10.00	10.00



NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

41. The Company does not enter into any derivative instruments for trading or speculative purposes. The foreign currency exposure not hedged as at March 31, 2020 are as under:

Particulars			March 31, 2020		March 31, 2019
	Currency	FC Amount (in lacs)	(₹ in lacs)	FC Amount (in lacs)	(₹ in lacs)
Receivable - Debtors	USD	0.25	18.87	0.08	5.37
Payable - Creditors	USD	74.28	5,578.81	74.28	5,158.44

42. The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs) and its wholly owned Subsidiaries (referred as Subsidiaries), wherein TMUs and Subsidiaries manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs and Subsidiaries under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from/ payable to TMUs and Subsidiaries are recognised under other financial assets/ other financial liabilities respectively.

(₹ in lacs)

In Profit and Loss	Year ended March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2019
	TMUs	Subsidiaries	Total	TMUs	Subsidiaries	Total
Revenue from operations	59,752.29	60,874.44	1,20,626.73	47,109.16	-	47,109.16
Other Income	-	-	-	2.16	-	2.16
Total Income	59,752.29	60,874.44	1,20,626.73	47,111.32	-	47,111.32
Cost of materials consumed / Changes in inventories of finished goods, stock-in-trade and work- in-progress	16,894.34	5,531.22	22,425.56	10,669.04	-	10,669.04
Excise Duty	28,608.21	50,256.26	78,864.47	27,068.66	-	27,068.66
Finance costs	-	-	-	0.24	-	0.24
Other expenses	1,818.72	2,076.94	3,895.66	1,067.10	-	1,067.10
Total expenses	47,321.27	57,864.42	1,05,185.69	38,805.04	-	38,805.04
Profit/(Loss)	12,431.02	3,010.02	15,441.04	8,306.28	-	8,306.28

(₹ in lacs)

In Balance Sheet	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019	As at March 31, 2019
	TMUs	Subsidiaries	Total	TMUs	Subsidiaries	Total
Assets						
Inventory	2,515.10	1,231.59	3,746.69	3,400.78	-	3,400.78
Trade Receivables	14,883.10	1,581.66	16,464.76	11,448.91	-	11,448.91
Cash and Bank Balances	606.79	-	606.79	734.76	-	734.76
Other Financial Assets	57.90	-	57.90	50.90	-	50.90
Other Assets	858.42	72.55	930.97	1,569.60	-	1,569.60
Liabilities						
Trade Payables	2,174.72	1,559.70	3,734.42	4,329.51	-	4,329.51
Provisions	383.96	800.65	1,184.61	587.71	-	587.71
Other Liabilities	4,431.43	2,479.01	6,910.44	166.87	-	166.87

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

42.1 The following is the break up of opening stock of subsidiaries aggregated to opening stock of the Company

(₹ in lacs)

Opening Stock	Vahni Distilleries Private Limited	PunjabExpo Breweries Private Limited	Total
Raw Material	0.83	2.65	3.48
Work-In-Progress	95.50	37.26	132.76
Finished Goods	1,391.57	4.81	1,396.38

43. EXCEPTIONAL ITEMS ACCOUNTED AS NET INCOME INCLUDE THE FOLLOWING:

- During 2017-2018, the Company had entered into a One Time Settlement (OTS) with Bank of India at ₹ 9,500.00 lacs in full and final settlement of its dues payable over a period of three years. The Company has paid ₹ 3,000.00 lacs during the year ended March 31, 2020 in compliance with the payment schedule of the OTS. Until the payment of last instalment, the Company continued to provide interest in books of accounts on the principal outstanding at original contracted rates. Consequent to the full and final payment to Bank of India, the Company has written back ₹ 22,623.77 lacs being the difference between the OTS amounts paid and the total dues to Bank of India of ₹ 32,123.77 lacs, including interest accounted in books of accounts.
- During the current year the Company entered into a One Time Settlement (OTS) with State Bank of India at ₹ 10,200.00 lacs in full and final settlement of its outstanding Working Capital dues of ₹ 29,727.26 lacs as per its books of accounts including interest at original contracted rates, pursuant to which the entire settlement amount has been paid before March 31, 2020 in accordance with the terms and conditions of the OTS. Consequent to the full and final payment to State Bank of India, the Company has written back ₹ 19,527.26 lacs being the difference between the OTS amounts paid and the total dues to State Bank of India including interest in books of accounts.
- During the current year, the Company entered into a One Time Settlement (OTS) with IDBI Ltd. at ₹ 1,603.83 lacs in full and final settlement of its outstanding Working Capital dues of ₹ 4,971.15 lacs including interest at original contracted rates, pursuant to which the entire settlement amount has been paid before March 31, 2020 in accordance with the terms and conditions of the OTS. Consequent to the full and final payments to IDBI Ltd., the Company has written back ₹ 3,367.32 lacs being the difference between the OTS amounts paid and the total dues to IDBI Ltd. including interest in books of accounts.

Consequent to the full and final payments to the banks with respect to the above Compromise Settlements with the banks, the Company has written back in aggregate ₹ 45,518.35 lacs being the difference between the OTS amounts paid and the total dues to the various banks including interest in books of accounts on the principal outstanding at original contracted rates.

The amounts written back of ₹ 45,518.35 lacs includes interest of ₹ 6,043.97 lacs pertaining to the period April 2019 to December 2019.

- The Company had 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 September 02, 2021. 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.

- In lieu of advances given to certain bodies corporate amounting to ₹ 6,074.08 lacs, the Company had received land from their holding company. The land received has been registered in the name of the Company. The advances have not been adjusted against the dues to the said holding company pending completion of the merger formalities of the said bodies corporate with their holding company. In view of this, the management believes that no provision is considered necessary in the books of accounts.

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)**

- 46.** The erosion of the net worth of the Company till the previous financial year has been substantially recovered in the current year and the negative networth stands at ₹ 2,374.65 lacs as at March 31, 2020 as compared to ₹ 33,178.22 lacs in the previous year. This is due to major reduction in debt resulting from compromise settlements with banks and entering into agreement, during the quarter ended March 31, 2020 with Edelweiss Asset Reconstruction Company Limited ("EARC") acting as Trustee on behalf of Trusts in favour of whom some of the lender Banks and Financial Institution have assigned all the rights, title and interests in financial assistances granted by them to the Company with respect to restructuring of the debts owed to it by the Company. The compromise settlements and restructuring agreement have significantly reduced the debt burden and consequential finance cost thereon, the benefit whereof will continue to accrue in the years to come. The Company has initiated the process of cost reduction, changes in business strategy and rationalisation of manpower which will strengthen its financial position.

In spite of the country wide lockdown due to the global pandemic affecting the operations in the first two months of the current year, ever since the staggered resumption of operations, sales have started stabilising across the country with certain southern states showing substantial growth and is expected to match the yearly estimates resulting in improved operational performance of the business in terms of sales, market share and margins.

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 Company'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.

- 47.** a) Anupama Wine Distributors has filed a suit before the City Civil Court, Bangalore claiming ₹ 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 ₹ 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 a transfer petition to club both the matters related to Anupama Wine Distributors and Anupama Distributors as the evidences are the same.
- 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.

- 48.** The National Company Law Tribunal ("NCLT") has ordered for liquidation of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company ("Prag") vide its order No. MA 309/2018 in CP1067/ 2017 dated July 26, 2018, as a going concern. The Official Liquidator having initiated the preliminary process of liquidation of Prag as a going concern has sought for further directions from NCLT in the matter, which is still awaited. Tilaknagar Industries Ltd. has also submitted a formal proposal to the lenders for full and final settlement of all their claims, final approval for which is awaited. The impairment, if any, of the equity investment in Prag will be considered on completion of the liquidation process/ final settlement as the case may be.

- 49.** The net worth of PunjabExpo Breweries Private Limited, a subsidiary of TI, has eroded consequent to the losses incurred in 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 the company. Moreover, the Company is also in the process of rationalization of its administrative overheads the effect of which is expected in the last quarter of 2020-21. 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 Company'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 advances given are required.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

50. Disclosure required under Section 186 (4) of the Company's Act, 2013 for advances and guarantees:

(₹ in lacs)

	As at March 31, 2020		As at March 31, 2019	
	Maximum amount outstanding	Balance as at the year end	Maximum amount outstanding	Balance as at the year end
a) Advances to subsidiaries				
Prag Distillery (P) Ltd. *	6,448.02	6,388.36	6,348.99	6,348.99
Vahni Distilleries Private Limited	3,214.07	1,517.25	4,951.46	2,358.30
PunjabExpo Breweries Private Limited	3,436.87	3,436.87	10,098.56	10,098.56
Mykingdom Ventures Pvt. Ltd.	7.28	7.28	6.27	6.27
Studd Projects P. Limited	13.70	13.70	12.22	12.22
Srirampur Grain Pvt. Ltd.	22.17	22.17	19.88	19.88
Shivprabha Sugars Ltd.	45.47	45.47	44.26	44.26
Total	13,187.58	11,431.10	21,481.64	18,888.48

* The Company has impaired advances with Prag Distillery (P) Ltd. for ₹ 6,388.36 lacs (P.Y. ₹ 6,348.99 lacs) for the year ended March 31, 2020

	March 31, 2020	March 31, 2019
b) Guarantees		
Corporate guarantees issued to banks on behalf of Subsidiary Company	1,548.98	1,429.77
The above loans and advances have been given for general business purposes.		

