ESTD. 1933

TILAKNAGAR

INDUSTRIES LTD

on the Right Track

ANNUAL REPORT 2020-21

Contents

Corporate Overview 06 - 21

Statutory Reports 22 - 100

Management Discussion & Analysis Report 22
Directors' Report 29
Report on Corporate Governance 74

Financial Statements 101 - 227

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report 102
Balance Sheet 110
Statement of Profit & Loss 111
Statement of Cash Flows 112
Statement of Changes in Equity 114
Notes to Financial Statements 115

STANDALONE FINANCIAL STATEMENTS

Independent Auditor's Report 164
Balance Sheet 174
Statement of Profit & Loss 175
Statement of Cash Flows 176
Statement of Changes in Equity 178
Notes to Financial Statements 179
FORM AOC - 1 226

Notice 228

Please find our online version at
http://www.tilind.com/investors/#shareholder-services

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 a 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 several 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.

We Are
A Young
Company
Born In 1933.

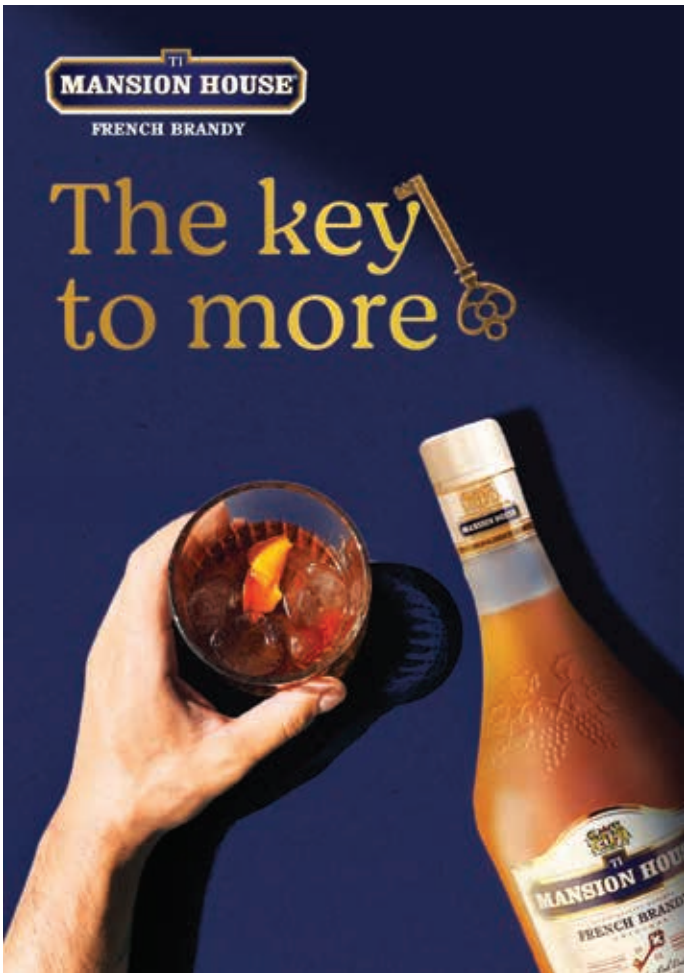
TILAKNAGAR
INDUSTRIES LTD

Makers Of India's
Largest Selling
Premium Brandy

MANSION HOUSE

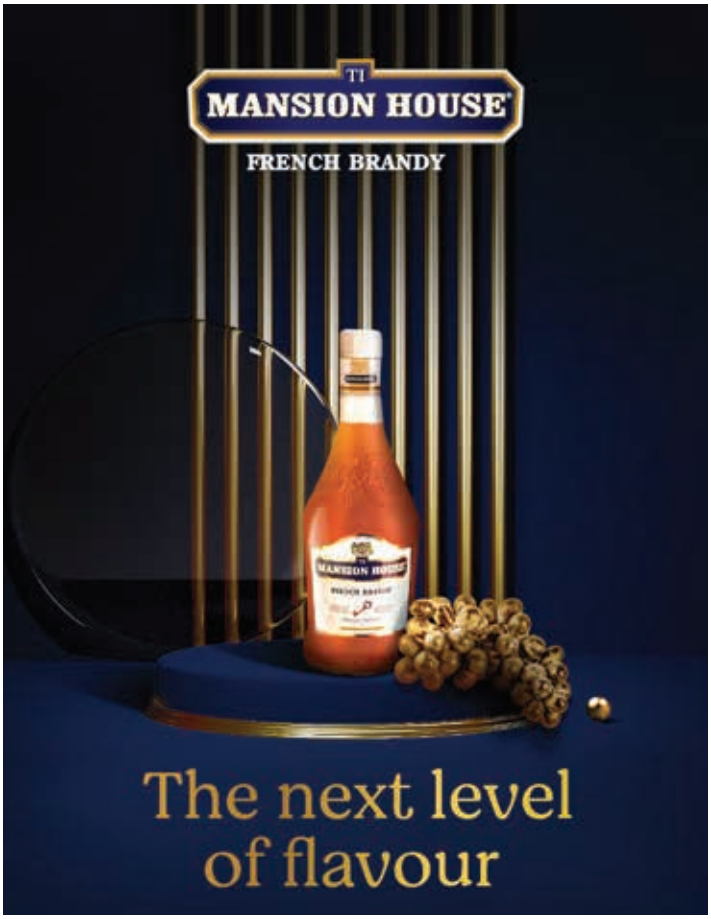
MANSION HOUSE
FRENCH BRANDY
For those with a taste for more
MANSION HOUSE
FRENCH BRANDY
OUR FLAGSHIP MILLIONAIRE BRAND
4.4 mn cases sold in FY21

FOR THE
CONNOISSEUR
IN YOU.
COURRIER
NAPOLEON
FINEST FRENCH BRANDY
QUALITY PRODUCE OF INDIA
COURRIER
NAPOLEON
FINEST FRENCH BRANDY
FAST APPROACHING
MILLIONAIRE BRAND
0.6 mn cases sold in FY21


TI
MANSION HOUSE
FRENCH BRANDY
The key
to more

TI
MANSION HOUSE
FRENCH BRANDY
The golden key
to extraordinary

Step in to a
masterpiece


TI
MANSION HOUSE
FRENCH BRANDY
The next level
of flavour

GRE
EN
COURRIER
NAPOLEON

RED STANDS FOR
POWER & PURITY
AND SO DO WE.
COURRIER
NAPOLEON

DEFINING
HAPPINESS
SINCE 1933
COURRIER
NAPOLEON

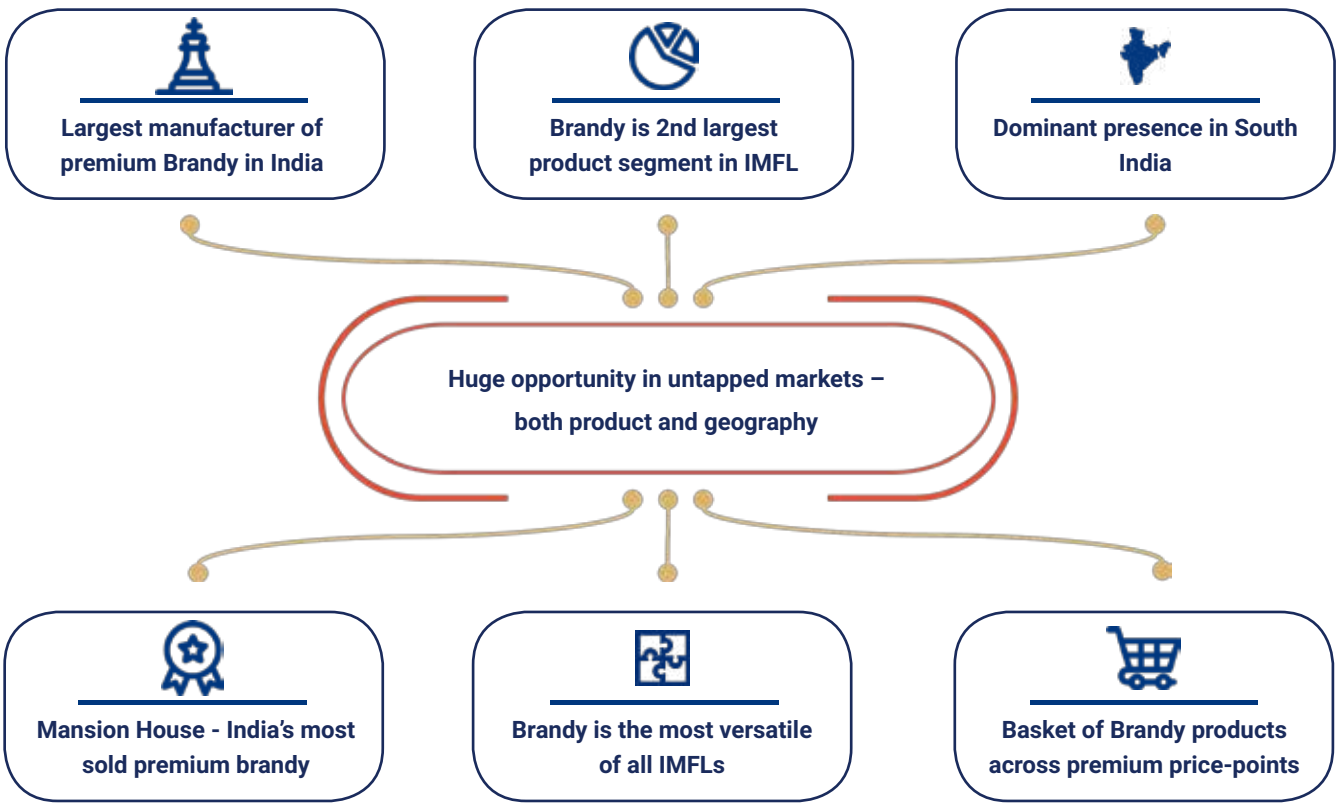
IF IT'S
NOT RED,
IT'S NOT
REAL.
COURRIER
NAPOLEON

COURRIER
NAPOLEON
COURRIER
NAPOLEON
COURRIER
NAPOLEON
COURRIER
NAPOLEON

India's undisputed Brandy King

Brandy contributed 92% of our volumes sold in FY21. Given that South India contributes heavily towards brandy consumption (like for overall alcohol in general), 86% of our volumes comes from the region.

Our premium brandy brand, Mansion House sold 4.4 mn cases in FY21 and is the market leader in the premium brandy segment by a significant margin. Our other premium brandy, Courrier Napoleon is fast approaching millionaire brand status, having sold 0.6 mn cases in FY21

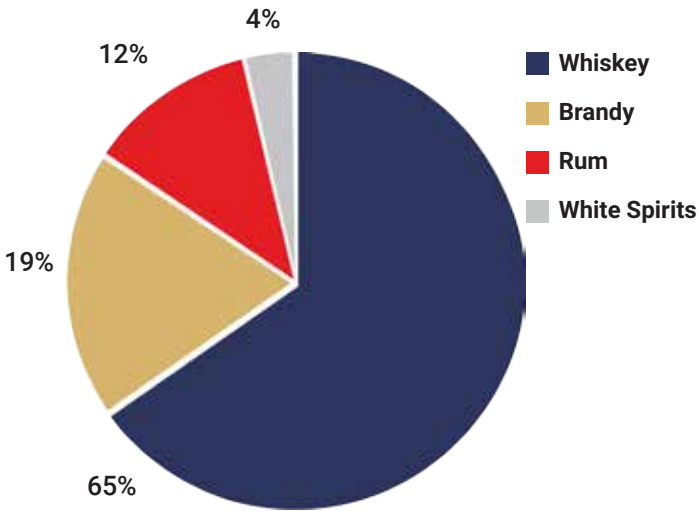


Industry Overview

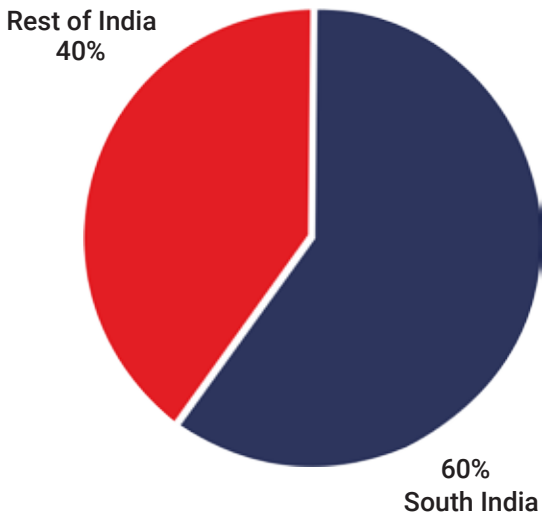
Brandy & South India – Playing to our strengths

Market leadership in the 2nd largest IMFL segment in the largest alcohol consuming region of India

Category-wise spirits sales (in volumes)



Region-wise IMFL sales



Telangana & Andhra Pradesh contribute towards the highest IMFL consumption in India.

TI Overview

BRANDY CONSUMPTION MOVING TOWARDS BRAND LOYALTY AND PREMIUMIZATION

Brandy and South India have both seen an increasing trend in volume sales for the Company

Brandy volume share: 82% (FY17) vs. 92% (FY21)

South India volume share: 79% (FY17) vs. 86% (FY21)

OUR BRANDS THAT DELIGHT OUR CUSTOMERS

Courrier Napoleon Brandy - Red

Courrier Napoleon Brandy Red is one of the finest products in the premium brandy range that produces a profitable share to TI's business. An exquisite blend made from carefully selected and picked grapes, aged in wooden casks that bring in the distinctive character to it.

Whisky

Tilaknagar Industries Ltd has witnessed a transformation and we are known to be the 'Connoisseurs Choice'. It is with the flawless blend of rare scotch malts and selected Indian grains that are matured to perfection with which TI produces Mansion House Whisky and Senate Royale Whisky that bring the best-in-class experience for the consumers.

Mansion House Brandy

Mansion House Brandy comes with the credentials of highly experienced and qualified French styled technique. It is a blend created by the experts by obtaining traditionally procured grapes that brings in the vibrant aroma and taste. Our marquee brand has only evolved to become better over these years. It is in our everyday effort and vision to bring Mansion House Brandy closer to the segment with higher margins and with observed results we have been able to pull and retain it at its prime position.

Mansion House Brandy continues to be amongst the largest selling brandies in the world.

Courrier Napoleon Brandy– Green

Courrier Napoleon Green Brandy has created an aspirational value to itself that resonates with our consumers. CNB Green has created a niche for itself in the premium space with specially handpicked grapes selected from leading vineyards to bring in the perfectly balanced and refined rich taste & aroma.

Madira Rum

Madira Rum has been one of the popularly known Rum in India. Its distinctive color makes it a talk amongst the Rum drinkers. Madira Rum offers exciting taste notes and flavor to its consumers.

Blue Lagoon Gin

A Gin with a zing, our Blue Lagoon Gin Orange has a sensation of zingy and fruity flavor with the experience of real Orange. This segment has been a small contributor to TI's portfolio and revenues.

About the Company

Largest premium brandy manufacturer in India with presence across all segments of IMFL

16 Manufacturing units across 11 states
Owned: 4 units
Contract Manufacturing: 12 units

15+ Brands across products

92% Share of Brandy as % of total volumes

5.45 mn Volumes (in cases) sold

86% Share of sales to South India as % of total volumes

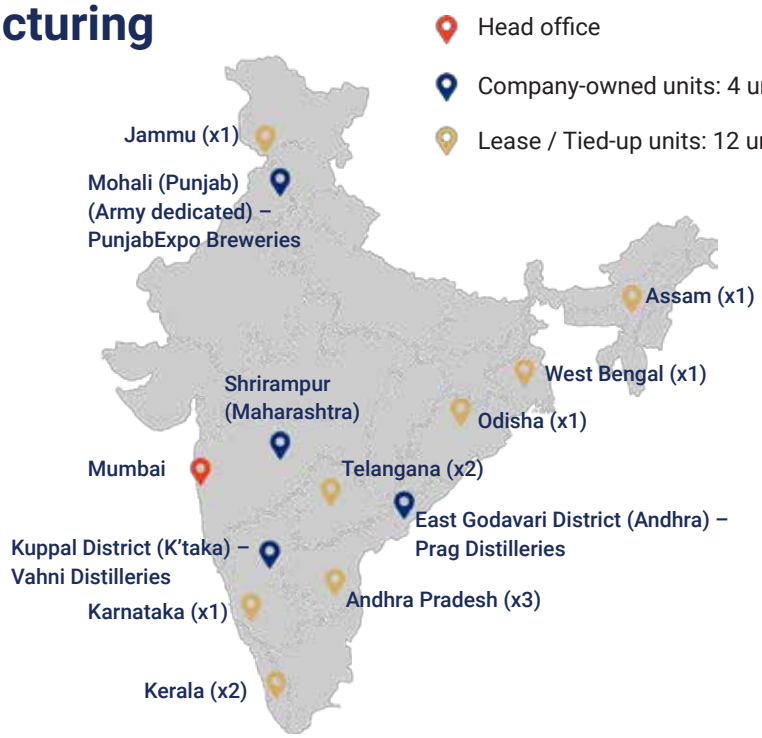
87% Sales through:
3% - State corporations
10% - Distributors
- Direct Sales

** All data is for FY21*

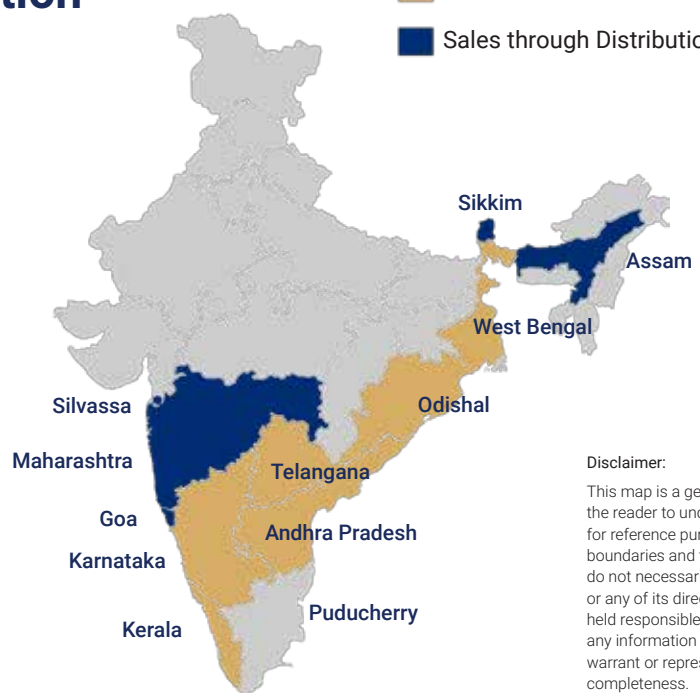
The year gone by can best be described as a year of uncertainties driven by the Covid-19 pandemic and the resultant restrictions in the form of lockdowns. But along with the uncertainties in overall business environment, came the resiliency that the Company has showcased, leading to multiple positives; reaching one-time settlements with all lenders, debt reduction, margin expansion and maintaining market leadership in the premium brandy segment with its flagship brand, Mansion House Brandy.

The Company strengthened its focus and built optimism through several strategic endeavours like enhancing focus on brandy sales and increasing the reach through expanding to newer territories post satisfactory analysis of the demand of the regions. Besides, the Company is also working towards launching new, innovative product offerings to further enhance its presence and capture a larger audience. In doing so, the Company is progressing well on its track to create stakeholder value for the long-term.

Our Manufacturing Footprint



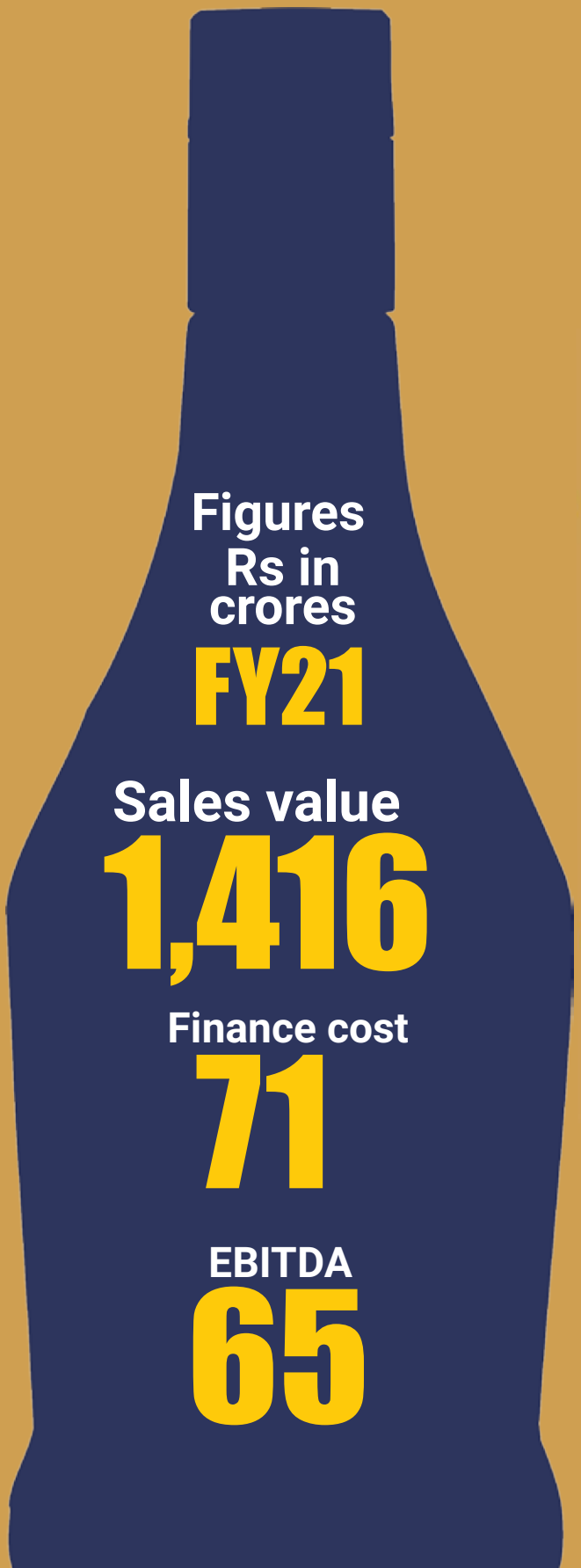
Our Consumption Footprint



Disclaimer:

This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended 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 or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

We Delivered



Finance costs saw a reduction of a whopping 50 crores over FY 2019-2020

Positive EBITDA in FY 2020-2021 over Negative EBITDA in FY 2019-2020

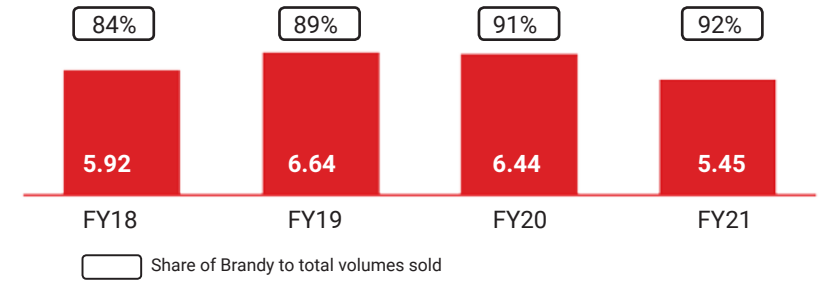
We turned PAT positive after several quarters in Q1 FY 22

Now we are roaring to go.....

Improving Business Fundamentals

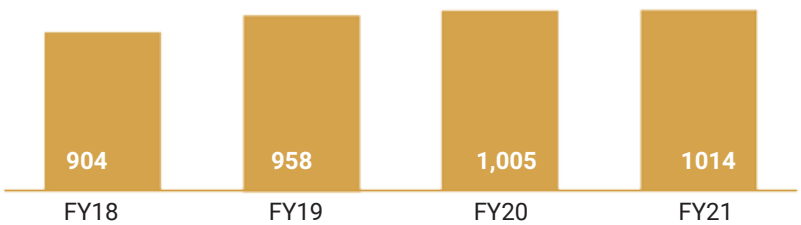
Premiumisation strategy to enhance margins and cash flows

Total Volumes Sold (mn cases)

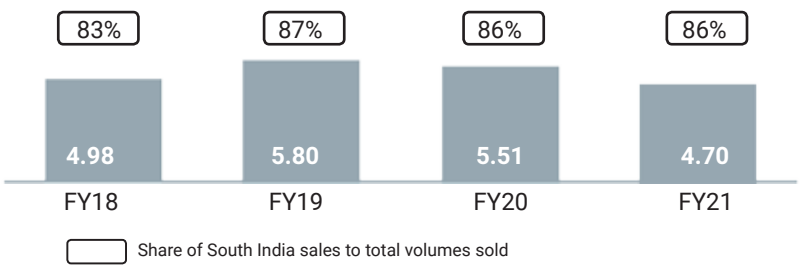


Brandy Sales (mn cases)

Net Sales Realisation per case (Rs.)



Robust sales in South India



Business Strategic Roadmap

Brandy Focus

- Drive market leadership in brandy - Mansion House sells more than 4 mn cases annually
- Brandy presence across premium price-points – MHB, CNB Green, CNB Blue, CNB Gold

Drive scale

- Strong volumes despite imposition of AED due to Covid-19
- Further growth in existing markets
- Expansion in fast-growing new markets across India
- Bottling arrangements to drive growth

Focus on margins, cash-flows & deleveraging

- Impact of operating leverage
- Strengthen balance sheet
- Debt reduced from Rs. 1,252 crs as of Mar-19 to Rs. 627 crs as of Mar-21 (a)(b)

*Debt adjusted for EARC balance debt of Rs. 145 crs which would be waived off in FY24 on following the repayment schedule

*Debt adjusted for EARC balance debt of Rs. 34 crs which has been converted to equity in Apr-21

Our strategy to reduce debt

- Volume growth in existing markets
- Favorable product mix
- Entry into new fast-growing brandy markets
- Expansion through bottling tie-ups
- Working capital efficiencies
- Debt restructuring (already achieved)

Operating leverage

+

Margin expansion

+

Asset-light model

=

Cash-flow generation

Reduce debt

Chairman's Message

"The resilient performance and operational progress achieved in FY21, despite the challenging circumstances, highlighted the strengths of the business, the brand and the commitment of our teams."

Dear Stakeholders,

"It always seems impossible until it is done." – Nelson Mandela

I write this message at a time when India is still very much in the middle of the 2nd wave of the Covid-19 pandemic and with constant speculation of an impending 3rd wave. We do not know how and what shape and form this pandemic will take over the course of the next 12-18 months, but what we do know is the resilience and perseverance that we at Tilaknagar Industries are capable of. While the first wave very much shook our way of operating with bottling operations completely suspended for a little over a month and the after-effects felt for still a few more months after, we were better prepared during the second wave. And for that I have my fellow colleagues to thank; for showing a tremendous zeal to keep going and fighting against adversity. And while one eye was on stabilising our business, the other was on looking after the well-being of our stakeholders i.e. our employees, our suppliers and our customers.

Our HR Team took various steps to ensure our employees remained safe during the pandemic and also to ensure minimum productivity loss during this period by following complete safety protocols and also prescribed goverment guidelines.

Business recovery:

The year started on the back of a comprehensive restructuring agreement with Edelweiss ARC. There were huge disruptions on account of the restrictions imposed due to onset of the COVID 19 pandemic which did affect sales in the early part of the year. States like Andhra Pradesh and Puducherry imposed heavy COVID tax which acutely impacted demand. However, with the gradual removal of restrictions we did see a strong rebound in the second half of the year. Despite a significant impact on operations during the beginning of FY21, we were able to smartly recover in the 2nd half of the year. This recovery was higher than the industry average and in line with our peers growth, demonstrating the underlying, fundamental strength of our brands and customer loyalty.

Your Company has emerged as a leading player in the brandy segment which is the second largest category after whisky. The brands Mansion House and Courrier Napoleon have grown and your Company wants to continuously invest behind these brands.

In addition, our focus on margin expansion and cash-flow generation remained intact, with EBITDA margins at 10% and improvement in net working capital days from 36 days for FY20 to 33 days for FY21. Margins were positively impacted on account of a combination of price increase received in few states along with stringent cost control including value engineering and reduction in overheads. The restructuring of the debt which was completed during FY20 has also continually helped to improve the cash-flows of the Company.

The Company signed a long term manufacturing agreement with French multinational Pernod Ricard India private limited to manufacture their products at our Shrirampur facility. The agreement is valid for ten years and the production is expected to commence in September 2021.

You will be pleased to know that after several quarters TI has shown profits in the first quarter of FY 22.

Focus on premium brandy:

As a part of our strategy, we continued focussing on selling premium brands where the margins are robust. In addition, we re-channelised our focus towards brandy sales. We leveraged our brand's brand strength of rich aroma, taste and quality combined with their already existing huge and loyal consumer base. We decided to promote brandy as a social drink and focused to popularize this category amongst younger audience and make it an aspirational and a mainstream drink. In addition, we are also looking at introducing new products within the brandy space, which we expect would have a significant positive impact on the growth of the Company.

World Brandy Day:

Being the largest premium brandy manufacturer in India, we believe the onus and responsibility is on us to create a more aspirational positioning for brandy within the IMFL space. With that in mind, we have decided to launch World Brandy Day which would be celebrated every year on the second Friday of December. I am very excited to be taking a lead in this and will share more details with you all at the opportune moment.

Marketing & Distribution:

The pandemic enhanced our emphasis on Social Media marketing and promotions with strategies to broaden the target audiences, creating increased brand awareness and change their perception about the brands by explicit targeting. We are further planning to strengthen our distribution network by entering new fast growing markets within India.

Way ahead:

The alcobev industry, while having faced significant short-term challenges, looks ripe for disruption owing to rising disposable income, growing young population with aspirational needs and a much more inclusive drinking culture. Within the brandy space, we are seeing an increasing trend of youngsters taking up brandy as a drink of choice; and we believe this will only grow further with new product offerings within the brandy space, which we will play a pivotal role in.
I would once again like to thank all our shareholders for your continued support.

Best Wishes,

Amit Dahanukar

Chairman & Managing Director

Board of Directors

Mr. Amit Dahanukar

Chairman & Managing Director

Mr. 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

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

Independent Woman 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

Whole Time Director

Mr. C. R. Ramesh is a Graduate in Science having 39 years of experience in liquor manufacturing operations.

Management Team

Mr. Ajit Sirsat

Chief Financial Officer

Mr. Ajit Sirsat is both, a Chartered Accountant and Cost & Management Accountant and comes with over 27 years of experience spread over different financial management areas with specialization in fund raising, accounts, treasury, costing and taxation in different reputed companies.

Mr. Ameya Deshpande

President- Head (Corporate Development & Strategy)

Mr. Ameya Deshpande has done his Post Graduate Diploma in Business Management and has a cumulative experience of 13 years as an investment banker and entrepreneur. Ameya started his career as an investment banker in 2008 with Deutsche Bank, working on equity fund raising and M&A transactions. His last investment banking stint was with BNP Paribas, post which he co-founded his own food-travel startup, Authenticook; and then co-founding A-Square Advisors, a capital markets strategy firm advising corporates on Investor Relations, Fund Raising and Pre-IPO advisory.

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,

Senior Vice President – Corporate Affairs

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 30 years of experience across various sectors.

Mr. Varadarajan Srinivasaraghavan

General Manager – Manufacturing

Mr. Varadarajan Srinivasaraghavan is B.Tech. (Mechanical) and has over 26 years of experience in the liquor Industry.

Ms. Hemangi Joshi Naik

General Manager - Legal

Ms. Hemangi Joshi Naik is a graduate in Law from the Siddharth College of Law, University of Mumbai, and has over 16 years of experience in corporate laws across various sectors.

Mr. R.Kannan

General Manager - Sales

Mr. R. Kannan is B.Sc. & Executive MBA and has over 33 years of experience in the liquor Industry.

Mr. Shankar Pawar

Deputy General Manager – Accounts & Finance

Mr. Shankar Pawar is a Chartered Accountant and has 17 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 27 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 26 years of experience in HR, IR, Legal and Administration in different reputed MNCs in 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 33 years of sales experience in liquor industry.

Mr. T Sreedhar

Assistant General Manager - Sales

Mr. T Sreedhar is B.Sc, MBA and has over 24 years of experience in the liquor Industry.

Mr. Anish Ashesh

Assistant General Manager - Marketing

Mr. Anish Ashesh is MBA and has 17 years of experience in the liquor industry.

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY OVERVIEW

From healthcare to economy to politics, the global Covid-19 pandemic remained the lead story of Calendar Year (CY) 2020 for every sector. The widely accepted method to mitigate the virus spread was to limit human movement, which led to the shutdown of the entire world economy at different times at various places during the Current Year. Therefore, contact-intensive industries such as restaurants, hospitality, entertainment and discretionary business took a major hit. Small and medium-sized businesses were particularly impacted, as their working capital came under severe strain. This led to dip in corporates' business revenue and profits, leading to layoffs or furloughing of employees. As a result we saw dramatic economic contractions across the world in the first half of CY 2020. Later, many countries began to ease the restrictions and we saw a rebound in the third-quarter GDP growth across the world. Globally, equities, too, were buoyed by the central banks' accommodative monetary policy and Governments' liquidity measures in the face of the pandemic. Then, the successful development and roll out of multiple vaccines by the year end brought back consumer confidence and demand, giving economy the much-needed shot in the arm.

OUTLOOK

Aggressive rollout of vaccinations brings in a positive recovery hope for all major economies in CY 2021. However, the mutating virus remains a concern for the economic growth. Taking these into consideration, the International Monetary Fund (IMF) has projected a growth of 6% in 2021.

(Source: https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021)

INDIAN ECONOMY OVERVIEW

The Indian economy was losing growth momentum prior to the pandemic. The GDP growth performance in Financial Year (FY) 2020-21 should be seen in relation to the 68-day long and strict lockdown imposed on March 25, 2020, to prevent the spread of Covid-19 infections in India. The consequences were reflected in the Indian economy contracting ~24% to posting a 0.4% growth in the third quarter of the financial year. The pandemic impacted each sector differently. The industries and businesses managed to kickstart the economy, aided by Government support. Agriculture was the least affected by the pandemic, whereas manufacturing and service sectors were severely impacted. To overcome lost incomes during the lockdown, the Government increased the taxes on petrol and diesel, which surged the prices of most commodities and services. Consequently, companies also increased prices of the finished products, owing to spike in input cost. This resulted in increased inflation. Regardless of the setbacks, there were a few green shoots such as improvement in GST collection, power demand, increasing forex, improving global sentiments and secondary market performance.

OUTLOOK

India's recovery is still at a nascent stage. Citizens will take time dealing with higher inflationary pressure at the moment. Factors that would add to speedier recovery, include a strong infrastructure expansion program led by sharp expansion of the Center's capital expenditure, along with an accelerated introduction of the Covid-19 vaccine in India.

GLOBAL SPIRITS MARKET

The global spirits market is segmented into various alcoholic products comprising vodka, gin, tequila, rum, whisky, brandy, cane, natural spirits and flavored spirits. The companies in the distilleries industry process raw materials into potable liquors, ethyl alcohol, grain alcohol and spirits, package and distribute them through several distribution channels to both individual customers and commercial establishments. Region wise, Asia-Pacific is expected to maintain its strong position in the global spirits market because of the increase in domestic consumption. Though China leads the Asia-Pacific spirits market, India is expected to grow the fastest in the global spirits' market.

The global spirits market is expected to grow from USD 143.31 billion in CY 2020 to USD 150.87 billion in CY 2021 at a Compound Annual Growth Rate (CAGR) of 5.3%. On the other hand, the global alcoholic beverage market is expected to grow from USD 499.74 billion in 2020 to USD 546.15 billion in 2021 at a CAGR of 9.3%. This growth will be on the back of companies resuming their operations and recovering from the Covid-19 impact. The effect of the virus had previously caused various operational challenges owing to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities.

OUTLOOK

In the longer run, the macro factor that will be driving the market are trade policies, ready-to-drink (RTD) alcohol category, premiumisation, in-house consumption, among others. Micro factors that will drive the market will consist of global young adult demography, surge in disposable income, innovative and attractive ads.

(Source: https://www.thebusinessresearchcompany.com/report/alcoholic-beverages-global-market-report-2020-30-covid-19-impact-and-recovery)

INDIAN LIQUOR INDUSTRY

The alcohol beverage market in India comprises country liquor, Indian-Made Foreign Liquor (IMFL), beer and wine. According to London-based research firm IWSR Drinks Market Analysis, India is the world's ninth-largest consumer of all alcohols by volume and second largest consumer of spirit. Alcohol consumption has become a part of social interactions among different age groups in India. Region wise, five southern states - Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Kerala – account for 60% of the liquor sold in India. The other top consuming states are – Punjab, Rajasthan, Uttar Pradesh, Madhya Pradesh, West Bengal and Maharashtra.

During the initial stages of the Covid-19 pandemic, the overall market faced a huge setback. However, the first couple of weeks of the unlock 1.0 were positive for the industry as consumers rushed, queued, and stocked up on liquor. One of the key transitions witnessed during the fiscal was the rise of liquor home delivery, as bars or lounges remained open on and off.

OUTLOOK

Going forward, consumers will choose the most trusted and well-known brands in these uncertain times. Therefore, high demand for expensive liquor looks quite optimistic in the near future. Further, liquor companies' sustainability and growth will depend on their ability to control operational costs, robust distribution set up, new product offerings, and state excise department regulations and policies.

(Source: http://www.businessworld.in/article/How-Can-Liquor-Industry-Work-On-Its-Revival/17-12-2020-354831)

OPPORTUNITIES

New Product Launches

Alcohol companies can keep customers engaged by actively changing bottle packaging and introducing different flavours as per customer choices. By using recyclable and reusable products for manufacturing, the Company can further optimise operational cost and attract funds from environmentally conscious shareholders.

Stressed Life

Continuous work pressure, imbalanced life and the pandemic have led to a stressful life for the working class. To reduce anxiety and stress, drinking appropriate quantity of liquor is considered as one of the preferred options and this can increase their demand. Stressful life is becoming quite common in cities, therefore, liquor companies can capitalise on the opportunities by strengthening distribution in these regions.

Online Alcohol Sales

The consistent growth of alcohol delivery services is playing a vital role in the growth of online alcohol delivery. After the Covid-19 outbreak, people have started to drink more at home. If this habit continues post pandemic, it will open the door of opportunities for alcohol companies to look and tie up with wine shops that smoothly deliver liquor at home.

Post Pandemic Parties

Fall in Covid-19 cases and vaccination across the regions will lead to more social interactions resulting in celebrations and parties. This will open the doors for millennials to conduct social gatherings and delighting themselves by drinking and tasting wide variety of liquors. Liquor companies with large product portfolio are well positioned to capitalise on this situation.

Socially Acceptable Environment

There has been a huge change in the attitude and lifestyle of people, making alcohol consumption more socially acceptable. This acceptability extends to family environments and social events. During such occasions, mostly premium liquors are preferred. Companies either launching or pushing premium liquor would benefit from this changing behaviour. ***

THREATS

Increasing Covid-19 Cases

Mutated virus is becoming a major concern for the economy. States opting for partial lockdown and night curfew at different period can hamper the alcoholic beverages sale.

Alcohol Ban

Alcohol sale and consumption is banned in Bihar, Gujarat, Tripura, Lakshadweep, Mizoram, and Nagaland. Further ban in any of the Indian states can decrease the opportunity present in the market.

Rising Taxes

Liquor contributes a considerable amount to the exchequers of all states and Union Territories. It is thus quite clear that Governments consider it as an important source of income. Any downfall in state and national income gives the Government chance to increase registration charges, Value

Added Tax (VAT), duties and special fees on liquor. This can increase the liquor pricing, making it unaffordable for many, who would then like to shift to economical brands.

COMPANY OVERVIEW

Tilaknagar Industries Limited (TI) was founded in the year 1933 by Shri Mahadev L. Dahanukar as Maharashtra Sugar Mills. It entered into the distillery division in the 1970s and became one of the popular alcohol brands in India. Being in this industry for over 70 years, gives the Company a huge edge in terms of understanding the market. Today, the Company has 1 owned facility, 3 operating liquor subsidiaries, 3 leased and 9 tie-up units, strategically located across India. It also has 100 KLPD molasses-based and 100 KLPD grain-based distillation plants and IMFL bottling plant at Shrirampur (Maharashtra).

It has a diversified brand portfolio in various liquor categories, including brandy, whiskey, vodka, gin and rum. Further, it reaches out to customers through robust distributor network, which strategically criss-crosses the country. TI's primary market is the southern and western parts of India, as it accounts for around 90% of TI's revenue. Besides, high-quality product offerings has allowed the Company to go beyond the Indian borders to export its products to regions such as East and South-East Asia, Africa, the Middle East, and Europe.

WHAT SETS US APART

Product offerings

TI has a comprehensive product portfolio across various categories, geographies, and price points, catering to different types of customers. The Company has 15+ brands across various segments. This diverse product portfolio keeps on creating new revenue potentials.

Worldwide presence

TI has elevated its branding and credibility to export its product globally to countries such as Kenya, Bahrain, D.R.Cango, Rwanda, Singapore, South Korea, UAE and many others. This gives it access to a much larger customer base and untapped regions within the different countries.

Manufacturing facility

TI through its owned, leased, subsidiaries and tie-up units, manufactures premium quality products. It keeps on modernizing its existing facilities to improve the process and continuously adds value to the product portfolio.

Brand portfolio

TI caters to different tastes and preferences of individuals. However, the Company's focus towards premium-and high-margin brands offer great growth potential. Following are the brand portfolio the Company focuses on:

Brandy

TI is one of the significant players in the segment, which generates around 89% of its total revenue. TI's constant emphasis on premiumization has led to birth of the following successful brands:

- **Mansion House Brandy:** It is quite popular as it is among the largest selling brandies in the world. Mansion House Brandy has significantly matured and evolved over the years. With this brand, the Company has perfectly positioned itself in the high-margin-premium category.
- **Courrier Napoleon Brandy – Green:** It continues to create a niche for itself in the premium space and remains brand leader in its segment.
- **Courrier Napoleon Brandy – Red:** It is among the most profitable brands in the TI portfolio.

Whiskey

TI generates third highest revenue from this segment. The Company has come a long way in this segment by transforming itself from being a regular whiskey player to a premium one. With the impeccable and exclusive quality blend, the Company's whiskey brands viz. Mansion House Whiskey and Senate Royale Whiskey bring the best-in-class experience for connoisseurs. Distinct aroma with rich and smooth flavour of this whiskey has led to growing popularity and high brand recall value.

Rum

TI sells its rum under the brand name Madiraa. It is one of the popular brands in India that offers an assortment of exciting flavours to consumers who prefer a niche in rum.

VODKA AND GIN

TI's share of revenue from Vodka and Gin is quite minimal in its overall brand portfolio. Efficient marketing and distribution channels consistently reach out to the newer markets to enhance the business share from this segment.

Management Discussion and Analysis (Contd.)

FINANCIAL PERFORMANCE

During the year, the sales volume (on a consolidated basis), decreased by 15.31% to 54.54 lacs cases as compared to 64.40 lacs cases during the financial year ended March 31, 2020. Revenue from operations (net of excise duty) on consolidated basis, stood at Rs 54,875.08 lacs as compared to Rs 65,282.78 lacs during the financial year ended March 31, 2020. Finance cost has (on a consolidated basis) decreased from Rs 12,893.28 lacs during the financial year ended March 31, 2020 to Rs 7,096.49 lacs during the financial year ended March 31, 2021. The compromise settlements and restructuring agreement entered into by the Company, during the financial year 2020, have significantly reduced the debt burden and consequential finance cost thereon. The EBITDA (on a consolidated basis), increased to Rs 6,551.05 lacs during the financial year ended March 31, 2021, as compared to Rs (2,200.00) lacs during the financial year ended March 31, 2020. The total comprehensive income (on a consolidated basis) stood at Rs 3,874.80 lacs during the financial year ended March 31, 2021 as against the total comprehensive income of Rs 26,958.91 lacs during the financial year ended March 31, 2020, on account of amount written back consequent to compromise/settlements with the banks during the financial year ended 31st March 2020.

KEY FINANCIAL RATIOS

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

	2019-20	2020-21	% change	Reason for change
Inventory Turnover	4.46	4.20	(6)	
Interest Coverage Ratio*	1.29	0.60	(54)	On account of closure of business during the 1st quarter of the FY21 which had an impact on the full year business performance
Current Ratio	1.26	1.10	(13)	
Debt Equity Ratio	NA	NA	NA	
Debtors Turnover	60	47	(22)	
Operating Profit Margin*	14.01	11.66	(2)	
Net Profit Margin*	(6.16)	(5.09)	(1)	
Return on Net Worth	NA	NA	NA	
EPS	21.56	(3.07)	(114.23)	On account of restructuring of loan and one time settlement done with the lenders during the FY20 and closure of business during the 1st quarter of the FY21 which had an impact on the full year business performance

**Adjusted for extraordinary items*

MARKETING AND BRANDING

Social Media Marketing

Due to the pandemic, more emphasis has been given to the Social Media Marketing promotions. There was an active and increased presence across all social media platforms with strategies to broaden the target audiences (by geographically, age group, interest, etc.), create increased brand awareness and change their perception about the brand.

Brand Building

Our Brands' brand strength lies in the fact that they are known for their rich aroma, taste & quality combined with their existing huge and loyal consumer base and the immense popularity in the regions of operations. During the year, the Company continued to focus in promoting its brands. This year, special emphasis was given to increase the sales of our brandy brands. Going ahead, campaigns through social media will be planned to attract whisky drinkers and convert them into brandy drinkers.

Brand Launch in Telangana State

We launched Courrier Napoleon Brandy Green, one of our premium brands, in Telangana in December 2020. The brand swiftly gained the market share and become a leading player in its segment within a month's time. With increasing consumer base and unparalleled appreciation for the brand, Courrier Napoleon Brandy Green has now become the preferred brand amongst premium brandy drinkers.

DISTRIBUTION NETWORK

TI has affiliated themself with geographically exclusive distributors, who oversee the sales execution. It has extensive operations and sells through State Corporations across Telangana, Andhra Pradesh, Karnataka, Kerala, West Bengal and Odisha. It also operates through a distributor channel in Maharashtra, Goa, Silvassa, Assam, Sikkim and Puducherry. The Company is also one of the dominant names in the Canteen Stores Department (CSD) marketplace. The Company further looks to diversify its presence by increasing the distribution network and entering the unexplored territory in the Eastern region of the country which is believed to have huge potential and will help in increasing the popularity, presence and sales of our brands geographically as well.

MATERIAL DEVELOPMENTS

- During the year under review an agreement between the Tilaknagar Industries Ltd. (TI) & Standard Chartered Bank (SCB) has been entered under which SCB Loan to Prag Distilleries P. Ltd (Prag) would be settled.
- During the year under review, the Company promoted the brands of Brandy amongst younger audience to make it an aspirational and a mainstream drink. We being the major stakeholders and pioneers in the brandy category, any gain in volume of the category will hugely be reciprocated to our brands.

RISK MANAGEMENT

There are various risks that could have a negative impact on the achievements of TI strategies and future prospects. Below are those risks and existing mitigation measures against them:

Risk	Impact	Mitigation	Impact level
Covid-19 Risk	Different waves of Covid-19 pandemic can result in plant closures (full or partial).	TI ensures strict compliance with the guidelines laid down with relation to social distancing, mandatory use of facemasks, proper sanitization facilities and operating with reduced workforce. The same is being strictly followed in all the manufacturing units, corporate and other administrative offices that have commenced operations. Besides, we have ensured the vaccinations of our employees across all units in order to reduce the chances of infection.	High
Competition Risk	There are many domestic and international players in the industry. This increases the probability of pricing war among them.	TI differentiates itself through innovative branding and marketing, unique product offerings and strong distribution network. This leads to brand recall and product availability at different touchpoints resulting in customer satisfaction and retention.	Medium
Changing Law & Regularity Risk	The Government regulates the Indian alcoholic beverage market. Alcohol prices also may vary according to state tax regime. This can slow down the sales and demand in specific regions.	The Company is present in domestic as well as global markets. Hence, it reduces their dependency on individual states or country for income. However, within India, larger percentage of revenue comes from Southern India. To overcome this problem, the Company has extended its focus on other geographies viz. eastern and western region.	Medium
Material Risk	Unavailability of material and increase in their prices can impact the operating margin.	The Company is affiliated with multiple vendors, giving them a chance to negotiate material prices. It also maintains healthy relationship with all of them to overcome any material supply constraint.	Low

HUMAN RESOURCES

TI believes that its core strength lies in its dedicated and motivated employees. Therefore, the Company has kept its goal aligned with the professional and personal objectives of its employees, thereby empowering them to achieve a work-life balance. The Company has created a workplace, which is safe and where every person can achieve their true potential. Continuous employee training remains basis of a company's future economic success. In view of this, the Company's training courses have been further digitised and expanded. Supporting dialogue between the employee representatives and management remains very vital. At the end of 2020-21, the Company had 238 employees.

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 recognises and promotes merit/ performance-based compensation and rewards
- To build the organization from within, by grooming, mentoring and promoting its people to a large extent
- To resort 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 the following HR initiatives have been taken.

Safety and Awareness

Corporate HR along with Factory HR team took various safety and awareness initiatives to ensure our employees remained safe during the pandemic while also ensuring minimum productivity loss during this period. We made sure to strictly

adhere to the Government Guidelines issued from time to time. Communication was sent out to all the employees to adhere to the norms announced by the Government. We had announced WFH for corporate office employees and even as we opened our corporate office, we introduced staggered shift timings and attendance timetable for HO to make sure the headcount was well within the prescribed limits of the Government. Sanitisation of the office and factory premise was done on regular intervals.

Training provided for hosting virtual meetings

As we moved to a virtual work setup (especially in HO), training was provided to all the managers across the country to operate virtual meeting applications like Zoom and Google Meet to ensure we have seamless meetings/collaboration while we work remotely.

CMD Hour Initiative

"CMD hour" initiative was introduced in December 2020 to enable employees to come forward and express their ideas, thoughts, and concerns regarding the business directly with our respected Chairman, Mr. Amit Dahanukar. The employees would seek a prior appointment with the Chairman to share:

- Idea/s which may help in better revenue generation for the business
- Strategies which may help in saving costs for the Company
- Concerns regarding malpractices/fraud within the Company
- Other suggestions for improvement which can benefit TI at large

The employees who would come up with ideas/suggestions which could really benefit the Company would be eligible for rewards including gifts/goodies/vouchers.

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 the year the Company has upgraded the internet bandwidth which has helped in increase of speed, greater reliability, stronger signal, quicker access to Cloud and saving in the cost. It has also in place robust information security policy which maintains the confidentiality, integrity, and availability of systems and information used in an organization.

The Company is in the process of implementing a backup on cloud for all the end points & servers. This initiative will result in ensuring benefits to the Company by reducing the business downtime and ensuring unified data protection.

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 2020-21 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

For FY 2021-22, the Company has planned to launch new innovative products having youth appeal, under the flagship brand, Mansion House. They are currently in the development stage and are expected to be launched at the most appropriate time. The Company will be doing extensive market research before entering a new market to gauge the pulse of the consumers and gain insights on the gap and demand of the market and thereafter brands suitable for launch in that market will be planned along with the strategy to launch the brand in that market.

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 86th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2021.

1. FINANCIAL HIGHLIGHTS

The summary of the Company's financial results for the financial year ended March 31, 2021 is furnished below:

(₹ in lacs)

Sr. No.	Particulars	Standalone	
		Year ended March 31, 2021	Year ended March 31, 2020
I	**Revenue from Operations**	**1,41,836.42**	**1,47,918.39**
II	**Other Income**	1,170.00	1,864.84
III	**Total Income (I + II)**	**1,43,006.42**	**1,49,783.23**
IV	**Expenses**		
	(a) Cost of materials consumed	29,132.08	32,086.37
	(b) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(1,393.75)	2,857.72
	(c) Excise duty	86,961.34	83,063.01
	(d) Employee benefits expense	1,554.84	1,897.80
	(d) Finance costs	6,540.05	12,508.30
	(f) Depreciation and amortisation expense	3,141.28	3,118.90
	(g) Other expenses	19,995.75	28,892.00
	Total Expenses	**1,45,931.59**	**1,64,424.10**
V	**Profit/(Loss) before Exceptional Items and Tax (III-IV)**	**(2,925.17)**	**(14,640.87)**
VI	**Exceptional Items**	-	45,518.35
VII	**Profit/(Loss) before Tax (V-VI)**	**(2,925.17)**	**30,877.48**
VIII	**Tax Expense**		
	(a) Current tax (including earlier years)	(45.96)	85.48
	(b) Deferred tax		
	Total Tax Expense	**(45.96)**	**85.48**
IX	**Profit/(Loss) for the Period (VII-VIII)**	**(2,879.21)**	**30,792.00**
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	(23.16)	(14.09)
	(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)]	**(23.16)**	**(14.09)**
XI	**Total Comprehensive Income/(Loss) for the Period (IX+X)**	**(2,902.37)**	**30,777.91**

During the year, the revenue from operations (net of excise duty) stood at ₹ 54,875.08 lacs as compared to ₹ 64,855.38 lacs during the financial year ended March 31, 2020. Finance cost has decreased from ₹ 12,508.30 lacs during the financial year ended March 31, 2020 to ₹ 6,540.05 lacs during the financial year ended March 31, 2021 as a result of the compromise/ settlements and restructuring agreement entered into by the Company with the banks/financial institution during the financial year 2019-20.

The total comprehensive loss stood at ₹ 2,902.37 lacs during the financial year ended March 31, 2021 as against the total comprehensive income of ₹ 30,777.91 lacs during the financial year ended March 31, 2020.

In view of the loss incurred by the Company during the financial year 2020-21, no amount is proposed to be transferred to reserves.

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 90.76% of the total cases sold during 2020-21. Exports & Institutions segment contributes 9.24% 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 the first quarter of the financial year 2020-21 was only 48% and 45% respectively of the corresponding previous year.

The operations in all the bottling units of the Company have resumed with strict compliance of the guidelines laid down by the Government with respect to social distancing, mandatory use of facemask, proper sanitization facilities. The Company expects to deliver performance as per the normal operating level. However, any future lockdowns or restrictions on account of expected third wave of COVID-19 may affect the operating cycle.

During the year under review, the Company faced challenges in terms of increase in excise duties and local taxes, delayed payment from the Corporations and non-availability of bank finance due to which the demand growth was hampered. The Company is making efforts to address these issues.

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 9 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 Shrirampur (Maharashtra).

The Company has applied to the State Government authorities for dual feed permission for manufacture of ENA through molasses as well as grain at one of its ENA Plants. Permission has been received for operating the fermentation section till March 03, 2022.

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 Courrier Napoleon Brandy which continue to be consumer's most preferred brandy brands in all the states where they are sold.

During the financial year 2020-21, the sales volume decreased by 15.31% to 54.54 lacs cases as compared to 64.40 lacs cases in the financial year 2019-20. Region wise, the Company has registered sales volume of 46.95 lacs cases in Southern region, 1.58 lacs cases in Eastern region, 0.97 lacs cases in Western region and 5.04 lacs cases in Exports & Institutions segment. Segment-wise, Brandy contributed 92.19%, followed by Rum, Whisky, Vodka & Gin segments, which have contributed 5.12%, 1.92% and 0.77% respectively to the overall sales volume of the Company.

The Company ensures a seamless co-ordination of all its functions not only in production, but also in its supply chain management. From tracking market changes and market research to sourcing raw materials, manufacturing and delivering finished goods, the Company maintains the highest efficiency. The Company markets its products across the country through three main channels viz. corporations, distributors and direct sales. The distribution strength of the Company is built around its dispersed manufacturing facilities through 16 manufacturing units that cover large swathes of the Indian market with a strong network of 100 distributors across India and points of sales covering numerous market segments and geographies with especially pronounced presence in the South, India's largest IMFL consuming geography.

The Company is presently exporting its products to Kenya, D. R. Congo, Rwanda, in Africa, Singapore in East, South Korea, Bahrain & UAE in Middle-East.

Material Developments during the financial year 2020-21

- During the year under review, a Settlement agreement between the Company & Standard Chartered Bank (SCB) has been entered and executed under which SCB's Loan to Prag Distillery (P) Ltd. (a wholly owned subsidiary of the Company) would be settled by the Company, being a Corporate Guarantor and a sum of USD 11,00,000 has been paid to them.
- The Company launched Courrier Napoleon Brandy Green, one of its premium brands, in the state of Telangana in December 2020.
- The Company signed a long term manufacturing agreement with French multinational Pernod Ricard India Private limited to manufacture their products at our Shrirampur facility. The agreement is valid for ten years and the production is expected to commence in September.

Material Developments affecting the financial position of the Company after the end of the financial year 2020-21 and till the date of this Report

- The Company has entered into an agreement with DCB Bank, one of the Financial Creditors of Prag Distillery (P) Ltd. (a wholly owned subsidiary of the Company), in the month of July 2021, wherein DCB Bank has agreed to accept a sum of ₹ 2,252.78 lacs towards full and final settlement of its dues.
- Other debts of ₹ 3,386.75 lacs from Edelweiss Asset Reconstruction Company (EARC) has been converted into 139.04 lacs equity shares having face value of ₹ 10 which have been alloted to EARC on April 24, 2021 on preferential basis.

3. DIVIDEND

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend for the financial year ended March 31, 2021.

4. SHARE CAPITAL

During the year under review, there was no change in the authorized Capital of the Company. As on March 31, 2021, the Company was having authorized share capital of ₹ 15,000 lacs comprising of 1,500 lacs equity shares of ₹ 10/- each. However, the Company has allotted 3,00,838 equity shares of face value of 10 each to its eligible employees who exercised their stock options under the prevailing Employee Stock Option Schemes of the Company. As a result, the paid-up equity share capital of the Company has increased to ₹ 125,43,46,030 divided into 12,54,34,603 equity shares of face value of ₹ 10 each as on March 31, 2021.

5. SUBSIDIARY AND ASSOCIATE COMPANIES

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

DIRECTORS' REPORT (Contd.)

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 2020-21, of Prag was Nil as compared to ₹ 537.07 lacs in the previous year. It has incurred total comprehensive loss of ₹ 714.96 lacs during the financial year 2020-21 as compared to total comprehensive loss of ₹ 665.73 lacs in the previous year. The National Company Law Tribunal ("NCLT") has ordered for liquidation of the Company, vide its order No. MA 309/2018 in CP1067/ 2017 dated July 26, 2018, as a going concern. A liquidator has been appointed to manage the affairs of the Company and complete the liquidation process. The Holding Company has submitted a formal proposal to the two financial lenders for full and final settlement of all their claims. The settlement agreement with Standard Chartered Bank, one of the financial lenders has been entered and a sum of USD 11,00,000/- have been paid to them. Prag has entered into an agreement with DCB Bank, one of the Financial Creditors of Prag Distillery(P) Ltd in the month of July 2021, wherein DCB Bank has agreed to accept a sum of ₹ 2,252.78 lacs towards full and final settlement of its dues.
2	**Vahni Distilleries Private Limited (100%)**	During the financial year 2020-21, the revenue from operations of Vahni stood at ₹ 301.26 lacs as compared to ₹ 338.89 lacs in the previous year. It has incurred total comprehensive loss of ₹ 0.58 lacs during the financial year 2020-21 as compared to total comprehensive income of ₹ 99.06 lacs in the previous year.
3	**PunjabExpo Breweries Private Limited (100%)**	During the financial year 2020-21, the revenue from operations of PunjabExpo stood at ₹ 62.49 lacs as compared to ₹ 218.67 lacs in the previous year. It has incurred total comprehensive loss of ₹ 1,066.99 lacs during the financial year 2020-21 as compared to total comprehensive loss of ₹ 965.49 lacs in the previous year.
(B)	**OTHER SUBSIDIARIES**	
4	**Kesarval Springs Distillers Pvt. Ltd. (100%)**	During the financial year 2020-21, no activities have been carried out by Kesarval and it has incurred total comprehensive loss of ₹ 46.27 lacs during the year as compared to total comprehensive income earned of ₹ 3.32 lacs in the previous year.
5	**Mykingdom Ventures Pvt. Ltd. (100%)**	During the financial year 2020-21, no activities have been carried out by Mykingdom and it has incurred total comprehensive loss of ₹ 0.53 lacs during the year as compared to total comprehensive loss of ₹ 0.91 lacs in the previous year.
6	**Studd Projects P. Ltd. (100%)**	During the financial year 2020-21, no activities have been carried out by Studd and it has incurred total comprehensive loss of ₹ 1.47 lacs during the year as compared to Nil in the previous year.
7	**Srirampur Grains Private Limited (100%)**	During the financial year 2020-21, no activities have been carried out by Srirampur and it has incurred total comprehensive loss of ₹ 2.36 lacs during the year as compared to total comprehensive loss of ₹ 2.20 lacs in the previous year.
8	**Shivprabha Sugars Ltd. (90%)**	During the financial year 2020-21, no activities have been carried out by Shivprabha and it has incurred total comprehensive loss of ₹ 0.54 lacs during the year as compared to comprehensive loss of ₹ 1.04 lacs 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 Act, viz. Mason and Summers Marketing Service Pvt. Ltd. in which the Company is having 26% stake. The group had made an impairment in value of investments in the associate Company Mason & Summers Marketing Services Pvt. Ltd. (MSMSPL) of ₹ 169.00 lacs, in its books of accounts during the financial year 2015-16 due to losses made by the associate. Since, the Company doesn't have any obligation to fund the losses of the associate beyond the investments made, the share of loss of the associate Company has not been considered in the consolidated financial statements.

The consolidated financial statements of the Company and its subsidiaries for the financial year ended March 31, 2021, prepared in accordance with the Act and Indian Accounting Standards (Ind AS) forms part of this Annual Report and same shall also be laid in the forthcoming Annual General Meeting ("the AGM") in accordance with the provisions of Section 129(3) of the Act.

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

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

During the financial year 2020-21, no Company has become or ceased to be subsidiary of the Company and no material change in the nature of the business of the existing subsidiary and associate companies has taken place.

6. DIRECTORS

At the 85th Annual General Meeting of the Company held on December 29, 2020 :

a) Mrs. Shivani 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 a Director, liable to retire by rotation, through Ordinary Resolution passed by the Members in the said Annual General Meeting.

b) Ms. Aparna Praveen Chaturvedi, who was appointed as an Additional (Non-Executive and Independent) Woman Director of the Company by the Board with effect from July 31, 2020 to hold office until the 85th Annual General Meeting was also appointed through Ordinary Resolution passed by the Members in the said Annual General Meeting 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).

c) Ms. Swapna Vinodchandra Shah, advisor of the Company, who 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 85th Annual General Meeting was also appointed through Ordinary Resolution passed by the Members in the said Annual General Meeting as Non-Executive Director of the Company, liable to retire by rotation.

d) Mr. Kishorekumar Ganpatrao Mhatre, was also re-appointed through Special Resolution passed by the Members in the said 85th Annual General Meeting as 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).

e) Mr. Amit Dahanukar, was also re-appointed through Special Resolution passed by the Members in the said 85th Annual General Meeting 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) at a remuneration of ₹ 60,00,000/-(Rupees Sixty Lacs only).

f) Mr. Chemangala Ramachar Ramesh, who was appointed as an Additional (Whole-Time) Director of the Company by the Board for a period of 3 (Three) years commencing from November 13, 2020 and ending on November 12, 2023 (both days inclusive) was also appointed through Special Resolution passed by the Members in the said 85th Annual General Meeting as Whole-Time Director of the Company, liable to retire by rotation.

At the 86th Annual General Meeting of the Company to be held on September 30, 2021, the following appointment/re-appointment of Directors is proposed to the shareholders for their approval :

a) In accordance with the provisions of Section 152(6) of the Act, Mr. Amit Dahanukar, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board based on the recommendation of the Nomination and Remuneration Committee, recommends his re-appointment.

b) Ms. Aparna Praveen Chaturvedi was appointed as an Independent Woman Director of the Company with effect from July 31, 2020 for a term of 1(one) year. Accordingly, her term as an Independent Director had expired on July 30, 2021 and is eligible

for re-appointment for a second term of 5 (Five) consecutive years commencing from July 31, 2021 and ending on July 30, 2026 (both days inclusive). The Company has received notice from a Member proposing her candidature as Independent Woman Director of the Company at the ensuing Annual General Meeting.

The Board has, on the recommendation of the Nomination and Remuneration Committee re-appointed, through circular resolution, Ms. Aparna Praveen Chaturvedi (DIN:00028647) with effect from July 31, 2021, subject to approval of the Members of the Company.

Accordingly, proposal to re-appoint Ms. Aparna Praveen Chaturvedi as Independent Woman Director of the Company, not liable to retire by rotation for a period of 5 (Five) consecutive years commencing from July 31, 2021 and ending on July 30, 2026 (both days inclusive) has been placed in the ensuing Annual General Meeting for an approval of the Members.

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

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

7. NOMINATION, REMUNERATION AND EVALUATION POLICY

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

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

ii. appointment, tenure, removal/retirement of Directors, Key Managerial Personnel and Senior Management;

iii. determining remuneration (fixed and performance linked) payable to the Directors, Key Managerial Personnel and Senior Management; and

iv. evaluation of the performance of the Board and its constituents.

The contents of the abovementioned Policy have been elaborated in the Corporate Governance Report in accordance with the provisions of Section 134(3)(e) of the Companies Act, 2013. The Company has uploaded the Nomination, Remuneration and Evaluation Policy on its website, accessible at 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 12, 2021, 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 2020-21 in its Meeting held on May 29, 2021 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 2019-20 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, 8 Meetings of the Board of Directors were held as per details given below:

(i) July 31, 2020;

(ii) September 15, 2020;

(iii) October 06, 2020;

(iv) October 29, 2020;

(v) November 12, 2020

(vi) November 13, 2020 adjournment of Meeting held on November 12, 2020;

(vii) January 21,2021; and

(viii) February 12, 2021.

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

10. COMPOSITION OF AUDIT COMMITTEE

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

11. KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Srijit Mullick retired from the position of Chief Financial Officer of the Company with effect from September 15, 2020 and Mr. Gaurav Thakur ceased to be the Company Secretary of the Company with effect from November 30, 2020. Mr. Ajit Anant Sirsat and Mr. Shekhar R Singh were appointed as Chief Financial Officer and Company Secretary respectively w.e.f. January 21, 2021 in their place.

As on March 31, 2021, Mr. Amit Dahanukar, Chairman & Managing Director, Mr. Ajit Anant Sirsat, Chief Financial Officer and Shekhar R Singh, Company Secretary were the Key Managerial Personnel of the Company under the provisions of Sections 2(51) and 203 of the Act read with the Companies (Appointment and Qualifications of Managerial Personnel) Rules, 2014.

12. AUDITORS

Statutory Auditors and Statutory Audit Report

In accordance with the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. Harshil Shah & Company, Chartered Accountants (ICAI Firm Registration No. 141179W) were appointed as Statutory Auditors of the Company at the 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.

The requirement to place the matter relating to appointment of Statutory Auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 07, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the ensuing AGM.

No frauds have been reported by the Statutory Auditors during the financial year 2020-21 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 2020-21.

Pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and based on the recommendation of the Audit Committee, the Board of Directors has appointed CMA Dr. Netra Shashikant Apte having Membership No. 11865 and Firm Registration No. 102229 as Cost Auditor of the Company for conducting the audit of cost accounting records maintained by the Company relating to manufacturing of the products covered under the Companies (Cost Records and Audit) Rules, 2014 at a remuneration of ₹ 1,50,000/- (Rupees One Lac Fifty Thousand Only) plus tax as applicable and re-imbursement of out of pocket expenses as may be incurred by her for conducting the Cost Audit for the financial year 2021-22.

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

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

The Company has filed the Cost Audit Report for the financial year ended March 31, 2020 submitted by CMA Dr. Netra Shashikant Apte, Cost Auditor 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 2021-22.

The Secretarial Audit Report for the financial year ended March 31, 2021 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, 2021 are as under:

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

There was no Independent Woman Director on the Board of the listed entity from April 01, 2020 to July 30, 2020 pursuant to Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the Company falls within top 1000 listed entities as per NSE by market capitalisation. The Company appointed Ms. Aparna Praveen Chaturvedi as an Independent Woman Director with effect from July 31, 2020. The Company had paid the fine of ₹ 1,77,000/- under protest in this regard to NSE.

Board's Response:

The Company had received intimation on April 08, 2020 from NSE, regarding its first time falling under the category of Top 1000 Listed Companies and on receipt of the intimation, the Company had pro-actively started scouting for suitable candidate in accordance with Nomination Remuneration and Evaluation Policy and Board Diversity Policy of the Company to comply with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, about receiving consent from a suitable candidate and the appointment of Independent Woman Director in the Meeting held on July 31, 2020 in accordance with exemption granted by SEBI vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated June 26, 2020 for

holding Board meeting on or before July 31, 2020 due to impact of COVID-19 pandemic.

Despite the restrictions and limitations on the movement of people causing delay in scouting of suitable candidate due to COVID-19 pandemic, an extra-ordinary natural calamity, the Company had taken best possible efforts to comply with the provisions of Regulation 17 of the Listing Regulations proactively and fully complied with the said provision at the earliest available opportunity i.e. July 31, 2020 and the Company had also made timely disclosure of the abovementioned facts to the Stock Exchange.

In order to obtain in-principle approval for allotment 1,49,838 equity shares of ₹ 10/- each under ESOP, NSE vide its letter November 17, 2020 requested to pay the fine in terms of the SEBI SOP Circular for imposing fines and suspension of trading in case of Non-compliance with Regulation 17. Accordingly, the Company has paid the fine of ₹ 1,77,000/- under the protest and also through letter dated December 14, 2020 requested for full waiver of fine levied under SEBI SOP Circular.

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

The Audited Financial Results (Consolidated and Standalone) for the financial year ended March 31, 2020 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD/1/CIR/P/2020/106 dated June 24, 2020, were filed by the Company on September 15, 2020 i.e beyond the prescribed time (July 31, 2020) and Company had paid the fine of ₹ 94,400/- each to NSE and BSE in this regard.

Board's Response:

The Company vide its letter dated July 31, 2020 informed the following reason for delay in submission of the Audited Financial Results (Standalone and Consolidated) of the Company for the quarter and year ended March 31, 2020 to the Stock Exchanges and the Board at its meeting held on September 15, 2020 noted the same:

Consequent to the outbreak of the global pandemic COVID-19, the entire country was in complete lockdown from March 25, 2020 onwards resulting in suspension of work in all the units and offices across the country. Although the production units and administrative offices had since resumed operations in a staggered manner from May onwards, the same were being carried out subject to the restrictions imposed by the State Government and local authorities. Even after the lockdown was lifted and the units and offices resumed functioning, intermittent lockdowns in different states and restriction on the number of employees attending office had hampered collation of financial data from across the country necessary for preparing the financial results leading to delay in the preparation of the financial results.