51. In view of the country-wide lockdown due to the outbreak of COVID-19 pandemic, operations/despaches and administrative offices of the Company were scaled down or shut down for certain days beginning from second half of March, 2020. The lockdown is being lifted with systematic process by the Government at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities. The Company continues to closely monitor the situation and take appropriate action in due compliance with the applicable regulations. The operations/despaches have partially resumed at certain locations of the Company in compliance with Government directives in May, 2020.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, trade receivables and other current assets. The eventual outcome or impact of COVID-19 on the Company's financials may differ from that estimated as at the date of approval of these financial statements, however, as per the current assessment of the management, the carrying amounts of these assets are expected to be recovered.

52. The standalone financial statements of the Company for the year ended March 31, 2019 were audited by another firm of Chartered Accountants.

53. Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

As per our Report of even date annexed.

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

Harshil Shah
Partner
Membership No.124146

Place: Mumbai
Date: September 15, 2020

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lacs)

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	(260.38)	14,666.79	14,559.07	0.30	542.47	(651.01)	(12.10)	(663.11)	(2.62)	(665.73)	Nil	100%
2	Vahni Distilleries Private Limited	INR	1,498.05	(2,165.98)	897.12	1,565.05	-	392.38	101.05	(3.02)	98.03	1.02	99.05	Nil	100%
3	Kesarval Springs Distillers Pvt. Ltd.	INR	30.00	(401.68)	18.73	390.41	-	9.26	3.94	(0.62)	3.32	-	3.32	Nil	100%
4	PunjabExpo Breweries Private Limited	INR	560.00	(824.53)	3,400.92	3,665.45	-	1,282.98	(912.99)	(54.35)	(967.34)	1.85	(965.49)	Nil	100%
5	Mykingdom Ventures Pvt. Ltd.	INR	1.00	(7.51)	1.41	7.92	-	-	(0.91)	-	(0.91)	-	(0.91)	Nil	100%
6	Studd Projects P. Ltd.	INR	1.00	(12.96)	1.97	13.93	-	-	(1.39)	1.39	-	-	-	Nil	100%
7	Srirampur Grains Private Limited	INR	1.00	(22.52)	1.07	22.59	-	-	(2.20)	-	(2.20)	-	(2.20)	Nil	100%
8	Shivprabha Sugars Ltd.	INR	5.00	(148.80)	16.00	159.80	-	-	(1.04)	-	(1.04)	-	(1.04)	Nil	90%

For and on behalf of the Board

Amit Dahanukar

Chairman & Managing Director
(DIN:00305636)

Srijit Mullick

Chief Financial Officer

Gaurav Thakur

Company Secretary

Place: Mumbai

Date: September 15, 2020

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	March 31, 2019
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

Amit Dahanukar

Chairman & Managing Director

(DIN:00305636)

Srijit Mullick

Chief Financial Officer

Gaurav Thakur

Company Secretary

Place: Mumbai

Date: September 15, 2020



INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Amit Dahanukar
Chairman & Managing Director

Mr. Chemangala Ramachar Ramesh (w.e.f. November 13, 2020)
Whole-Time Director

Non-Executive Director

Mrs. Shivani Amit Dahanukar
Ms. Swapna Vinodchandra Shah (w.e.f. July 31, 2020)

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 (w.e.f. July 31, 2020)

CHIEF FINANCIAL OFFICER

Mr. Srijit Mullick (Retired w.e.f. September 15, 2020)

COMPANY SECRETARY

Mr. Gaurav Thakur (Resigned w.e.f. November 30, 2020)

STATUTORY AUDITORS

M/s. Harshil Shah & Company
Chartered Accountants

COST AUDITOR

Dr. Netra Shashikant Apte
Cost & Management Accountant

SECRETARIAL AUDITORS

Ragini Chokshi & Co.
Company Secretaries

SOLICITORS

W. S. Kane & Co.
Advocate Umamaheshwar Rao
Economic Laws Practice (ELP)
Holla & Holla
Inttl. Advocate
Kunal Bhanage

BANKERS/FINANCIAL INSTITUTIONS

Edelweiss Asset Reconstruction Company Limited

REGISTERED OFFICE & WORKS

P. O. Tilaknagar, Tal. Shrirampur,
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.
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (E), Mumbai - 400 059
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

85th Annual General Meeting is scheduled to be held on Tuesday,
December 29, 2020, 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

Website: www.tilind.com



TILAKNAGAR INDUSTRIES LTD.
CIN: L15420PN1933PLC133303

Registered Office: P.O. Tilaknagar, Tal. Shirampur, Dist. Ahmednagar, Maharashtra-413 720
Corporate Office: 3rd Floor, Industrial Assurance Building, Churchgate, Mumbai, Maharashtra-400 020
E-mail: investor@tilind.com, **Website:** www.tilind.com, **Phone:** +91 22 22831716/18, **Fax:** +91 22 22046904

NOTICE

NOTICE is hereby given that the **85th Annual General Meeting (AGM)** of the Members of Tilaknagar Industries Ltd. will be held on **Tuesday, December 29, 2020 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, 2020, Auditors' Report thereon and the Directors' Report**
2. **To appoint a Director in place of Mrs. Shivani Amit Dahanukar (DIN: 00305503), who retires by rotation and being eligible, offers herself for re-appointment**

SPECIAL BUSINESS

3. **Approval of the remuneration payable to the Cost Auditor for the financial year 2020-21**

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), CMA Dr. Netra Shashikant Apte having Membership No. 11865 and Firm Registration No. 102229, appointed as the Cost Auditor by the Board of Directors, based on the recommendation of the Audit Committee 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 (including any statutory modification or re-enactment thereof, for the time being in force), be paid a remuneration of ₹ 1,50,000/- (Rupees One Lac Fifty Thousand Only) plus tax as applicable and reimbursement of out of pocket expenses as may be incurred by her for conducting the Cost Audit for the financial year 2020-21;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to the above mentioned resolution."

4. **Appointment of Ms. Aparna Praveen Chaturvedi (DIN:00028647) as a Independent Director of the Company**

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17(1)(a) and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory modification or re-enactment thereof, for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Ms. Aparna Praveen Chaturvedi (DIN:00028647), who was appointed as an Additional Director (Non-Executive and Independent) of the Company by the Board of Directors with effect from July 31, 2020 in terms of Section 161(1) of the Companies Act, 2013 read with Article 101 of the Articles of Association of the Company and who holds office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of the Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Woman Director of the Company for a period of 1(Year) commencing from July 31, 2020 and expiring on July 30, 2021 (both days inclusive), not liable to retire by rotation;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient

to give effect to this resolution and also to settle any question, difficulty or doubt that may arise in this regard without requiring to secure any further consent or approval of the Members of the Company."

5. Appointment of Ms. Swapna Vinodchandra Shah (DIN:08807901), as a Non-Executive Director of the Company

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory modification or re-enactment thereof, for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Ms. Swapna Vinodchandra Shah (DIN: 08807901), who was appointed as an Additional (Non-Executive) Director of the Company by the Board of Directors with effect from July 31, 2020 in terms of Section 161(1) of the Companies Act, 2013 read with Article 101 of the Articles of Association of the Company and who holds office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of the Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as Non-Executive Director of the Company, liable to retire by rotation;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and also to settle any question, difficulty or doubt that may arise in this regard without requiring to secure any further consent or approval of the Members of the Company."

6. Re-appointment of Mr. Kishorekumar Ganpatrao Mhatre (DIN: 07527683) as an Independent 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 Sections 149 and 152 read with Schedule IV and all

other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory modification or re-enactment thereof, for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Kishorekumar Ganpatrao Mhatre (DIN: 07527683), Independent Director of the Company, whose term is expiring on June 08, 2021 and who has submitted a declaration that he meets the criteria of Independence specified under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5(Five) consecutive years commencing from June 09, 2021 and expiring on June 08, 2026(both days inclusive);

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and also to settle any question, difficulty or doubt that may arise in this regard without requiring to secure any further consent or approval of the Members of the Company."

7. Re-appointment of Mr. Amit Dahanukar (DIN:00305636) as Chairman & Managing 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 Sections 196, 197, 198 and 203 and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modifications or re-enactment thereof, for the time being in force), read with Article 96 of the Articles of Association of the Company and pursuant to the recommendations made by the Nomination and Remuneration Committee and approval granted by the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include any committee which the Board may constitute to exercise its powers conferred by this resolution) at their respective Meetings held on October 29, 2020, consent be and is hereby accorded for re-appointment of Mr. Amit Dahanukar (DIN:00305636)

(who is also Chairman & Managing Director of PunjabExpo Breweries Private Limited, a Wholly Owned Subsidiary) as the Chairman & Managing Director of the Company for a period of 3 (three) years commencing from November 07, 2020 and ending on November 06, 2023(both days inclusive) at a remuneration of ₹ 60,00,000/- (Rupees Sixty Lacs only) per annum upon such terms and conditions as contained in the draft agreement, material terms of which are set out in the Explanatory Statement annexed hereto with liberty to the Board to alter and vary the terms and conditions of the said agreement in such manner as may be agreed between the Board and Mr. Amit Dahanukar, apart from the remuneration of ₹ 4,50,00,000/- (Rupees Four Crores Fifty Lacs) per annum proposed to be drawn by him from PunjabExpo Breweries Private Limited, a Wholly Owned Subsidiary as its Chairman & Managing Director with effect from November 06, 2020;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and also to settle any question, difficulty or doubt that may arise in this regard without requiring to secure any further consent or approval of the Members of the Company."