The Board expressed its concern regarding the situation arising due to the outbreak of the global pandemic COVID-19 and advised the Management to strengthen the systems of the Company to face such kind of eventualities in future.

Further, the Company vide its letter dated September 15, 2020 informed the aforesaid response to Stock Exchanges.

3) Secretarial Auditors' observations under Point (iii) :

The Un-audited Financial Results (Consolidated and Standalone) for the quarter ended June 30, 2020 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 SEBI Circular No.SEBI/HO/CFD/CMD1/CIR/P/2020/140 dated July 29, 2020 were filed by Company on October 06, 2020 i.e beyond the prescribed time (September 15, 2020) and Company had paid the fine of ₹ 1,23,900/- each to NSE and BSE in this regard.

Board's Response:

The Company vide its letter dated September 15, 2020 informed the following reason for delay in submission of the Un-audited Financial Results (Consolidated and Standalone) of the Company for the quarter ended June 30, 2020 and the Board at its meeting held on October 29, 2020 noted the same:

Consequent to the outbreak of the global pandemic COVID-19, the entire country was in complete lockdown from March 25, 2020 onwards resulting in suspension of work in all the units and offices

across the country. Although the production units and administrative offices had since resumed operations in a staggered manner from May onwards, the same were carried out subject to the restrictions imposed by the State Government and local authorities. Even after the lockdown was lifted and the units and offices resumed functioning, intermittent lockdowns in different states and restriction on the number of employees attending office had hampered collation of financial data from across the country necessary for preparing the financial results leading to delay in the preparation of the financial results.

The Board expressed its concern regarding the situation arising due to the outbreak of the global pandemic COVID-19 and advised the management to strengthen the systems of the Company to face such kind of eventualities in future.

Further, the Company vide its letter dated October 29, 2020 informed the aforesaid response to Stock Exchanges.

4) **Secretarial Auditors' observations under Point (iv) :**

The disclosure regarding default in payment of interest on principal loan amount pursuant to SEBI Circular No. SEBI/HO/CFD/CMDl1CIR/P/2019/140 dated November 21, 2019 on first occasion was submitted to NSE with a delay of 3 days and on second occasion to BSE and NSE with a delay of one day.

Board's Response:

There have been delays in disclosure regarding the default in payment of interest and principal loan amount to the Stock Exchanges due to technical issues faced by the Company at the time of upload of the disclosures. The disclosures were made as soon as the technical issues were resolved. The delays were unintentional and due to external circumstances.

5) **Secretarial Auditors' observations under Point (v):**

Some Statutory Forms to be filed with Registrar of Companies (ROC) have been filed beyond the prescribed time.

Board's Response:

There have been delays in filing some Statutory forms with Registrar of Companies (ROC) due to technical issues faced by the Company at the time of filing the forms . The forms were filed as soon as the technical issues were resolved. The delays were unintentional and due to external circumstances.

Internal Auditors and Internal Audit Report

The Company appointed Mr. Shekhar Singh, in accordance with the provisions of Section 138(1) of the Act. He will be assisted by Ernst & Young, LLP to efficiently discharge the function of Internal Audit. 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.

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, 2021 on its website, accessible at 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 2020-21.

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

17. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a CSR Committee in accordance with Section 135(1) of the Companies Act, 2013, the details of which have been provided in the Corporate Governance Report forming part of this Annual Report. The Board of Directors has approved the CSR policy which is available on the website of the Company, accessible at http://www.tilind.com/investors/#codepolicies. The Annual Report on CSR activities as required to be given under Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided in an Annexure 'F' which forms part of the Directors' Report and is available on the website of the Company, accessible at http://www.tilind.com/investors/#share holder-services.

18. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

19. CORPORATE GOVERNANCE REPORT

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

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

In accordance with the provisions of Sections 134(3)(g) and 186(4) of the Companies Act, 2013, full particulars of loans given, investments made, guarantees given and securities provided, if any, along with the purpose for which the loan or guarantee or security was proposed to be utilised 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 2020-21.

22. PUBLIC DEPOSITS

As on April 01, 2020, 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 2020-21. As on March 31, 2021, the Company was not having any outstanding deposit falling under the scope of the said Chapter.

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 accessible at http://www.tilind.com/investors/#share holder-services.

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 ₹ 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.

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, 68,032 (Sixty Eight Thousand and Thirty Two) shares relating to financial year 2012-13 have been transferred by the Company during the financial year 2020-21 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 : http://www.tilind.com/investors/#shareholder-services and also on the website of the IEPF Authority i.e. www.iepf.gov.in.

Details of the unclaimed dividend lying with the Company as on March 31, 2021 and shares/dividend (for the financial year 2013-14) 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 are no particulars to be furnished in Form AOC-2 as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 with respect to the contracts or arrangements entered into by the Company with related parties falling under the purview of Section 188(1) of the Act, during the year under review. Approval of the Audit Committee and the Board of Directors as required under the Listing Regulations, 2015 has been obtained for all related party transactions. Further, no transactions have been entered into by the Company with related parties during the financial year 2020-21, qualifying as material transactions under the provisions of the Listing Regulations.

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 Securities and Exchange Board of India (SEBI) vide its notification dated May 05, 2021 has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which mandates top 1000 listed entities based on market capitalisation as at the end of the immediate previous financial year, to constitute a Risk Management Committee comprising of majority of the members of the Board of Directors of the Company with effect from May 05, 2021.

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 underutilised 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 maximise 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 organisation. 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 2020-21.

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 2020-21, no employee was denied access to the Audit Committee. The Whistle Blower Policy of the Company is accessible at 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;

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 loss of the Company for the year;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis;

e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively; and

f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

30. BUSINESS RESPONSIBILITY REPORT (BRR)

The Business Responsibility Report pursuant to Regulation 34 of Listing Regulations is presented as Annexure 'G' to this Report.It has also been uploaded on the website of the Company, accessible at https://tilind.com/investors/#shareholder-services

DIRECTORS' REPORT (Contd.)

31. CREDIT RATINGS

During the financial year 2020-21, no credit rating was done. The last rating, BWR BB- (pronounced as BWR Double B minus with negative outlook) for Term Loan and Cash Credit, was assigned to the Company in December, 2015 by Brickwork Ratings. The details of credit ratings are available on the website of the Company, accessible at : https://tilind.com/investors/#shareholderservices.

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 2020-21, 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 2020-21, 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 2020-21, no significant material orders have been passed by any regulators or courts or tribunals which may impact the going concern status of the Company and its future operations. Hence, disclosure under Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014 is not applicable;

iv. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report except mentioned in Point 2 of the Directors' Report;

v. During the financial year 2020-21, there has been no change in the nature of business of the Company. Hence, disclosure under Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014 is not applicable;

vi. No application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the financial year 2020-21 in respect of the Company.

The National Company Law Tribunal ("NCLT") has ordered for liquidation of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company, vide its order No. MA 309/2018 in CP1067/ 2017 dated July 26, 2018, as a going concern. A liquidator has been appointed to manage the affairs of the Company and complete the liquidation process; and

vii. The Company entered into an agreement for USD 22,50,000 in its capacity as Corporate Guarantor with Standard Chartered Bank (SCB) for settling the outstanding dues of SCB on behalf of Prag Distillery (P) Ltd. (wholly owned subsidiary of the Company) and a sum of USD 11,00,000 has been paid to them.

34. ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 14, 2021

Amit Dahanukar
Chairman & Managing Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT

FORM NO MR-3

SECRETARIAL AUDIT REPORT FOR THE PERIOD April 01, 2020 TO March 31, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Manegerial Personnel) Rules, 2014]

To,
The Members,
Tilaknagar Industries Ltd.,
P.O. Tilaknagar, Tal. Shrirampur,
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') for the financial year ended on March 31, 2021. 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 the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period **April 01, 2020 to March 31, 2021** ("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 financial year ended on March 31, 2021 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. **(Not applicable to the Company during the period under review)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

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 period under review)**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the period under review)**

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the period under review)** and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not applicable to the Company during the period under review)**

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

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

1. The Trade Marks Act, 1999;
2. Food Safety and Standards Act, 2006;
3. The Indian Boilers Act, 1923;
4. The Bombay Prohibition Act, 1949;

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

5. The Emblems and Names (Prevention of Improper Use) Act, 1950;
6. Environments Laws.

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

(i) Secretarial Standards i.e. SS-1 and SS-2 issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations 2015 and the Listing Agreements entered into by the Company with Stock Exchanges.

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

- **There was no Independent Woman Director on the Board of the listed entity from April 01, 2020 to July 30, 2020 pursuant to Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the Company falls within top 1000 listed entities as per NSE by market capitalisation. The Company appointed Ms. Aparna Praveen Chaturvedi as an Independent Woman Director with effect from July 31, 2020. The Company had paid the fine of ₹ 1,77,000/- under the protest in this regard to NSE.**
- **The audited financial results (consolidated and standalone) for the financial year ended 31st March, 2020 pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD/1/CIR/P/2020/106 dated June 24, 2020, were filed by the Company on September 15, 2020 i.e beyond the prescribed time (July 31, 2020) and Company had paid the fine of ₹ 94,400/- each to NSE and BSE in this regard.**
- **The un-audited financial results (consolidated and standalone) for the quarter ended June 30, 2020 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/140 dated July 29, 2020 were filed by Company on October 06, 2020 i.e beyond the prescribed time (September 15, 2020) and Company had paid the fine of ₹ 1,23,900/- each to NSE and BSE in this regard.**
- **The disclosure regarding default in payment of interest on principal loan amount pursuant to SEBI Circular No. SEBI/HO/CFD/CMDl/CIR/P/2019/140 dated November 21, 2020 on first occasion was submitted to NSE with a delay of 3 days and on second occasion to BSE and NSE with a delay of one day.**
- **Some Statutory Forms to be filed with Registrar of Companies(ROC) have been filed beyond the prescribed time.**

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 in due compliance with law, 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, the decisions at the Board meeting were taken unanimously.

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.

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

- The Company issued and allotted 1,39,03,752 equity shares on April 24, 2021 having face value of ₹ 10/- (Rupees Ten) each to Edelweiss Asset Reconstruction Company Ltd. ("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

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

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 Paisa 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. The issue price was arrived at as per the calculation agreed between the Company and the Asset Reconstruction Company.

- The Company issued and allotted 1,48,838 equity shares of ₹ 10/- each to the option grantees at an issue price of ₹ 13/- each and 1000 equity shares of ₹ 10/- each to the option grantees at an issue price of ₹ 15/- each under ESOP Scheme 2010 and ESOP Scheme 2012 of the Company.
- The Company issued and allotted 1,00,000 equity shares of ₹ 10/- each to the option grantees at an issue price of ₹ 13/- each and 51,000 equity shares of ₹ 10/- each to the option grantees at an issue price of ₹ 15/- each under ESOP Scheme 2010 and ESOP Scheme 2012 of the Company.
- The Articles of Association of Company were altered by insertion of new Article 8A after Article 8 of the Articles of Association under the heading 'SHARE CAPITAL AND VARIATION OF RIGHTS' by way of Special Resolution at the Annual General Meeting of Company held on December 29, 2020.
- Appointment of Ms. Aparna Praveen Chaturvedi as an Additional (Non-Executive and Independent) Director of Company with effect from July 31, 2020 and thereafter her appointment being regularised as Independent Director with effect from December 29, 2020.
- Appointment of Ms. Swapna Shah as an Additional (Non-Executive) Director of the Company with effect from July 31, 2020 and thereafter her appointment being regularised as Non-Executive Director with effect from December 29, 2020.
- Cessation of Mr. Srijit Mullick as Chief Financial Officer of Company with effect from September 15, 2020.
- Re-appointment of Mr. Amit Dahanukar as Chairman and Managing Director of Company for a period of three years commencing from November 07, 2020 and ending on November 06, 2023.
- Appointment of Mr. Chemangala Ramachar Ramesh as an Additional (Whole-time) Director of Company with effect from November 13, 2020 and thereafter his appointment being regularised as an Whole Time Director with effect from December 29, 2020.
- Cessation of Mr. Gaurav Thakur as Company Secretary of the Company with effect from November 30, 2020.
- Appointment of Mr. Shekhar R Singh as Company Secretary of Company with effect from January 21, 2021.
- Appointment of Mr. Ajit Anant Sirsat as Chief Financial Officer of the Company with effect from January 21, 2021.

For **Ragini Chokshi & Co.**

Ragini Chokshi
(Partner)
C.P.No. 1436
FCS No. 2390
UDIN: F002390C000787482

Place: Mumbai
Date: August14, 2021

This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

'ANNEXURE -1'

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

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

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

For **Ragini Chokshi & Co.**

Ragini Chokshi
(Partner)
C.P.No. 1436
FCS No. 2390
UDIN: F002390C000787482

Place: Mumbai
Date: August14, 2021

ANNEXURE 'B' TO THE DIRECTORS' REPORT

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

[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:

a) Circuit breakers are installed in each of the major machinery/equipment to reduce the idle run of machinery. Routine maintenance of capacitor bank has been increased to maintain the power factor of 0.99 which results in energy credits in the electrical bills;

b) Gravity Liquor Flow systems are installed in all the process areas for lesser consumption of energy; and

c) Environment friendly Turbo Vents for natural ventilation and transparent Poly Coat sheets for natural lighting are installed on the roof of the new Bottling Hall.

(ii) Steps taken by the Company for utilising 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 utilising 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 2020-21 as compared to financial year 2019-20 is given herein below:

Sr. No.	Particulars	Unit	Year ended March 31, 2021	Year ended March 31, 2020
1	Biogas generation	Lac M^3	---	2.52
2	Spent-wash treated	Lac M^3	---	0.09
3	Ratio of biogas generation to spent-wash treated	M^3/M^3	---	28.00
4	Biogas utilisation: a. for steam generation in boiler b. biogas flared during start-up & interruptions	 Lac M^3 Lac M^3	 --- ---	 1.53 0.96
5	Coal saved: a. quantity b. value	 MT ₹ (Lac)	 --- ---	 152 10.03

Note:

Plant was under shut down due to COVID-19 and high molasses cost, thus the coal saved during the financial year 2020-21 is lower than the finacial year 2019-20. The Company undertook certain critical repairs on the biogas digesters' which has resulted in the Digesters not being available for extraction of Bio-gas.

(iii) Capital investment on energy conservation equipments:

During the financial year 2020-21, 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 2020-21, neither capital nor revenue expenditure was incurred by the Company on research and development.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2020-21, the foreign exchange earned in terms of actual inflows was ₹ 421.13 lacs (P.Y. ₹ 171.04 lacs) and the foreign exchange outgo during 2020-21, in terms of actual outflows, was ₹ 840.64 lacs (including repayment of foreign currency loan of subsidiary ₹ 818.15 lacs) (P.Y. ₹ 21.27 lacs).

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 14, 2021

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 2020–21 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 2020-21:

Sr. No.	Name	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase/ (decrease) in remuneration
1	Mr. Amit Dahanukar[a]	Chairman & Managing Director	12.15	89.23
2	Mrs.Shivani Amit Dahanukar[b]	Non-Executive Director	-	-
3	Dr. Ravindra Bapat[b]	Independent Director	-	-
4	Mr. C. V. Bijlani[b]	Independent Director	-	-
5	Mr. Kishorekumar G. Mhatre[b]	Independent Director	-	-
6	Mr. Satish Chand Mathur[b]	Independent Director	-	-
7	Maj Gen Dilawar Singh (Retd.)[b]	Independent Director	-	-
8	Ms. Aparna Praveen Chaturvedi[b]	Independent Director	-	-
9	Ms. Swapna Shah	Non-Executive Director	-	
10	Mr. C R Ramesh	Whole-time Director	10.40	4.91
11	Mr. Srijit Mullick[c]	Chief Financial Officer	Not Applicable	-
12	Mr. Gaurav Thakur[c]	Company Secretary	Not Applicable	-
13	Mr. Ajit Anant Sirsat[d]	Chief Financial Officer	Not Applicable	15.00
14	Mr. Shekhar R Singh[d]	Company Secretary	Not Applicable	-

[a]During the financial year 2020-21, there was an increase in the remuneration of Mr. Amit Dahanukar, Chairman & Managing Director of the Company from ₹ 18,00,000/- to ₹ 60,00,000/- w.e.f. November 07, 2020 as per the applicable provisions of the Companies Act, 2013.

[b]The Non-Executive and Independent Directors were paid only sitting fees during the financial year 2020-21except Ms. Swapna Shah who was also paid advisory fees.

[c]Mr. Srijit Mullick has ceased to be the Chief Financial Officer with effect from September 15, 2020.

[c]Mr. Gaurav Thakur has ceased to be the Company Secretary with effect from November 30, 2020.

[d]Mr. Ajit Anant Sirsat and Mr. Shekhar R Singh have been appointed as the Chief Financial Officer and the Company Secretary respectively with effect from January 21, 2021.

(ii) The percentage increase in the median remuneration of employees in 2020-21:

The median remuneration of employees in the financial year 2020-21 has increased by 4.95% as compared to the previous year.

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

As on March 31, 2021, 238 permanent employees were on the rolls of the Company.

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

In order to provide for increased cost of living/inflation, average percentile increase of 4.78% was made in the salaries of employees other than the managerial personnel during the financial year 2020-21, 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 2020-21 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman & Managing Director

Place: Mumbai
Date : August 14, 2021

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 (as on August 14 2021)	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, 2021	Relative of any Director or Manager
1	Mr. Bineet Walia	Senior Vice President	53.94	Permanent	MMS MSS	38	15-06-2018	60	Consultant	Nil	No
2	Mr .Ajit Anant Sirsat*	Chief Financial Officer	40.84	Permanent	B.Com., ACA, Grad. CMA	27	22-06-2012	50	Raymond Apparel Ltd.	Nil	No
3	Mr. Srijit Mullick**	Chief Financial Officer	40.77	Permanent	Bcom., FCA, ACMA	42	05-10-2013	66	E City Ventures Group of Companies	2,45,000	No
4	Mr .Varadarajan Srinivasaraghavan	General Manager - Manufacturing	39.86	Permanent	B.Tech	26	22-10-2018	48	United Spirit Ltd.	14,110	No
5	Mr. Benedict William***	Senior Vice President – Sales (South)	38.95	Permanent	M.A., Diploma in Business Management	38	19-08-2015	62	Consultant	Nil	No
6	Mr. Gaurav Thakur****	Company Secretary	34.98	Permanent	M.Com., ACS, ACMA	21	15-01-2011	43	Gini & Jony Ltd.	67,050	No
7	Mr. Amit Dahanukar	Chairman & Managing Director	34.31	Permanent	B.E.(Elec.)., M.S. (U.S.A.)	20	07-06-2000	44	First employment	29,844,552	Yes
8	Mr. C R Ramesh****	Whole – time Director	28.63	Permanent	B.Sc.	39	15-04-2008	61	Radico Khaitan Ltd.	4,200	No

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

Sr. No.	Name	Designation (as on August 14 2021)	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, 2021	Relative of any Director or Manager
9	Mr. Ashutosh Sharma	Senior Vice President – Corporate Affairs	27.86	Permanent	Master's Degree of philosophy and Business Administration	30	01-06-2018	57	Kool Solutions India Pvt. Ltd.	Nil	No
10	Mr. Kannan R	General Manager - Sales	25.12	Permanent	B.Sc.	33	10-09-2018	53	Unibev	442	No

* Mr. Ajit Anant Sirsat has been appointed as Chief Financial Officer w.e.f. January 21, 2021.

** Mr. Srijit Mullick has retired w.e.f. September 15, 2020.

*** Mr. Benedict William has resigned w.e.f. August 14, 2020.

****Mr. Gaurav Thakur has resigned w.e.f. November 30, 2020.

*****Mr. C. R. Ramesh has been appointed as Whole-time Director w.e.f. November 13, 2020.

Note : Remuneration is inclusive of full and final settlement wherever applicable.

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman & Managing Director

Place: Mumbai
Date: August 14, 2021

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

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>ESOP Scheme 2008</th><th>ESOP Scheme 2010</th><th>ESOP Scheme 2012</th></tr>
<tr><td>1</td><td>Date of shareholders' approval</td><td>August 6, 2008</td><td>September 20, 2010</td><td>May 24, 2012</td></tr>
<tr><td>2</td><td>Total number of stock options approved (post adjustment of Bonus)</td><td>51,36,363</td><td>48,46,500</td><td>60,00,088</td></tr>
<tr><td>3</td><td>Vesting requirements</td><td>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.</td><td>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.</td><td>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.</td></tr>
<tr><td>4</td><td>Pricing Formula</td><td>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:
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</td><td>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 Ltd., during the 15 days preceding the date of vesting of stock options subject to minimum exercise price as given below:
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</td><td>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 Ltd., during the 15 days preceding the date of vesting of stock options subject to minimum exercise price as given below:
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</td></tr>
<tr><td>5</td><td>Maximum term of stock options granted</td><td>4 years</td><td>3 years</td><td>3 years</td></tr>
<tr><td>6</td><td>Source of shares (primary, secondary or combination)</td><td>Primary</td><td>Primary</td><td>Primary</td></tr>
<tr><td>7</td><td>Variation in terms of stock options</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>8</td><td>Number of stock options outstanding at the beginning of the period</td><td>Nil</td><td>20,13,950</td><td>39,30,000</td></tr>
<tr><td>9</td><td>Number of stock options granted during the year</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>10</td><td>Number of stock options forfeited/ lapsed/ cancelled during the year</td><td>Nil</td><td>8,91,320</td><td>10,02,176</td></tr>
<tr><td>11</td><td>Number of stock options vested during the year</td><td>Nil</td><td></td><td></td></tr>
</table>

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

12	Number of stock options exercised during the year	Nil	55,600	2,45,238
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	8,26,800	31,88,094
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	10,67,030	26,82,586
17	Number of stock options exercisable at the end of the year	Nil	Refer Note 33 of the Standalone Financial Statements	Refer Note 33 of the Standalone Financial Statements
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 Standalone Financial Statements		
22	Diluted Earnings Per Share (EPS) on issue of shares pursuant to all the Schemes in accordance with Ind AS	Refer Note 33 of the Standalone Financial Statements		
23	Method used to account for ESOS – Intrinsic or fair value	Fair Value Method		
24	The difference between the intrinsic value of the stock options and the fair value of the stock options and its impact on profits and on EPS	Not Applicable		
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 Standalone Financial Statements		

26	A description of the method and significant assumptions used during the year to estimate the fair value of stock options, including the following information: 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 Standalone Financial Statements

In accordance with the provisions of Regulation 13 of the SEBI (Share Based Employee Benefits) Regulations, 2014, a certificate from M/s. Harshil Shah & Company, Statutory Auditors of the Company shall be placed before the Members at the 86th Annual General Meeting.

For and on behalf of the Board of Directors

Place: Mumbai
Date : August 14, 2021

Amit Dahanukar
Chairman & Managing Director

ANNEXURE 'F' TO THE DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2020-2021

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

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

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

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

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

A) Eradicate Extreme Poverty, Hunger and Malnutrition by:

i. operating annakshetra (Community Kitchen) at various locations;

ii. supplying mid-day meals to schools, orphanages etc.;

iii. providing monthly pensions to poor and needy;

iv. managing clinics for treatment of malnutrition;

v. conducting outreach programs for prevention and eradication of malnutrition; and

vi. providing training to village and government representatives for prevention of malnutrition.

B) Promotion of Education by:

i. supporting the administration of educational institutions directly or through Trusts;

ii. providing services of supplementary teaching staff free of cost to various educational institutions;

iii. undertaking various educational awareness activities;

iv. promoting sports and fitness among school children; and

v. promoting arts and culture among school children.

C) Promotion of Rural Sports by:

i. providing sports training through Zilla Parishad schools or other educational institutes;

ii. undertaking sporting tournaments and training camps; and

iii. undertaking various sports awareness activities.

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

i. forming Self Help Groups to promote financial inclusion;

ii. identifying and training differently abled persons for skill building and improve livelihoods;

iii. conducting vocational training programs for women through NGOs, institutions, government bodies etc.;

iv. promoting savings and increasing financial literacy; and

v. providing marketing support for existing rural micro enterprises.

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. organising 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 sensitisation camps to improve community outlook towards animal welfare;

iv. undertaking adoption camps for animals under shelter and/or elsewhere;

v. conducting medication and immunisation 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 2020-21 are provided under the 'Corporate Social Responsibility' Section of the Directors' Report forming part of the Annual Report.

2. COMPOSITION OF CSR COMMITTEE:

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

*Appointed as a Member w.e.f. September 15, 2020

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: https://tilind.com/investors/#shareholder-services

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

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

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

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

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

6. Average net profit / (Loss) of the Company as per section 135(5): Average Loss (₹ 1,358.18 lacs)

7. (a) Two percent of average net profit of the Company as per section 135(5): NA

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

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

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

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

Total Amount Spent for the Financial Year (in ₹ Lacs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
44.83	Nil	-	-	Nil	-

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

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

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

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: Refer Annexure '1' to CSR Report for CSR activities.

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (₹ in Lacs)	Mode of implementation - Direct (Yes/No).	Mode of implementation -Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1	Malnutrition and health assessment camps and malnutrition clinic		Yes	Maharashtra	Ahmednagar	0.00	Not Applicable		
2	Literacy	Promoting education	Yes	Maharashtra	Ahmednagar	3.89	No	Shrimati Malti Dahanukar Trust	Application from April 2021.
3	Healthcare Treatment/ Sponsorship and Awareness camps	Promoting Preventive Healthcare & Sanitation	Yes	Maharashtra	Ahmednagar	13.96	Yes (Direct & through Implementing Agency)	Direct & Shrimati Malti Dahanukar Trust	Application from April 2021.
4	Supply of R.O water	Promoting Preventive Healthcare & Sanitation	Yes	Maharashtra	Ahmednagar	2.66	Yes	Direct	Not Applicable
5	Sports and fitness to engage the unemployed youth		Yes	Maharashtra	Ahmednagar	3.93	No	Shrimati Malti Dahanukar Trust	Application from April 2021.
6	Waste management, tree plantation and organic production	Ensuring Environmental Sustainability	Yes	Maharashtra	Ahmednagar	9.89	Yes (Direct & through Implementing Agency)	Direct & Shrimati Malti Dahanukar Trust	Application from April 2021.
7	Animal welfare center		Yes			10.50	Yes	Direct	Not Applicable
	Total					**44.83**			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 44.83 lacs

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

Sl. No.	Particular	Amount (₹ in Lacs)
(i)	Two percent of average net profit of the Company as per section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	44.83
(iii)	Excess amount spent for the financial year [(ii)-(i)]	44.83
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	44.83

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

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

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

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

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

(a) Date of creation or acquisition of the capital asset(s).- Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset.- Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).- Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5)- Not Applicable

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman & Managing Director

For and on behalf of the CSR Committee

Shivani Amit Dahanukar
Chairperson – CSR Committee

Place: Mumbai
Date: August 14, 2021

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

ANNEXURE '1' TO CSR REPORT (CSR ACTIVITIES FOR 2020-2021)

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 2020-21 are as follows:

1) Literacy:

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

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

DVT Primary – 31 students – Std. 1st to std 4th for result use grade method. Result was 100%. 0 drop outs.

DVT Secondary – 112 students - Std. 5th to std 8th for result use grade method. For Std.10th 79% result . 0 drop outs.

2) Healthcare Treatment/Sponsorship and Awareness camps

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

Mother and Child nutrition 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 2020- 2021

- Total Phone calls counseling – 1813 beneficiaries
- 3035 beneficiaries attended online Nutrition seminars of different categories
- 700 (0-6 years) children addressed this year
- Average 856 home visits done this year- during home visits we do nutrition counseling, show spoken tutorial videos on tabs and hygiene counseling
- 92 pregnant mother addressed this year through 20 pregnancy club activity
- Women's day celebration done at five different places 267 participants attended the program
- Breast feeding week celebrated online with CITARA nutrition group IITB all over India
- Special IYCF training done for Shrirampur block 100 AWW
- 5000 mask cutting and making by nutrition team.
- Kitchen garden seeds distributed to 15 Nutrition clinic beneficiaries

a) Community nutrition raising activities

In addition to the Mother and Child Nutrition Centres, outreach activities viz. nutritional cooking demonstrations, health videos screening, talks, celebration of National Nutrition Week and World Breastfeeding Week etc. have been conducted during the financial year 2020-21 to raise awareness regarding maternal and child health among different villages and areas in and around the plant of the Company in Shrirampur. 120 beneficiaries benefitted in 10 dry cooking demos and 838 beneficiaries benefitted though 20 monthly activities.

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

b) 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 visits the delivery and paediatric wards to provide lactation counselling to the admitted mothers. At OPD, 125 children were benefited from nutrition counselling and 30 lactating mother benefited though breast feeding counselling.

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

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

3) Supply of R.O water

The Company supplies safe drinking (R.O) water to various wadis. Total 9000000 Liters water distributed among 8 places like Dighi road , Girame wasi,Eklahare , Ranjankhol , Labour colony , Khandagale wasti, Factory and Staff colony , Daily 25000 Liter water distributed to those wadis

4) Sports and fitness to engage the unemployed youth Sports outreach

The Company continues to support training of the sports faculty of schools, distribution of sports equipment, maintenance of playgrounds at ZP schools and conducting various inter village matches in order to develop sports talent that lies hidden in the villages. 3,960 students were benefited from this program that covered 36 ZP schools and Kridamandal in the area. The Company has also organized inter school sports event .The second activity that is carried out under the sports outreach program is "Kridamandal" aimed at engaging youth and unemployed in sports to keep them away from addiction towards tobacco, alcohol etc.

5) Waste management, tree plantation and organic production

The Company believes in organic and sustainable farming and grows sugarcane, wheat fruits, vegetables – cabbage and chilly , maize, ginny grass, jowar grass, Bajara ,sweet corn and lasun grass, strawberry , in its land grounds besides maintaining a flower and show plant nursery. Additionally, with support of the in-house school students and the Company's employees, various tree plantation of more than 100 trees plantation drives were undertaken during the year under review. Kitchen garden activities for 30 families for Anemia free Bharat.

- For fodder purpose - Maize, Ginny grass, Jawar, Bajara, Sugarcane , Wheat and grass
- For cash crop – sugarcane, fruits, vegetables, Nursery ,sweet corn , Strawberry and wheat,
- Waste management – not working
- Tree plantation – 100 nos.
- Fodder production 141560 KG (Maize, Ginny grass, Jawar, Sugarcane , lasurn grass and Bajara)
- Kitchen garden activities for 30 families for Anemia free Bharat.
- Distributed Grocery to 500 families (Rice, Dal, Peanuts, cooking oil, Rawa And spices)
- Distributed Vegetable – 607 kgs nearby Tilaknagar families (Potato and onion).
- Special chapter on Maharashtrian Food culture and its nutrition aspects by Deepali Fargade get printed in National level book named –Indian Food Anthropology by Vanisha Nambiar
- 2 Anganwadi workers, who were trained by Dr. Rupal and SMDT Team in 2017 in the remotest areas of Melghat, received a Poshan Award from Vice President of India.
- Inhouse 12350 masks we stitched by the bachat ghats & distributed 1700 s. free of cost

6) Animal Welfare Centre

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

ANNEXURE 'G' TO THE DIRECTORS' REPORT

BUSINESS RESPONSIBILITY 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 2020-21 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- 413 720
4.	Website	www.tilind.com
5.	E-mail id	investor@tilind.com
6.	Financial Year reported	2020-21
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 - 7 B) Number of National Locations - 16
10.	Markets served by the Company	Local, State, National and International Markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹ in lacs):	12,543.46
2.	Total Turnover (₹ in lacs):	1,41,836.42
3.	Total profit/(loss)after taxes (₹ in lacs):	(2,879.21)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)/₹ :	₹ 44.83 lacs
5.	List of activities in which expenditure in 4 above has been incurred:-	Refer the Annexure 'F' to the Directors' Report

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has 8 Subsidiary Companies as on March 31, 2021: - Prag Distillery (P) Ltd. – Under Liquidation; - Vahni Distilleries Private Limited; - PunjabExpo Breweries Private Limited; - Kesarval Springs Distillers Pvt. Ltd.; - Mykingdom Ventures Pvt. Ltd.; - Studd Projects P. Ltd.; - Srirampur Grains Pvt. Ltd.; and - Shivprabha Sugars Ltd.

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 / 18
5	E-mail id	investor@tilind.com

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

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

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

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

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

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for.'	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The spirit and content of the code of conduct and the applicable laws are captured in the policies framed by the Company. The Company believes that these policies are adequately addressing the above principles, as far as practicable and the policies are open for amendments as and when felt necessary.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?	The Board has approved and adopted the Business Responsibility Policy on the basis of recommendation of the CSR Committee. Apart from the policies mandated under the Companies Act, 2013 ('the Act') and the SEBI (LODR) Regulations, 2015, and same are signed by the Chairman & Managing Director.								
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	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:

Annually.

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?

Published Business Responsibility Report annually as part of the Annual Report. The same is 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 financial year 2020-21on 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, Courrier Napoleon Brandy-Green, Courrier 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?

Plant was under shut down due to COVID-19 and high molasses cost, thus the coal saved during the financial year 2020-21 is lower than the financial year 2019-20. The Company undertook certain critical repairs on the biogas digesters' which has resulted in the Digesters not being available for extraction of Bio-gas.

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

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

improve product yield. The Company continually works with its vendors and suppliers to reduce the environmental impacts of sourcing. Significant measures have been taken to reduce the packaging impacts in the supply chain by using recycled/returnable packaging solutions for various components sourced.

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

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

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

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

   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:** 475 employees
2. **Please indicate the Total number of employees hired on temporary/ contractual/casual basis:** 237 Contractual employees
3. **Please indicate the Number of permanent women employees:** 18 Women employees
4. **Please indicate the Number of permanent employees with disabilities:** Nil
5. **Do you have an employee association that is recognised by Management:**

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

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

   36% of permanent employees are members of this recognised 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	70%
c	Casual/Temporary/Contractual Employees	85%
d	Employees with Disabilities	Not Applicable (as there are no employees with disabilities at present)

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

Principle 4- Responsiveness to Stakeholders

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

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

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

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

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised 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 marginalised 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.

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

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

   No.

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

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

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

   Nil.

Principle 7- Public Policy Advocacy

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

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

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

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

Principle 8- Inclusive Growth and Equitable Development

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

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

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

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

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

   Periodic review is done on the CSR activities carried out during the financial year 2020-21, by the Company.

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

   Amount spent for undertaking CSR initiatives is ₹ 44.83 Lacs, during the financial year 2020-21, details of the same are given in Annexure 'F' of the Directors' Report.

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

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

Principle 9-Engagement with Customers

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

The Company had received approximately 48 Consumer Complaints in the financial year 2020-21 out of which 5 (10 %) 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, 2021

[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, 2021, the Board of Directors provides its explanations / comments as under:

i. **Auditors' observations under paragraph a of 'Basis for Qualified Opinion' of the Auditors' Report to the standalone and consolidated financial statements:**

The Company has not carried out impairment assessment of one of the ENA plants as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets' though there is an indication of impairment. Reference is invited to Note No. 44 of the standalone annual financial statements.

Same observations have been given with respect to Note No. 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. Subsequently, till the date of this Report, the permission has been received for operating the fermentation section till March 03, 2022. It is expected that permission for operating the distillation section also will be received soon. In view of this, the management believes that there is no impairment in value of its ENA Plant and hence the recoverable amount of the ENA Plant is not required to be estimated.

ii. **Auditors' observations under paragraph b of 'Basis for Qualified Opinion' of the Auditors' Report to the standalone and consolidated financial statements:**

The Company has not recognised provision for impairment of 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 annual financial statements.

Same observations have been given with respect to Note No. 46 of the consolidated financial statements.

Board's response: In lieu of advances given to certain body corporates 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 body corporates with their holding Company. 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 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. 49 of the standalone annual financial statements.

Board's response: 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, as a going concern. A liquidator has been appointed to manage the affairs of Prag and complete the liquidation process. The Company has submitted a formal proposal to the two financial lenders for full and final settlement of all their claims. The settlement agreement with Standard Chartered Bank, one of the financial lender has been entered and a sum of USD 11,00,000/- has been paid to them. The agreement with DCB bank is yet to be entered. 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.

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

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

The following paragraph in respect of Basis for Qualified Opinion was included in the audit report dated May 28, 2021 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 ₹ 10,010.03 lacs as at March 31, 2021 on expansion project ('the Project') grouped under the head capital work in progress. Work on the said project has been suspended and has not been completed since many years. Further the net block as on March 31, 2021 of Building, Plant and Equipment aggregating Rs 804.75 lacs has remained idle due to shut down of the Plant. The Company has not tested the said project, building, plant and equipment ('Tangible assets') for impairment loss as per Ind AS 36 - Impairment of Assets. In absence of sufficient audit evidence, we were unable to determine the amount of impairment in the value of project and Tangible assets.
- We draw attention to Note No. 37 of the financial statements which states that there are unsecured overdue trade receivables of ₹ 586.55 lacs and deposits of ₹ 182.05 lacs from Andhra Pradesh Beverage Corporation Ltd. and unsecured advances given to suppliers of ₹ 210.99 lacs which are long overdue and doubtful of recovery. The management has not considered any provision for allowance on doubtful trade receivables (expected credit loss), deposits and advances though it is long overdue. In absence of sufficient appropriate audit evidence and balance confirmations, we are unable to verify the recoverability amount of the trade receivables and advances.

Note No. 36 and 37 of Prag as described above is reproduced as Note No. 50 and 52 to the consolidated financial statements respectively.

Board's response:

- 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, as a going concern. A liquidator has been appointed to manage the affairs of Prag and complete the liquidation process. The Holding Company has submitted a formal proposal to the two financial lenders for full and final settlement of all their claims. The settlement agreement with Standard Chartered Bank, one of the financial lenders has been entered and a sum of USD 11,00,000/- has been paid to them. The agreement with DCB bank is yet to be entered. The impairment, if any, of the project undertaken by Prag in earlier years and of the existing Building, Plant and Equipment of Prag will be considered on completion of the liquidation process / final settlement as the case may be, as the recoverable value is not currently ascertainable.
- Trade Receivables of Prag Distillery (P) Ltd ("Prag"), wholly owned subsidiary of the Company, include ₹ 586.55 lacs (P.Y. ₹ 586.55 lacs) receivable from Andhra Pradesh Beverage Corporation Ltd. towards sale of IMFL made by Prag 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. The Earnest Money Deposit of ₹ 182.05 lacs (P.Y. ₹ 182.05 lacs) and the advances to suppliers of ₹ 210.99 lacs (P.Y. ₹ 211.00 lacs) are mainly given for the expansion of Prag capacity and the same would be capitalised as soon as the entire license fees are paid and the plant become operational at expanded capacity.

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

PunjabExpo Breweries Private Limited. ("Punjabexpo") wholly owned subsidiary of the Company, has incurred

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

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 ₹ 1,080.39 lacs and loans & advances given of ₹ 4,278.64 lacs to PunjabExpo as required by Indian Accounting Standard (Ind AS 36) 'Impairment of assets'. Reference is invited to Note No. 48 of the standalone annual financial statements.

Board's response: The net worth of PunjabExpo Breweries Private Limited ("PunjabExpo"), a wholly owned subsidiary of the Company, has been eroded and has incurred net loss during the year. However, the 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. This would significantly improve the capacity utilisation and have favourable impact on the profitability of PunjabExpo. Moreover, PunjabExpo is also in the process of rationalisation of its administrative overheads. In order to repose faith in PunjabExpo, the Company has subscribed to rights issue of 69,99,300 shares of ₹ 10 each of PunjabExpo in the month of April 2021, thereby further improving the net worth of PunjabExpo. 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 PunjabExpo's ability to continue as a going concern taking into account the plans management has put in place and the other mitigating factors described above. Hence, the management believes that no provision for impairment in equity investment and loans and advances given is required.

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 14, 2021

Amit Dahanukar
Chairman & Managing Director

CORPORATE GOVERNANCE REPORT

The Report on Corporate Governance for the financial year ended March 31, 2021 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 recognises their rights established by law or through mutual agreements. The Company acknowledges its accountability towards its stakeholders and ensures dissemination of timely and accurate information on all material matters in such a way that same is accessible to them in equal, timely and cost efficient manner.

The compliance with the applicable corporate governance requirements specified under Regulations 17 to 27 and 46(2)(b) to (i) and para C, D & E of Schedule V of the Listing Regulations during the financial year ended March 31, 2021 is elaborated hereunder:

2. BOARD OF DIRECTORS

The Board of Directors ("the Board") represents a fine blend of professionals possessing relevant qualifications and experience in general corporate management, finance, banking, administration and other allied fields which enable the Board to discharge its responsibilities more effectively. The Board, fully acquainted with its functions, duties and responsibilities as stipulated under Regulation 4(2)(f) of the Listing Regulations and the Companies Act, 2013, endeavors its best to discharge the same in the interest of all the stakeholders and provides strategic direction, sets performance goals for the management and monitors their achievement with a view to optimise the performance of the Company and maximise shareholders' wealth.

In line with the provisions of Regulation 17 of the Listing Regulations, the Company had 10 Directors as on March 31, 2021 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 http://www.tilind.com/about-us/#leadership.

CORPORATE GOVERNANCE REPORT (Contd.)

Composition of the Board along with the number of other Directorships/Committee positions held as on March 31, 2021 by the Directors is as follows:

Name of the Director	Director Identification Number	No. of Directorship in other public companies*	No. of Committee positions held in other public companies#		Other listed entities where the Directors of the Company held directorship	
			Member	Chairperson	Name of the listed entity	Category of Directorship
Non-Independent, Executive Directors						
Mr. Amit Dahanukar Chairman & Managing Director	00305636	8	Nil	Nil	Nil	Nil
Mr. C. R. Ramesh Whole-time Director	08876738	Nil	Nil	Nil	Nil	Nil
Non-Independent, Non-Executive Directors						
Mrs. Shivani Amit Dahanukar	00305503	8	Nil	Nil	Nil	Nil
Ms. Swapna Shah	08807901	Nil	Nil	Nil	Nil	Nil
Independent, Non-Executive Directors						
Dr. Ravindra Bapat	00353476	1	1	Nil	Nil	Nil
Mr. C.V. Bijlani	02039345	2	Nil	1	Nil	Nil
Mr. Kishorekumar G. Mhatre	07527683	1	1	Nil	Nil	Nil
Mr. Satish Chand Mathur	03641285	4	Nil	Nil	Indiabulls Housing Finance Limited JBF Industries Limited	Independent, Non-Executive Director Independent, Non-Executive Director
Maj Gen Dilawar Singh (Retd.)	08216047	Nil	Nil	Nil	Nil	Nil
Ms. Aparna Praveen Chaturvedi**	00028647	4	1	4	MSTC Limited	Independent, Non-Executive Director

* Private limited companies (other than subsidiary of public Company), foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded for the above purpose.

** Re-appointed as an Independent Woman Director of the Company for a second term of 5 (Five) consecutive years w.e.f. July 31, 2021 upto July 30, 2026 (both days inclusive) subject to approval of shareholders.

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

No Director is, inter-se, related to any other Director on the Board except Mr. Amit Dahanukar and Mrs. Shivani Amit Dahanukar, who are related to each other as spouse. No Director holds directorship in more than 20 companies or in more than 10 public companies or in more than 7 listed companies.

In terms of the provisions of Regulation 26 of the Listing Regulations, the Directors have made necessary disclosures with respect to committee positions held by them across other public companies and none of them is a Member of more than 10 committees or Chairperson of more than 5 committees prescribed in the said Regulation.

All the Independent Directors have furnished declarations stating that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations the Independent Directors have also confirmed that they are not aware of any circumstances or situations, which exist or may be reasonably anticipated, that can impair or impact their ability to discharge their duties

with an objective independent judgment and without any external influence. In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management. None of them is a Whole-time Director/ Managing Director in any listed company serving as an Independent Director in more than 3 listed companies.

The maximum tenure of the Independent Directors is in accordance with the provisions of the Companies Act, 2013 and they are not liable to retire by rotation. The Company has issued formal letter of appointment to its Independent Directors and has disclosed the terms & conditions of the same on its website, accessible at http://www.tilind.com/investors/#shareholder-services.

The Board has met 8 times during the financial year 2020-21 as per details given below:

(i) July 31, 2020;

(ii) September 15, 2020;

(iii) October 06, 2020;

(iv) October 29, 2020;

(v) November 12, 2020;

(vi) November 13, 2020 adjournment of Meeting held on November 12, 2020;

(vii) January 21, 2021; and

(viii) February 12, 2021.

The attendance of the Directors at the Board Meetings held during the financial year 2020-21 and the last Annual General Meeting held on December 29, 2020 are as follows:

Name of the Director	Category	Attendance at the Meetings held during 2020-21	
		Board Meetings	Annual General Meeting
Mr. Amit Dahanukar	Chairman & Managing Director	8	Yes
Mr. C. R. Ramesh*	Whole-time Director	2	Yes
Mrs. Shivani Amit Dahanukar	Non-Executive Director	8	Yes
Ms. Swapna Shah**	Non-Executive Director	7	Yes
Dr. Ravindra Bapat	Independent Director	1	No
Mr. C.V. Bijlani	Independent Director	8	Yes
Mr. Kishorekumar G. Mhatre	Independent Director	8	Yes
Mr. Satish Chand Mathur	Independent Director	5	Yes
Maj Gen Dilawar Singh (Retd.)	Independent Director	6	Yes
Ms. Aparna Praveen Chaturvedi***	Independent Woman Director	7	Yes

* Appointed w.e.f. November 13, 2020

** Appointed w.e.f. July 31, 2020

*** Appointed w.e.f. July 31, 2020 and re-appointed w.e.f. July 31, 2021

To enable the Board to discharge its responsibilities effectively and take informed decisions, comprehensive agenda notes along with background materials, wherever required, are circulated well in advance to the Directors in accordance with the applicable Secretarial Standards. The Board periodically reviews the compliance reports in respect of all laws and regulations applicable to the Company along with the minimum information prescribed under Part A of the Schedule (II) of the Listing Regulations placed before it on quarterly basis. The minutes of the Board meetings and all significant transactions and arrangements entered into by the subsidiary companies are also reviewed by the Board.

Performance Evaluation of the Directors

The Nomination, Remuneration and Evaluation Policy of the Company, adopted by the Board based on the recommendations made by the Nomination and Remuneration Committee contains the criteria for performance evaluation of all the Independent and Non-Independent Directors as given hereunder:

a. accomplishment of the Company's mission, objectives and strategic results for which the Executive Director is responsible;

b. adherence by Executive Director to operational policies approved by the Board;

CORPORATE GOVERNANCE REPORT (Contd.)

c. ability to contribute to and monitor Company's Corporate Governance practices;
d. ability to contribute by introducing best practices to address top-management issues;
e. active participation in long-term strategic planning; and
f. commitment to the fulfillment of their obligations and fiduciary responsibilities (including participation and attendance at the Board/ Committee Meetings).

The mechanism adopted by the Company for the annual performance evaluation of all its Directors, Chairman, Board as a whole (including its Committees) has been explained in detail in the Directors' Report forming part of the Annual Report.

Remuneration of Directors

The Nomination and Remuneration Policy of the Company states that Non-Executive/Independent Directors of the Company may receive remuneration by way of sitting fees for participation in the Meetings of the Board or Committee thereof and profit related commission, as per limits prescribed under the Companies Act, 2013 and approved by the Shareholders.

There is no pecuniary or business relationship between the Non-Executive Directors and the Company except for the sitting fees paid to them during the year and advisory fees paid to Ms. Swapna Shah, Non-Executive Director during the year.

Mr. Amit Dahanukar, Chairman & Managing Director of the Company, was under contract of employment with the Company for a period of 3 years commencing from November 07, 2017 and ending on November 06, 2020 and he was re-appointed as Chairman and Managing Director by the Members, for a further period of 3 years commencing from November 07, 2020 and ending on November 06, 2023. The service contract of Mr. Amit Dahanukar can be terminated by either party by giving 6 months' notice in writing or 6 months' salary in lieu thereof respectively. No severance fees is payable to him on termination of the service contract. During the financial year 2020-21, 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 upto November 06, 2020 and in accordance with the approval of Members from November 07, 2020.

Remuneration paid to the Directors for the financial year 2020-21 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	32.50	1.80	Nil
Mr. C. R. Ramesh*	Executive Director	27.30	1.33	1.00
Mrs. Shivani Amit Dahanukar	Non-Executive Director	Nil	Nil	4.10
Ms. Swapna Shah**	Non-Executive Director	18.00^	Nil	5.75
Dr. Ravindra Bapat	Independent Director	Nil	Nil	1.00
Mr. C.V. Bijlani	Independent Director	Nil	Nil	7.70
Mr. Kishorekumar G. Mhatre	Independent Director	Nil	Nil	6.95
Mr. Satish Chand Mathur	Independent Director	Nil	Nil	2.75
Maj Gen Dilawar Singh (Retd.)	Independent Director	Nil	Nil	3.55
Ms. Aparna Praveen Chaturvedi***	Independent Woman Director	Nil	Nil	4.50

* Appointed w.e.f. November 13, 2020

** Appointed w.e.f. July 31, 2020

*** Appointed w.e.f. July 31, 2020 and re-appointed w.e.f. July 31, 2021

^ Consultancy fees was paid to during the financial year 2020-21.

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 2020-21, no performance linked incentives were paid to the Directors of the Company.

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

Mrs. Shivani Amit Dahanukar, Non-Executive Director is drawing remuneration of ₹ 300 Lacs per annum from its subsidiary Company i.e. PunjabExpo Breweries Private Limited.

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, 2021	As on March 31, 2020	As on March 31, 2021	As on March 31, 2020
Mr. Amit Dahanukar	Chairman & Managing Director	29,844,552	29,844,552	Nil	Nil
Mr. C. R. Ramesh*	Whole-time Director	4,200	4,200	160,000	205,000
Mrs. Shivani Amit Dahanukar	Non-Executive Director	32,976,043	32,976,043	Nil	Nil
Ms. Swapna Shah**	Non-Executive Director	Nil	Nil	Nil	Nil
Dr. Ravindra Bapat	Independent Director	32,250	32,250	Nil	Nil
Mr. C.V. Bijlani	Independent Director	20,000	20,000	Nil	Nil
Mr. Kishorekumar G. Mhatre	Independent Director	Nil	Nil	Nil	Nil
Mr. Satish Chand Mathur	Independent Director	Nil	Nil	Nil	Nil
Maj Gen Dilawar Singh (Retd.)	Independent Director	Nil	Nil	Nil	Nil
Ms. Aparna Praveen Chaturvedi***	Independent Woman Director	Nil	Nil	Nil	Nil

* Appointed w.e.f. November 13, 2020

** Appointed w.e.f. July 31, 2020

*** Appointed w.e.f. July 31, 2020 and re-appointed w.e.f. July 31, 2021

Since the Companies Act, 2013 prohibits grant of ESOPs to the Independent Directors, no ESOPs were granted to them during 2020-21.

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 http://www.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, 2021. A declaration to this effect signed by Mr. Amit Dahanukar, Chairman & Managing Director of the Company is annexed hereto and forms an integral part of this Report.

Codes under Prohibition of Insider Trading Regulations

The 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and 'TI Code of Conduct for Prevention of Insider Trading' formulated in accordance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 had been amended on August 09, 2019 and November 14, 2019 to comply with the provisions of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019. The abovementioned codes 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.

CORPORATE GOVERNANCE REPORT (Contd.)

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 12, 2021, 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 Dr. Ravindra Bapat, who sought leave of absence due to health issues, were present at the Meeting.

Familiarisation Programs for Independent Directors

The Independent Directors are familiarised 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 familiarisation programs conducted by the management as well as external consultants. The Company has disclosed details of such programs on its website, accessible at http://www.tilind.com/investors/#shareholder-services.

3. COMMITTEES OF THE BOARD

The following committees have been constituted by the Board in compliance with the applicable provisions of the Listing Regulations and the Companies Act, 2013 with composition, terms of reference and role as mentioned herein below:

A) Audit Committee

The Audit Committee, constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the Listing Regulations, comprised of 4 Directors as on March 31, 2021 having knowledge/expertise in the areas of accounting/financial management.

The Audit Committee met 6 times during the financial year 2020-2021 as per details given herein below:

(i) July 31, 2020;
(ii) September 15, 2020;
(iii) October 06, 2020;
(iv) November 12, 2020;
(v) January 21, 2021; and
(vi) February 12, 2021.

The composition of the Audit Committee as on March 31, 2021 and attendance of the Committee Members at the Audit Committee Meetings held during the financial year 2020-21 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.	1
Mr. Kishorekumar G. Mhatre	Member	LL.B.	6
Ms. Swapna Shah*	Member	M.B.A., IBM	4

*Appointed as a Member 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 December 29, 2020.

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 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 utilised 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 utilisation 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.

CORPORATE GOVERNANCE REPORT (Contd.)

The Committee is vested with necessary powers to discharge the abovementioned roles and responsibilities. There have not been any instances during the year when the recommendations of the Committee were not accepted by the Board.

B) Stakeholders Relationship Committee

The Stakeholders Relationship Committee, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 of the Listing Regulations, comprised of 5 Directors as on March 31, 2021.

The Stakeholders Relationship Committee met 3 times during the financial year 2020-21 as per the details given herein below:

(i) July 31, 2020;

(ii) November 12, 2020 and

(iii) February 12, 2021.

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, 2021 and attendance of the Committee Members at the Stakeholders Relationship Committee Meetings held during the financial year 2020-21 are as follows:

Name of the Member	Designation	No. of Meetings attended
Mr. C.V. Bijlani	Chairman	3
Mr. Amit Dahanukar	Member	3
Dr. Ravindra Bapat	Member	Nil
Ms. Aparna Praveen Chaturvedi*	Member	2
Maj Gen Dilawar Singh (Retd.)*	Member	2

*Appointed as a Member w.e.f. September 15, 2020.

The terms of reference of the Committee are as follows:

i. overseeing the performance of the Registrar and Share Transfer Agents;

ii. resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

iii. review of measures taken for effective exercise of voting rights by shareholders;

iv. review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

v. review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and

vi. resolving any other grievances of the security holders.

Statement of various complaints received and resolved during the financial year 2020-21 is as follows:

Nature of Complaint	Opening balance as on April 01, 2020	Received during the year	Resolved during the year	Closing balance as on March 31, 2021
Non-receipt of share certificates lodged for transfer	Nil	Nil	Nil	Nil
Non-receipt of dividend warrants	Nil	Nil	Nil	Nil
Non-receipt of annual reports	Nil	Nil	Nil	Nil
Non-receipt of demat rejected share certificates	Nil	Nil	Nil	Nil
Non-receipt of demat credit of shares	Nil	Nil	Nil	Nil
Non-receipt of bonus shares certificates	Nil	Nil	Nil	Nil
Non receipt of remat share certificates	Nil	Nil	Nil	Nil
SEBI/ROC/Stock Exchanges	Nil	Nil	Nil	Nil
Total	**Nil**	**Nil**	**Nil**	**Nil**

There are no instances of complaints not solved to the satisfaction of shareholders.

C) Nomination and Remuneration Committee

The Nomination and Remuneration Committee, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the Listing Regulations, comprised of 4 Independent Directors as on March 31, 2021.

The Nomination and Remuneration Committee met 3 times during the financial year 2020-21 as per the details given herein below:

(i) July 31, 2020;

(ii) October 29, 2020; and

(iii) January 21, 2021.

The composition of the Nomination and Remuneration Committee as on March 31, 2021 and attendance of the Committee Members at the Nomination and Remuneration Committee Meeting held during the financial year 2020-21 are as follows:

Name of the Member	Designation	No. of Meetings attended
Mr. C.V. Bijlani	Chairman	3
Dr. Ravindra Bapat	Member	Nil
Mr. Kishorekumar G. Mhatre	Member	3
Maj Gen Dilawar Singh (Retd.)*	Member	1

*Appointed as a Member 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 December 29, 2020.

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 formulated the following policies:

i. Nomination, Remuneration and Evaluation Policy

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

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

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

- The Nomination and Remuneration Committee shall have regard to integrity, qualification, expertise and experience in general corporate management, finance, banking or other allied fields appropriate to the business of the Company while nominating a candidate for Directorship, so as to have a diverse Board;
- The Committee, while nominating a candidate as Independent Director, shall also satisfy itself that such candidate meets the criteria of independence as prescribed in Regulation 16(1) (b) of the Listing Regulations and Section 149(6) of the Companies Act, 2013;
- The Committee, while recommending remuneration structure for the Directors, shall ensure that the same is based on the prevailing industry norms, performance of the Company, track record, potential and performance of Directors and is suitably rewarding and sufficient to attract, retain and motivate them to achieve superior operational results;
- The Committee shall ensure that the remuneration of the Executive Directors aims at striking a balance between fixed pay and incentive pay (commission) reflecting short and long term performance objectives appropriate to the working of the Company and its goals; and
- The Committee may also recommend payment of commission to Non-Executive Directors (including Independent Directors) based on the Company's performance apart from sitting fees payable to them for attending the Board/Committee meetings.

The Company has uploaded the Nomination, Remuneration and Evaluation Policy on its website, accessible at https://www.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 https://www.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:

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

iii. Succession Policy

The Succession Policy casts responsibility on the Nomination and Remuneration Committee to ensure orderly identification and selection of new Directors or Senior Management Personnel in the event of any vacancy, whether such vacancy exists by reason of an anticipated retirement, an unanticipated departure, expansion of the size of the Company, or otherwise.

The Company has uploaded the Succession Policy on its website, accessible at https://www.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 Companies Act, 2013, comprised of 5 Directors as on March 31, 2021.

The Committee met once during the financial year 2020-21 on November 12, 2020.

The Company Secretary is the Secretary to the Committee.

The composition of the CSR Committee as on March 31, 2021 and attendance of the Committee Members at the CSR Committee Meeting held during the financial year 2020-21 are as follows:

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

*Appointed as a Member w.e.f. September 15, 2020.

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

i. to formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) which shall indicate, inter-alia, the CSR activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 as amended from time to time;

ii. to recommend and obtain approval of the Board for the amount of expenditure that can be incurred on the activities referred to in clause(i);

iii. to ensure that the activities as are included in CSR Policy of the Company are undertaken by the Company;

iv. to prepare a transparent monitoring

CORPORATE GOVERNANCE REPORT (Contd.)

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 2020-2021 on its website, accessible at https://www.tilind.com/investors/#code-policies and http://www.tilind.com/investors/#shareholder-services.

E) Compensation Committee

The Compensation Committee, constituted in accordance with the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, comprised of 4 Directors as on March 31, 2021.

The Committee met once during the financial year 2020-21 on July 31, 2020.

The composition of the Compensation Committee as on March 31, 2021 and attendance of the Committee Members at the Compensation Committee Meetings held during the financial year 2020-21 are as follows:

Name of the Member	Designation	No. of Meetings attended
Dr. Ravindra Bapat	Chairman	Nil
Mrs. Shivani Amit Dahanukar	Member	1
Mr. Kishorekumar G. Mhatre	Member	1
Ms. Swapna Shah*	Member	Not Applicable

*Appointed as a Member 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 had voluntarily constituted the Risk Management Committee. The Securities and Exchange Board of India (SEBI) vide its notification dated May 5, 2021 has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which mandates top 1000 listed entities based on market capitalisation as at the end of the immediate previous financial year, to constitute a Risk Management Committee with effect from May 5, 2021.

The Committee met 4 times during the financial year 2020-2021 as per the details given herein below:

(i) July 24, 2020;

(ii) September 08, 2020;

(iii) November 09, 2020; and

(iv) February 05, 2021.

The composition of the Risk Management Committee as on March 31, 2021 and attendance of the Committee Members at the Risk Management Committee Meetings held during the financial year 2020-21 are as follows:

Name of the Member	Designation	No. of Meetings attended
Mr. Amit Dahanukar (Chairman & Managing Director)	Chairman	4
Mr. C.V. Bijlani	Member	Nil
Mr. Srijit Mullick *	Member	2
Mrs. Shivani Amit Dahanukar **	Member	2

* Retired w.e.f. September 15, 2020.

**Appointed as a Member 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. developing risk mitigation plans;

ii. implementing risk reduction/mitigation strategies; and

iii. reviewing the effectiveness of the Risk Management Policy.

The Committee apprises the Audit Committee periodically about key risks associated with the business of the Company and the measures taken to mitigate them. The risk management framework of the Company has been explained in detail in the Directors' Report forming part of the Annual Report.

G) Share Transfer Committee

The Share Transfer Committee, constituted in accordance with the provisions of Regulation 40(2) of the Listing Regulations, comprised of 4 Directors as on March 31, 2021.

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, 2021 is as follows:

Name of the Member	Designation
Mr. Amit Dahanukar	Chairman
Mrs. Shivani Amit Dahanukar	Member
Mr. C.V. Bijlani	Member
Mr. Satish Chand Mathur *	Member

*Appointed as a Member 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 share approved by the Committee is placed in the Meeting of the Board of Directors.

CORPORATE GOVERNANCE REPORT (Contd.)

4. SUBSIDIARY COMPANIES

The Company has 8 subsidiary companies and none of them is falling under the definition of "material subsidiary" for the financial year 2021-22. The Audit Committee reviews the financial statements and, in particular, the investments made by the subsidiary companies. The minutes of the board meetings of the subsidiary companies are periodically placed before the Board. The Board is periodically informed about all significant transactions and arrangements entered into by all the subsidiary Companies.

The Policy for determining 'material subsidiaries', adopted by the Board in accordance with the provisions of Regulation 16 of the Listing Regulations, has been uploaded on the website of the Company, accessible at https://tilind.com/investors/#code-policies.

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 passed in MA bearing no. 309/2018 in CP1067/ 2017 on July 26, 2018, as a going concern. A liquidator has been appointed to manage the affairs of Prag and complete the liquidation process. The Company has submitted a formal proposal to the two financial lenders for full and final settlement of all their claims. The settlement agreement with Standard Chartered Bank, one of the financial lenders for USD 2,250,000 has been entered and a sum of USD 1,100,000 has been paid to them. The agreement with DCB Bank has also been entered in the month of July 2021 wherein DCB Bank has agreed to accept a sum of ₹ 2,252.78 Lacs towards full and final settlement of its dues.

5. SECRETARIAL AUDIT

In accordance with the provisions of Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of the Listing Regulations, the Secretarial Audit Report of the Company for the financial year ended March 31, 2021 obtained from M/s. Ragini Chokshi & Co., Practicing Company Secretaries is annexed to the Directors' Report.

6. CMD/CFO CERTIFICATION

A certificate given by the Chairman & Managing Director and Chief Financial Officer of the Company to the Board, in accordance with the provisions of Regulation 17(8) of the Listing Regulations, on the accuracy of the financial statements for the financial year ended March 31, 2021 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 2020-21, quarterly compliance reports on corporate governance had been submitted by the Company to the stock exchanges within the time limit prescribed under Regulation 27(2) of the Listing Regulations. The same were also placed before the Board for its review and also uploaded on the website of the Company.
- Pursuant to the SEBI Circular No. CIR/CFD/CMD1/ 27/2019 dated February 08, 2019, the Company has obtained an Annual Secretarial Compliance Report from M/s. Ragini Chokshi & Co., Practicing Company Secretaries regarding compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended March 31, 2021.
- A certificate regarding the compliance of the conditions of corporate governance by the Company as required under Schedule V (E) of the Listing Regulations obtained from M/s. Ragini Chokshi & Co., Practicing Company Secretaries is annexed hereto and forms an integral part of this Report.
- A certificate pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continue as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority obtained from M/s. Ragini Chokshi & Co., Practicing Company Secretaries is annexed hereto and forms an integral part of this Report.

8. DISCLOSURES

A) Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large

The Company has not entered into any materially significant transaction with related parties having potential conflict with its interest at large during the financial year 2020-21. The statements containing

the transactions entered into by the Company with related parties at arm's length basis, at the prevalent market prices and in the ordinary course of business are reviewed by the Audit Committee on quarterly basis including transactions entered with related parties pursuant to Omnibus Approval granted by the Committee.

The Policy on related party transactions, which provides the criteria for determining the materiality of related party transactions and also the manner of dealing with related party transactions, adopted by the Board in accordance with the provisions of Regulation 23(1) of the Listing Regulations, has been uploaded on the website of the Company, accessible at https://tilind.com/investors/#code-policies.

B) Disclosure of Accounting Treatment

The Company has prepared the financial statements for the financial year 2020-21 in accordance with Indian Accounting Standards (IND AS) to comply with the Accounting Standards as specified under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act, as applicable.

C) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Markets, during the last three years

(i) During the financial year 2020-21, there was no Independent Woman Director on the Board of the listed entity from April 01, 2020 to July 30, 2020 pursuant to Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the Company falls within top 1000 listed entities as per NSE by market capitalisation. The Company appointed Ms. Aparna Praveen Chaturvedi as an Independent Woman Director with effect from July 31, 2020. The Company had paid the fine of ₹ 177,000/- under the protest in this regard to NSE;

(ii) During the financial year 2020-21, the audited financial results (consolidated and standalone) for the financial year ended March 31, 2020 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/106 dated June 24, 2020, were filed by the Company on September 15, 2020 i.e beyond the prescribed time (July 31, 2020) and the Company had paid the fine of ₹ 94,400/- each to NSE and BSE in this regard;

(iii) During the financial year 2020-21, the un-audited financial results (consolidated and standalone) for the quarter ended June 30, 2020 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/140 dated July 29, 2020 were filed by the Company on October 06, 2020 i.e beyond the prescribed time (September 15, 2020) and Company had paid the fine of ₹ 123,900/- each to NSE and BSE in this regard;

(iv) During the financial year 2019-20, the audited financial results (consolidated and standalone) for the financial year ended March 31, 2019 pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were filed by the Company on July 26, 2019 as against the due date of May 30, 2019 and the Company had paid the fine of ₹ 336,300/- each to BSE and NSE in this regard;

(v) During the financial year 2019-20, 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 ₹ 188,800/- each to BSE and NSE in this regard;

(vi) During the financial year 2018-19, the audited financial results (consolidated and standalone) for the year ended March 31, 2018 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 June 14, 2018 as against the due date of May 30, 2018 and the Company had paid the fines of ₹ 88,500/- each to BSE and NSE in this regard;

(vii) During the financial year 2018-19, the un-audited financial results (consolidated and standalone) for the quarter ended June 30, 2018 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 October 31, 2018 as against the due date of August 14, 2018 and the Company had paid the fines of ₹ 1,929,699/- and ₹ 1,926,422/- to BSE and NSE respectively in this regard; and

(viii) During the financial year 2018-19, the un-audited financial results (consolidated and standalone) for the quarter and nine months ended December 31, 2018 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 February 22, 2019 as against the due date of February 14, 2019 and the Company had paid the fine of ₹ 47,200/- 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 2020-21, no employee was denied access to the Audit Committee. The Whistle Blower Policy of the Company can be accessed at the http://www.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 Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 submitted by M/s. Ragini Chokshi & Co. Practicing Company Secretaries confirms that as on March 31, 2021, 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 minimisation 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 2020-21. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

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

The Company has not raised funds through preferential allotment or qualified institutions placement during the financial year 2020-21.

I) Confirmation with respect to acceptance of recommendations of Committees

The Board of Directors confirms that during the year, it has accepted all the recommendations received from all its Committees.

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

During the financial year 2020-21, a total fees of ₹ 24.04 lacs, for all services, on a consolidated basis, was paid by the Company and its subsidiaries to M/s. Harshil Shah & Co, Statutory Auditors and all

entities in the network firm of which they are part and respective Auditors of subsidiary companies.

K) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

The Company has not received any complaint of sexual harassment during the financial year 2020-21.

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 those mentioned in MR-3 annexed to the Directors' Report.

The status of adoption of the non-mandatory requirements as prescribed in Schedule II (E) of the Listing Regulations is provided herein below:

i. The Board

This Clause is not applicable to the Company as the Chairman of the Board is an Executive Director.

ii. Shareholder Rights

The Company publishes its quarterly/ half yearly and annual financial results in English and Marathi newspapers having wide circulation. The financial results and significant events, if any, are communicated by the Company to the Stock Exchanges and are also uploaded on its website i.e. www.tilind.com. 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, 2021 which are disclosed in the Directors' Report along with explanation/comments of the Board thereon.

iv. Reporting of Internal Auditor

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

9. GENERAL BODY MEETINGS

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

Financial Year	Day, Date & Time	Venue	Particulars of Special Resolutions passed*
2019-20	Tuesday December 29, 2020 10.30 a.m.	Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM')	Re-appointment of Mr. Kishorekumar G Mhatre (DIN:07527683) as an Independent Director of the Company; Re-appointment of Mr. Amit Dahanukar (DIN:00305636) as the Chairman & Managing Director of the Company; Appointment of Mr. C. R. Ramesh (DIN:08876738) as a Whole-time Director of the Company; Alteration in the Articles of Association of the Company; and Issuance of the equity shares of the Company on Preferential Basis.
2018-19	Wednesday September 11, 2019 10.30 a.m.	P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720	Nil
2017-18	Saturday September 22, 2018 10:30 a.m.	P.O. Tilaknagar, Tal. Shrirampur, 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.

* 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.

CORPORATE GOVERNANCE REPORT (Contd.)

Passing of Resolution by Postal Ballot

During the financial year 2020-21, 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.

11. GENERAL SHAREHOLDER INFORMATION

I	**86th Annual General Meeting**		
	Day, Date and Time	:	Thursday, September 30, 2021 at 10.30 a.m.
	Venue	:	To be held through Video Conference (VC) or Other Audio Visual Means (OAVM)
II	**Financial Calendar**		
	Financial Year	:	1st April to 31st March
	Financial reporting of results		
	• Quarterly unaudited results (other than last quarter)	:	1st quarter – On August 14, 2021 2nd quarter – On or before November 14, 2021 3rd quarter – On or before February 14, 2022
	• Annual audited results	:	On or before May 30, 2022
III	**Book Closure Date**	:	Thursday, September 23, 2021 to Thursday, September 30, 2021 (both days inclusive) for the 86th Annual General Meeting
IV	**Dividend Payment Date**	:	The Directors have not recommended any Dividend for the financial year 2020-21.
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

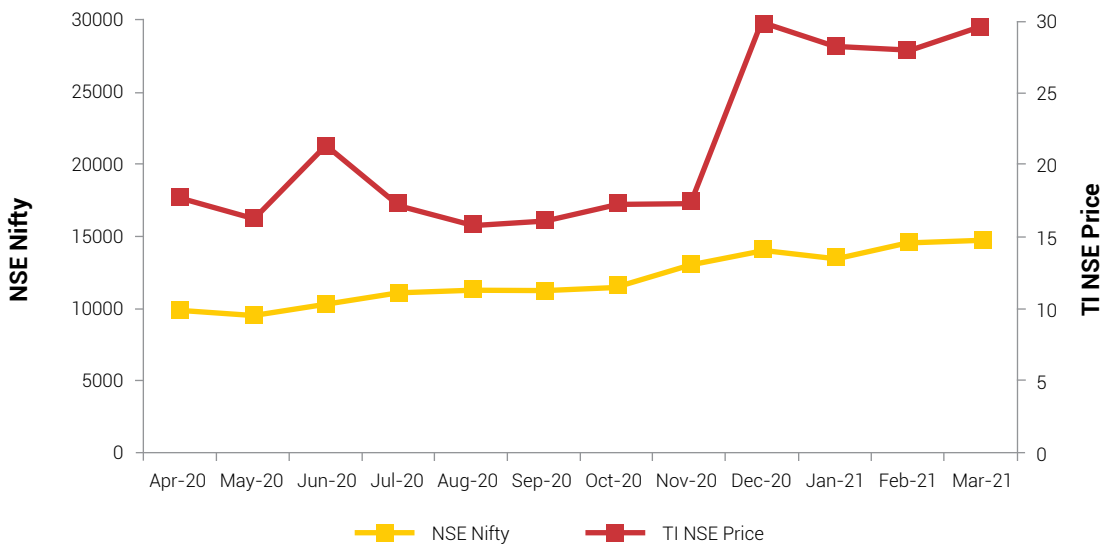
CORPORATE GOVERNANCE REPORT (Contd.)