8. Appointment of Mr. Chemangala Ramachar Ramesh (DIN: 08876738) as a Whole-Time 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 Sections 196, 197, 198 and 203 and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modifications or re-enactment thereof, for the time being in force), the read with Article 96 of the Articles of Association of the Company and pursuant to the recommendations made by the Nomination and Remuneration Committee and approval granted by the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include any committee which the Board may constitute to exercise its powers conferred by this resolution) at their respective Meetings held on October 29, 2020 and November 13, 2020, consent be and is hereby accorded for the appointment of Mr. Chemangala Ramachar Ramesh (DIN: 08876738), who

was appointed as an Additional (Whole-Time) Director as a Whole-Time Director of the Company for a period of 3 (three) years commencing from November 13, 2020 and ending on November 12, 2023(both days inclusive) at a remuneration of ₹ 27,90,480/- (Rupees Twenty Seven Lacs Ninety Thousand Four Hundred and Eighty only) per annum upon such terms and conditions as contained in the draft agreement, material terms of which are set out in the Explanatory Statement annexed hereto with liberty to the Board to alter and vary the terms and conditions of the said agreement in such manner as may be agreed between the Board and Mr. Chemangala Ramachar Ramesh;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and also to settle any question, difficulty or doubt that may arise in this regard without requiring to secure any further consent or approval of the Members of the Company."

9. Authorization for payment of commission to Non-Executive (including Independent) Directors of the Company

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 ("the Act") [including any statutory modifications or re-enactment thereof, for the time being in force] and Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent be and is hereby accorded for payment of commission to the Non-Executive(including Independent) Directors of the Company (i.e., Directors other than the Managing Director and/or Whole Time Directors) to be determined by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee for each of such Directors for the financial year 2020-21 and onward and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the overall maximum limit of 1% (one percent) of the net profits of the Company for that financial year computed in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified by the Act from time to time in this regard;

RESOLVED FURTHER THAT the above remuneration shall be in addition to fees payable to the Directors for attending the Meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and other meetings;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and also to settle any question, difficulty or doubt that may arise in this regard without requiring to secure any further consent or approval of the Members of the Company."

10. Alteration in the Articles of Association 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 14 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification or re-enactment thereof, for the time being in force), the Articles of Association of the Company be and are hereby altered by insertion of the following new Article 8A after Article 8 of the Articles of Association under the heading '**SHARE CAPITAL AND VARIATION OF RIGHTS**':

8A	<i>Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the Capital of the Company by converting any loan/ debt facility owed by the Company in full or part, as the case may be.</i>	<i>Allotment of shares upon conversion of loan/debt facility owed by the Company</i>
----	---	--

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and also to settle any question, difficulty or doubt that may arise in this regard without requiring to secure any further consent or approval of the Members of the Company."

11. Issue of Equity Shares of the Company on Preferential Basis

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and other relevant rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force) ("Act") and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("SEBI Listing Regulations") and Uniform Listing Agreement entered into by the Company with the Stock Exchanges, where the equity shares of the Company are listed, the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time ("SEBI Takeover Regulations") and in accordance with the Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time ("SEBI (ICDR) Regulations") and in accordance with the other applicable rules, regulations, circulars, notifications, clarifications and guidelines issued thereon, from time to time, by the Government of India ("GOI"), Ministry of Corporate Affairs ("MCA"), Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), Stock Exchange(s) and any other relevant statutory, government authorities or departments, institutions or bodies and subject to such terms and conditions, alterations, corrections, changes, variations and/or modifications, if any, as may be prescribed by any one or more or all of them while granting such approvals, consents, permissions and/or sanctions and which may be accepted by the Board of Directors of the Company (hereinafter referred to as "Board", which term shall include any duly constituted and authorized Committee thereof, which the Board of Directors may constitute to exercise its powers) and subject to such alterations, modifications, corrections, changes and variations as may be decided by the Board in its discretion, consent of the Members of the Company be and is hereby accorded to the Board to offer, issue and allot, in one or more tranches, from time to time upto 1,39,03,752 (One Crore Thirty Nine Lacs Three Thousand Seven Hundred Fifty Two) equity shares having face value of ₹ 10/- (Rupees Ten) each 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 Trust SC241 and EARC Trust SC269 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 Lacs Ninety Five Thousand Three Hundred Ninety Eight and Seventy Two Paise only) into equity shares of the Company on preferential basis and on such terms and conditions as may be agreed between the Board and EARC in the manner given herein below:

Sl. No.	Name of the Proposed Allottees	PAN	Category	Maximum Number of Equity shares proposed to be allotted
1	Edelweiss Asset Reconstruction Company Limited acting as Trustee of EARC Trust SC233	AAATE7461P	Non-Promoter Financial Institution	23,63,638
2	Edelweiss Asset Reconstruction Company Limited acting as Trustee of EARC Trust SC241	AAATE7850J	Non-Promoter Financial Institution	55,61,501
3	Edelweiss Asset Reconstruction Company Limited acting as Trustee of EARC Trust SC269	AAATE7943A	Non-Promoter Financial Institution	59,78,613
	Total			1,39,03,752

RESOLVED FURTHER THAT the offer, issue and allotment of the abovementioned preferential issue of equity shares of the Company shall be subject to the following terms and conditions:

- a) the Relevant Date pursuant to Regulation 161 of the SEBI (ICDR) Regulations in relation to the abovementioned preferential issue of equity shares shall be Friday, November 27, 2020;
- b) the issue price of the Equity shall not be less than the minimum price determined in accordance with Regulation 164 of the SEBI (ICDR) Regulations and same shall be subject to appropriate adjustments in the cases specified under Regulation 166 of the SEBI (ICDR) Regulations;
- c) the requirement of bringing in 100% of the consideration towards allotment of the equity shares on or before the date of allotment from the respective bank accounts of the proposed allottees in accordance with Regulation 169 of the SEBI (ICDR) Regulations shall not apply since the proposed allotment is upon conversion of part of the debt owed to EARC by the Company.
- d) the equity shares proposed to be issued and allotted pursuant to this resolution shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- e) the equity shares proposed to be issued and allotted pursuant to this resolution shall rank pari-passu with the existing equity shares of the Company in all respects including as to dividend and be listed on the Stock Exchange(s), where the equity shares of the Company are currently listed;
- f) the allotment of equity shares pursuant to this resolution shall only be in dematerialized form;
- g) the lock-in provisions shall not apply to the proposed allotment of equity shares to Edelweiss Asset Reconstruction Company Limited ("EARC") acting as Trustee of EARC Trust SC233, EARC Trust SC241 and EARC Trust SC269, being 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 in accordance with the provisions of Regulation 158(3) of the SEBI (ICDR) Regulations;
- h) the allotment pursuant to this resolution shall be completed within a period of 15 days from the passing of this resolution. Provided that, where the allotment pursuant to this resolution is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approval(s);

RESOLVED FURTHER THAT the Board be and is hereby authorized to make an offer to the proposed allottees, as applicable, through private placement offer cum application letter (in the format of PAS-4) immediately after passing of this resolution with a stipulation that allotment of the equity shares of the Company would be made only upon receipt of in-principle approval from the Stock Exchange(s) i.e. BSE Limited and National Stock Exchange of India Limited and subject to necessary regulatory compliances;

RESOLVED FURTHER THAT the Board be and is hereby authorized to decide and approve other terms and conditions, if any, of the abovementioned preferential issue and shall also be entitled to vary, alter or modify any of the terms and conditions, including size of the issue as it may deem fit, subject to the compliance with the applicable guidelines, rules and regulations;

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the abovementioned equity shares on Stock Exchange(s) where shares of the Company are listed as per the terms and conditions of the SEBI Listing Regulations and in accordance with such other guidelines, rules and regulations as may be applicable with regard to such listing and also to take necessary steps for the admission of such equity shares with the depositories i.e. NSDL and CDSL and for the credit of same to the respective demat accounts of the proposed allottees;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things, including without limitation, issuing clarifications on the offer, making any application etc. to the concerned regulatory authorities for issue and allotment of equity shares, to execute necessary documents and enter into contracts, arrangements etc. (including for appointment of agencies, intermediaries), if required and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit, without being required to seek any further consent or approval of the Members of the Company or otherwise and that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and the decision of the Board shall be final and conclusive;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Committee of Directors or any Director(s) or any Officer(s) of the Company and give such directions/instructions as may be necessary to settle any question, difficulty or doubt that may arise in regard to offer, issue, allotment and listing of the equity shares."

For and on behalf of the Board of Directors

Place: Mumbai

Amit Dahanukar

Date: November 13, 2020 Chairman & Managing Director

Registered Office:

P.O. Tilaknagar, Tal. Shrirampur,
Dist. Ahmednagar, Maharashtra-413 720

NOTES

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular Nos. 14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively ('MCA Circulars') permitted the holding of the 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 ('SEBI LODR Regulations') and MCA Circulars, the 85th AGM of the Company is being held through VC/OAVM facility.