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 requests, if any, received from the Members are dealt by the Committee on fortnightly basis. All request(s) received for share transmission(s) are processed and share certificate(s) duly endorsed are returned within the period stipulated under Regulation 40(9) of the Listing Regulations, provided the documents are valid and complete in all respects. SEBI has mandated the transfer of securities of listed entities to be carried out only in dematerialised form (except in case of transmission or transposition of securities) effective from April 01, 2019. Accordingly, the Company has stopped accepting any transfer requests for securities held in physical form with effect from the said date. In view of the aforesaid amendment and in order to eliminate the risks associated with physical holding of shares, Members who are holding shares in physical form are hereby requested to dematerialise their holdings. The Company obtains half-yearly certificate from M/s. Ragini Chokshi & Co., Practicing Company Secretaries confirming the compliance by the Company of the timelines specified under Regulation 40(9) of the Listing Regulations for registering transmission/consolidation etc. and files the same with the stock exchanges in the prescribed timeline.
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 2021-22 to the abovementioned stock exchanges in the prescribed timelines.
IX	**Dematerialisation of Shares & Liquidity**	:	Trading in equity shares of the Company is permitted only in dematerialised form. The Company's shares are held in dematerialised form to the extent of 99.16% of the total issued and paid up shares as on March 31, 2021. The promoters hold their entire shareholding in dematerialised form.
X	**Demat ISIN For Equity Shares**	:	INE133E01013 The Company has paid the Annual custodian fees for 2021-22 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, 2021.

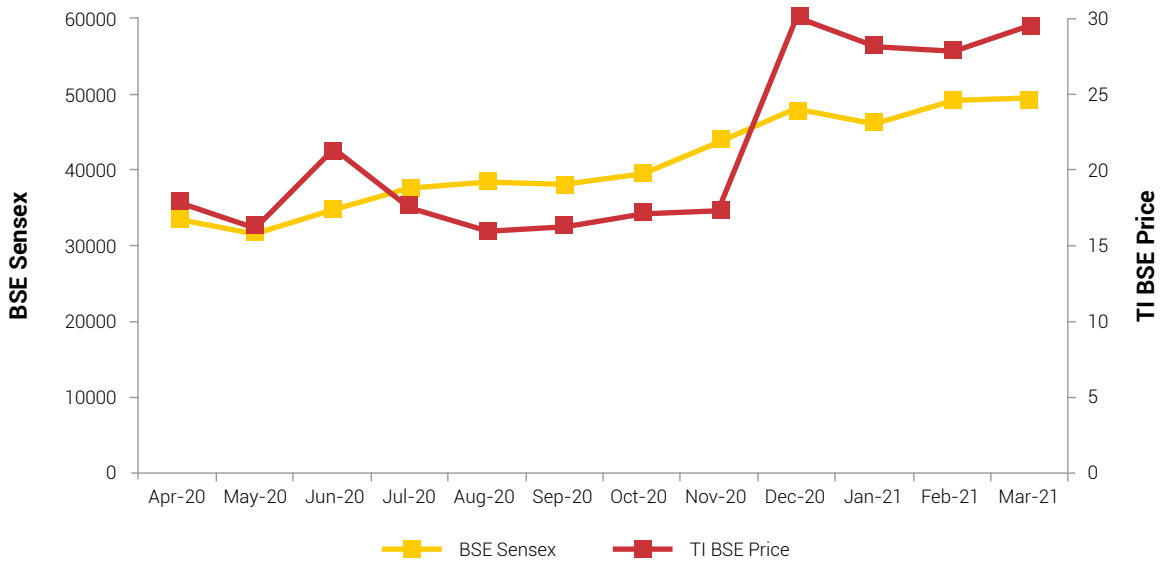
CORPORATE GOVERNANCE REPORT (Contd.)

XII	**Plant Locations**	:	(i) Tilaknagar Industries Ltd., P.O. Tilaknagar, Tal. Shrirampur, 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, 2021 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 http:// www.tilind.com/investors/#shareholder-services. During the financial year 2020-21, there was no revision in the Credit Ratings obtained by the Company.
XV	**Address for Correspondence**	:	The Company Secretary, 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

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.

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.)
2020						
April	19.55	14.35	149,537	19.65	14.25	1,286,156
May	19.00	16.10	845,098	19.00	16.00	1,558,850
June	22.95	15.50	459,467	22.85	15.85	4,605,158
July	20.75	16.25	326,721	20.80	16.30	1,916,336
August	18.80	15.75	210,292	18.85	15.70	1,448,260
September	17.90	15.10	253,003	17.60	15.25	1,489,510
October	20.00	15.70	741,985	19.45	15.80	3,362,755
November	18.60	16.10	204,979	18.50	16.00	1,002,134
December	32.50	17.20	2,110,293	32.50	17.05	13,781,699
2021						
January	31.80	25.15	1,397,397	32.75	25.00	7,167,071
February	31.85	26.65	675,792	31.20	25.70	4,391,896
March	35.70	27.50	6,102,450	35.75	27.50	11,751,089

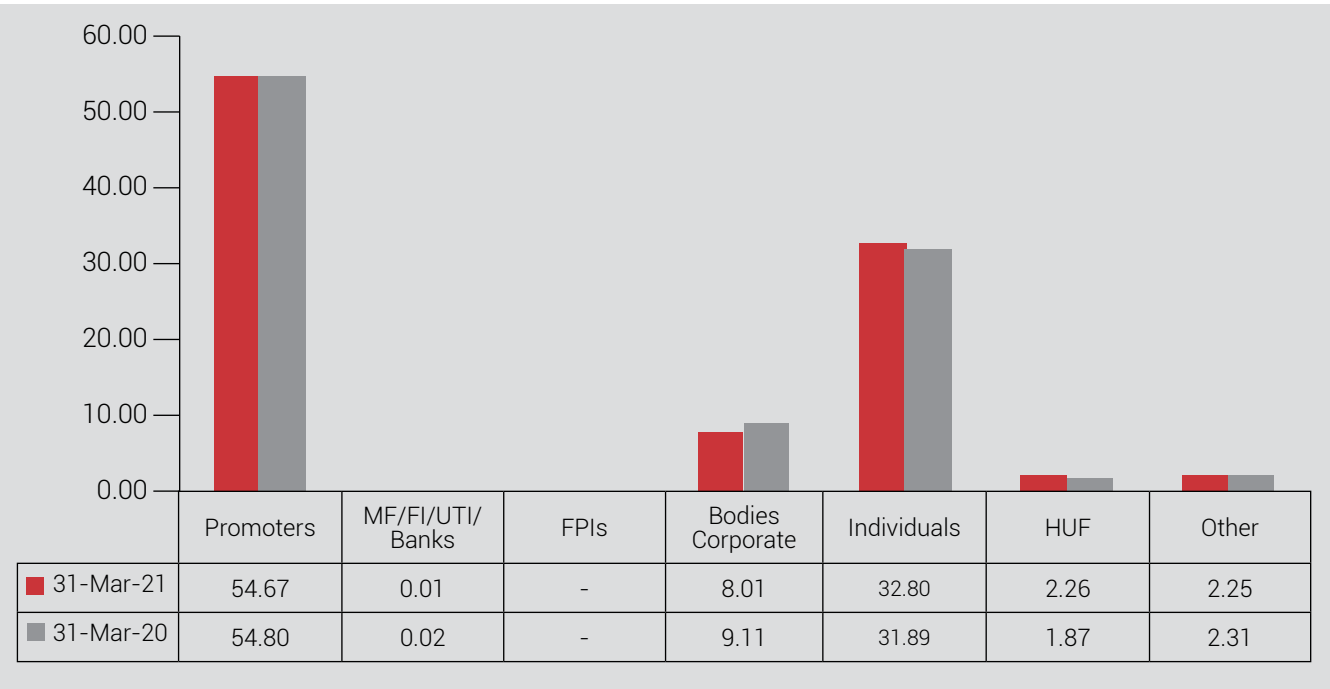
CORPORATE GOVERNANCE REPORT (Contd.)

XIX Shareholding Pattern

Category	As on March 31, 2021*			As on March 31, 2020*		
	No. of Shareholders	No. of Shares held	%	No. of Shareholders	No. of Shares held	%
Promoter Holding	**6**	**68,571,668**	**54.67**	**6**	**68,571,668**	**54.80**
Public Holding						
Mutual Funds/UTI	0	0.00	0.00	0	0	0.00
Financial Institutions/Banks	12	16,575	0.01	14	19,983	0.02
Foreign Portfolio Investors	0	0	0.00	0	0	0.00
Bodies Corporate	176	10,045,144	8.01	196	11,400,123	9.11
Individuals	23,160	41,148,638	32.80	23,782	39,899,124	31.89
HUF	590	2,829,946	2.26	648	2,344,367	1.87
Clearing Members	91	879,318	0.70	58	1,018,319	0.81
NRI	205	1,380,370	1.10	227	1,370,053	1.09
Overseas Bodies Corporate	0	0	0.00	0	0	0.00
Trusts	0	0	0.00	0	0	0.00
TI – Unclaimed Suspense Account	1	9,276	0.01	1	24,492	0.02
IEPF	1	552,593	0.44	1	484,561	0.39
NBFCs registered with RBI	1	1,075	0.00	1	1,075	0.00
Total Public Shareholding	**24,237**	**56,862,935**	**45.33**	**24,928**	**56,562,097**	**45.20**
Total Shareholding	**24,243**	**125,434,603**	**100.00**	**24,934**	**125,133,765**	**100.00**

* Shareholding clubbed on the basis of PAN

Shareholding Pattern



	Promoters	MF/FI/UTI/ Banks	FPIs	Bodies Corporate	Individuals	HUF	Other
31-Mar-21	54.67	0.01	-	8.01	32.80	2.26	2.25
31-Mar-20	54.80	0.02	-	9.11	31.89	1.87	2.31

CORPORATE GOVERNANCE REPORT (Contd.)

XX Distribution of Shareholding as on March 31, 2021*

Category	Number of Shareholders	% of total number of Shareholders	Total Number of Shares	% of total number of shares
1 to 500	17,967	72.12	2,947,283	2.35
501 to 1,000	2,943	11.80	2,460,316	1.96
1,001 to 5,000	3,051	12.25	7,150,485	5.70
5,001 to 10,000	450	1.81	3,422,365	2.73
10,001 & above	503	2.02	109,454,154	87.26
Total	**24,914**	**100.00**	**125,434,603**	**100.00**

*Shareholding not clubbed on the basis of PAN

XXI Top Ten Shareholders (other than Promoters) as on March 31, 2021

Sr. No.	Name of the Shareholders	No. of Shares held	% of Holding
1	Anand Rathi Global Finance Ltd.	5,251,192	4.19
2	Anand	3,049,419	2.43
3	Dhruva Shumsher Rana	1,614,011	1.29
4	Shailendra Shrimal	1,249,000	1.00
5	Sai Telecom Limited	1,190,106	0.95
6	Ghanshyam Bachubhai Wadiwala	933,292	0.74
7	Namrata Parasmal Jain	897,400	0.72
8	Vimla Shrimal	762,300	0.61
9	Ravi Chug (Huf).	718,000	0.57
10	Yogeshkumar Rasiklal Sanghavi	708,676	0.45
Total		**16,373,396**	**13.05**

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, 2021, as envisaged in Regulation 26(3) thereof.

For **Tilaknagar Industries Ltd.**

Place: Mumbai
Date: August 14, 2021

Amit Dahanukar
Chairman & Managing Director

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
Tilaknagar Industries Ltd.

We have examined the compliance of the conditions of Corporate Governance by **Tilaknagar Industries Ltd. (CIN: L15420PN1933PLC133303) (hereinafter referred to as "the Company")** and having Registered Office at P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720 for the financial year ended March 31, 2021 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the SEBI Listing Regulations").

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

In our opinion and based on the information received and according to the explanations given to us and the representations made by the directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic and to the best of our knowledge and belief, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned SEBI Listing Regulations for the financial year ended March 31, 2021 except the following:

- As per Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of top 1000 listed entities shall have at least one independent woman director by April 01, 2020, there was no woman independent director on the Board of Company from April 01, 2020 to July 30, 2020. The Company appointed Ms. Aparna Praveen Chaturvedi as an Independent Woman Director with effect from July 31, 2020. The Company had paid the fine of ₹ 177,000/- in this regard to NSE.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Ragini Chokshi
Partner
C.P. No. 1436
FCS No. 2390
UDIN No. F002390C000787526

Place: Mumbai
Date : August 14, 2021

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

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Ragini Chokshi
Partner
C.P. No. 1436
FCS No. 2390
UDIN: F002390C000787515

Place: Mumbai
Date : August 14, 2021

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 the financial statements and the cash flow statement of Tilaknagar Industries Ltd. ("the Company") for the financial year ended March 31, 2021 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, 2021 which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated, to the Auditors and the Audit Committee:

   i. significant changes, if any, in internal control over financial reporting during the financial year ended March 31, 2021 ;

   ii. significant changes, if any, in accounting policies during the financial year ended March 31, 2021 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

For **Tilaknagar Industries Ltd.**

Ajit Anant Sirsat
Chief Financial Officer

Place: Mumbai
Date: May 29, 2021

FINANCIAL STATEMENTS: 101-227

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, 2021, 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, 2021, the Loss (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 May 28, 2021 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 ₹ 10,010.03 lacs as at March 31, 2021 on expansion project (the "Project") grouped under the head capital work in progress. Work on the said project has been suspended and has not been completed since many years. Further the net block of the Company as on March 31, 2021 of Building, Plant, and Equipment aggregating ₹ 804.75 lacs has remained idle due to shut down of the Plant. The Company has not tested the said project, building, plant and equipment (Tangible Assets) for impairment loss as per Ind AS 36 - Impairment of Assets. In absence of sufficient audit evidence, we were unable to determine the amount of impairment in the value of the Project and Tangible Assets.
- We draw attention to note no. 37 of the financial statements which states that there are unsecured overdue trade receivables of ₹ 586.55 lacs and deposits of ₹ 182.05 lacs from Andhra Pradesh Beverage Corporation Ltd and unsecured advances given to suppliers of ₹ 210.99 lacs which are long overdue and doubtful of recovery. The management has not considered any provision for allowance on doubtful trade receivables (expected credit loss), deposits and advances though it is long overdue. In absence of sufficient appropriate audit evidence and balance confirmations, we are unable to verify the recoverability amount of the trade receivables, deposits and advances.

Note no. 36 and 37 of Prag as described above is reproduced as note no. 50 and 52 to the consolidated audited financial statements respectively.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical

INDEPENDENT AUDITOR'S REPORT (Contd.)

responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditors referred to in sub-paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Material uncertainty related to going concern in respect of subsidiaries:

a. The following paragraph in respect of material uncertainty related to going concern was included in the audit report dated May 28, 2021 issued on the Financial statements of PunjabExpo Breweries Private Limited ("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 after other comprehensive income of ₹ 1,066.99 lacs during the current year. The Company has accumulated losses of ₹ 1891.52 lacs and its net worth has been fully eroded as at March 31, 2021. 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. 49 to the consolidated audited financial statements.

b. The following paragraph in respect of material uncertainty related to going concern was included in the audit report dated May 28, 2021 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 the financial statements which states that the Company has been referred to National Company Law Tribunal (NCLT) for Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency and Bankruptcy Code 2016 (the Code) and the Board of Directors of the Company have been suspended. Further the Company has incurred net loss during the year ended March 31, 2021 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. 38 of Prag as described above is reproduced as note no. 51 to the consolidated audited financial statements.

Emphasis of matter

The following Emphasis of matter was included in the audit report dated May 28, 2021 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. 39 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. 39 of Prag as described above is reproduced as note no. 53 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, 2021 the Group has significant tax exposures and is subject to periodic assessments / challenges by tax authorities on range of indirect tax matters. The Group has also filed appeals with various appellate authorities against such demands. At March 31, 2021, the Group held provisions of approx ₹ 731.10 lacs in respect of legal claims and has disclosed total contingent liabilities of ₹ 8,477.78 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, 48 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 has incurred loss and had accumulated losses of ₹ 39,993.62 lacs as on March 31, 2021. Further the Group's net worth has been fully eroded as at March 31, 2021. The Group has executed a Master Restructuring Agreement during the previous 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. 47 of the consolidated financial statements

Auditor's 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.
- 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 Management and Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The Board Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we are made available the Board Report, if based on the work performed and based on the work done / audit report of other auditors we conclude that there is a material misstatement of this other information we are required to report the fact.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Responsibility of Management for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purposes of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, management of the respective Companies included in the Group are responsible for assessing the ability of the respective Companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management and Boards of Directors either intend to liquidate their respective Companies or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary Companies incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the entity included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub-paragraph (a) of the section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) We did not audit the financial statements / information of 8 subsidiaries included in the consolidated financial statements whose Ind AS financial statements include total assets of ₹ 19,181.24 lacs as at March 31, 2021 and total revenue of Rs 376.81 lacs net cash inflows of ₹ 563.42 lacs, total loss of ₹ 1,833.71lacs including other comprehensive income for the year ended March 31, 2021 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 Rs Nil for the year ended March 31, 2021 as considered in the consolidated financial statements in respect of 1 Associate whose financial statements have not been audited by us. The Financial Statements / information of the Associate is not available and the Group has provided its share of loss to the extent of the Investment. In our opinion and according to the information and explanation given to us by the management this financial statements / information are not material to the Group. Our opinion is not modified in respect of the above matter.

c) The management of the Holding Company was able to perform year end physical verification of inventories at most of the Units. However, we were not able to physically observe the stock verification due to Covid-19 related restrictions 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

sufficient appropriate audit evidence to issue our opinion on the Group's Consolidated financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company and its subsidiaries incorporated in India and relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Company and reports other auditors.

   c) The consolidated balance sheet, the statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account maintained by the Company and its subsidiaries incorporated in India including the relevant records relating to the preparation of the aforesaid consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

   f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India, none of the directors of the Company and its subsidiaries incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

   h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of such controls.

   i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the Company to the director during the year is in accordance with the provisions of section 197 of the Act.

   j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group (Refer note no. 31 of the consolidated financial statements.)

      ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There 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
Membership No. 124146
ICAI UDIN : 21124146AAAABW9874

Place : Mumbai
Date : May 29, 2021

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 **Tilaknagar Industries Ltd.** (herein after referred to as "the Holding Company) as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls system over Financial Reporting with reference to consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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

Internal Financial Controls over Financial Reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiaries incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at March 31, 2021 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
Membership No. 124146
ICAI UDIN : 21124146AAAABW9874

Place : Mumbai
Date : May 29, 2021

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2021

(₹ in lacs)

	Note No.	As at March 31, 2021	As at March 31, 2020
I ASSETS			
Non-current assets			
Property, Plant and Equipment	2a	46,776.75	50,049.72
Capital Work-in-Progress		10,010.02	10,035.97
Right of Use Assets	2b	44.39	81.54
Other Intangible Assets	2c	36.00	40.41
Financial Assets			
Investments	3	3.77	3.77
Loans	4	-	-
Other Financial Assets	5	2,901.95	2,823.80
Deferred Tax Assets (Net)	6	-	-
Other Non-Current Assets	7	7,086.18	6,994.21
Non-Current Tax Assets (Net)	28	380.09	651.33
		67,239.15	**70,680.75**
Current Assets			
Inventories	8	7,207.61	6,009.64
Financial Assets			
Trade Receivables	9	18,110.18	24,337.52
Cash and Cash Equivalents	10a	4,486.40	3,733.58
Other Bank Balances	10b	324.49	237.77
Loans	4	0.47	1.65
Other Financial Assets	5	24.85	143.51
Other Current Assets	7	3,758.82	2,861.72
		33,912.82	**37,325.39**
TOTAL ASSETS		**101,151.97**	**108,006.14**
II EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	12,543.46	12,513.38
Other Equity	12	(18,115.30)	(14,250.66)
		(5,571.84)	**(1,737.28)**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	13	45,895.06	48,940.21
Lease Liabilities	32	10.56	52.48
Other Financial Liabilities	14	18,166.47	20,455.44
Provisions	15	433.00	438.34
Deferred Tax Liabilities (Net)	6	-	-
Other Non-Current Liabilities	16	3,053.22	4,329.51
		67,558.31	**74,215.98**
Current Liabilities			
Financial Liabilities			
Borrowings	13	5,580.91	5,000.16
Lease Liabilities	32	45.50	39.63
Trade Payables			
Total outstanding dues of micro, small & medium enterprises	17	2,540.36	1,722.91
Total outstanding dues of creditors other than micro, small & medium enterprises	17	12,264.01	13,803.69
Other Financial Liabilities	14	13,903.56	12,042.98
Provisions	15	2,901.79	1,388.54
Current Tax Liabilities (Net)	28	0.62	0.62
Other Current Liabilities	16	1,928.75	1,528.91
		39,165.50	**35,527.44**
TOTAL EQUITY AND LIABILITIES		**101,151.97**	**108,006.14**
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 : May 29, 2021

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Ajit Anant Sirsat
Chief Financial Officer

Shekhar R Singh
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lacs)

	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
INCOME			
Revenue from Operations			
Sale of Products	18	141,624.72	148,098.38
Other Operating Income	18.1	211.70	247.41
Other Income	19	1,141.95	2,994.22
Total Income		**142,978.37**	**151,340.01**
EXPENSES			
Cost of Materials Consumed	20	29,132.08	32,108.21
(Increase) / Decrease in Inventories	21	(1,393.75)	3,112.09
Excise Duty		86,961.34	83,063.01
Employee Benefit Expense	22	2,515.56	2,960.03
Finance Cost	23	7,096.50	12,893.28
Depreciation and Amortisation	2	3,312.43	3,298.13
Other Expenses	24	19,212.09	32,296.67
Total Expenses		**146,836.25**	**169,731.42**
Profit/ (loss) before exceptional items and tax		**(3,857.88)**	**(18,391.41)**
Add/ (less) : Exceptional Items	44	-	45,518.35
Profit / (Loss) Before Tax		**(3,857.88)**	**27,126.94**
Less : Tax Expense			
1) Current Tax		-	0.62
2) Taxes for Earlier Years		(17.58)	120.34
3) Deferred Tax	27	-	33.22
Total Tax Expense		**(17.58)**	**154.18**
Profit / (Loss) After Tax		**(3,840.30)**	**26,972.76**
Less : Share of Non-Controlling Interest		**-**	**-**
Profit / (Loss) After Tax		**(3,840.30)**	**26,972.76**
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss			
Remeasurement of Defined Benefit Plans	33	(34.50)	(13.85)
Tax On Above		-	-
Items that will be reclassified to Profit & Loss		-	-
Total Other Comprehensive Income / (Loss)		**(34.50)**	**(13.85)**
Total Comprehensive Income For The Year		**(3,874.80)**	**26,958.91**
Profit / (Loss) After Tax For The Year Attributable To :			
Owners of the Company		(3,840.30)	26,972.76
Non-Controlling Interest		-	-
Profit / (Loss) After Tax For The Year		**(3,840.30)**	**26,972.76**
Other Comprehensive Income / (Loss) for the Year attributable to :			
Owners of the Company		(34.50)	(13.85)
Non-Controlling Interest		-	-
Other Comprehensive Income / (Loss) For The Year		**(34.50)**	**(13.85)**
Total Comprehensive Income For The Year attributable to :			
Owners of the Company		(3,874.80)	26,958.91
Non-Controlling Interest		-	-
Total Comprehensive Income For The Year		**(3,874.80)**	**26,958.91**
Earnings per equity share	41		
1) Basic		(3.07)	21.56
2) Diluted		(3.07)	21.49
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 : May 29, 2021

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Ajit Anant Sirsat
Chief Financial Officer

Shekhar R Singh
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lacs)

		Year Ended March 31, 2021		Year Ended March 31, 2020	
A)	**Cash flow from Operating activities**				
	Net profit (Loss) before tax		**(3,857.88)**		**27,126.94**
	Adjustment for:				
	Depreciation & Amortisation	3,312.43		3,298.13	
	Loss / (Profit) on sale of assets	10.77		(1.77)	
	Loss / (Profit) on sale of investments	-		(40.49)	
	Excess Provision written back	(650.34)		-	
	Gain on write back of loans under restructuring	-		(45,518.35)	
	Dividend Income	-		(0.03)	
	Allowance for doubtful advances / Deposits	5.00		7,333.53	
	Provision for non-moving and obsolete inventories	983.94		634.99	
	Impairment for goodwill	-		2,326.23	
	Advances written off	-		3,621.41	
	Sundry balance written back	(252.24)		(2,231.90)	
	Expected Credit Loss provided / (reversed)	376.11		(382.19)	
	Bad Debts Written off	-		423.62	
	Unrealised Foreign Exchange Fluctuation (Gain) / Loss	(136.46)		417.49	
	Employee stock option expenses	-		25.66	
	Finance Costs	7,096.49		12,893.28	
	Interest income	(58.97)	10,686.73	(70.74)	(17,271.13)
	Operating Profit before working capital changes		**6,828.85**		**9,855.81**
	Adjustment for:				
	(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	(1,288.05)		7,943.29	
	(Increase) / Decrease in loans and advances and other assets	(952.34)		(1,405.84)	
	(Increase) / Decrease in inventories	(2,181.92)		3,134.96	
	(Increase) / Decrease in trade receivables	5,851.22	1,428.91	(280.13)	9,392.28
	Direct taxes (net) refund / (paid)		288.83		(169.32)
	Net Cash from Operating activities		**8,546.59**		**19,078.77**
B)	**Cash Flow from Investing activities**				
	Purchase of property, plant and equipment	(8.41)		(47.43)	
	Sale of property, plant and equipment	4.06		4.45	
	(Increase) / Decrease in other bank balances	(86.72)		51.05	
	Sale of investments	-		384.96	
	Dividend received	-		0.03	
	Interest received	58.97		70.74	
	Net Cash from Investing Activities		**(32.10)**		**463.80**

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lacs)

		Year Ended March 31, 2021		Year Ended March 31, 2020	
C)	**Cash Flow from Financing activities**				
	Issue of share capital	40.25		-	
	Proceeds from borrowings	3,337.57		5,111.25	
	Repayment of borrowings including current maturities	(5,594.72)		(4,606.03)	
	Principal payment of lease liabilties	(51.23)		(30.34)	
	Payment of unclaimed dividend	(10.39)		(6.42)	
	Finance costs paid	(5,483.14)		(21,294.46)	
	Net Cash from Financing Activities		**(7,761.66)**		**(20,826.00)**
	Net increase in Cash & Cash equivalents(A+B+C)		**752.82**		**(1,283.43)**
	Opening cash & cash equivalents		**3,733.58**		**5,017.01**
	Closing cash & cash equivalents		**4,486.40**		**3,733.58**

Notes:

(a) Cash and cash equivalents comprises of

(₹ in lacs)

		As at March 31, 2021	As at March 31, 2020
i)	Balances with Banks		
	In Current Accounts	4,409.95	3,670.18
ii)	Short-Term Bank Deposits	68.43	52.13
	(Maturity within 3 months)		
iii)	Cash on Hand	8.02	11.27
		4,486.40	**3,733.58**

(b) Change in liability arising from financing activities

	As at April 01, 2020	Cash Flow	Non-cash changes	As at March 31, 2021
Borrowings including current maturities (Refer Note 13 & 14)	57,768.68	(7,740.29)	8,016.13	58,044.52

(c) The above Consolidated statement of cash flow have been prepared under the "indirect method" as set out in Ind AS 7, "Statement of cash flow"

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

As per our Report of even date annexed.

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

Harshil Shah
Partner
Membership No.124146

Place : Mumbai
Date : May 29, 2021

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Ajit Anant Sirsat
Chief Financial Officer

Shekhar R Singh
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lacs)

		As at March 31, 2021	As at March 31, 2020
A)	**Equity Share Capital**		
	Balance at the beginning of the year	**12,513.38**	**12,513.38**
	Changes in Equity Share Capital during the year	30.08	-
	Balance at the end of the year	**12,543.46**	**12,513.38**

B) Other Equity

(₹ in lacs)

	Reserves and Surplus					
	Securities Premium Account	General Reserve	Capital Reserve	Share Based Payments Reserve	Retained Earnings	Total
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) after tax	-	-	-	-	26,972.76	**26,972.76**
b) Remeasurement of defined benefit plans	-	-	-	-	(13.85)	**(13.85)**
c) Exercise of Employee Stock Options	-	-	-	-	-	**-**
d) Share based payment reserve created during the year	-	-	-	25.66	-	**25.66**
e) Transfer to General Reserve	-	-	-	-	-	**-**
f) Allotment of shares to employees	-	-	-	-	-	**-**
Balance as at March 31, 2020	**19,916.58**	**1,430.01**	**18.97**	**502.60**	**(36,118.82)**	**(14,250.66)**
Additions during the year :						
a) Profit / (Loss) after tax	-	-	-	-	(3,840.30)	**(3,840.30)**
b) Remeasurement of defined benefit plans	-	-	-	-	(34.50)	**(34.50)**
c) Exercise of Employee Stock Options	23.69	-	-	(23.69)	-	**-**
d) Share based payment reserve created during the year	-	-	-	-	-	**-**
e) Transfer to General Reserve	-	90.23	-	(90.23)	-	**-**
f) Allotment of shares to employees	10.16	-	-	-	-	**10.16**
Balance as at March 31, 2021	**19,950.43**	**1,520.24**	**18.97**	**388.68**	**(39,993.62)**	**(18,115.30)**

As per our Report of even date annexed.

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

Harshil Shah
Partner
Membership No.124146

Place : Mumbai
Date : May 29, 2021

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Ajit Anant Sirsat
Chief Financial Officer

Shekhar R Singh
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

1.1 CORPORATE INFORMATION

Tilaknagar Industries Ltd. ('TI' or 'the 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720. The Company has been incorporated under the provisions of Indian Companies Act and its equity is listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associates. The Group is primarily involved in manufacturing and sale of Indian Made Foreign Liquor (IMFL). The Group has a strong and diverse portfolio of brands in various liquor categories including brandy, whisky, vodka, gin, and rum.

1.2 BASIS OF PREPARATION

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter Company transactions, balances and unrealised gains on transactions between Group Companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

b) Non - controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

c) Associates

Associates are all entities over which the Group has significant influence but not control or joint control over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees until the date on which significant influence ceases.

d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

e) Transactions eliminated on consolidation

Intra Group balances and transactions, and any unrealised income and expenses arising from intra Group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the Investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (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, 2021	March 31, 2020	
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 Pvt. Ltd.	India	100%	100%	Other Allied activities
Shivprabha Sugars Ltd.	India	90%	90%	Other Allied activities
Mason & Summers Marketing Services Pvt. Ltd.	India	26%	26%	Other Allied activities

g) Principles of consolidation :

These consolidated financial statements have been prepared by consolidation of the financial statements of the Company and its subsidiaries on a line-by-line basis after fully eliminating the inter Company transactions.

1.3 BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Group's financial statements up to and for the year ended March 31, 2021 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on May 29, 2021.

Details of the Group's accounting policies are included in Note 1.4.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (₹) which is also the Group's functional currency.

All amounts have been rounded off to two decimal places to the nearest lacs, unless otherwise indicated.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Useful life of Property, plant and equipment.
2) Useful life of Intangible Assets
3) Employee benefit plans
4) Provisions and contingent liabilities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

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, 2021 is included in the following notes:

Note No 31- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

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

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

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

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

1.4 SIGNIFICANT ACCOUNTING POLICIES

i) Property, plant and equipment

a) Recognition and measurement

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

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

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

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

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

b) Subsequent expenditure

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

c) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful Life as per Schedule II of the Companies Act, 2013
Factory Buildings	30	30
Plant and equipment (other than ENA plants)	15	15
ENA Plants	20	15
Furniture and Fixtures	10	10
Motor Vehicles	8	8
Office Equipments	5	5
Computers	3	3
Computer server	6	6
Electrical Installations	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

ii) Intangible assets

a) Acquired intangible assets

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in Statement of profit or loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss. Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iii) Inventories

Inventories are measured at the lower of cost and net realisable value after provision for obsolescence where appropriate. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

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 Statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

v) Impairment of non-financial assets

An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency. Recoverable value is the higher of the 'Value in Use' and fair value as reduced by cost of disposal. Test of impairment of PPE (Property, Plant & Equipment), investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets and Investment Properties it is undertaken in asset specific context. Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

vi) Employee Benefits

a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

b) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

c) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past

service gain') or the gain or loss on curtailment is recognised immediately in statement of profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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 recognised 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 recognised as finance cost.

The amount recognised 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 recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

viii) Leases

As a lessee

The Group has adopted modified simplified approach under Ind AS 116 - Leases, with effect from April 01, 2019. Accordingly, the Group 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 Group's leases primarily consist of leases of office premises, warehouses and guest houses. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Group recognises a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and / or low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised

The ROU assets are initially recognised 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

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 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 recognised 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 recognised 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 deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

xiii) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss after tax attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss after tax attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

xiv) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. Cash and cash equivalents are cash, balances with bank and short-term (three months or less from the date of placement), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value

Amendment to Ind AS 7

Effective April 1, 2017, the Group adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

xv) Share based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

xvi) Financial instruments

a) Recognition and initial measurement

The Group initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

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

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

xvii) Recent amendments to Indian Accounting Standards:

On July 24, 2020, the Ministry of Corporate Affairs (MCA) had issued amendments to certain Ind AS as follows:

a) Ind AS 103 - Business Combinations:

The definition of the term "business" has been revised. An optional test has been introduced to identify concentration of fair value to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Additional guidance with elements of business and on assessing whether an acquired process is substantive. An entity is required to apply the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the April 01, 2020 and to asset acquisitions that occur on or after the beginning of that period. There was no impact on the financial statements of the Group on adoption of the above amendments for the year.

b) Ind AS 107 - Financial Instruments: Disclosures:

Additional disclosures have been introduced for uncertainties arising from interest rate benchmark reforms consequential to the hedge accounting related amendments in the Ind AS 109 – Financial Instruments. The Group did not have any transactions during the year to which these amendments were applicable.

c) Ind AS 109 - Financial Instruments:

Temporary exceptions from applying specific hedge accounting requirements have been introduced for all hedging relationships directly affected by 'interest rate benchmark reform'. (i.e. the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate). This amendment is effective for annual reporting periods beginning on or after April 01, 2020. The Group did not have any transactions during the year to which these amendments were applicable.

d) Ind AS 116 - Leases:

A Practical expedient has been allowed to permit lessees to exclude COVID-19 related rent concessions to be treated as a lease modification. This amendment is applicable to the Group from annual reporting periods beginning on or after April 01, 2020. There were no rent concessions during the year and accordingly, there was no impact on the financial statements of the Group on adoption of the above amendments for the year.

e) Ind AS 1 - Presentation of Financial Statements and Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors (and consequential amendments to other Ind AS):

The definition of the term "material" has been revised and is applicable prospectively for annual periods beginning on or after April 01, 2020. Consequent to the revised definition of "material", certain amendments were also notified in the Ind AS 10 - Events after the Reporting Period, Ind AS 34 - Interim Financial Reporting and Ind AS 37 -Provisions, Contingent Liabilities and Contingent Assets.There was no impact on the financial statements of the Group on adoption of this amendment for the year.

f) Standards issued but not yet effective:

As on the date of approval of these financial statements, there were no new standards or amendments which have been notified but not yet adopted by the Group and expected to have any material impact on the financial statements of the Group.

2. PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	Deductions	For the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
a) Property, Plant and Equipment										
(Owned Assets)										
Land	13,698.16	-	-	13,698.16	-	-	-	-	13,698.16	13,698.16
Buildings	10,205.65	-	2.83	10,202.82	3,180.94	1.31	280.14	3,459.77	6,743.05	7,024.71
Roads & Bridges	182.69	-	-	182.69	81.49	-	33.40	114.89	67.80	101.20
Leasehold Improvement	42.00	-	-	42.00	25.03	-	4.03	29.06	12.94	16.97
Plant and Equipment	51,460.16	6.86	61.40	51,405.62	23,377.24	53.21	2,725.20	26,049.23	25,356.39	28,082.92
Tools & Equipments	0.37	-	-	0.37	0.19	-	0.02	0.21	0.16	0.18
Furniture and Fixtures	337.39	-	-	337.39	252.55	-	19.76	272.31	65.08	84.84
Motor Vehicles	444.83	-	23.45	421.38	344.03	18.46	24.40	349.97	71.41	100.80
Office Equipment	321.09	0.28	1.53	319.84	298.60	1.45	3.54	300.69	19.15	22.49
Computers	926.86	1.28	0.91	927.23	872.24	0.86	9.55	880.93	46.30	54.62
Electrical Installation	1,859.80	-	-	1,859.80	997.22	-	166.52	1,163.74	696.06	862.58
Library Books	0.28	-	-	0.28	0.28	-	-	0.28	-	-
Live Stock	0.25	-	-	0.25	-	-	-	-	0.25	0.25
Total Property, Plant and Equipment	**79,479.53**	**8.42**	**90.12**	**79,397.83**	**29,429.81**	**75.29**	**3,266.56**	**32,621.08**	**46,776.75**	**50,049.72**
b) Right Of Use Asset										
Premises	123.04	8.16	10.15	121.05	41.50	6.30	41.46	76.66	44.39	81.54
Total Right Of Use Asset	**123.04**	**8.16**	**10.15**	**121.05**	**41.50**	**6.30**	**41.46**	**76.66**	**44.39**	**81.54**
c) Intangible Assets										
Brands	3,345.07	-	-	3,345.07	3,345.07	-	-	3,345.07	-	-
Software	598.98	-	-	598.98	558.57	-	4.41	562.98	36.00	40.41
Product Development	173.94	-	-	173.94	173.94	-	-	173.94	-	-
Total Intangible Assets	**4,117.99**	**-**	**-**	**4,117.99**	**4,077.58**	**-**	**4.41**	**4,081.99**	**36.00**	**40.41**
Grand Total	**83,720.56**	**16.58**	**100.27**	**83,636.87**	**33,548.89**	**81.59**	**3,312.43**	**36,779.73**	**46,857.14**	**50,171.67**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

2. PROPERTY, PLANT AND EQUIPMENT (PREVIOUS FINANCIAL YEAR 2019-20)

(₹ in lacs)

	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	As at April 01, 2019	Deductions	For the year	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
a) Property, Plant and Equipment										
(Owned 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	7,024.71	7,180.89
Roads & Bridges	77.02	105.67	-	182.69	73.17	-	8.32	81.49	101.20	3.85
Lease Hold Improvement	42.00	-	-	42.00	21.00	-	4.03	25.03	16.97	21.00
Plant and Equipment	51,200.47	259.69	-	51,460.16	20,659.08	-	2,718.16	23,377.24	28,082.92	30,541.39
Tools & Equipments	0.37	-	-	0.37	0.16	-	0.03	0.19	0.18	0.21
Furniture and Fixtures	337.39	-	-	337.39	231.13	-	21.42	252.55	84.84	106.26
Motor Vehicles	465.31	-	20.48	444.83	331.33	17.80	30.50	344.03	100.80	133.98
Office Equipment	319.68	1.41	-	321.09	294.59	-	4.01	298.60	22.49	25.09
Computers	922.22	4.64	-	926.86	861.34	-	10.90	872.24	54.62	60.88
Electrical Installation	1,841.12	18.68	-	1,859.80	825.37	-	171.85	997.22	862.58	1,015.75
Library Books	0.28	-	-	0.28	0.28	-	-	0.28	-	-
Live Stock	0.25	-	-	0.25	-	-	-	-	0.25	0.25
Total Property, Plant and Equipment	**78,984.66**	**515.35**	**20.48**	**79,479.53**	**26,196.95**	**17.80**	**3,250.66**	**29,429.81**	**50,049.72**	**52,787.71**
b) Right Of Use Asset										
Premises	117.99	18.13	13.08	123.04	-	1.55	43.05	41.50	81.54	-
Total Right Of Use Asset	**117.99**	**18.13**	**13.08**	**123.04**	**-**	**1.55**	**43.05**	**41.50**	**81.54**	**-**
c) 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	40.41	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**	**4,077.58**	**40.41**	**44.83**
Grand Total	**83,220.64**	**533.48**	**33.56**	**83,720.56**	**30,270.11**	**19.35**	**3,298.13**	**33,548.89**	**50,171.67**	**52,832.54**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

3. INVESTMENTS

(₹ in lacs)

		As at March 31, 2021		As at March 31, 2020	
Non-Current Investments					
I)	**Investments measured at Cost**	**Nos.**		**Nos.**	
	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		0.51		0.51
	Government authorities)				
	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 Vithal 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**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

4. LOANS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good				
Employee Loan	-	-	0.47	1.65
	-	**-**	**0.47**	**1.65**

5. OTHER FINANCIAL ASSETS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Term Bank Deposits	340.48	287.07	-	-
(Maturity exceeding 12 months)				
Advance to Employees	-	-	8.00	27.62
Deposits	4,616.16	4,591.42	-	-
Electricity Subsidy Receivable	-	-	-	106.02
Others	1,511.93	1,511.93	16.85	9.87
Advances with Tie-up Units	-	-	-	-
	6,468.57	**6,390.42**	**24.85**	**143.51**
Less : Allowance for doubtful deposits	(2,078.42)	(2,078.42)	-	-
Less : Allowance for doubtful other financial assets	(1,488.20)	(1,488.20)	-	-
Less : Allowance for doubtful advances with tie up units	-	-	-	-
	2,901.95	**2,823.80**	**24.85**	**143.51**

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

Particulars	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balance at the beginning of the year	**2,078.42**	**10.00**	**-**	**-**
Loss allowance (net)	-	2,068.42	-	-
Write off	-	-	-	-
Balance at the end of the year	**2,078.42**	**2,078.42**	**-**	**-**

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

Particulars	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balance at the beginning of the year	**1,488.20**	**1,150.20**	**-**	**-**
Loss allowance (net)	-	361.06	-	-
Write off	-	(23.06)	-	-
Balance at the end of the year	**1,488.20**	**1,488.20**	**-**	**-**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

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

(₹ in lacs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balance at the beginning of the year	**-**	**-**	**-**	**6,300.95**
Loss allowance (net)	-	-	-	-
Write off	-	-	-	(6,300.95)
Balance at the end of the year	**-**	**-**	**-**	**-**

6. DEFERRED TAX ASSETS (NET)

	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Deferred Tax Assets (Net) (Refer Note 27)	-	-	-	-
	-	**-**	**-**	**-**

7. OTHER ASSETS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good				
Capital advances	6,075.21	6,077.35	-	-
Balance with Government Authorities	1,077.84	983.64	873.64	539.43
Deposits with Court	4.33	4.42	-	-
Advances to Suppliers	-	-	7,016.19	6,807.49
Prepaid Expense	-	-	525.56	418.86
	7,157.38	**7,065.41**	**8,415.39**	**7,765.78**
Less : Allowance for balances with government authorities	(71.20)	(71.20)	-	-
Less : Allowance for doubtful advances	-	-	(4,656.57)	(4,904.06)
	7,086.18	**6,994.21**	**3,758.82**	**2,861.72**

7.1 Movement in loss allowance for balances with government authorities:

Particulars	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balance at the beginning of the year	**71.20**	**-**	**-**	**-**
Loss allowance (net)	-	71.20	-	-
Write off	-	-	-	-
Balance at the end of the year	**71.20**	**71.20**	**-**	**-**

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

Particulars	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balance at the beginning of the year	**-**	**-**	**4,904.06**	**1,200.38**
Loss allowance (net)	-	-	(247.49)	4,904.06
Write off	-	-	-	(1,200.38)
Balance at the end of the year	**-**	**-**	**4,656.57**	**4,904.06**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

8. INVENTORIES

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(At lower of cost and net realisable value)		
Raw Materials	1,149.46	489.96
Stores, Spares and Packing Materials	1,763.17	2,618.45
Work-In-Progress	292.85	1,046.44
Finished Goods	4,002.13	1,854.79
	7,207.61	**6,009.64**

Amounts recognised in the Statement of Profit and Loss:

Provision for non-moving and obsolete inventories for the year amounting to ₹ 983.94 lacs (P.Y ₹ 634.99 lacs) has been recognised as an expense during the year and is included in Other Expenses in the Statement of Profit and Loss.

9. TRADE RECEIVABLES

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	18,158.99	24,456.59
Unsecured, considered doubtful	960.56	514.18
High Credit Risk	-	-
Credit Impaired	-	-
	19,119.55	**24,970.77**
Less: Expected Credit Loss	1,009.37	633.25
	18,110.18	**24,337.52**

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

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of the year	**633.25**	**1,015.44**
Loss allowance (net)	376.12	41.43
Write off	-	(423.62)
Balance at the end of the year	**1,009.37**	**633.25**

10. CASH AND BANK BALANCES

(₹ in lacs)

		As at March 31, 2021	As at March 31, 2020
a)	**Cash and Cash Equivalents**		
i)	Balances with Banks		
	In Current Accounts*	4,409.95	3,670.18
ii)	Short-Term Bank Deposits (Maturity within 3 months)	68.43	52.13
iii)	Cash on Hand	8.02	11.27
		4,486.40	**3,733.58**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

b) Other Bank Balances

i)	Earmarked Balances with Banks (Unpaid Dividend Accounts)	11.85	22.24
ii)	Short-Term Bank Deposits (Maturity within 12 months)	312.64	215.53
		324.49	**237.77**
		4,810.89	**3,971.35**

* Balances with Banks includes an amount of ₹ 1,892.35 lacs marked as a lien by Development Credit Bank in the Subsidiary Company's Current account held with them.

11. EQUITY SHARE CAPITAL

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Authorised Shares		
150,000,000 equity shares of ₹ 10/- each	**15,000.00**	**15,000.00**
(P.Y. 150,000,000 equity shares of ₹ 10/- each)		
Issued, subscribed and paid up shares		
125,434,603 equity shares of ₹ 10/- each fully paid up	12,543.46	12,513.38
(P.Y. 125,133,765 Equity Shares of ₹ 10/- each fully paid up)		
Of the above shares :-		
86,176,200 equity shares of ₹ 10/- each fully paid-up bonus shares issued by capitalisation of share premium, capital reserve and general reserve		
	12,543.46	**12,513.38**

a) Reconciliation of the number of shares outstanding

(Nos. in lacs)

	As at March 31, 2021	As at March 31, 2020
Number of Equity Shares at the beginning of the year	1,251.34	1,251.34
Equity shares issued during the year	3.01	-
Number of Equity Shares at the end of the year	**1,254.35**	**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, 2021		As at March 31, 2020	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Shivani Amit Dahanukar	329.76	26.29%	329.76	26.35%
Amit Dahanukar	298.45	23.79%	298.45	23.85%
Total	**628.21**	**50.08%**	**628.21**	**50.20%**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

12. OTHER EQUITY

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
a) Securities Premium Account		
Balance at the beginning of the year	19,916.58	19,916.58
Allotment of shares to employees	10.16	-
Exercise of Employee Stock Options	23.69	-
Balance at the end of the year	**19,950.43**	**19,916.58**
b) General Reserve		
Balance at the beginning of the year	1,430.01	1,430.01
Transfer from Share Based Payment Reserve Account	90.23	-
Balance at the end of the year	**1,520.24**	**1,430.01**
c) Capital Reserve		
Balance at the beginning and at the end of the year	**18.97**	**18.97**
d) Share Based Payments Reserve Account		
Balance at the beginning of the year	502.60	476.94
Transfer to General Reserve	(90.23)	-
Exercise of Employee Stock Options	(23.69)	-
Share based payment reserve created during the year	-	25.66
Balance at the end of the year	**388.68**	**502.60**
e) Retained Earnings		
Balance at the beginning of the year	(36,118.82)	(63,077.73)
Add: Profit / (Loss) after tax for the year	(3,840.30)	26,972.76
Add: Remeasurement of defined benefit plans	(34.50)	(13.85)
Balance at the end of the year	**(39,993.62)**	**(36,118.82)**
	(18,115.30)	**(14,250.66)**

13. BORROWINGS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Secured Loans				
From Asset Reconstruction Company (Refer Note 30)				
Rupee Term Loans	29,142.17	32,898.81	-	-
Balance Debts	10,168.88	9,034.92	-	-
Other Debts	3,386.75	3,386.75	-	-
From Banks				
Hire Purchase Car Loans (with banker's lien on cars)	-	4.12	-	-
Cash Credit (including Working Capital Demand Loan)	-	-	2,816.08	2,481.50
Unsecured				
Vendor Financing	3,197.26	3,615.61	-	-
From other parties	-	-	2,764.83	2,518.66
	45,895.06	**48,940.21**	**5,580.91**	**5,000.16**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

a) The loans from Asset Reconstruction Company ("term loans") are secured against all the tangible / intangible assets and current assets of the Company, both present and future.

b) The term loans are also secured against all the fixed assets and current assets, both present and future of the wholly owned subsidiary companies i.e. Vahni Distilleries Private Limited and PunjabExpo Breweries Private Limited. The said security creation is pending.

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) Other debts of ₹ 3,386.75 lacs from Asset Reconstruction Company (EARC) has been converted into equity shares of 139.04 lacs which have been alloted to EARC on April 24, 2021.

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

(₹ in lacs)

Lender trusts	**Current**	**Non Current**	
	Less than 1 year	**1 to 2 years**	**2 - 3 years**
EARC trust SC 233	560.00	680.00	1,567.69
EARC trust SC 241	2,800.00	3,400.00	18,896.68
EARC trust SC 269	1,120.00	1,360.00	3,237.80
Total	**4,480.00**	**5,440.00**	**23,702.17**

i) 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.

j) 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.

k) 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 2021	2,000.00	816.08
Total		**2,000.00**	**816.08**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

14. OTHER FINANCIAL LIABILITIES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Trade Deposits & Others (Unsecured)	18,166.47	20,455.44	-	-
Current maturities of Hire Purchase Car Loans	-	-	3.68	10.80
Current maturities of Term Loans- Foreign Currency Loan	-	-	970.13	1,770.19
Current maturities of Rupee Term Loans	-	-	4,480.00	1,640.00
Current maturities of Vendor Financing	-	-	1,114.74	407.32
Payable for purchase of Fixed Assets	-	-	6,110.61	6,110.61
Employee dues	-	-	690.35	664.15
Unclaimed Dividend	-	-	11.85	22.24
Other Payables	-	-	522.20	1,417.67
	18,166.47	**20,455.44**	**13,903.56**	**12,042.98**

a) 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.

b) Foreign Currency term loan from banks carry interest @ 3.46% (Rate as per Claim filed by Standard Chartered Bank (SCB) with Liquidator).The loan instalments have become overdue and are repayable immediately along with interest. An agreement dated November 17, 2020 between the holding Company of Prag, Tilaknagar Industries Ltd. (TI) & SCB has been entered under which SCB has agreed to accept a sum of USD 20,00,000 in 6 instalments in full and final settlement of its dues. Four instalments totalling to USD 11,00,000 have already been paid by TI under this agreement.

c) Secured term 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 and also by corporate guarantee of the holding Company of Prag i.e Tilaknagar Industries Ltd.

d) The defaults in repayment of term loan to a bank (Foreign Currency Loan) of a subsidiary included in current maturities of term loans (Foreign Currency Loan) are as under:

(₹ in lacs)

Bank	Period of Default	Term Loan Principal	Term Loan Interest
Standard Chartered Bank	April 2016 to March 2021	704.90	265.23
Total		**704.90**	**265.23**

15. PROVISIONS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provision for Gratuity (Refer note 33)	354.77	355.11	56.32	62.86
Provision for Leave Encashment	78.23	83.23	19.18	20.60
Provision for Excise Duty on Finished Goods	-	-	2,826.29	1,305.08
	433.00	**438.34**	**2,901.79**	**1,388.54**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

16. OTHER LIABILITIES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Payable towards Statutory Liabilities	-	-	652.47	394.95
Deferred Fair Value Gain (Refer Note 30)	3,053.22	4,329.51	1,276.28	1,133.96
	3,053.22	**4,329.51**	**1,928.75**	**1,528.91**

17. TRADE PAYABLES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro, small & medium enterprises (Refer Note 40)	-	-	2,540.36	1,722.91
Total outstanding dues of creditors other than micro, small & medium enterprises	-	-	12,264.01	13,803.69
	-	**-**	**14,804.37**	**15,526.60**

18. REVENUE FROM OPERATIONS

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers		
Sales of products	141,624.72	148,098.38
	141,624.72	**148,098.38**

Reconciliation of Gross Revenue with Revenue from Contracts with Customers

Contract price	142,314.05	149,208.24
Less: Discount / Demurrage	689.33	1,109.86
Revenue recognised	**141,624.72**	**148,098.38**

18.1 Other Operating Income

Sale of by products, scrap and other income	73.19	88.87
Royalty Income	138.51	158.54
	211.70	**247.41**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

19. OTHER INCOME

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Duty drawback on exports	0.50	0.37
Sundry balance written back	252.24	2,231.90
Excess provision written back	650.34	-
Interest income on margin money / fixed deposits/ others	58.97	70.74
Foreign Exchange Fluctuation Gain	136.46	-
Profit on Sale of Investments	-	40.49
Reversal of Expected Credit Loss on trade receivables	-	382.19
Profit on sale of fixed asset	-	1.77
Electricity Refund	-	203.54
Dividend on current investments	-	0.03
Miscellaneous receipts	43.44	63.19
	1,141.95	**2,994.22**

20. COST OF MATERIALS CONSUMED

(₹ in lacs)

		Year ended March 31, 2021	Year ended March 31, 2020
i)	Raw Material Consumption		
	Inventories at the beginning of the year	489.96	752.82
	Add: Purchases	15,183.90	15,655.95
	Less: Inventories at the end of the year	1,149.46	489.96
		14,524.40	**15,918.81**
ii)	Packing Materials & Consumables	14,607.68	16,189.40
		29,132.08	**32,108.21**

21. (INCREASE) / DECREASE IN INVENTORIES

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the year		
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**
Less : Inventories at the end of the year		
i) Work-In-Progress	292.85	1,046.44
ii) Finished Goods	4,002.13	1,854.79
	4,294.98	**2,901.23**
(Increase) / Decrease in Inventories	**(1,393.75)**	**3,112.09**

22. EMPLOYEE BENEFIT EXPENSE

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages and Bonus	2,278.01	2,636.36
Employee Stock Option Expenses	-	25.66
Contribution to provident fund and family pension fund (Refer Note 33)	111.68	122.11
Staff welfare expenses	78.99	110.78
Gratuity (Refer Note 33)	46.88	65.12
	2,515.56	**2,960.03**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

23. FINANCE COST

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest on Term Loans	3,125.81	3,158.93
Interest on Cash Credits / Working Capital Demand Loan	334.60	6,641.91
Interest on Lease Liabilities	10.87	15.12
Others *	3,625.22	3,077.32
	7,096.50	**12,893.28**

* Includes unwinding of discount of ₹ 1,133.96 lacs (P.Y ₹ 1,007.51 lacs) and amortisation of deferred fair value gains of ₹ 1,133.96 lacs (P.Y ₹ 1,007.51 lacs)

24. OTHER EXPENSES

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Power and fuel	363.24	378.66
Repairs & maintenance		
i) Plant & Equipment	12.70	19.13
ii) Buildings	0.97	0.04
iii) Others	138.42	201.21
Insurance	73.12	108.92
Rent (Refer Note 32)	19.91	31.04
Contract manufacturing cost	3,409.28	2,837.31
Legal and professional charges	550.64	1,257.73
Auditor's Remuneration (Refer Note 38)	24.04	27.56
Rates and taxes	2,130.42	2,257.58
Freight, transport charges & other expenses	1,989.08	1,997.11
Selling expenses [Sales Promotion & Advertising etc.]	8,210.07	7,486.88
Travelling and conveyance expenses	52.75	79.59
Printing and stationery	20.79	28.35
Communication expenses	27.68	54.92
Vehicle running expenses	8.12	21.91
Director sitting fees (Refer Note 36)	53.45	4.30
Expected Credit Loss on trade receivables	376.12	-
Bad Debts	-	423.62
Loss on Sale of Assets	10.77	-
Donation	47.20	0.50
Corporate Social Responsibility	44.83	39.49
Foreign Exchange Fluctuation Loss	-	417.49
Provision for non-moving and obsolete inventories	983.94	634.99
Allowance for doubtful advances / deposits	5.00	7,333.53
Impairment for Goodwill	-	2,326.23
Advances written off	-	3,621.41
Miscellaneous expenses	659.55	707.17
	19,212.09	**32,296.67**

25. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATION AND FAIR VALUE MEASUREMENTS

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

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

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

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

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2021

(₹ 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	-	-	18,110.18	-	18,110.18
Cash and Cash Equivalents	-	-	4,486.40	-	4,486.40
Other Bank Balances	-	-	324.49	-	324.49
Loans	-	-	0.47	-	0.47
Other Financial Assets	-	-	2,926.80	-	2,926.80
	-	**-**	**25,848.89**	**-**	**25,848.89**
Financial liabilities not measured at fair value					
Borrowings	-	-	-	51,475.97	51,475.97
Lease Liabilities	-	-	-	56.06	56.06
Trade Payables	-	-	-	14,804.37	14,804.37
Other Financial Liabilities	-	-	-	32,070.03	32,070.03
	-	**-**	**-**	**98,406.43**	**98,406.43**

The Group has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

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
Lease Liabilities	-	-	-	92.11	92.11
Trade Payables	-	-	-	15,526.60	15,526.60
Other Financial Liabilities	-	-	-	32,498.42	32,498.42
	-	**-**	**-**	**102,057.50**	**102,057.50**

The Group has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

Fair Value Measurement Hierarchy :

(₹ in lacs)

Particulars	**As at March 31, 2021**			**As at March 31, 2020**		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial Asset	-	-	-	-	-	-
Non current Investments	-	-	3.22	-	-	3.22
Current Investment	-	-	-	-	-	-

26. FINANCIAL RISK MANAGEMENT

Objectives and policies

Risk management framework

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

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

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

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

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

: **a) Credit risk**

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group generally doesn't have collateral.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date is as follows :-

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables	18,110.18	24,337.52
Cash and Cash Equivalents	4,486.40	3,733.58
Other Bank Balances	324.49	237.77
Loans	0.47	1.65
Other Financial Assets	2,926.80	2,967.31
Total	**25,848.34**	**31,277.83**

Trade receivables

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

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

(₹ in lacs)

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
As at March 31, 2021	18,110.18	18,110.18	-
As at March 31, 2020	24,337.52	24,337.52	-

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the Group's finance department as per Group's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2021

(₹ in lacs)

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	51,475.97	5,580.91	45,895.06
Lease Liabilities	56.06	45.50	10.56
Trade Payables	14,804.37	14,804.37	-
Other Financial Liabilities	32,070.03	13,903.56	18,166.47
	98,406.43	**34,334.34**	**64,072.09**

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
Trade Payables	15,526.60	15,526.60	-
Other Financial Liabilities	32,498.42	12,042.98	20,455.44
	102,057.50	**32,609.37**	**69,448.13**

c) Market risk

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

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

Currency risk

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

Exposure to currency risk

The Group's exposure to currency risk as reported to the management is as follows:

(in lacs)

Particulars	As at March 31, 2021 USD	As at March 31, 2019 USD
Export receivables	0.08	0.25
Overseas payables	(87.53)	(97.85)
Total	**(87.45)**	**(97.60)**

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, 2021	As at March 31, 2020
Increase / (decrease) in profit	(64.05)	(73.30)
Total increase / (decrease) in profit	**(64.05)**	**(73.30)**

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

IInterest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments is as follows:

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed rate instruments		
Financial liabilities		
Borrowings	72,310.78	73,858.43
Total	**72,310.78**	**73,858.43**
Variable-rate instruments		
Financial liabilities		
Borrowings	3,786.21	4,251.68
Total	**3,786.21**	**4,251.68**

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, 2021	
Variable-rate instruments	(37.86)
Cash flow sensitivity	**(37.86)**
March 31, 2020	
Variable-rate instruments	(42.52)
Cash flow sensitivity	**(42.52)**

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
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

27. DEFERRED TAX ASSETS / (LIABILITIES)

The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet :

(₹ in lacs)

Movement in deferred tax assets / (liabilities) during the year	Opening Balance as at April 01, 2020	Recognised in statement of Profit & loss	Closing Balance as at March 31, 2021
Deferred Tax liabilities in relation to			
Property Plant & Equipment	(6,159.18)	413.42	(5,745.76)
Total A	**(6,159.18)**	**413.42**	**(5,745.76)**
Deferred Tax Assets in relation to			
Lease Liabilities/ ROU assets	2.66	0.28	2.94
Employee Benefit obligation	151.14	(3.75)	147.39
Provision/ Impairment for Doubtful Debts/ Advances/ Deposits	3,750.24	268.97	4,019.21
Impairment in value of Investments	80.29	-	80.29
MAT Credit	32.61	-	32.61
Unabsorbed depreciation	2,142.24	(678.92)	1,463.32
Total B	**6,159.18**	**(413.42)**	**5,745.76**
Total (A+B)	**-**	**-**	**-**

27.1 Deferred tax asset on tax losses and unabsorbed depreciation under Income Tax Act, has been recognised to the extent it is probable that future taxable income will be available against which these can be utilised. Accordingly, deferred tax assets have not been created on balance carried forward business losses and unabsorbed depreciation of ₹ 34,187.87 lacs as on March 31, 2021 (P.Y. ₹ 26,804.81 lacs).

28. INCOME TAXES

(₹ in lacs)

		Year ended March 31, 2021	Year ended March 31, 2020
a)	**Income Tax recognised in the Statement of Profit and Loss**		
	Current Tax		
	In respect of current year	-	0.62
	Adjustments in respect of previous years	(17.58)	120.34
	Deferred Tax		
	In respect of current year	-	33.22
	Adjustments in respect of deferred tax of previous years	-	-
	Total	**(17.58)**	**154.18**
b)	**Income tax expense recognised in Other Comprehensive Income**		
	Deferred tax expense on remeasurement of defined benefit plans	-	-
		As at March 31, 2021	**As at March 31, 2020**
c)	**Current Tax Liabilities**		
	Provision for Taxation (Net of Advance Tax)	0.62	0.62
d)	**Non-Current Tax Assets**		
	Advance Tax (Net of Provision for Taxation)	380.09	651.33

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (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 maximise shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Group monitors capital based on the following ratio :-

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Total Net Debt	53,558.12	54,035.10
Total Equity	(5,571.84)	(1,737.28)
Debt to Equity Ratio	Nil	Nil

30. NOTE ON MODIFICATION AND RESTRUCTURING OF LOANS

Developments during the current reporting year

Subsequent to the modification and restructuring the loans during the previous year (as summarised below), the Company has been regular in repayment of the interest and instalments due as per the restructured schedule.

Unwinding of discount and corresponding amortisation of deferred fair gain in the Statement of Profit and Loss for the year, in respect of the Balance debt, was ₹ 1,133.96 lacs. Accordingly, net impact of the above entries on the loss for the year was Nil.

Refer Note 13 for trust-wise carrying amounts of the aforesaid term loans and the carrying amount of the Balance debt as on March 31, 2021.

In the month of April 2021, the Company has completed the allotment of equity shares having face value ₹ 10 each, on a fully diluted basis, to the lender trusts as per the terms of the restructuring agreement, as follows:

Lender trusts	Debt converted (₹ In lacs)	Equity Shares allotted (Nos. in lacs)
EARC trust SC 233	575.74	23.64
EARC trust SC 241	1,354.70	55.62
EARC trust SC 269	1,456.31	59.79
Total	**3,386.75**	**139.04**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Summary of modification and restructuring of loans

During the previous year, as a result of the substantial modification in the terms of existing loans due to the restructuring package, the Company had de-recognised the existing loans and has recognised the new loans with revised terms with effect from April 01, 2019. The difference between the carrying amounts of the existing loans and the new loans has been recognised in the profit and loss under the head 'exceptional items'. 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.

**Refer Note 13 for the revised terms in respect of interest rate and repayment schedules.

The treatment of the balance debt was agreed as follows: *(₹ in lacs)*

Particulars	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	575.74
EARC trust SC 241	1,354.70
EARC trust SC 269	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
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

31. CONTINGENT LIABILITY NOT PROVIDED FOR:

(₹ in lacs)

Particulars		As at March 31, 2021	As at March 31, 2020
a)	Corporate guarantees issued to banks on behalf of Subsidiary Company	970.13	1,770.19
b)	Bank guarantees issued on behalf of the Company	85.35	135.80
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
d)	In respect of disputed Sales tax matters, pending before the appropriate tax authorities, contested by the Company		
	F.Y. 2010-2011 (MVAT)	36.94	36.94
	F.Y. 2010-2011 (Central Sales Tax)	244.96	244.96
	F.Y. 2011-2012 (Central Sales Tax)	295.06	295.06
	F.Y. 2012-2013 (MVAT)	1,322.25	1,322.25
	F.Y. 2012-2013 (Central Sales Tax)	1,334.96	1,334.96
	F.Y. 2013-2014 (MVAT)	1,290.65	1,290.65
	F.Y. 2013-2014 (Central Sales Tax)	1,201.20	1,201.20
	F.Y. 2014-2015 (MVAT)	57.85	57.85
	F.Y. 2014-2015 (Central Sales Tax)	27.29	27.29
	F.Y. 2015-2016 (MVAT)	94.35	94.35
	F.Y. 2015-2016 (Central Sales Tax)	146.72	146.72
	F.Y. 2013-2014 (KVAT- Kerala)	28.31	28.31
	F.Y. 2013-2014 (CST- Kerala)	141.94	141.94
	F.Y. 2014-2015 (KVAT- Kerala)	32.17	32.17
	F.Y. 2014-2015 (CST- Kerala)	170.02	170.02
	F.Y. 2015-2016 (KVAT- Kerala)	0.43	-
	F.Y. 2015-2016 (CST -Kerala)	113.62	-
	F.Y. 2016-2017 (CST -Kerala)	5.12	-
	F.Y. 2017-2018 (CST-Kerala)	0.41	-
	F.Y. 2011-2012 (Karnataka VAT)	23.09	-
	F.Y. 2015-2016 (Karnataka CST)	2.45	-
	F.Y. 2014-2015 (CST - AP - ASST. COMMISSIONER)	0.09	-
	F.Y. 2015-2016 (CST - AP - ASST. COMMISSIONER)	0.03	-
	F.Y. 2015-2016 (Entry Tax - KTEG ACT 1979)	22.00	22.00
e)	In respect of disputed Central Excise matters, pending before the appropriate tax authorities, contested by the Company		
	April 2012 - January 2016 (Central Excise)	1.84	1.84
	March 2015 - June 2017 (Central Excise)	828.55	-

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
FOR THE YEAR ENDED MARCH 31, 2021 (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, 2021	As at March 31, 2020
Carrying amount right-of-use assets at beginning of the year	81.54	117.99
Additions to right-of-use assets during the year	8.16	18.13
Deletions to right-of-use assets during the year	3.85	11.53
Amortisation of right-of-use assets during the year	41.46	43.05
Interest expense (unwinding of discount) on lease liabilities	10.87	15.12
Total cash outflows in respect of leases	50.99	47.04
Carrying amount right-of-use assets at year end	44.39	81.54

b) Lease rentals of ₹ 19.91 lacs (P.Y. ₹ 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 ₹ 1.74 lacs (₹ 25.49 lacs) paid towards lease rentals has been charged to Statement of Profit and Loss under Contract manufacturing cost.

d) Maturity profile:

(₹ in lacs)

Maturities of Lease Liabilities	Carrying amount	Less than 1 year	1 to 3 years	3 to 5 years	above 5 years
Lease Liabilities	56.06	45.50	10.56	-	-

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 ₹ 111.68 lacs (P.Y. ₹ 122.11 lacs) under defined contribution plan as employer's contribution to Provident Fund.