The Deemed Venue for the 85th 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 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 authorize 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 holder 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 and the Annual Report for 2019-20 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 85th AGM has been uploaded on the website of the Company at 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 and 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.
5. An Explanatory Statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. Information pursuant to Regulation 36(3) of the SEBI LODR Regulations read with Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India with respect to the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting is annexed to this Notice.
7. The Register of Directors and Key Managerial Personnel and their Shareholding, the Register of Contracts or Arrangements in which Directors are interested and the Certificate given by the Statutory Auditors with respect to implementation of the ESOP Schemes of the Company will be available for inspection during the Meeting.
8. All the documents referred to in the Notice and Explanatory Statement annexed thereto including the Annual Report for the financial year 2019-20 will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to investor@tilind.com.
9. Pursuant to Sections 101 and 136 of the Act read with relevant Rules made thereunder, companies can serve Annual Reports 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 and/or by sending a request to Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agent ('RTA') through e-mail at 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.
10. 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. 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.
11. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for a long time. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
12. The Notice of AGM and Annual Report 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 November 27, 2020.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder 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.
2. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Members desiring any information/clarification on the accounts or any matter to be placed at the AGM are requested to write to the Company at investor@tilind.com at least seven days in advance to enable the management to keep information ready at the AGM.
6. Members who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request at least seven days in advance mentioning their name, demat account number/folio number, e-mail ID, mobile number at investor@tilind.com.
7. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.
8. Members who need assistance before or during the AGM, or have any queries or issues regarding e-voting, may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com or call 1800225533.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, 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.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders 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.
13. 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 Agents of the Company.
14. As per Regulation 40 of SEBI Listing Regulations, as amended, vide SEBI notifications dated June 8, 2018 and November 30, 2018, mandated that securities of listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Accordingly, requests for physical transfer of securities of the Company shall not be processed from April 01, 2019. In view of such amendment and in order to eliminate the risks associated with physical holding of shares and for ease of portfolio management, Members who are holding shares in physical form are hereby requested to dematerialize their holdings.

15. Pursuant to Section 72 of the Act read with the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in single name are entitled to nominate a person to whom their shares in the Company shall vest in the event of their demise by sending a nomination in the prescribed Form No. SH-13 duly filled in to Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agents of the Company. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.
16. Members holding shares in physical form are requested to approach Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agents of the Company at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri – (East), Mumbai – 400 059, Tel: (022) 6263 8200, Fax: (022) 6263 8299, E-mail: investor@bigshareonline.com, Website: www.bigshareonline.com for:
 - (a) intimating any change in their address and/or bank mandate;
 - (b) submitting requests for transmission, name deletion, issue of duplicate share certificates, name change, split, consolidation, etc.;
 - (c) nominating any person to whom the shares shall vest in the event of death;
 - (d) updating/registering their e-mail address for correspondence; and
 - (e) any other queries with respect to shares held by them.
17. Members holding shares in electronic form are hereby informed that the Company or its Registrar can not act on any request received directly from them for any change of address and/or bank mandate or change in e-mail address. Such changes are to be intimated only to the Depository Participants of the Members.
18. Members are requested to quote their Client ID and DP ID in respect of shares held in electronic form and ledger folio number in respect of shares held in physical form in all their correspondence.
19. 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).

20. Members may kindly take note that in accordance with the provisions of Section 124(5) of the Act, 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 ₹ 6,24,796/- (Six Lacs Twenty Four Thousand Seven Hundred and Ninety Six only) being dividend for the financial year 2011-12 and an amount of ₹ 10,31,976/- (Rupees Ten Lacs Thirty One Thousand Nine Hundred Seventy Six Only) being dividend for the financial year 2012-13 lying unclaimed for a period of 7 years was transferred by the Company during the financial year 2020-21 to the IEPF lying unclaimed for a period of 7 years was transferred by the Company during the financial year 2019-20 to the IEPF.

Members may also kindly take note that pursuant to Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), the Company is, also, required to transfer all shares in respect of which dividend has not been claimed for 7 (seven) consecutive years or more to the IEPF Authority. Accordingly, 8,77,310 (Eight Lacs Seventy Seven Thousand Three Hundred and Ten) shares relating to financial year 2011-12 have been transferred by the Company during the financial year 2019-20 to the IEPF Authority.

Details of the abovementioned unclaimed dividend/ shares transferred to IEPF have been uploaded on the website of the Company i.e. www.tilind.com and also on the website of the IEPF Authority i.e. www.iepf.gov.in.

Members may also take note that no claim shall lie against the Company in respect of dividend and shares so transferred to the IEPF. However, Members can claim the dividend and shares transferred by the Company to the IEPF by making an application in accordance with the procedures laid down by the IEPF Authority, available at its website i.e. www.iepf.gov.in.

Details of the unclaimed dividend lying with the Company as on March 31, 2020 have also been uploaded on the website of the Company, accessible at weblink: <http://www.tilind.com/investors/#shareholder-services>.

The concerned Members may claim the unclaimed dividend by sending a request letter along with the letter of undertaking available on the website of the Company i.e. www.tilind.com and self-attested PAN Card copy to Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agents of the Company before the due date for its transfer to IEPF available on the website of the Company i.e. www.tilind.com and also mentioned herein below:

Financial Year	Dividend per Share (₹)	Date of Dividend Declaration	Last Date for claiming Dividend
2013 – 14	0.80	September 27, 2014	November 02, 2021

21. The Company has uploaded the details of bonus shares lying unclaimed in "TI-Unclaimed Suspense Account" on its website i.e. www.tilind.com.

The concerned Members may claim the same by sending a request letter along with self-attested copies of address proof, PAN Card and demat account details to Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agents of the Company.

22. 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 Agents / the Company or who will register their e-mail address with RTA, on or before November 27, 2020.

Process for those Shareholders whose e-mail address are not registered with the Company / Depositories, for procuring user id and password and registration of e-mail address for e-voting for the resolutions set out in this Notice:

Physical Holding	Send a request to Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agent at info@bigshareonline.com 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.
Demat Holding	Please contact your DP and register your e-mail address in your demat account, as per the process advised by your DP.

The abovementioned documents are also available for download on the Company's website i.e. www.tilind.com.

23. In compliance with the provisions of Regulation 44 of the SEBI LODR 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 85th Annual General Meeting ("the Meeting"). Necessary arrangements have been made by the Company with CDSL to facilitate remote e-voting.

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. Tuesday, December 22, 2020.

24. **Information and other instructions relating to remote e-voting are as under:**

- The voting period begins on Saturday, December 26, 2020 at 10.00 a.m. and ends on Monday, December 28, 2020 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 (record date) of Tuesday, December 22, 2020 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- The Members should log on to the e-voting website www.evotingindia.com.
- Click on Shareholders Module.
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address Sticker/Mail) in the PAN field. - In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. 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 as mentioned in instruction (iv).

- viii. After entering these details appropriately, click on "SUBMIT" tab.

- ix. 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.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for "Tilaknagar Industries Ltd." on which you choose to vote.
- xii. 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.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. 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.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. **Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows**

phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix. Note for Non - Individual Members and Custodians:

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to 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.
- 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 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 scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc., to the Scrutinizer and to the Company at the e-mail address viz investor@tilind.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542). The Members may also

approach the Company at investor@tilind.com for any grievances pertaining to e-voting process.

25. 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 Annual Report and Notice of the Meeting and holding shares on the cut-off date i.e. Friday, November 27, 2020, may obtain login ID and password by sending a request at helpdesk.evoting@cdslindia.com.
26. The Board of Directors has appointed Advocate R.T. RajGuroo as Scrutinizer to scrutinize the voting process (including remote e-voting) in a fair and transparent manner in its Meeting held on November 13, 2020. He has communicated his willingness to be so appointed and will be available for the purpose of ascertaining the requisite majority.
27. The Scrutinizer 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, not later than 48 hours from the conclusion of the Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman & Managing Director of the Company or any person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith. The Resolutions will be deemed to be passed on the date of the Meeting subject to receipt of requisite number of votes in favour of the Resolutions.
28. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e. www.tilind.com and on the website of the CDSL immediately after the declaration of the results by the Chairman & Managing Director of the Company or a person authorized by him in writing and also be displayed at the Registered and Corporate Office of the Company. The results shall also be immediately forwarded to the Stock Exchange(s) i.e. BSE Limited and National Stock Exchange of India Ltd.
29. 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. 3

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 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-imbursement of out of pocket expenses as may be incurred by her for conducting the Cost Audit for the financial year 2020-21.

In terms of the provisions of Section 148(3) 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 2020-21.

The Board recommends the Ordinary Resolution set out at Item No. 3 for the approval of the Members.

None of the Directors and Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

Item No. 4

The Board has, on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Aparna Praveen Chaturvedi (DIN: 00028647) as an Additional (Non-Executive and Independent) Director of the Company with effect from July 31, 2020. Pursuant to the provisions of Section 161 of the Companies Act, 2013, she is holding office up to the date of the 85th Annual General Meeting.

The Company has received a notice in writing from a Member of the Company proposing her candidature for the office of the Director of the Company under Section 160 of the Companies Act, 2013 alongwith a declaration from her confirming that she meets the criteria of independence as specified under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent to act as a Director in terms of Section 152 of the Companies Act, 2013 and a declaration that she is not disqualified from

being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In terms of the provisions of Sections 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 16(1)(b) and Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), it is proposed to appoint her as a Independent Woman Director of the Company to hold office for a period of 1(One) year commencing from July 31, 2020 and expiring on July 30, 2021 (both days inclusive), not liable to retire by rotation.

Copy of the draft letter of appointment of Ms. Aparna Praveen Chaturvedi setting out the terms and conditions of appointment is available for inspection by the Members of the Company, without any fees, at the Registered Office and Corporate Office of the Company between 11.00 a.m. and 01.00 p.m. on all working days except Saturday up to the date of the Meeting and has also been uploaded on the Company's Website i.e. www.tilind.com.

Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India with respect to appointment of Ms. Aparna Praveen Chaturvedi is annexed to this Notice.

In the opinion of the Board, she fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as a Independent Woman Director of the Company and is independent of the management.

After taking into consideration, the recommendation made by the Nomination and Remuneration Committee alongwith skills, experience and educational background of Ms. Aparna Praveen Chaturvedi, the Board of Directors recommends the Ordinary Resolution set out at Item No. 4 for the approval of the Members.

Except Ms. Aparna Praveen Chaturvedi, being the proposed appointee, none of the Directors and Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

Item No. 5

The Board has, on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Swapna Vinodchandra Shah (DIN: 08807901) as an Additional (Non-Executive) Director of the Company with effect from July 31, 2020. Pursuant to the provisions of Section 161 of the

Companies Act, 2013, she is holding office up to the date of the 85th Annual General Meeting.

The Company has received a notice in writing from a Member of the Company proposing her candidature for the office of the Director of the Company under Section 160 of the Companies Act, 2013 alongwith consent to act as a Director in terms of Section 152 read with 188(1) of the Companies Act, 2013 and a declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In terms of the provisions of Sections 152 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint her as a Non-Executive Director of the Company, liable to retire by rotation.

Copy of the draft letter of appointment of Ms. Swapna Vinodchandra Shah setting out the terms and conditions of appointment is available for inspection by the Members of the Company, without any fees, at the Registered Office and Corporate Office of the Company between 11.00 a.m. and 01.00 p.m. on all working days except Saturday up to the date of the Meeting and has also been uploaded on the Company's website i.e. www.tilind.com.

Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India with respect to appointment of Ms. Swapna Vinodchandra Shah is annexed to this Notice.

After taking into consideration, the recommendation made by the Nomination and Remuneration Committee alongwith skills, experience and educational background of Ms. Swapna Vinodchandra Shah, the Board of Directors recommends the Ordinary Resolution set out at Item No. 5 for the approval of the Members.

Except Ms. Swapna Vinodchandra Shah, being the proposed appointee, none of the Directors and Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Item No. 6

Mr. Kishorekumar Ganpatrao Mhatre (DIN: 07527683) was appointed as an Independent Director of the Company to hold office for a term of 5(Five) consecutive years commencing from June 09, 2016 up to June 08, 2021(both days inclusive) vide resolution passed by the Members of the

Company at the 81st Annual General Meeting held on September 14, 2016.

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, an Independent Director shall hold office for a term up to 5(Five) consecutive years on the Board of Directors and shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Directors' Report.

Accordingly, it is proposed to seek approval of the Members by way of Special Resolution for re-appointment of Mr. Kishorekumar Ganpatrao Mhatre, who has given his consent pursuant to Section 160 of the Companies Act, 2013, as an Independent Director of the Company, not liable to retire by rotation for a second term of 5(Five) consecutive years commencing from June 09, 2021 and expiring on June 08, 2026 (both days inclusive).

The Company has received a declaration from him confirming that he meets the criteria of independence as specified under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 alongwith consent to act as a Director in terms of Section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Copy of the draft letter of appointment of Mr. Kishorekumar Ganpatrao Mhatre setting out the terms and conditions of re-appointment is available for inspection by the Members of the Company, without any fees, at the Registered Office and Corporate Office of the Company between 11.00 a.m. and 01.00 p.m. on all working days except Saturday up to the date of the Meeting and has also been uploaded on the Company's Website i.e. www.tilind.com.

Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India with respect to re-appointment of Mr. Kishorekumar Ganpatrao Mhatre is annexed to this Notice.

In the opinion of the Board of Directors, Mr. Kishorekumar Ganpatrao Mhatre fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder, for his re-appointment as an Independent Director of the Company and is independent of the Management.

After taking into consideration, the recommendation made by the Nomination and Remuneration Committee alongwith

skills, experience, knowledge and performance evaluation report of Mr. Kishorekumar Ganpatrao Mhatre, the Board of Directors recommends the Special Resolution set out at Item No. 6 for the approval of the Members.

Except Mr. Kishorekumar Ganpatrao Mhatre, being the proposed appointee, none of the Directors and Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

Item No. 7

Mr. Amit Dahanukar (DIN: 00305636) was re-appointed as Chairman & Managing Director of the Company by the Members by way of Special Resolution passed through Postal Ballot on March 29, 2017 for a period of 3 years commencing from November 07, 2017 and ending on November 06, 2020, subject to approval of the Central Government. The

Central Government, vide its letter bearing reference number G641290685/4/2017-CL-VII dated August 03, 2017, had approved his re-appointment for the abovementioned tenure at a remuneration of ₹ 18,00,000/- (Rupees Eighteen Lacs Only) per annum and other terms and conditions as mentioned in the said letter.

Accordingly, his tenure was expiring on November 06, 2020 and the Board of Directors based on the recommendation of the Nomination and Remuneration Committee has re-appointed Mr. Amit Dahanukar as Chairman & Managing Director of the Company, subject to the approval of the Members of the Company, at a remuneration of ₹ 60,00,000/-(Rupees Sixty Lacs Only) per annum and upon the following terms and conditions to be incorporated in the appointment agreement to be entered into between the Company and Mr. Amit Dahanukar:

Sr. Nos.	Particulars
1	Mr. Amit Dahanukar shall act as 'Chairman & Managing Director' of the Company for a period of 3 (Three) years commencing from November 07, 2020 and ending on November 06, 2023(both days inclusive).
2	Mr. Amit Dahanukar shall be liable to retire by rotation pursuant to the provisions of the Companies Act, 2013. However, such retirement shall not be treated as break in service, in case he is immediately re-appointed as Director after retirement as aforesaid.
3	Mr. Amit Dahanukar shall be Key Managerial Person (KMP) in terms of the provisions of Section 203 of the Companies Act, 2013.
4	The remuneration payable to Mr. Amit Dahanukar in any financial year shall be lower of the remuneration recommended by the Nomination and Remuneration Committee 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. 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.
5	Mr. Amit Dahanukar shall not be entitled to sitting fees for attending Meetings of the Board or Committee thereof.
6	Subject to the general superintendence, control and direction of the Board of Directors of the Company, Mr. Amit Dahanukar shall exercise all such powers of the management and discharge such roles and responsibilities as are permitted to be exercised/discharged by the Managing Director under the Memorandum and Article of Association of the Company read with the Companies Act, 2013 except which are exclusively reserved to be exercised/discharged by the Board of Directors/ Members of the Company and shall be entrusted with necessary powers and authorities within the purview of law for discharging his duties
7	Mr. Amit Dahanukar shall devote his whole time and attention to the business and affairs of the Company and shall perform such other services as may be delegated to him by the Board of Directors from time to time. He shall use his utmost endeavors to promote the interest and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such directions as may from time to time be given by the Board of Directors of the Company.
8	Mr. Amit Dahanukar, Chairman & Managing Director shall not without the prior sanction of the Board of Directors – (i) borrow moneys; (ii) invest funds of the Company; (iii) grant loans or give guarantee or provide security in respect of loans; and (iv) take such actions which are prohibited under the provisions of the Companies Act, 2013 to be undertaken without sanction of the Board of Directors of the Company.
9	The appointment may be terminated by either party by giving to the other party six months' notice in writing or six months' salary in lieu thereof.
10	The terms and conditions of re-appointment of Mr. Amit Dahanukar may be altered/varied by the Board from time to time as it may in its discretion deem fit, provided that the remuneration so revised shall not exceed the remuneration referred above.

Mr. Amit Dahanukar is also the Chairman & Managing Director of PunjabExpo Breweries Private Limited, Wholly Owned Subsidiary of the Company and he is drawing remuneration of ₹ 4,50,00,000/- (Rupees Four Crores and Fifty Lacs Only) there from.

The Company has received consent from him to act as Chairman & Managing Director along with a declaration to the effect that he is not disqualified to act as such.

Copy of the draft appointment agreement of Mr. Amit Dahanukar setting out the terms and conditions of re-appointment is available for inspection by the Members of the Company, without any fees, at the Registered Office and Corporate Office of the Company between 11.00 a.m. and 01.00 p.m. on all working days except Saturday up to the date of the Meeting and has also been uploaded on the Company's website i.e. www.tilind.com.

Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India with respect to re-appointment of Mr. Amit Dahanukar is annexed to this Notice.

After taking into consideration, the recommendation made by the Nomination and Remuneration Committee alongwith skills, experience, knowledge and performance evaluation report of Mr. Amit Dahanukar, the Board of Directors recommends the Special Resolution set out at Item No. 7 for the approval of the Members. Except Mr. Amit Dahanukar, being the proposed appointee and Mrs. Shivani Amit Dahanukar, his spouse, none of the Directors and Key Managerial Personnel and their relatives is concerned or

interested, financially or otherwise, in the resolution set out at Item No. 7.

Item No. 8

The Board has, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Chemangala Ramachar Ramesh (DIN: 08876738) as an Additional (Executive) Director and also designated him as a Whole-Time Director of the Company with effect from November 13, 2020. Pursuant to the provisions of Section 161 of the Companies Act, 2013, he is holding office up to the date of the 85th Annual General Meeting.