Defined Benefit Plan

The Employees' gratuity fund scheme managed by LIC is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method (PUCM), which recognises 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 recognised in the manner as gratuity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

The net value of the defined commitment is detailed below:

(₹ in lacs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Funded Gratuity	Unfunded Gratuity	Funded Gratuity	Unfunded Gratuity
Present Value of obligation	359.93	106.54	376.99	92.66
Fair Value of Plans	55.38	-	51.68	-
Net Liability in the balance sheet	**304.55**	**106.54**	**325.31**	**92.66**
Defined Benefit Obligations				
Balance at the beginning of the year	376.99	92.66	354.36	79.50
Interest expenses	25.71	1.75	26.72	6.17
Current service cost	20.19	2.76	19.82	16.28
Past service cost	-	-	-	-
(Liability Transferred Out/ Divestments)	-	-	7.41	(7.41)
Benefit paid directly by the employer	(86.29)	(1.98)	(41.93)	(1.64)
Benefit paid directly from the fund	-	-	-	-
Actuarial (gain) / loss-Due to change in Demographic Assumptions	18.71	3.80	-	-
Actuarial (gain) / loss-Due to change in Financial assumptions	7.33	0.94	14.51	8.51
Actuarial (gain) / loss- Due to Experience	(2.71)	6.61	(3.90)	(8.75)
Balance at the end of the year	**359.93**	**106.54**	**376.99**	**92.66**
Plan Assets				
Balance at the beginning of the year	51.68	-	51.29	-
Interest Income	3.52	-	3.87	-
Expected return on plan assets	0.18	-	(3.48)	-
Paid Funds	-	-	-	-
Actuarial (gain) / loss	-	-	-	-
Balance at the end of the year	**55.38**	**-**	**51.68**	**-**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ in lacs)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Funded Gratuity	Unfunded Gratuity	Funded Gratuity	Unfunded Gratuity
Return on Plan Assets				
Expected return on plan assets	0.17	-	(3.48)	-
Actuarial (gain) / loss	-	-	-	-
Actual Return on Plan Assets	**0.17**	**-**	**(3.48)**	**-**
Expenses Recognised in the Statement of Profit or Loss on defined benefit plan				
Current service costs	20.19	2.76	19.82	16.28
Past service cost	-	-	-	-
Interest expense	25.71	1.75	26.72	6.17
Interest Income	(3.53)	-	(3.87)	-
Expected return on plan assets	-	-	-	-
Expenses Recognised	**42.37**	**4.51**	**42.67**	**22.45**
Expenses Recognised in the Other Comprehensive Income (OCI) on defined benefit plan				
Actuarial (gain) / loss	23.33	11.34	10.61	(0.24)
Expected return on plan assets	(0.17)	-	3.48	-
Net (Income)/ Expense for the period Recognised in OCI	**23.16**	**11.34**	**14.09**	**(0.24)**

Maturity Analysis of the Benefit Payments: From the Employer / Fund

(₹ in lacs)

Projected Benefits Payable in Future Years From the Date of Reporting	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Funded Gratuity	Unfunded Gratuity	Funded Gratuity	Unfunded Gratuity
1st Following Year	95.18	2.01	89.46	2.11
2nd Following Year	51.90	1.98	24.71	2.21
3rd Following Year	50.32	5.21	43.12	2.40
4th Following Year	37.81	4.95	38.35	4.76
5th Following Year	28.97	4.88	30.17	6.11
Sum of Years 6 to 10	105.64	19.82	111.40	36.42
Sum of Years 11 and above	108.86	24.56	275.21	165.68

(₹ in lacs)

Sensitivity Analysis	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Funded Gratuity	Unfunded Gratuity	Funded Gratuity	Unfunded Gratuity
Projected Benefits Obligations on Current Assumptions	359.93	106.54	376.99	92.66
Delta Effect +1% Change in Rate of Discounting	(12.82)	(2.37)	(19.81)	(9.28)
Delta Effect -1% Change in Rate of Discounting	14.11	2.63	22.42	10.79
Delta Effect +1% Change in Rate of Salary Increase	13.42	1.27	22.60	9.03
Delta Effect -1% Change in Rate of Salary Increase	(12.41)	(1.19)	(20.32)	(7.92)
Delta Effect +1% Change in Rate of Employee Turnover	1.06	0.05	2.53	1.32
Delta Effect -1% Change in Rate of Employee Turnover	(1.17)	(0.11)	(2.79)	(1.56)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Investments Details	As at March 31, 2021 % Invested		As at March 31, 2020 % Invested	
	Funded Gratuity	Unfunded Gratuity	Funded Gratuity	Unfunded Gratuity
Funds Managed by Life Insurance Corporation	100	-	100	-
Public Sector Unit Bonds	-	-	-	-
State / Central Guaranteed securities	-	-	-	-
Special deposit schemes	-	-	-	-
Other (excluding bank balances)	-	-	-	-
	100	-	100	-

Actuarial assumptions	Funded Gratuity	Unfunded Gratuity	Funded Gratuity	Unfunded Gratuity
Mortality (LIC)	2006-08 Ultimate		2006-08 Ultimate	
Discount rate (per annum)	6.26%	6.59%	6.82%	6.86%
Expected rate of return on plan assets (per annum)	6.26%	-	6.82%	-
Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%	5.00%

Defined Contribution Plan

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

(₹ in lacs)

Funded Gratuity for the year ended	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
Present value of DBO	359.93	376.99	354.36	344.10	353.87
Fair value of plan assets	55.38	51.68	51.29	47.93	44.52
Deficit / (Surplus)	304.55	325.31	303.07	296.17	309.34

Unfunded Gratuity for the year ended	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
Present value of DBO	106.54	92.66	79.50	46.73	42.23
Fair value of plan assets	-	-	-	-	-
Deficit / (Surplus)	106.54	92.66	79.50	46.73	42.23

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

34. 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, 2021 the following schemes were in operation :

a) Employee Stock Option Scheme 2010

Particulars	Grant 5	Grant 6
Date of Grant	July 5, 2016	June 14, 2018
Date of the Board Approval	July 5, 2016	June 14, 2018
Date of the Shareholders Approval	Sept 20, 2010	Sept 20, 2010
Number of options granted till March 31, 2021	2,150,000	1,200,000
Number of options cancelled till March 31, 2021	627,450	68,000
Number of options lapsed till March 31, 2021	1,041,700	437,570
Number of options exercised till March 31, 2021	56,250	52,000
Net options outstanding as on March 31, 2021	424,600	642,430
Vesting period from the date of grant	3 years	3 years
Exercise period from the date of vesting	2 years	2 years

b) Employee Stock Option Scheme 2012

Particulars	Grant 5	Grant 6
Date of Grant	July 5, 2016	June 14, 2018
Date of the Board Approval	July 5, 2016	June 14, 2018
Date of the Shareholders Approval	May 24, 2012	May 24, 2012
Number of options granted till March 31, 2021	3,000,000	2,600,000
Number of options cancelled till March 31, 2021	600,000	47,144
Number of options lapsed till March 31, 2021	1,555,000	145,032
Number of options exercised till March 31, 2021	565,000	5,238
Net options outstanding as on March 31, 2021	280,000	2,402,586
Vesting period from the date of grant	3 years	3 years
Exercise period from the date of vesting	2 years	2 years

C) The details of the options as on March 31, 2021 are as under:

(Nos. in lacs)

Particulars	ESOP Scheme 2010	ESOP Scheme 2012
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**
Financial Year 2020-21		
Options outstanding as on April 01, 2020	**20.14**	**39.30**
Options granted from April 01, 2020 to March 31, 2021	-	-
Options cancelled from April 01, 2020 to March 31, 2021	0.72	0.47
Options lapsed from April 01, 2020 to March 31, 2021	8.20	9.55
Options exercised April 01, 2020 to March 31, 2021	0.56	2.45
Options outstanding as on March 31, 2021	**10.67**	**26.83**

D) The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

a) Employee Stock Option Scheme 2010

Particulars	Grant 5	Grant 6
Dates of Grant	Jul 05, 2016	June 14, 2018
Market Price (₹ per share) on the dates of grant	15.80	20.65
Volatility	51.21%	57.12%
Risk free rate	6.57%	7.90%
Exercise price	13	15
Time to maturity (years)	3	3
Dividend yield	0.91%	0.00%
Option fair value (₹ per share)	7.04	11.45

b) Employee Stock Option Scheme 2012

Particulars	Grant 5	Grant 6
Dates of Grant	Jul 05, 2016	June 14, 2018
Market Price (₹ per share) on the dates of grant	15.80	20.65
Volatility	51.21%	57.12%
Risk free rate	6.57%	7.90%
Exercise price	13	15
Time to maturity (years)	3	3
Dividend yield	0.91%	0.00%
Option fair value (₹ per share)	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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

36. RELATED PARTY DISCLOSURES:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" are as under:

a) Key Managerial Personnel	: Mr. Amit Dahanukar	- Chairman & Managing Director
	: Mrs. Shivani Amit Dahanukar	- Non-Executive Director
	: Dr. Ravindra Bapat	- Independent Director
	: Mr. C V Bijlani	- Independent Director
	: Mr. Kishorekumar Mhatre	- Independent Director
	: Maj.Gen. Dilawar Singh (Retd.)	- Independent Director
	: Mr. Satish Chand Mathur	- Independent Director
	: Ms. Aparna Chaturvedi	- Independent Woman Director (from July 31, 2020)
	: Ms. Swapna Shah	- Non-Executive Director (from July 31, 2020)
	: Mr. C R Ramesh	- Whole time Director (from November 13, 2020)
	: Mr. Srijit Mullick	- Chief Financial Officer (up to September 15, 2020)
	: Mr. Gaurav Thakur	- Company Secretary (up to November 30, 2020)
	: Mr. Ajit Anant Sirsat	- Chief Financial Officer (from January 21, 2021)
	: Mr. Shekhar R Singh	- Company Secretary (from January 21, 2021)
Relative of Key Managerial Personnel	: Dr. Priyadarshini A. Dahanukar	
	: Ms. Sanaya Amit Dahanukar	
b) Entities controlled by Key Managerial Personnel	: M.L. Dahanukar & Co. Pvt. Ltd.	
	: Arunoday Investments Pvt. Ltd.	
	: Maharashtra Sugar Mills Pvt. Ltd.	
	: Smt. Malati Dahanukar Trust	
	: Dahanukar Vidyalaya Trust (Dahanukar English Medium School)	

(₹ in lacs)

Nature of Transaction (excluding reimbursements)	Parties referred in (a) above		Parties referred in (b) above	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Corporate Social Responsibility				
Smt. Malati Dahanukar Trust	-	-	26.00	22.00
Total	**-**	**-**	**26.00**	**22.00**
Donations				
Dahanukar Vidyalaya Trust (Dahanukar English Medium School)	-	-	22.20	-
Total	**-**	**-**	**22.20**	**-**
Payments to Key Managerial Personnel				
Remuneration and Sitting Fees to Executive Directors / Relatives of Holding Company	48.81	17.05	-	-
Remuneration to Chief Financial Officer / Company Secretary	88.31	95.25	-	-
Remuneration and Sitting Fees to Executive Directors of Subsidiary Companies	741.22	699.47	-	-
Sitting Fees and Consultancy Charges to Non Executive Director / Independent Director of Holding Company and Subsidiary Companies	59.90	3.60	-	-
Rent to Executive Directors / Relatives	35.13	30.29	-	-
Total	**973.37**	**845.66**	**-**	**-**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Nature of Transaction (excluding reimbursements)	Parties referred in (a) above		Parties referred in (b) above	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Repayment of Loan				
Maharashtra Sugar Mills Pvt. Ltd.	-	-	-	12.45
Total	**-**	**-**	**-**	**12.45**
Outstanding Receivable (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	**1,003.66**	**1,003.66**	**15.00**	**15.00**

Notes :

a) All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis.

(₹ in lacs)

b)

Compensation of key management personnel of the Company **	Year ended March 31, 2021	Year ended March 31, 2020
Short-term employee benefits	875.29	811.77
Directors sitting fees / Consultancy Charges	62.95	3.60
Total compensation of key management personnel of the Company	**938.24**	**815.37**

**Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.

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	Year ended March 31, 2021	Year ended March 31, 2020
a) Audit fees	17.69	17.76
b) Limited review fees	6.25	9.63
b) Reimbursement of expenses	0.10	0.17
	24.04	**27.56**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

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

(₹ in lacs)

Particulars		As at March 31, 2021	As at March 31, 2020
a)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	2,811.04	1,817.46
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 year; and	270.68	94.55
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)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit / (Loss) After Tax	(3,840.30)	26,972.76
Weighted average number of shares	1,252.11	1,251.34
Basic Earnings Per Share	(3.07)	21.56
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	1,252.11	1,255.14
Diluted Earnings Per Share	(3.07)	21.49
Face Value per Equity Share	10.00	10.00

42. The Group does not enter into any derivative instruments for trading or speculative purposes. The foreign currency exposure not hedged as at March 31, 2021 are as under:

Particulars	Currency	As at March 31, 2021		As at March 31, 2020	
		FC Amount *(in lacs)*	*(₹ in lacs)*	FC Amount *(in lacs)*	*(₹ in lacs)*
Receivable - Debtors	USD	0.08	5.66	0.25	18.87
Payable - Creditors	USD	74.28	5,440.20	74.28	5,578.81
Term Loans	USD	13.25	970.13	23.57	1,770.19

43. The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs) wherein TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from / payable to TMUs are recognised under other financial assets / other financial liabilities respectively.

(₹ in lacs)

Profit and Loss	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Revenue from operations / Other Income	49,855.40	59,752.29
Total Income	**49,855.40**	**59,752.29**
Cost of materials consumed / (Increase) / decrease in Inventories	14,046.67	16,894.34
Excise Duty	20,382.44	28,608.21
Finance Cost / Other expenses	1,692.16	1,818.72
Total expenses	**36,121.27**	**47,321.27**
Profit/(Loss)	**13,734.13**	**12,431.02**

(₹ in lacs)

In Balance Sheet	**As at March 31, 2021**	**As at March 31, 2020**
Assets		
Inventory	3,017.44	2,515.10
Trade Receivables	10,819.91	14,883.10
Cash and Bank Balances	1,015.94	606.79
Other Financial Assets	196.43	57.90
Other Assets	1,935.46	858.42
Liabilities		
Trade Payables	1,775.90	2,174.72
Provisions	1,125.86	383.96
Other Liabilities	102.81	4,431.43

44. EXCEPTIONAL ITEMS ACCOUNTED AS NET INCOME DURING 2019-20 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, during 2019-20 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 2019-20 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, during 2019-20 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

c) During 2019-20, 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.,during 2019-20 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, during 2019-20 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 body corporates 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 body corporates with their holding Company. In view of this, the management believes that no provision is considered necessary in the books of accounts.

47. The erosion of the net worth of the Group has been substantially recovered in the financial year 2019-20 and the negative networth stands at ₹ 5,571.84 lacs as at March 31, 2021. This is due to major reduction in debt resulting from compromise settlements with banks and entering into agreement, during the financial year 2019-20 with Edelweiss Asset Reconstruction Company Ltd. ("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 financial year 2020-21, 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.

48. a) Anupama Wine Distributors has filed a suit before the City Civil Court, Bangalore claiming approximately ₹ 731.10 lacs towards refund of security deposit and other dues. The Hon'ble Court vide its Order dated December 22, 2007 dismissed their application for attachment of property for recovery of the above dues. The Company has filed a counter claim for the sum of approximately ₹ 1,193.00 lacs against Anupama Wine Distributors and the matter is pending before City Civil Court, Bangalore. The matter is posted for filing evidence by Anupama Wine Distributors. The Company has filed an application to club both the matters related to Anupama Wine Distributors and Anupama Distributors as the evidences are the same. This clubbing application has been allowed.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (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.

49. The net worth of PunjabExpo Breweries Private Limited ("PunjabExpo"), a wholly owned subsidiary of the Company, has been eroded and has incurred net loss during the current year. However, the Holding 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. This would significantly improve the capacity utilisation and have favourable impact on the profitability of PunjabExpo. Moreover, PunjabExpo is also in the process of rationalisation of its administrative overheads. In order to repose faith in PunjabExpo, the Holding Company has subscribed to rights issue of 69,99,300 shares of ₹ 10 each of PunjabExpo in the month of April 2021, thereby further improving the net worth of PunjabExpo.The Board of Directors have assessed the above conditions and indicators and have come to the conclusion that no material uncertainty exists that may cast significant doubt on the PunjabExpo's ability to continue as a going concern taking into account the plans management has put in place and the other mitigating factors described above. Hence, the accounts of PunjabExpo have been prepared on a going concern basis.

50. 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, as a going concern. A liquidator has been appointed to manage the affairs of Prag and complete the liquidation process. The Holding Company has submitted a formal proposal to the two financial lenders for full and final settlement of all their claims. The settlement agreement with Standard Chartered Bank, one of the financial lenders has been entered and a sum of USD 11,00,000/- has been paid to them. The agreement with DCB bank is yet to be entered. The impairment, if any, of the project undertaken by Prag in earlier years and of the existing Building, Plant and Equipment of Prag 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. 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, as a going concern. A liquidator has been appointed to manage the affairs of Prag and complete the liquidation process. The Holding Company has submitted a formal proposal to the two financial lenders for full and final settlement of all their claims, the settlement agreement with Standard Chartered Bank, one of the financial lenders has been entered and a sum of USD 11,00,000/- have been paid to them. The agreement with DCB bank is yet to be entered. Hence, the accounts of Prag have been prepared on a going concern basis.

52. Trade Receivables of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company ("Prag"), include ₹ 586.55 lacs (P.Y. ₹ 586.55 lacs) receivable from Andhra Pradesh Beverage Corporation Ltd. towards sale of IMFL made by Prag in 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. The Earnest Money Deposit of ₹ 182.05 lacs (P.Y. ₹ 182.05 lacs) and the advances to suppliers of ₹ 210.99 lacs (P.Y. ₹ 211.00 lacs) are mainly given for the expansion of Prag capacity and the same would be capitalised as soon as the entire licence fees are paid and the plant become operational at expanded capacity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

53. Prag Distillery (P) Ltd ("Prag") 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.

54. Prag Distillery (P) Ltd ("Prag") was admitted under Corporate Insolvency Resolution Process in the year 2017 and the National Company Law Tribunal ("NCLT") has passed an order in the year 2018-19 to liquidate Prag as a going concern. A liquidator has been appointed to manage the affairs of Prag and complete the liquidation process. The manufacturing activity of Prag had ceased from the year 2019-20 and there has been no generation of income and therefore the Liquidator has not been able to make payments for salaries as well as its applicable statutory dues such as PF, ESIC, PT, etc. In view of no manufacturing / business activity during the last two years no provision for salary, wages, bonus, leave encashment and gratuity has been made in the books of accounts of Prag.

55. IMPACT OF COVID-19:

The COVID-19 pandemic has brought economies, businesses and lives around the world to a standstill, and our country is no exception. Based on the directives and advisories issued by central and state governments and other relevant authorities during the lockdown, our operations at factory / states was affected partially. Considering the unprecedented and ever evolving situation, the Group had made assessment of recoverability and carrying value of its assets comprising of tangible assets, inventories and other current assets as at March 31, 2021 and made appropriate provisions. However, the impact assessment of COVID-19 is a continuous process, given the uncertainties associated with its nature and duration. The Group will continue to closely monitor any material changes to future economic conditions. The management has taken into account the impact of COVID-19 on the business for the foreseeable future and have concluded that the Group has sufficient resources to continue as a going concern.

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 : May 29, 2021

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Ajit Anant Sirsat
Chief Financial Officer

Shekhar R Singh
Company Secretary

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG WITH ANNUAL AUDITED FINANCIAL RESULTS (CONSOLIDATED)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) ₹ in lacs	Adjusted Figures (audited figures after adjusting for qualifications) ₹ in lacs
	1	Turnover/Total income	1,42,978.37	1,42,978.37
	2	Total Expenditure	1,46,836.25	1,64,704.70
	3	Net Profit/(Loss) after tax	(3,840.30)	(21,708.75)
	4	Earnings Per Share (In ₹)	(3.07)	(17.34)
	5	Total Assets	1,01,151.97	83,283.52
	6	Total Liabilities	1,01,151.97	83,283.52
	7	Net Worth	(5,571.84)	(23,440.29)
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II.	**Audit Qualification (each audit qualification separately):**			
	a.	**Details of Audit Qualification:**	(i) The Holding Company has not carried out impairment assessment of one of the ENA plants as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets' though there is an indication of impairment. Reference is invited to note no.5 of the consolidated annual financial results. (ii) The Holding Company has not recognised impairment loss on long overdue advances given to certain parties amounting to ₹ 6074.08 lacs as required by Indian Accounting Standard (Ind AS 109) 'Financial Instruments'. Reference is invited to note no. 6 of the consolidated annual financial results. (iii) The following paragraph in respect of Basis for Qualified Opinion was included in the audit report dated May 28, 2021 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:	

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG WITH ANNUAL AUDITED FINANCIAL RESULTS (CONSOLIDATED) (Contd.)

			• We draw attention to note no. 36 of the Financial Statements which states that the Company has incurred capital expenditure of ₹ 10,010.03 lacs as at March 31, 2021 on expansion project ('the Project') grouped under the head capital work in progress. Work on the said project has been suspended and has not been completed since many years. Further the net block as on March 31, 2021 of Building, Plant and Equipment aggregating ₹ 804.75 lacs has remained idle due to shut down of the Plant. The Company has not tested the said project, building, plant and equipment ('Tangible assets') for impairment loss as per Ind AS 36 - Impairment of Assets. In absence of sufficient audit evidence, we were unable to determine the amount of impairment in the value of project and Tangible assets. • We draw attention to note no. 37 of the financial statements which states that there are unsecured overdue trade receivables of ₹ 586.55 lacs and deposits of ₹ 182.05 lacs from Andhra Pradesh Beverage Corporation Ltd and unsecured advances given to suppliers of ₹ 210.99 lacs which are long overdue and doubtful of recovery. The management has not considered any provision for allowance on doubtful trade receivables (expected credit loss), deposits and advances though it is long overdue. In absence of sufficient appropriate audit evidence and balance confirmations, we are unable to verify the recoverability amount of the trade receivables and advances. Note no. 36 and 37 of Prag as described above is reproduced as note no. 8 and 9 to the consolidated financial results respectively.
	b.	**Type of Audit Qualification:**	Qualified Opinion
	c.	**Frequency of qualification:**	Point (i) - Appearing sixth time Point (ii) - Appearing fifth time Point (iii) - Appearing second time

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG WITH ANNUAL AUDITED FINANCIAL RESULTS (CONSOLIDATED) (Contd.)

	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**	Response to Point (II)(a)(ii) In lieu of advances given to certain body 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 body corporates with their holding Company. In view of this, the management believes that no provision is considered necessary in the books of accounts. Response to Point (II)(a)(iii) • 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, as a going concern. The Official Liquidator has obtained the order of liquidation of Prag as a going concern and is in the process for the same. Tilaknagar Industries Ltd. has submitted a formal proposal to the two Financial lenders for full and final settlement of all their claims, the Settlement agreement with Standard Chartered Bank, one of the Financial Lender has been entered and a sum of USD 11,00,000/- have been paid to them. The agreement with DCB bank is yet to be entered. 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 and of the existing Building, Plant and Equipment of Prag will be considered on completion of the liquidation process/ final settlement as the case may be, as the recoverable value is not currently ascertainable.
			• Trade Receivables of Prag Distillery (P) Ltd, ("Prag"), wholly owned subsidiary of the Company, include ₹ 586.55 lacs (March 31, 2020 ₹ 586.55 lacs) receivable from Andhra Pradesh Beverage Corporation Ltd. towards sale of IMFL

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG WITH ANNUAL AUDITED FINANCIAL RESULTS (CONSOLIDATED) (Contd.)

			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. The Earnest Money Deposit and the advances to suppliers are mainly given for the expansion of prag capacity and the same would be capitalised as soon as the entire license fees are paid and the plant become operational at expanded capacity.
	e.	**For Audit Qualification(s) where the impact is not quantified by the auditor:**	
		(i) Management's estimation on the impact of audit qualification:	Nil for the reasons given at para 2(e)(ii) below
		(ii) If management is unable to estimate the impact, reasons for the same:	Response to Point (II)(a)(i) 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.
		(iii) Auditors' Comments on (i) or (ii) or(iii) above:	Refer II (a) above
III.	**Signatories:**		
	• CEO/Managing Director		Amit Dahanukar
	• CFO		Ajit Anant Sirsat
	• Audit Committee Chairman		C V Bijlani
	• Statutory Auditor		For **Harshil Shah & Company** Harshil Shah (Partner)
	Place: Mumbai		
	Date : May 29, 2021		

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, 2021, 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, 2021, the Loss (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 provision for impairment of 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. 49 of the standalone financial statements.

d. PunjabExpo Breweries Private Limited (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 loans / advances given of ₹ 4,278.64 lacs to PunjabExpo as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets'. Reference is invited to note no. 48 of the standalone financial statements.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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, 2021 the Company has significant tax exposures and is subject to periodic assessments / challenges by tax authorities on range of indirect tax matters. The Company has also filed appeals with various appellate

authorities against such demands. At March 31, 2021, the Company held provisions of approx ₹ 731.10 lacs in respect of legal claims and has disclosed total contingent liabilities of ₹ 8,390.31 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.

Auditor's response:

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

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

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

Description of Key Audit Matter:

During the year, the Company has incurred loss and has accumulated losses of ₹ 38,448.34 lacs as on March 31, 2021. Further the Company's net worth has been fully eroded as at March 31, 2021. The Company had executed a Master Restructuring Agreement during the previous year with Edelweiss Asset Reconstruction Company Limited to restructure its outstanding loans (refer note no. 29). This will result in cash outflows towards repayment of principal and interest 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.

Auditor's 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 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 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- 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.

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.

f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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
Membership No. 124146
ICAI UDIN : 21124146AAAABV6548

Place : Mumbai
Date : May 29, 2021

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 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. Pursuant to the program, most of the fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

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. The management of the Company have performed year end physical verification of inventories at most of the units. However, we were not able to physically observe the stock verification due to COVID-19 related restrictions 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, making investments and providing guarantees and securities as applicable. There were no loans granted during the year under section 185 of the Act.

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 Income Tax, 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
Central Excise Act, 1944	Excise Duty	830.39	April 2012 - January 2017	CESTAT
Sales Tax Rules	MVAT (Maharashtra)	36.94	2010-2011	Deputy Commissioner (Appeals)
Sales Tax Rules	CST (Maharashtra)	244.96	2010-2011	Deputy Commissioner (Appeals)
Sales Tax Rules	CST (Maharashtra)	295.06	2011-2012	Joint Commissioner (Appeals)
Sales Tax Rules	MVAT (Maharashtra)	1,322.25	2012-2013	Joint Commissioner (Appeals)
Sales Tax Rules	CST (Maharashtra)	1,334.96	2012-2013	Joint Commissioner (Appeals)
Sales Tax Rules	MVAT (Maharashtra)	1,290.65	2013-2014	Joint Commissioner (Appeals)
Sales Tax Rules	CST (Maharashtra)	1,201.20	2013-2014	Joint Commissioner (Appeals)
Sales Tax Rules	MVAT (Maharashtra)	57.85	2014-2015	Joint Commissioner (Appeals)
Sales Tax Rules	CST (Maharashtra)	27.29	2014-2015	Joint Commissioner (Appeals)
Sales Tax Rules	MVAT (Maharashtra)	94.35	2015-2016	Joint Commissioner (Appeals)
Sales Tax Rules	CST (Maharashtra)	146.72	2015-2016	Joint Commissioner (Appeals)
Sales Tax Rules	KVAT (Kerala)	28.31	2013-2014	Deputy Commissioner (Appeals)
Sales Tax Rules	CST (Kerala)	141.94	2013-2014	Deputy Commissioner (Appeals)
Sales Tax Rules	KVAT (Kerala)	32.17	2014-2015	Deputy Commissioner (Appeals)
Sales Tax Rules	CST (Kerala)	170.02	2014-2015	Deputy Commissioner (Appeals)
Sales Tax Rules	KVAT (Kerala)	0.43	2015-2016	Deputy Commissioner (Appeals)
Sales Tax Rules	CST (Kerala)	113.62	2015-2016	Deputy Commissioner (Appeals)
Sales Tax Rules	KVAT (Kerala)	5.12	2016-2017	Deputy Commissioner (Appeals)
Sales Tax Rules	CST (Kerala)	0.41	2016-2017	Deputy Commissioner (Appeals)
Sales Tax Rules	KVAT (Karnataka)	23.09	2011-2012	Deputy Commissioner (Appeals)
Sales Tax Rules	CST (Karnataka)	2.45	2015-2016	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 not defaulted in repayment of loans to EARC. There are no outstanding loans or borrowings from any Banks, Financial Institutions, Government and debenture holders.

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. Accordingly, paragraph 3(ix) of the Order is not applicable.

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 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.

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

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
Membership No. 124146
ICAI UDIN : 21124146AAAABV6548

Place : Mumbai
Date : May 29, 2021

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, 2021 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 nor 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

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

of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over Financial Reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls system over Financial Reporting and such Internal Financial controls over Financial Reporting were operating effectively as at March 31, 2021, 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
Membership No. 124146
ICAI UDIN : 21124146AAAABV6548

Place : Mumbai
Date : May 29, 2021

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2021

(₹ in lacs)

	Note No.	As at March 31, 2021	As at March 31, 2020
I ASSETS			
Non-current assets			
Property, Plant and Equipment	2a	44,923.99	48,023.36
Right of Use Assets	2b	44.39	81.54
Other Intangible Assets	2c	35.45	39.86
Financial Assets			
Investments	3	4,763.85	4,763.85
Loans	4	-	-
Other Financial Assets	5	2,604.45	2,517.38
Deferred Tax Assets (Net)	26	-	-
Other Non-Current Assets	6	6,975.94	6,893.01
Non-Current Tax Assets (Net)	27	363.31	455.72
		59,711.38	**62,774.72**
Current Assets			
Inventories	7	7,139.76	5,941.78
Financial Assets			
Trade Receivables	8	17,485.50	23,695.35
Cash and Cash Equivalents	9a	1,288.95	1,099.56
Other Bank Balances	9b	186.02	111.03
Loans	4	868.10	1.65
Other Financial Assets	5	5,624.22	5,165.99
Other Current Assets	6	3,172.93	2,291.43
		35,765.48	**38,306.79**
TOTAL ASSETS		**95,476.86**	**101,081.51**
II EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	12,543.46	12,513.38
Other Equity	11	(17,780.24)	(14,888.03)
		(5,236.78)	**(2,374.65)**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	12	45,895.06	48,936.09
Lease Liabilities	31	10.56	52.48
Other Financial Liabilities	13	18,166.47	20,455.44
Provisions	14	293.27	309.06
Deferred Tax Liabilities (Net)	26	-	-
Other Non-Current Liabilities	15	3,053.22	4,329.51
		67,418.58	**74,082.58**
Current Liabilities			
Financial Liabilities			
Borrowings	12	2,650.83	2,404.66
Lease Liabilities	31	45.50	39.63
Trade Payables			
Total outstanding dues of micro, small & medium enterprises	16	2,220.71	1,659.41
Total outstanding dues of creditors other than micro, small & medium enterprises	16	11,058.95	12,314.55
Other Financial Liabilities	13	12,565.44	10,118.97
Provisions	14	2,892.70	1,383.52
Other Current Liabilities	15	1,860.93	1,452.84
		33,295.06	**29,373.58**
TOTAL EQUITY AND LIABILITIES		**95,476.86**	**101,081.51**
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-52		

As per our Report of even date annexed.

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

Harshil Shah
Partner
Membership No.124146

Place : Mumbai
Date : May 29, 2021

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Ajit Anant Sirsat
Chief Financial Officer

Shekhar R Singh
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lacs)

	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
INCOME			
Revenue from Operations			
Sale of Products	17	141,624.72	147,670.32
Other Operating Income	17.1	211.70	248.07
Other Income	18	1,170.00	1,864.84
Total Income		**143,006.42**	**149,783.23**
EXPENSES			
Cost of Materials Consumed	19	29,132.08	32,086.37
(Increase) / Decrease in Inventories	20	(1,393.75)	2,857.72
Excise Duty		86,961.34	83,063.01
Employee Benefit Expense	21	1,554.84	1,897.80
Finance Cost	22	6,540.05	12,508.30
Depreciation and Amortisation	2	3,141.28	3,118.90
Other Expenses	23	19,995.75	28,892.00
Total Expenses		**145,931.59**	**164,424.10**
Profit/ (loss) before exceptional items and tax		**(2,925.17)**	**(14,640.87)**
Add/ (less) : Exceptional Items	43	-	45,518.35
Profit / (Loss) Before Tax		**(2,925.17)**	**30,877.48**
Less : Tax Expense			
1) Current Tax		-	-
2) Taxes for Earlier Years		(45.96)	85.48
3) Deferred Tax	26	-	-
Total Tax Expense		**(45.96)**	**85.48**
Profit / (Loss) After tax		**(2,879.21)**	**30,792.00**
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss			
Remeasurement of Defined Benefit Plans	32	(23.16)	(14.09)
Items that will be reclassified to Profit & Loss		**-**	**-**
Total Other Comprehensive Income / (Loss)		**(23.16)**	**(14.09)**
Total Comprehensive Income for the Year		**(2,902.37)**	**30,777.91**
Earnings per equity share	40		
1) Basic		(2.30)	24.61
2) Diluted		(2.30)	24.53
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements	2-52		

As per our Report of even date annexed.

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

Harshil Shah
Partner
Membership No.124146

Place : Mumbai
Date : May 29, 2021

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Ajit Anant Sirsat
Chief Financial Officer

Shekhar R Singh
Company Secretary

STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lacs)

		Year Ended March 31, 2021		Year Ended March 31, 2020	
A)	**Cash flow from Operating activities**				
	Net profit (Loss) before tax		**(2,925.17)**		**30,877.48**
	Adjustment for:				
	Depreciation / Amortisation	3,141.28		3,118.90	
	Loss / (Profit) on sale of assets	9.66		(1.77)	
	Gain on write back of loans under restructuring	-		(45,518.35)	
	Allowance for doubtful advances / deposits	831.88		7,372.89	
	Advances written off	29.38		2,600.62	
	Provision for non-moving and obsolete inventories	983.94		634.99	
	Bad Debts Written off	-		423.62	
	Sundry balances written back	(251.83)		(1,169.93)	
	Excess provision written back	(650.34)		-	
	Expected Credit Loss / (Write back)	358.62		(382.19)	
	Unrealised Foreign Exchange Fluctuation (Gain) / Loss	(136.46)		417.49	
	Employee stock option expenses	-		25.66	
	Finance costs	6,540.04		12,508.30	
	Interest income	(87.43)	10,768.74	(44.31)	(20,014.08)
	Operating Profit before working capital changes		**7,843.57**		**10,863.40**
	Adjustment for:				
	(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	(1,299.81)		9,329.36	
	(Increase) / Decrease in loans and advances and other assets	(3,196.34)		5,798.65	
	(Increase) / Decrease in inventories	(2,181.92)		973.81	
	(Increase) / Decrease in trade receivables	5,851.24	(826.83)	(6,042.01)	10,059.81
	Direct taxes (net) refund / (paid)		138.38		(161.34)
	Net Cash from Operating activities		**7,155.12**		**20,761.87**
B)	**Cash Flow from Investing activities**				
	Purchase of property, plant and equipment	(7.66)		(47.44)	
	Sale of property, plant and equipment	1.95		4.45	
	(Increase) / Decrease in other bank balances	(74.99)		28.64	
	Interest received	46.32		44.31	
	Net Cash from Investing Activities		**(34.38)**		**29.96**
C)	**Cash Flow from Financing activities**				
	Issue of share capital	40.25		-	
	Proceeds from borrowings	3,337.57		5,111.25	
	Repayment of borrowings including current maturities	(4,765.32)		(4,595.70)	
	Payment of unclaimed dividend	(10.39)		(6.42)	
	Principal payment of lease liabilties	(51.23)		(30.34)	
	Finance costs paid	(5,482.23)		(21,268.91)	
	Net Cash from Financing Activities		**(6,931.35)**		**(20,790.12)**
	Net increase in Cash & Cash equivalents (A+B+C)		**189.39**		**1.71**
	Opening cash & cash equivalents		**1,099.56**		**1,097.85**
	Closing cash & cash equivalents		**1,288.95**		**1,099.56**

STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2021

Notes:

(a) Cash and cash equivalents comprises of

(₹ in lacs)

		As at March 31, 2021	As at March 31, 2020
i)	Balances with Banks		
	In Current Accounts	1,274.23	1,086.30
ii)	Short-Term Bank Deposits	7.49	3.45
	(Maturity within 3 months)		
iii)	Cash on Hand	7.23	9.81
		1,288.95	**1,099.56**

(b) Change in liability arising from financing activities

	As at April 01, 2020	Cash Flow (net)	Non Cash Transaction	As at March 31, 2021
Borrowings including current maturities (Refer Note 12 & 13)	53,388.07	(6,909.98)	7,662.54	54,140.63

(c) The above standalone statement of cash flow have been prepared under the "Indirect Method" as set out in Ind AS 7, "Statement of cash flow."

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

As per our Report of even date annexed.