The Company has received a notice in writing from a Member of the Company proposing his candidature for the office of the Director of the Company under Section 160 of the Companies Act, 2013 alongwith consent to act as a Director in terms of Section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In terms of the provisions of Sections 152 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint him as a Whole-Time Director of the Company for a period of 3 (three) years commencing from November 13, 2020 and ending on November 12, 2023, liable to retire by rotation, subject to the approval of the Members of the Company, at a remuneration of ₹ 27,90,480/-(Rupees Twenty Seven Lacs Ninety Thousand Four Hundred and Eighty only) per annum and upon the following terms and conditions to be incorporated in the appointment agreement to be entered into between the Company and Mr. Chemangala Ramachar Ramesh:

Sr. Nos.	Particulars
1	Mr. Chemangala Ramachar Ramesh shall act as 'Whole-Time Director' of the Company for a period of 3 (three) years commencing from November 13, 2020 and ending on November 12, 2023(both days inclusive).
2	Mr. Chemangala Ramachar Ramesh shall be liable to retire by rotation pursuant to the provisions of the Companies Act, 2013. However such retirement shall not be treated as break in service, in case he is immediately re-appointed as Director after retirement as aforesaid.
3	The remuneration payable to Mr. Chemangala Ramachar Ramesh in any financial year shall be lower of the remuneration recommended by the Nomination and Remuneration Committee i.e. ₹ 27,90,480/-(Rupees Twenty Seven Lacs Ninety Thousand Four Hundred and Eighty 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. 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.
4	Mr. Chemangala Ramachar Ramesh shall be entitled to sitting fees for attending Meetings of the Board or Committee thereof.
5	Subject to the general superintendence, control and direction of the Board of Directors of the Company, Mr. Chemangala Ramachar Ramesh shall exercise ultimate control over the operations of the Plant of the Company situated at P.O. Tilaknagar, Tal. Shirampur, Dist. Ahmednagar Shirampur, Maharashtra - 413720 and shall be entrusted with necessary powers and authorities within the purview of law for discharging his duties.

Sr. Nos.	Particulars
6	Mr. Chemangala Ramachar Ramesh shall devote his whole time and attention to the business and affairs of the Company and shall perform such other services as may be delegated to him by the Board of Directors from time to time. He shall use his utmost endeavors to promote the interest and welfare of the Company and to confirm to and comply with the directions and regulations of the Company and all such directions as may from time to time be given by the Board of Directors of the Company.
7	The appointment may be terminated by either party by giving to the other party three months' notice in writing or three months' salary in lieu thereof.
8	The terms and conditions of re-appointment of Mr. Chemangala Ramachar Ramesh may be altered/varied by the Board from time to time as it may in its discretion deem fit, provided that the remuneration so revised shall not exceed the remuneration referred above.

Copy of the draft letter of appointment of Mr. Chemangala Ramachar Ramesh setting out the terms and conditions of appointment is available for inspection by the Members of the Company, without any fees, at the Registered Office and Corporate Office of the Company between 11.00 a.m. and 01.00 p.m. on all working days except Saturday up to the date of the Meeting and has also been uploaded on the Company's Website i.e. www.tilind.com.

Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India with respect to appointment of Mr. Chemangala Ramachar Ramesh is annexed to this Notice.

After taking into consideration, the recommendation made by the Nomination and Remuneration Committee alongwith skills, experience and educational background of Mr. Chemangala Ramachar Ramesh, the Board of Directors recommends the Special Resolution set out at Item No. 8 for the approval of the Members.

Except Mr. Chemangala Ramachar Ramesh, being the proposed appointee, none of the Directors and Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

Item No. 9

With the enhanced Corporate Governance requirements under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 coupled with the size and complexity of the Company's operations, the role and responsibilities of the Board, particularly Non-Executive (including Independent) Directors has become more onerous, requiring greater time commitments, attention and a higher level of oversight.

In view of the above and as per the requirement of Regulation 17(6) of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, it is proposed to seek approval of the Members of the Company for payment of commission not exceeding 1% of the net profits of the Company for the financial Year 2020-21 and onwards to the Non-Executive(including Independent) Directors as and when recommended by the Nomination and Remuneration Committee and approved by the Board in terms of Section 197 of the Companies Act, 2013, computed in accordance with the provisions of Section 198 of the Act.

The above commission shall be in addition to fees payable to the Director(s) for attending Meetings of the Board/ Committees or for any other purpose whatsoever as may be decided by the Board and re-imbursement of expenses for participation in the Board and Committee Meetings.

After taking into consideration the recommendation made by the Nomination and Remuneration Committee, the Board of Directors recommends the Ordinary Resolution set out at Item No. 9 for the approval of the Members. None of the Directors and Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 except to the extent of commission that could be paid to them.

Item No. 10

The Members may kindly take note that as a part of debt resolution exercise, the Company may be required to issue and allot shares from time to time in favour of the lenders upon conversion of the loan/debt facilities availed by it. However, the existing Articles of Association of the Company are not having any provision authorizing the Board of Directors to issue and allot shares upon conversion of the loan/debt facility availed by the Company.

Accordingly, consent of the Members is hereby sought by way of special resolution in accordance with the provisions of Sections 14 of the Companies Act, 2013 for alteration in the Articles of Association of the Company by inserting new

Article No. 8A as mentioned in the resolution set out at Item No. 10 of this Notice authorizing the Board of Directors to issue and allot shares in favour of lenders upon conversion of the loan/debt facility owed to them by the Company.

The draft of the altered Articles of Association of the Company shall be open for inspection by the Members, without any fees, at the Registered Office and Corporate Office of the Company between 11.00 a.m. and 01.00 p.m. on all working days except Saturday up to the date of the Meeting and the same shall also be made available for inspection by Members at the Meeting in accordance with the provisions of Section 190 of the Companies Act, 2013.

The Board recommends the Special Resolution set out at Item No. 10 of this Notice for the approval of the Members.

None of the Directors and Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of this Notice.

Item No. 11

The Members may kindly take note that acceding to the request submitted by the Company, Edelweiss Asset Reconstruction Company Limited ("EARC") acting as Trustee of EARC Trust SC233, EARC Trust SC241 and EARC Trust SC269 (in favour of whom some of the lender Banks and Financial Institution have assigned all the rights, title and interests in financial assistances granted by them to the Company) has entered into a Master Restructuring Agreement with the Company containing the terms and conditions for restructuring of the debts owed to it by the Company.

In order to comply with the conditions of restructuring of financial assistance stipulated by Edelweiss Asset Reconstruction Company Limited ("EARC") acting as trustee of EARC Trust SC233, EARC Trust SC241 and EARC Trust SC269, it is proposed to offer, issue and allot up to 13,903,752 equity shares having face value of ₹ 10/- each at an issue price of ₹ 24.36 per share (including premium of ₹ 14.36 per share) 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 Lacs Ninety Five Thousand Three Hundred Ninety Eight and Seventy Two Paise only) to the abovementioned Trusts.

Pursuant to the approval granted by the Board of Directors in its Meeting held on November 13, 2020 and in accordance with the provisions of Sections 42 and 62 of the Companies Act, 2013 read with applicable rules framed there under and Chapter V of the SEBI (ICDR) Regulations, it is proposed to seek the approval of the Members of the Company for authorizing the Board of Directors of the Company to offer, issue and allot the abovementioned equity shares of the Company as specifically described in the Special Resolution set out at Item No. 11 of this Notice.

In terms of the provisions of Sections 42 and 62 of the Companies Act, 2013 read with rules framed thereunder and Regulation 163 of the SEBI (ICDR) Regulations, the relevant disclosures/details are given herein below:

1. OBJECTS OF THE PROPOSED PREFERENTIAL ISSUE:

The objects of the proposed preferential issue is to comply with the conditions of restructuring of financial assistance as agreed with 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 clauses (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 Trust SC241 and EARC Trust SC269 (in favour of whom some of the lender Banks and Financial Institution have assigned all the rights, title and interests in financial assistances granted by them to the Company) by issuing equity shares of the Company to the abovementioned Trusts 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 Lacs Ninety Five Thousand Three Hundred Ninety Eight and Seventy Two Paise only).

2. TOTAL NUMBER OF EQUITY SHARES TO BE ISSUED:

The special resolution as set out at Item No. 11 of this Notice enables the Board to create, offer, issue and allot following equity shares of the Company on preferential basis in accordance with the SEBI (ICDR) Regulations and other applicable laws:

Sl. No.	Name of the Proposed Allottees	PAN	Category	Maximum Number of Equity shares proposed to be allotted
A	Edelweiss Asset Reconstruction Company Limited			
1	Edelweiss Asset Reconstruction Company Limited acting as Trustee of EARC Trust SC233	AAATE7461P	Non-Promoter Financial Institution	23,63,638
2	Edelweiss Asset Reconstruction Company Limited acting as Trustee of EARC Trust SC241	AAATE7850J	Non-Promoter Financial Institution	55,61,501
3	Edelweiss Asset Reconstruction Company Limited acting as Trustee of EARC Trust SC269	AAATE7943A	Non-Promoter Financial Institution	59,78,613
	Total (A)			1,39,03,752

3. THE PRICE AT WHICH ALLOTMENT IS PROPOSED AND BASIS ON WHICH PRICE HAS BEEN ARRIVED AT:

The Company is listed on BSE Limited and National Stock Exchange of India Limited and the equity shares of the Company are frequently traded in accordance with Regulation 164 of the SEBI (ICDR) Regulations.

The equity shares proposed to be allotted on preferential basis to EARC shall be issued at a price of ₹ 24.36 per share (including premium of ₹ 14.36 per share).

The issue price shall be subject to appropriate adjustments in the cases specified under Regulation 166 of the SEBI (ICDR) Regulations.

4. THE PROPOSAL/INTENTION OF THE PROMOTERS, DIRECTORS OR KEY MANAGERIAL PERSONNEL OF THE COMPANY TO SUBSCRIBE TO THE OFFER:

None of the Promoters, Directors or Key Managerial Personnel of the Company intends to subscribe to the proposed preferential issue.

5. RELEVANT DATE:

In accordance with the provisions of the SEBI (ICDR) Regulations, the Relevant Date for the proposed preferential issue is Friday, November 27, 2020, being the 30th day prior to the date of the proposed AGM.

6. THE CLASS OR CLASSES OF PERSON TO WHOM THE ALLOTMENT IS PROPOSED TO BE MADE:

The proposed allottees viz. Edelweiss Asset Reconstruction Company Limited ("EARC") acting as Trustee of EARC Trust SC233, EARC Trust SC241 and EARC Trust SC269 is 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. After allotment, if made, EARC will fall under the category of Non-Promoter Financial Institution (Institutional) shareholders.

7. MATERIAL TERMS OF THE PROPOSED PREFERENTIAL ISSUE OF THE EQUITY SHARES:

The material terms of the proposed preferential issue of the equity shares are stipulated in the special resolution as set out at Item No. 11 of this Notice.

8. PRINCIPAL TERMS OF THE ASSETS CHARGED:

The abovementioned clause is not applicable to the proposed preferential issue of the equity shares of the Company.

9. SHAREHOLDING PATTERN BEFORE AND AFTER THE PREFERENTIAL ISSUE:

Sl. No.	Category	Pre-issue equity holding (as on November 13, 2020)		Equity holding assuming full allotment of equity shares	
		No. of Shares	% of Share holding	No. of Shares	% of Share holding
(A)	Promoters' Holding				
1	Indian				
A	Individuals	6,38,16,499	50.94	6,38,16,499	45.85
B	Bodies Corporate	47,55,169	3.80	47,55,169	3.42
2	Foreign Promoters	-	-	-	-
	Sub-Total(A)	6,85,71,668	54.74	6,85,71,668	49.27

Sl. No.	Category	Pre-issue equity holding (as on November 13, 2020)		Equity holding assuming full allotment of equity shares	
		No. of Shares	% of Share holding	No. of Shares	% of Share holding
(B)	Non-Promoters' holding				
1	Institutional Investors				
	a) Mutual Funds/UTI	-	-	-	-
	b) Financial Institutions/Banks	16,575	0.01	16,575	0.01
	(i) Edelweiss Asset Reconstruction Company Limited as a Trustee of EARC Trust SC233, EARC Trust SC241, EARC Trust SC269	-	-	13,903,752	10.00
	c) Insurance Companies/Government Institutions	-	-	-	-
	d) Venture Capital Funds	-	-	-	-
	e) Foreign Portfolio Investors	-	-	-	-
	Sub-total (B)(1)	16,575	0.01	1,39,20,327	10.01
2	Non-Institutional Investors				
	a) Private Corporate Bodies	1,11,92,650	8.93	1,11,92,650	8.04
	b) Directors and Relatives	52,250	0.04	52,250	0.04
	c) Indian Public	4,12,92,774	32.96	4,12,92,774	29.67
	d) Others (including NRIs)	41,57,686	3.32	41,57,686	2.99
	Sub-total (B)(2)	5,66,95,360	45.25	5,66,95,360	40.73
	Sub-total (B)	5,67,11,935	45.26	7,06,15,687	50.73
	Grand Total (A+B)	12,52,83,603	100.00	13,91,87,355	100.00

10. TIME FRAME WITHIN WHICH THE ALLOTMENT OF EQUITY SHARES PURSUANT TO THE PREFERENTIAL ISSUE SHALL BE COMPLETED:

The allotment of equity shares shall be completed in dematerialized form within a maximum period of 15 days from the passing of this resolution by the Members of the Company. Provided that, where the allotment pursuant to this resolution is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approval(s).

11. IDENTITY OF THE NATURAL PERSONS WHO ARE THE ULTIMATE BENEFICIAL OWNERS OF THE SHARES PROPOSED TO BE ALLOTTED AND/OR WHO ULTIMATELY CONTROL THE PROPOSED ALLOTTEES AND THE PERCENTAGE OF POST PREFERENTIAL ISSUE CAPITAL THAT MAY BE HELD BY THEM:

The proposed allottees of the equity shares to be issued pursuant to the Special Resolution set out at Item No. 11 of this Notice and the percentage of the expanded capital to be held by them after the proposed allotment of the said equity shares, if made, are as under:

Sl. no.	Name of the Proposed Allottees	Identity of Natural Persons who are the Ultimate Beneficial Owners	Pre-issue equity holding		Equity holding assuming full allotment of equity shares	
			No. of Shares	% of Share holding	No. of Shares	% of Share holding
A	Edelweiss Asset Reconstruction Company Limited	Kindly refer Note-1				
1	Edelweiss Asset Reconstruction Company Limited acting as Trustee of EARC Trust SC233		-	-	23,63,638	1.70
2	Edelweiss Asset Reconstruction Company Limited acting as Trustee of EARC Trust SC241		-	-	55,61,501	4.00
3	Edelweiss Asset Reconstruction Company Limited acting as Trustee of EARC Trust SC269		-	-	59,78,613	4.30
	Total(A)		-	-	1,39,03,752	10.00

Note: Edelweiss Asset Reconstruction Company Limited is an Asset Reconstruction Company registered under Section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and also a Financial Institution within the meaning of sub clauses (i-a) of clause (h) of section 2 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 and same is managed and controlled by its Managing Director & Chief Executive Officer i.e. Mr. Rajkumar Bansal. The Beneficial Owner in case of Edelweiss Asset Reconstruction Company Limited ("EARC") acting as Trustee of EARC Trust SC233, EARC Trust SC241 and EARC Trust SC269 is Edelweiss Financial Services Limited ("EFSL") which is a listed company and hence, disclosure in this respect is not applicable in accordance with the proviso to Regulation 163(1)(f) of SEBI(ICDR) Regulations.

12. CHANGE IN CONTROL, IF ANY, IN THE COMPANY THAT WOULD OCCUR CONSEQUENT TO THE PREFERENTIAL ISSUE:

The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the control of the Company as a result of the proposed preferential issue.

13. LOCK-IN PERIOD:

The proposed allotment of equity shares shall be subject to lock-in as per the requirement of SEBI (ICDR) Regulations.

14. NUMBER OF PERSONS TO WHOM ALLOTMENT ON PREFERENTIAL BASIS HAS ALREADY BEEN MADE DURING THE YEAR, IN TERMS OF NUMBER OF SECURITIES AS WELL AS PRICE:

No allotment of equity shares on preferential basis has already been made by the Company during the year.

15. AUDITORS' CERTIFICATE:

A copy of the certificate issued by the Statutory Auditors of the Company certifying that the preferential issue is being made in accordance with the SEBI (ICDR) Regulations shall be kept open for inspection at the Registered Office and Corporate Office of the Company between 11.00 a.m. and 01.00 p.m. on all working days except Saturday up to the date of the Meeting and the same shall also be made available for inspection by Members at the Meeting.

16. LISTING:

The Company will make an application to the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited for listing of the equity shares proposed to be issued.

17. UNDERTAKINGS:

In accordance with the SEBI(ICDR) Regulations, the Company hereby undertakes that:

- (i) it shall re-compute the price of the abovementioned shares in terms of the SEBI(ICDR) Regulations in case it is required to do so; and
- (ii) if the amount payable, if any, on account of re-computation of price is not paid within the time stipulated in the SEBI(ICDR) Regulations, the abovementioned equity shares shall continue to be locked-in till such amount is paid by the allottees.

18. OTHER DISCLOSURES:

In accordance with the SEBI(ICDR) Regulations, the Company hereby confirms that:

- (i) neither the Company nor any of its Promoters or Directors is a wilful defaulter or a fugitive economic offender; and
- (ii) the proposed allottees have not sold any equity shares during the six months preceding the Relevant Date.

Accordingly, the approval of the Members of the Company is hereby sought by way of special resolution for authorizing the Board of Directors of the Company to create, offer, issue and allot equity shares of the Company as specifically described in the resolution set out at Item No. 11 of this Notice.

The Board recommends the Special Resolution set out at Item No. 11 of this Notice for the approval of the Members.

None of the Directors and Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 11 of this Notice.

For and on behalf of the Board of Directors

Place: Mumbai

Date: November 13, 2020

Amit Dahanukar

Chairman & Managing Director

Registered Office:

P.O. Tilaknagar, Tal. Shrirampur,

Dist. Ahmednagar, Maharashtra-413 720

Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard on General Meetings with respect to the Directors seeking appointment/re-appointment in the 85th Annual General Meeting

Name of the Director	Mrs. Shivani Amit Dahanukar	Ms. Aparna Praveen Chaturvedi	Ms. Swapna Vinodchandra Shah	Mr. Kishorekumar Ganpatrao Mhatre	Mr. Amit Dahanukar	Mr. Chemangala Ramachar Ramesh
Director Identification Number	00305503	00028647	08807901	07527683	00305636	08876738
Date of Birth	June 28, 1977	August 25, 1958	March 26, 1963	July 11, 1961	November 06, 1976	July 02, 1959
Qualification	Mrs. Shivani Amit Dahanukar 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.	Ms. Aparna Praveen Chaturvedi holds MBA in Finance from University of Lucknow and has also received coveted Chevening Scholarship at Manchester Business School.	Ms. Swapna Shah holds Masters in Business Administration from University of Missouri and has also studied International Business Management from Kellogg School of Management – Evanston, IL.	Mr. Kishorekumar Ganpatrao Mhatre is a graduate in Law from the Government Law College, University of Mumbai.	Mr. Amit Dahanukar provides strategic direction for Company's future initiatives and is also responsible for its various alliances and collaborations.	Mr. C. R. Ramesh is a graduate in Science from the Government Science College, Bangalore.
Date of First Appointment on the Board	September 28, 2006	July 31, 2020	July 31, 2020	June 09, 2016	June 07, 2000	November 13, 2020
Experience (including expertise in specific functional area)	She spearheads the community welfare activities of the Group in the fields of nutrition, primary education and healthcare.	She is having industry experience of more than 35 years with Financial Institutions viz. UTI AMC Ltd. (Mutual Fund), ASREC (Asset Reconstruction Company) and PICUP (State Financial Corporation). She has been member of various committees constituted by Ministry of Finance, Association of ARCs, etc. She is having 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.	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 several 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 Internet Chemicals & Allied Products, Inc. (USA).	He is an Advocate having 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 organizations/ institutions in the capacity of trustee/legal advisor/secretary.	With an experience of over 19 years in the IMFL industry, Mr. Amit Dahanukar provides strategic direction for Company's future initiatives and is also responsible for its various alliances and collaborations.	He has 38 years of experience in liquor manufacturing operations.
Terms and Conditions of Appointment/ re-appointment	Mrs. Shivani Amit Dahanukar is proposed to be re-appointed as Non-Executive Director of the Company, liable to retire by rotation, at the ensuing 85 th Annual General Meeting.	Ms. Aparna Praveen Chaturvedi is proposed to be appointed as an Independent Director of the Company, not liable to retire by rotation, at the ensuing 85 th Annual General Meeting on the terms & conditions as contained in the draft letter of appointment uploaded on the website of the Company i.e. www.tilind.com.	Ms. Swapna Vinodchandra Shah is proposed to be appointed as Non-Executive Director of the Company, liable to retire by rotation, at the ensuing 85 th Annual General Meeting.	Mr. Kishorekumar Ganpatrao Mhatre is proposed to be re-appointed as an Independent Director of the Company, not liable to retire by rotation, at the ensuing 85 th Annual General Meeting on the terms & conditions as contained in the draft letter of appointment uploaded on the website of the Company i.e. www.tilind.com.	As specified in the Explanatory Statement.	Mr. Chemangala Ramachar Ramesh is proposed to be appointed as a Whole-Time Director of the Company, liable to retire by rotation, at the ensuing 85 th Annual General Meeting.

Name of the Director	Mrs. Shivani Amit Dahanukar	Ms. Aparna Praveen Chaturvedi	Ms. Swapna Vinodchandra Shah	Mr. Kishorekumar Ganpatrao Mhatre	Mr. Amit Dahanukar	Mr. Chemangala Ramachar Ramesh
Remuneration last drawn (including sitting fees, if any)	Only sitting fees of ₹ 50,000/- was paid to Mrs. Shivani Amit Dahanukar during the financial year 2019-20 by the Company.	Nil	Nil. However, she is already holding position of Advisor of the Company with effect from April 01, 2020 and is being paid advisory fees of ₹ 1,50,000/- (Rupees One Lac Fifty Thousand Only) per month.	Only sitting fees of ₹ 60,000/- was paid to Mr. Kishorekumar Ganpatrao Mhatre during the financial year 2019-20 by the Company.	₹ 18,00,000/- per annum (in accordance with the approval granted by Central Government). Mr. Amit Dahanukar is not being paid any sitting fees for attending the Meetings of the Board of Directors/Committees. Apart from the remuneration drawn by Mr. Amit Dahanukar from the Company, he is also drawing remuneration of ₹ 4,50,00,000/- per annum from its subsidiary company i.e. PunjabExpo Breweries Private Limited.	Nil
Remuneration proposed to be paid	In addition to the sitting fees, Mrs. Shivani Amit Dahanukar shall be entitled to remuneration by way of commission that may be determined by the Board based on the performance of the Company and her performance evaluation report.	In addition to the sitting fees, Ms. Aparna Praveen Chaturvedi shall be entitled to remuneration by way of commission that may be determined by the Board based on the performance of the Company and her performance evaluation report.	In addition to the advisory and sitting fees, Ms. Swapna Vinodchandra Shah shall be entitled to remuneration by way of commission that may be determined by the Board based on the performance of the Company and her performance evaluation report.	In addition to the sitting fees, Mr. Kishorekumar Ganpatrao Mhatre shall be entitled to remuneration by way of commission that may be determined by the Board based on the performance of the Company and his performance evaluation report.	₹ 60,00,000/- (Rupees Sixty Lacs only) per annum as recommended by the Nomination and Remuneration Committee.	Remuneration will be same as drawn in existing capacity as General Manager – Operations and Quality and same shall be subject to the applicable provisions of the Companies Act, 2013.
Shareholding in the Company (Equity)	She holds 32,976,043 shares having face value of ₹ 10/- each in the Company in her personal capacity	Nil	Nil	Nil	He holds 29,844,552 shares having face value of ₹ 10/- each in the Company in his personal capacity.	He holds 4,200 shares having face value of ₹ 10/- each in the Company in his personal capacity.
Disclosure of relationship with other Directors and Key Managerial Personnel	Mrs. Shivani Amit Dahanukar is wife of Mr. Amit Dahanukar, Chairman & Managing Director of the Company and is not related to any other Key Managerial Personnel.	Ms. Aparna Praveen Chaturvedi is not related to any other Director or Key Managerial Personnel of the Company.	Ms. Swapna Vinodchandra Shah is not related to any other Director or Key Managerial Personnel of the Company.	Mr. Kishorekumar Ganpatrao Mhatre is not related to any other Director or Key Managerial Personnel of the Company.	He is husband of Mrs. Shivani Amit Dahanukar, Non-Executive Director of the Company and is not related to any other managerial person or Director of the Company.	Mr. Chemangala Ramachar Ramesh is not related to any other Director or Key Managerial Personnel of the Company.
Number of Meetings of the Board attended during the financial year 2019-20	8 (Eight)	Not applicable	Not applicable	8 (Eight)	10 (Ten)	Not applicable
Other listed companies in which he/she holds Directorship	Nil	MSTC Limited	Nil	Nil	Nil	Nil

Name of the Director	Mrs. Shivani Amit Dahanukar	Ms. Apama Praveen Chaturvedi	Ms. Swapna Vinodchandra Shah	Mr. Kishorekumar Ganpatrao Mhatre	Mr. Amit Dahanukar	Mr. Chemangala Ramachar Ramesh
Other public companies in which he/she holds Directorship	1. Prag Distillery (P) Ltd.*# 2. Vahni Distilleries Private Limited* 3. Kesarval Springs Distillers Pvt. Ltd.* 4. PunjabExpo Breweries Private Limited* 5. Shivprabha Sugars Ltd.* 6. Sirampur Grains Private Limited* 7. Studd Projects P. Ltd.* 8. Mykingdom Ventures Pvt. Ltd.*	1. Ferro Scrap Nigam Limited 2. IFCI Financial Services Limited 3. Agra Smart City Limited 4. Vahni Distilleries Private Limited*	Nil	Vahni Distilleries Private Limited*	1. Prag Distillery (P) Ltd.*# 2. Vahni Distilleries Private Limited* 3. Kesarval Springs Distillers Pvt. Ltd.* 4. PunjabExpo Breweries Private Limited* 5. Shivprabha Sugars Ltd.* 6. Sirampur Grains Private Limited* 7. Studd Projects P. Ltd.* 8. Mykingdom Ventures Pvt. Ltd.*	Nil
Chairman/Member of Committee(s) of Board of Directors of the Company	1. CSR Committee (Chairperson) 2. Compensation Committee (Member) 3. Share Transfer Committee (Member) 4. Risk Management Committee (Member)@	1. Stakeholders Relationship Committee (Member) 2. CSR Committee (Member)	1. Audit Committee (Member) 2. Compensation Committee (Member) 3. CSR Committee (Member)	1. Audit Committee (Member) 2. NRC (Member) 3. Compensation Committee (Member)	1. Stakeholders Relationship Committee (Member) 2. Share Transfer Committee (Chairman) 3. Risk Management Committee (Chairman)@	Nil
Chairman/Member of the Committee(s) of Board of Directors of other listed companies in which he/she is a Director	Nil	MSTC Limited (Audit Committee-Member)	Nil	Nil	Nil	Nil

*Subsidiaries of Tilaknagar Industries Ltd.

#Under liquidation

@ Voluntary constituted