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

Harshil Shah
Partner
Membership No.124146

Place : Mumbai
Date : May 29, 2021

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Ajit Anant Sirsat
Chief Financial Officer

Shekhar R Singh
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lacs)

		As at March 31, 2021	As at March 31, 2020
A)	**Equity Share Capital**		
	Balance at the beginning of the year	**12,513.38**	**12,513.38**
	Changes in Equity Share Capital during the year	30.08	-
	Balance at the end of the year	**12,543.46**	**12,513.38**

B) Other Equity

(₹ in lacs)

		Reserves and Surplus				
		Securities Premium Account	General Reserve	Share Based Payments Reserve	Retained Earnings	Total
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) after tax	-	-	-	30,792.00	**30,792.00**
b)	Remeasurement of defined benefit plans	-	-	-	(14.09)	**(14.09)**
c)	Exercise of Employee Stock Options	-	-	-	-	**-**
d)	Share based payment reserve created during the year	-	-	25.66	-	**25.66**
e)	Transfer to General Reserve	-	-	-	-	**-**
f)	Allotment of shares to employees	-	-	-	-	**-**
Balance as at March 31, 2020		**18,725.33**	**1,430.01**	**502.60**	**(35,545.97)**	**(14,888.03)**
Additions during the year :						
a)	Profit / (Loss) after tax	-	-	-	(2,879.21)	**(2,879.21)**
b)	Remeasurement of defined benefit plans	-	-	-	(23.16)	**(23.16)**
c)	Exercise of Employee Stock Options	23.69	-	(23.69)	-	**-**
d)	Share based payment reserve created during the year	-	-	-	-	**-**
e)	Transfer to General Reserve	-	90.23	(90.23)	-	**-**
f)	Allotment of shares to employees	10.16	-	-	-	**10.16**
Balance as at March 31, 2021		**18,759.18**	**1,520.24**	**388.68**	**(38,448.34)**	**(17,780.24)**

As per our Report of even date annexed.

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

Harshil Shah
Partner
Membership No.124146

Place : Mumbai
Date : May 29, 2021

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Ajit Anant Sirsat
Chief Financial Officer

Shekhar R Singh
Company Secretary

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

1.1 CORPORATE INFORMATION

Tilaknagar Industries Ltd. ('TI' or 'the 'Company') is a Company domiciled in India, with its registered office situated at PO Tilaknagar, Tal Shrirampur, Dist. Ahmednagar, Maharashtra - 413720.The Company has been incorporated under the provisions of Indian Companies Act and its equity is listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company is primarily involved in manufacturing and sale of Indian Made Foreign Liquor (IMFL). The Company has a strong and diverse portfolio of brands in various liquor categories including brandy, whisky, vodka, gin, and rum.

1.2 BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on May 29, 2021.

Details of the Company's accounting policies are included in Note 1.3.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lacs, unless otherwise indicated.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets / liabilities measured at fair value.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

1) Useful life of Property, plant and equipment.
2) Useful life of Intangible Assets
3) Employee benefit plans
4) Provisions and contingent liabilities
5) Lease classification
6) Income tax

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment for the year end March 31, 2021 is included in the following notes:

Note No 30-Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement at fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

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

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

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

fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

1.3 SIGNIFICANT ACCOUNTING POLICIES

i) Property, plant and equipment

a) Recognition and measurement

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

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

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

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of Profit & Loss.

b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

c) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful Life as per Schedule II of the Companies Act, 2013
Factory Buildings	30	30
Plant and equipment (other than ENA plants)	15	15
ENA Plants	20	15
Furniture and Fixtures	10	10
Motor Vehicles	8	8
Office Equipments	5	5
Computers	3	3
Computer server	6	6
Electrical Installations	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

ii) Intangible assets

a) Acquired intangible assets

Intangible assets comprise purchased technical know-how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit and loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iii) Inventories

Inventories are measured at the lower of cost and net realisable value after provision for obsolescence where appropriate. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable values.

The comparison of cost and net realisable value is made on an item-by-item basis.

Scrap is valued at net realisable value.

iv) Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Monetary items are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit & loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

v) Impairment of non-financial assets

An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency. Recoverable value is the higher of the 'Value in Use' and fair value as reduced by cost of disposal. Test of impairment of PPE (Property, Plant & Equipment) investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets and Investment Properties it is undertaken in asset specific context. Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

vi) Employee Benefits

a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are

expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

b) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered Provident Fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit or loss in the year during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

c) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in statement of profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

d) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in statement of profit or loss in the period in which they arise.

vii) Provisions and contingent liabilities

A provision is recognised 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 recognised as finance cost.

The amount recognised 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 recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

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 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 recognises 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 recognised 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 recognised 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 recognised when the Company's right to receive the payment is established, which is generally when the shareholders approve the dividend.

xi) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the statement of profit and loss on a systematic basis over the periods to which they relate. When the grant relates to an asset, it is treated as deferred income and recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

xii) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

xiii) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss after tax attributable to ordinary shareholders and the weighted average number

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

xiv) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit / (loss) for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. Cash and cash equivalents are cash, balances with bank and short-term (three months or less from the date of placement), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

xv) Share based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

xvi) Financial instruments

a) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

In case, the fair value of a financial asset or financial liability, at initial recognition, differs from the transaction price, the difference between the fair value at initial recognition and the transaction price -

(i) is recognised as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation.

(ii) is deferred and is recognised as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. The unamortised portion of the deferred fair value gain / loss difference as on reporting date, is disclosed under other current / non-current assets / liabilities as the case may be.

c) Derecognition

Financial assets

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

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

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

- 12 months expected credit losses, or
- Lifetime expected credit losses depending upon whether there has been a significant increase in credit risk since initial recognition. However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

xvii) Recent amendments to Indian Accounting Standards:

On July 24, 2020, the Ministry of Corporate Affairs (MCA) had issued amendments to certain Ind AS as follows:

a) Ind AS 103 - Business Combinations:

The definition of the term "business" has been revised. An optional test has been introduced to identify concentration of fair value to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Additional guidance with elements of business and on assessing whether an acquired process is substantive. An entity is required to apply the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after April 01, 2020 and to asset acquisitions that occur on or after the beginning of that period. There was no impact on the financial statements of the Company on adoption of the above amendments for the year.

b) Ind AS 107 - Financial Instruments: Disclosures:

Additional disclosures have been introduced for uncertainties arising from interest rate benchmark reforms consequential to the hedge accounting related amendments in the Ind AS 109 – Financial Instruments. The Company did not have any transactions during the year to which these amendments were applicable.

c) Ind AS 109 - Financial Instruments:

Temporary exceptions from applying specific hedge accounting requirements have been introduced for all hedging relationships directly affected by 'interest rate benchmark reform'. (i.e. the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate).

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

This amendment is effective for annual reporting periods beginning on or after April 01, 2020. The Company did not have any transactions during the year to which these amendments were applicable.

d) Ind AS 116 - Leases:

A practical expedient has been allowed to permit lessees to exclude COVID-19 related rent concessions to be treated as a lease modification. This amendment is applicable to the Company from annual reporting periods beginning on or after April 01, 2020. There were no rent concessions during the year and accordingly, there was no impact on the financial statements of the Company on adoption of the above amendments for the year.

e) Ind AS 1 - Presentation of Financial Statements and Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors (and consequential amendments to other Ind AS):

The definition of the term "material" has been revised and is applicable prospectively for annual periods beginning on or after April 01, 2020. Consequent to the revised definition of "material", certain amendments were also notified in the Ind AS 10 - Events after the Reporting Period, Ind AS 34 - Interim Financial Reporting and Ind AS 37 -Provisions, Contingent Liabilities and Contingent Assets.There was no impact on the financial statements of the Company on adoption of this amendment for the year.

f) Standards issued but not yet effective:

As on the date of approval of these financial statements, there were no new standards or amendments which have been notified but not yet adopted by the Company and expected to have any material impact on the financial statements of the Company.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

2. PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	Deductions	For the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
a) Property, Plant and Equipment										
(Owned Assets)										
Land	13,498.80	-	-	13,498.80	-	-	-	-	13,498.80	13,498.80
Buildings	8,742.67	-	2.83	8,739.84	2,663.20	1.31	236.60	2,898.49	5,841.35	6,079.47
Roads & Bridges	132.69	-	-	132.69	33.99	-	33.40	67.39	65.30	98.70
Leasehold Improvement	42.00	-	-	42.00	24.92	-	4.03	28.95	13.05	17.08
Plant and Equipment	49,625.80	6.08	60.88	49,571.00	22,338.83	52.89	2,613.47	24,899.41	24,671.59	27,286.97
Furniture and Fixtures	331.38	-	-	331.38	247.10	-	19.61	266.71	64.67	84.28
Motor Vehicles	347.48	-	19.01	328.47	311.92	16.97	13.96	308.91	19.56	35.56
Office Equipment	308.07	0.28	0.63	307.72	288.60	0.59	2.79	290.80	16.92	19.47
Computers	882.88	1.28	0.16	884.00	832.43	0.15	8.61	840.89	43.11	50.45
Electrical Installations	1,816.23	-	-	1,816.23	963.90	-	162.94	1,126.84	689.39	852.33
Library Books	0.28	-	-	0.28	0.28	-	-	0.28	-	-
Live Stock	0.25	-	-	0.25	-	-	-	-	0.25	0.25
Total Property, Plant and Equipment	**75,728.53**	**7.64**	**83.51**	**75,652.66**	**27,705.17**	**71.91**	**3,095.41**	**30,728.67**	**44,923.99**	**48,023.36**
b) Right Of Use Asset										
Premises	120.90	8.16	8.00	121.06	39.36	4.15	41.46	76.67	44.39	81.54
Total Right Of Use Asset	**120.90**	**8.16**	**8.00**	**121.06**	**39.36**	**4.15**	**41.46**	**76.67**	**44.39**	**81.54**
c) Intangible Assets										
Brands	3,345.07	-	-	3,345.07	3,345.07	-	-	3,345.07	-	-
Software	588.19	-	-	588.19	548.33	-	4.41	552.74	35.45	39.86
Product Development	173.94	-	-	173.94	173.94	-	-	173.94	-	-
Total Intangible Assets	**4,107.20**	**-**	**-**	**4,107.20**	**4,067.34**	**-**	**4.41**	**4,071.75**	**35.45**	**39.86**
Grand Total	**79,956.63**	**15.80**	**91.51**	**79,880.92**	**31,811.87**	**76.06**	**3,141.28**	**34,877.09**	**45,003.83**	**48,144.76**

2. PROPERTY, PLANT AND EQUIPMENT (SCHEDULE FOR THE PREVIOUS YEAR 2019-2020)

(₹ in lacs)

	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	As at April 01, 2019	Deductions	For the year	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
a) Property, Plant and Equipment										
(Owned 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	6,191.49
Roads & Bridges	27.02	105.67	-	132.69	25.67	-	8.32	33.99	98.70	1.35
Leasehold Improvement	42.00	-	-	42.00	20.89	-	4.03	24.92	17.08	21.11
Plant and Equipment	49,372.71	253.09	-	49,625.80	19,737.16	-	2,601.67	22,338.83	27,286.97	29,635.55
Furniture and Fixtures	331.38	-	-	331.38	225.83	-	21.27	247.10	84.28	105.55
Motor Vehicles	367.96	-	20.48	347.48	309.89	17.80	19.83	311.92	35.56	58.07
Office Equipment	306.91	1.16	-	308.07	285.34	-	3.26	288.60	19.47	21.57
Computers	878.37	4.51	-	882.88	822.48	-	9.95	832.43	50.45	55.89
Electrical Installations	1,797.55	18.68	-	1,816.23	795.95	-	167.95	963.90	852.33	1,001.60
Library Books	0.28	-	-	0.28	0.28	-	-	0.28	-	-
Live Stock	0.25	-	-	0.25	-	-	-	-	0.25	0.25
Total Property, Plant and Equipment	**75,240.64**	**508.37**	**20.48**	**75,728.53**	**24,649.41**	**17.80**	**3,073.56**	**27,705.17**	**48,023.36**	**50,591.23**
b) Right Of Use Asset										
Premises	106.84	18.13	4.07	120.90	-	1.55	40.91	39.36	81.54	-
Total Right Of Use Asset	**106.84**	**18.13**	**4.07**	**120.90**	**-**	**1.55**	**40.91**	**39.36**	**81.54**	**-**
c) 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	44.29
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**	**44.29**
Grand Total	**79,454.68**	**526.50**	**24.55**	**79,956.63**	**28,712.32**	**19.35**	**3,118.90**	**31,811.87**	**48,144.76**	**50,635.52**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

3. INVESTMENTS

(₹ in lacs)

		As at March 31, 2021		As at March 31, 2020	
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	1,498,050	1,864.88	1,498,050	1,864.88
	Kesarval Springs Distillers Pvt. Ltd.	30,000	150.00	30,000	150.00
	Equity shares of ₹ 10/- each				
	Prag Distillery (P) Ltd.	3,681,000	1,543.35	3,681,000	1,543.35
	PunjabExpo Breweries Private Limited	5,600,000	1,080.40	5,600,000	1,080.40
	Mykingdom Ventures Pvt. Ltd.	10,000	20.00	10,000	20.00
	Studd Projects P. Ltd.	10,000	1.00	10,000	1.00
	Srirampur Grains Pvt. Ltd.	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.	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		0.51		0.51
	Government authorities)				
	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
			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
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

4. LOANS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good				
Employee Loans	-	-	0.47	1.65
Loan to Subsidiary Companies* (Refer Note 35 & 50)	-	-	867.63	-
	-	**-**	**868.10**	**1.65**

* Represents loan given to Private Companies where the Director of the Company is a Director.

5. OTHER FINANCIAL ASSETS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Term Bank Deposits	319.77	257.44	-	-
(Maturity exceeding 12 months)				
Advance to Employees	-	-	8.00	7.48
Deposits	4,352.22	4,327.48	-	-
Electricity Subsidy Receivable	-	-	-	106.02
Others	811.08	811.08	14.52	9.75
Advance with Tie-up Units	-	-	-	-
Advances to Subsidiary Companies * (Refer Note 35 & 50)	-	-	12,821.94	11,431.10
	5,483.07	**5,396.00**	**12,844.46**	**11,554.35**
Less : Allowance for doubtful deposits	(2,068.42)	(2,068.42)	-	-
Less : Allowance for doubtful other financial assets	(810.20)	(810.20)	-	-
Less : Allowance for doubtful advances with tie up units	-	-	-	-
Less : Allowance for doubtful advances to Subsidiaries	-	-	(7,220.24)	(6,388.36)
	2,604.45	**2,517.38**	**5,624.22**	**5,165.99**

* 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balance at the beginning of the year	**2,068.42**	**-**	**-**	**-**
Loss allowance (net)	-	2,068.42	-	-
Write off	-	-	-	-
Balance at the end of the year	**2,068.42**	**2,068.42**	**-**	**-**

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

Particulars	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balance at the beginning of the year	**810.20**	**472.20**	**-**	**-**
Loss allowance (net)	-	361.06	-	-
Write off	-	(23.06)	-	-
Balance at the end of the year	**810.20**	**810.20**	**-**	**-**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

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

(₹ in lacs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balance at the beginning of the year	**-**	**-**	**-**	**6,300.95**
Loss allowance (net)	-	-	-	-
Write off	-	-	-	(6,300.95)
Balance at the end of the year	**-**	**-**	**-**	**-**

5.4 Movement in loss allowance for doubtful advances to subsidary companies is provided below :

Particulars	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balance at the beginning of the year	**-**	**-**	**6,388.36**	**6,348.99**
Loss allowance (net)	-	-	831.88	39.37
Write off	-	-	-	-
Balance at the end of the year	**-**	**-**	**7,220.24**	**6,388.36**

6. OTHER ASSETS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good				
Capital advances	6,075.21	6,077.35	-	-
Balance with Government Authorities	896.40	811.24	852.47	527.20
Deposits with Court	4.33	4.42	-	-
Advances to Suppliers	-	-	6,795.37	6,590.61
Prepaid Expense	-	-	176.66	77.68
	6,975.94	**6,893.01**	**7,824.50**	**7,195.49**
Less : Allowance for doubtful advances	-	-	(4,651.57)	(4,904.06)
	6,975.94	**6,893.01**	**3,172.93**	**2,291.43**

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

Particulars	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balance at the beginning of the year	**-**	**-**	**4,904.06**	**1,200.38**
Loss allowance (net)	-	-	(252.49)	4,904.06
Write off	-	-	-	(1,200.38)
Balance at the end of the year	**-**	**-**	**4,651.57**	**4,904.06**

7. INVENTORIES

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(At lower of cost and net realisable value)		
Raw Materials	1,114.85	455.35
Stores, Spares and Packing Materials	1,749.06	2,604.33
Work-In-Progress	273.72	1,027.31
Finished Goods	4,002.13	1,854.79
	7,139.76	**5,941.78**

Amounts recognised in the Statement of Profit and Loss:

Provision for non-moving and obsolete inventories for the year amounting to ₹ 983.94 lacs (P.Y ₹ 634.99 lacs) has been recognised as an expense during the year and is included in Other Expenses in the Statement of Profit and Loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

8. TRADE RECEIVABLES

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	17,572.43	23,814.42
Unsecured, considered doubtful	460.63	69.87
High Credit Risk	-	-
Credit Impaired	-	-
	18,033.06	**23,884.29**
Less: Expected Credit Loss	547.56	188.94
	17,485.50	**23,695.35**

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

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of the year	**188.94**	**571.13**
Loss allowance (net)	358.62	41.43
Write off	-	(423.62)
Balance at the end of the year	**547.56**	**188.94**

9. CASH AND BANK BALANCES

(₹ in lacs)

		As at March 31, 2021	As at March 31, 2020
a)	**Cash and Cash Equivalents**		
i)	Balances with Banks		
	In Current Accounts	1,274.23	1,086.30
ii)	Short-Term Bank Deposits	7.49	3.45
	(Maturity within 3 months)		
iii)	Cash on Hand	7.23	9.81
		1,288.95	**1,099.56**
b)	**Other Bank Balances**		
i)	Earmarked Balances with Banks	11.85	22.24
	(Unpaid Dividend Accounts)		
ii)	Short-Term Bank Deposits	174.17	88.79
	(Maturity within 12 months)		
		186.02	**111.03**
		1,474.97	**1,210.59**

10. EQUITY SHARE CAPITAL

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Authorised Shares		
150,000,000 equity shares of ₹ 10/- each	**15,000.00**	**15,000.00**
(P.Y. 150,000,000 equity shares of ₹ 10/- each)		
Issued, subscribed and paid up shares		
125,434,603 equity shares of ₹ 10/- each fully paid up	12,543.46	12,513.38
(P.Y. 125,133,765 equity shares of ₹ 10/- each fully paid up)		
Of the above shares:-		
86,176,200 equity shares of ₹ 10/- each fully paid-up bonus shares issued by capitalisation of share premium, capital reserve and general reserve		
	12,543.46	**12,513.38**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

a) Reconciliation of the number of shares outstanding

(Nos. in lacs)

	As at March 31, 2021	As at March 31, 2020
Number of equity shares at the beginning of the year	1,251.34	1,251.34
Equity shares issued during the year	3.01	-
Number of equity shares at the end of the year	**1,254.35**	**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, 2021		As at March 31, 2020	
	No. of equity shares	As a % of total holding	No. of equity shares	As a % of total holding
Shivani Amit Dahanukar	329.76	26.29%	329.76	26.35%
Amit Dahanukar	298.45	23.79%	298.45	23.85%
Total	**628.21**	**50.08%**	**628.21**	**50.20%**

11. OTHER EQUITY

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
a) Securities Premium Account		
Balance at the beginning of the year	18,725.33	18,725.33
Allotment of shares to employees	10.16	-
Exercise of Employee Stock Options	23.69	-
Balance at the end of the year	**18,759.18**	**18,725.33**
b) General Reserve		
Balance at the beginning of the year	1,430.01	1,430.01
Transfer from Share Based Payment Reserve Account	90.23	-
Balance at the end of the year	**1,520.24**	**1,430.01**
c) Share Based Payments Reserve Account		
Balance at the beginning of the year	502.60	476.94
Transfer to General Reserve	(90.23)	-
Exercise of Employee Stock Options	(23.69)	-
Share based payment reserve created during the year	-	25.66
Balance at the end of the year	**388.68**	**502.60**
d) Retained Earnings		
Balance at the beginning of the year	(35,545.97)	(66,323.88)
Add: Profit / (Loss) after tax for the year	(2,879.21)	30,792.00
Add: Remeasurement of defined benefit plans	(23.16)	(14.09)
Balance at the end of the year	**(38,448.34)**	**(35,545.97)**
	(17,780.24)	**(14,888.03)**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

12. BORROWINGS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Secured Loans				
From Asset Reconstruction Company (Refer Note 29)				
Rupee Term Loans	29,142.17	32,898.81	-	-
Balance Debts	10,168.88	9,034.92	-	-
Other Debts	3,386.75	3,386.75	-	-
Unsecured				
Vendor Financing	3,197.26	3,615.61	-	-
From other parties	-	-	2,650.83	2,404.66
	45,895.06	**48,936.09**	**2,650.83**	**2,404.66**

a) The loans from Asset Reconstruction Company ("term loans") are secured against all the tangible / intangible assets and current assets of the Company, both present and future.

b) The term loans are also secured against all the fixed assets and current assets, both present and future of the wholly owned subsidiary companies i.e. Vahni Distilleries Private Limited and PunjabExpo Breweries Private Limited. The said security creation is pending.

c) The term loans are further secured by way of first charge of unpledged shareholding of the Company held by the Promoter, second charge by way of pledge of already pledged shareholding of the Company held by the Promoter and pledge of 100% shareholding of the Subsidiary Companies. The said security creation is pending.

d) The term loans outstanding at the end of the financial year have been guaranteed by the personal guarantee of Chairman & Managing Director of the Company.

e) Subsidiary Companies i.e. Vahini Distilleries Private Limited and PunjabExpo Breweries Private Limited are the Corporate Obligor to the term loans from Edelweiss Asset Reconstruction Company (EARC).

f) The term loans from Edelweiss Asset Reconstruction Company (EARC) are repayable by March 31, 2024 as per the repayment schedule provided by EARC. Interest is payable on Quarterly basis @ 9.00% (compounded quarterly).

g) Other debts of ₹ 3,386.75 lacs from Asset Reconstruction Company (EARC) has been converted into equity shares of 139.04 lacs which have been alloted to EARC on April 24, 2021.

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

(₹ in lacs)

Lender trusts	Current	Non Current	
	Less than 1 year	1 to 2 years	2 - 3 years
EARC trust SC 233	560.00	680.00	1,567.69
EARC trust SC 241	2,800.00	3,400.00	18,896.68
EARC trust SC 269	1,120.00	1,360.00	3,237.80
Total	**4,480.00**	**5,440.00**	**23,702.17**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

13. OTHER FINANCIAL LIABILITIES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Trade Deposits & Others (Unsecured)	18,166.47	20,455.44	-	-
Current maturities of Rupee Term Loans	-	-	4,480.00	1,640.00
Current maturities of Vendor Financing	-	-	1,114.74	407.32
Payable for purchase of Fixed Assets	-	-	6,093.26	6,093.26
Employee dues	-	-	600.05	574.26
Unclaimed Dividend	-	-	11.85	22.24
Other Payables	-	-	265.54	1,381.89
	18,166.47	**20,455.44**	**12,565.44**	**10,118.97**

14. PROVISIONS

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provision for Gratuity (Refer Note 32)	252.14	264.56	52.41	60.75
Provision for Leave Encashment	41.13	44.50	14.00	17.69
Provision for Excise Duty on Finished Goods	-	-	2,826.29	1,305.08
	293.27	**309.06**	**2,892.70**	**1,383.52**

15. OTHER LIABILITIES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Payable towards Statutory Liabilities	-	-	584.65	318.88
Deferred Fair Value Gain (Refer Note 29)	3,053.22	4,329.51	1,276.28	1,133.96
	3,053.22	**4,329.51**	**1,860.93**	**1,452.84**

16. TRADE PAYABLES

(₹ in lacs)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro, small & medium enterprises (Refer Note 39)	-	-	2,220.71	1,659.41
Total outstanding dues of creditors other than micro, small & medium enterprises	-	-	11,058.95	12,314.55
	-	**-**	**13,279.66**	**13,973.96**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

17. REVENUE FROM OPERATIONS

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers		
Sales of products	141,624.72	147,670.32
	141,624.72	**147,670.32**
Reconciliation of Gross Revenue with Revenue from Contracts with Customers		
Contract price	142,314.05	148,807.82
Less: Discount / Demurrage	689.33	1,137.50
Revenue recognised	**141,624.72**	**147,670.32**

17.1 Other Operating Income

Sale of by products, scrap and other income	73.19	86.82
Royalty	138.51	161.25
	211.70	**248.07**

18. OTHER INCOME

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Duty drawback on exports	0.50	0.37
Sundry balance written back	251.83	1,169.93
Excess provision written back	650.34	-
Interest income on margin money / fixed deposits/ others	87.43	44.31
Foreign Exchange Fluctuation Gain	136.46	-
Reversal of Expected Credit Loss on trade receivables	-	382.19
Profit on sale of fixed asset	-	1.77
Electricity Refund	-	203.54
Miscellaneous receipts	43.44	62.73
	1,170.00	**1,864.84**

19. COST OF MATERIALS CONSUMED

(₹ in lacs)

		Year ended March 31, 2021	Year ended March 31, 2020
i)	Raw Material Consumption		
	Inventories at the beginning of the year	455.35	705.76
	Add: Purchases	15,183.90	15,655.95
	Less: Inventories at the end of the year	1,114.85	455.35
		14,524.40	**15,906.36**
ii)	Packing Materials & Consumables	14,607.68	16,180.01
		29,132.08	**32,086.37**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

20. (INCREASE) / DECREASE IN INVENTORIES

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the year		
i) Work-In-Progress	1,027.31	1,601.75
ii) Finished Goods	1,854.79	4,138.07
	2,882.10	**5,739.82**
Less : Inventories at the end of the year		
i) Work-In-Progress	273.72	1,027.31
ii) Finished Goods	4,002.13	1,854.79
	4,275.85	**2,882.10**
(Increase) / Decrease in Inventories	**(1,393.75)**	**2,857.72**

21. EMPLOYEE BENEFIT EXPENSE

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages and Bonus	1,362.50	1,645.21
Employee Stock Option Expenses	-	25.66
Contribution to provident fund and family pension fund (Refer Note 32)	84.95	96.87
Staff welfare expenses	65.02	87.39
Gratuity (Refer Note 32)	42.37	42.67
	1,554.84	**1,897.80**

22. FINANCE COST

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest on Term Loans	3,081.79	3,091.58
Interest on Cash Credits / Working Capital Demand Loan	-	6,326.64
Interest on Lease Liabilities	10.87	14.51
Others *	3,447.39	3,075.57
	6,540.05	**12,508.30**

* Includes unwinding of discount of ₹ 1,133.96 lacs (P.Y ₹ 1,007.51 lacs) and amortisation of deferred fair value gains of ₹ 1,133.96 lacs (P.Y ₹ 1,007.51 lacs)

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

23. OTHER EXPENSES

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Power and fuel	334.25	345.25
Repairs & maintenance		
i) Plant & Equipment	11.34	14.70
ii) Buildings	0.97	0.04
iii) Others	123.08	192.44
Insurance	67.10	106.41
Rent (Refer Note 31)	19.91	23.75
Contract manufacturing cost	3,773.02	3,228.62
Legal and professional charges	473.15	1,176.27
Auditor's Remuneration (Refer Note 37)	14.00	17.40
Rates and taxes	2,036.00	2,133.90
Freight, transport charges & other expenses	1,989.08	1,983.96
Selling expenses [Sales Promotion & Advertising etc.]	8,210.07	7,483.75
Travelling and conveyance expenses	47.94	62.81
Printing and stationery	19.43	27.29
Communication expenses	23.54	48.04
Vehicle running expenses	7.55	20.01
Director sitting fees(Refer Note 35)	43.24	4.30
Expected Credit Loss on trade receivables	358.62	-
Bad Debts	-	423.62
Loss on Sale of Assets	9.66	-
Donation	47.20	0.50
Corporate Social Responsibility	44.83	39.49
Foreign Exchange Fluctuation Loss	-	417.49
Provision for non-moving and obsolete inventories	983.94	634.99
Allowance for doubtful advances / deposits	831.88	7,372.89
Advances written off	29.38	2,600.62
Miscellaneous Expenses	496.57	533.46
	19,995.75	**28,892.00**

24. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATION AND FAIR VALUE MEASUREMENTS

a) The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

b) The following methods and assumptions were used to estimate the fair value:

1) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rate and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

c) The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

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

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

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

The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels in the fair value hierarchy :

As at March 31, 2021

(₹ in lacs)

	Carrying amount			
	FVOCI - Equity Instruments	Financial assets - cost / amortised cost	Financial liabilities - cost / amortised cost	Total carrying amount
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	-	17,485.50	-	17,485.50
Cash and Cash Equivalents	-	1,288.95	-	1,288.95
Other Bank Balances	-	186.02	-	186.02
Loans	-	868.10	-	868.10
Other Financial Assets	-	8,228.67	-	8,228.67
	-	**32,818.17**	**-**	**32,818.17**
Financial liabilities not measured at fair value				
Borrowings	-	-	48,545.89	48,545.89
Lease Liabilities	-	-	56.06	56.06
Trade Payables	-	-	13,279.66	13,279.66
Other Financial Liabilities	-	-	30,731.91	30,731.91
	-	**-**	**92,613.52**	**92,613.52**

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 not 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**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (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	-	-	51,340.75	51,340.75
Lease Liabilities	-	-	92.11	92.11
Trade Payables	-	-	13,973.96	13,973.96
Other Financial Liabilities	-	-	30,574.41	30,574.41
	-	**-**	**95,981.23**	**95,981.23**

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

Fair Value Measurement Hierarchy :

(₹ in lacs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	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

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, 2021	As at March 31, 2020
Trade Receivables	17,485.50	23,695.35
Cash and Cash Equivalents	1,288.95	1,099.56
Other Bank Balances	186.02	111.03
Loans	868.10	1.65
Other Financial Assets	8,228.67	7,683.37
Total	**28,057.24**	**32,590.96**

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, 2021	17,485.50	17,485.50	-
As at March 31, 2020	23,695.35	23,695.35	-

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
FOR THE YEAR ENDED MARCH 31, 2021 (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, 2021

(₹ in lacs)

	Contractual cash flows		
	Carrying amount	Less than one year	More than 1 year
Borrowings	48,545.89	2,650.83	45,895.06
Lease Liabilities	56.06	45.50	10.56
Trade Payables	13,279.66	13,279.66	-
Other Financial Liabilities	30,731.91	12,565.44	18,166.47
	92,613.52	**28,541.43**	**64,072.09**

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
Trade Payables	13,973.96	13,973.96	-
Other Financial Liabilities	30,574.41	10,118.97	20,455.44
	95,981.23	**26,537.22**	**69,444.01**

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, 2021 USD	As at March 31, 2020 USD
Export receivables	0.08	0.25
Overseas payables	(74.28)	(74.28)
Total	**(74.20)**	**(74.03)**

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, 2021	As at March 31, 2020
Increase / (decrease) in profit	(54.35)	(55.60)
Total increase / (decrease) in profit	**(54.35)**	**(55.60)**

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, 2021	As at March 31, 2020
Fixed rate instruments		
Financial liabilities		
Borrowings	72,307.10	73,843.51
Total	**72,307.10**	**73,843.51**
Variable-rate instruments		
Financial liabilities		
Borrowings	-	-
Total	**-**	**-**

Cash flow sensitivity analysis for variable-rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

(₹ in lacs)

Particulars	Profit or loss
March 31, 2021	
Variable-rate instruments	-
Cash flow sensitivity	**-**
March 31, 2020	
Variable-rate instruments	-
Cash flow sensitivity	**-**

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
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

26. DEFERRED TAX ASSETS / (LIABILITIES)

The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet :

(₹ in lacs)

Movement in deferred tax assets / (liabilities) during the year	Opening Balance as at April 01, 2020	Recognised in statement of Profit & loss	Closing Balance as at March 31, 2021
Deferred Tax liabilities in relation to			
Property Plant & Equipment	(5,913.28)	442.42	(5,470.86)
Total A	**(5,913.28)**	**442.42**	**(5,470.86)**
Deferred Tax Assets in relation to			
Lease Liabilities/ ROU assets	2.66	0.28	2.94
Employee Benefit obligation	104.84	(8.11)	96.74
Provision/ Impairment for Doubtful Debts/ Advances/ Deposits	3,614.12	236.08	3,850.20
Impairment in value of Investments	80.29	-	80.29
Unabsorbed depreciation	2,111.38	(670.68)	1,440.70
Total B	**5,913.28**	**(442.42)**	**5,470.86**
Total (A+B)	**-**	**-**	**-**

26.1 Deferred tax asset on unabsorbed depreciation under Income Tax Act, has been recognised to the extent it is probable that future taxable income will be available against which these can be utilised. Accordingly, deferred tax assets have not been created on balance unabsorbed depreciation and carried forward business losses of ₹ 29,219.46 lacs as on March 31, 2021 (P.Y. ₹ 23,329.07 lacs).

27. INCOME TAXES

(₹ in lacs)

		Year ended March 31, 2021	Year ended March 31, 2020
a)	**Income Tax recognised in the Statement of Profit and Loss**		
	Current Tax		
	In respect of current year	-	-
	Adjustments in respect of previous years	(45.96)	85.48
	Deferred Tax		
	In respect of current year	-	-
	Adjustments in respect of deferred tax of previous years	-	-
	Total	**(45.96)**	**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%	25.168%
		As at March 31, 2021	**As at March 31, 2020**
d)	**Current Tax Liabilities**		
	Provision for Taxation (Net of Advance Tax)	-	-
e)	**Non-Current Tax Assets**		
	Advance Tax (Net of Provision for Taxation)	363.31	455.72

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

28. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The Company monitors capital based on the following ratio :-

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Total Net Debt	52,851.68	52,288.51
Total Equity	(5,236.78)	(2,374.65)
Debt to Equity Ratio	Nil	Nil

29. NOTE ON MODIFICATION AND RESTRUCTURING OF LOANS

Developments during the current reporting year

Subsequent to the modification and restructuring the loans during the previous year (as summarised below), the Company has been regular in repayment of the interest and instalments due as per the restructured schedule.

Unwinding of discount and corresponding amortisation of deferred fair gain in the Statement of Profit and Loss for the year, in respect of the Balance debt, was ₹ 1,133.96 lacs. Accordingly, net impact of the above entries on the loss for the year was Nil.

Refer Note 12 for trust-wise carrying amounts of the aforesaid term loans and the carrying amount of the Balance debt as on March 31, 2021.

In the month of April 2021, the Company has completed the allotment of equity shares having face value ₹ 10 each, on a fully diluted basis, to the lender trusts as per the terms of the restructuring agreement, as follows:

Lender trusts	Debt converted (₹ In lacs)	Equity Shares allotted (No. in lacs)
EARC trust SC 233	575.74	23.64
EARC trust SC 241	1,354.70	55.62
EARC trust SC 269	1,456.31	59.79
Total	**3,386.75**	**139.04**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Summary of modification and restructuring of loans

During the previous year, as a result of the substantial modification in the terms of existing loans due to the restructuring package, the Company had de-recognised the existing loans and has recognised the new loans with revised terms with effect from April 01, 2019. The difference between the carrying amounts of the existing loans and the new loans has been recognised in the profit and loss under the head 'exceptional items'. 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.

**Refer Note 12 for the revised terms in respect of interest rate and repayment schedules.

The treatment of the balance debt was agreed as follows: *(₹ in lacs)*

Particulars	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	575.74
EARC trust SC 241	1,354.70
EARC trust SC 269	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
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

30. CONTINGENT LIABILITY NOT PROVIDED FOR:

(₹ in lacs)

	Particulars	As at March 31, 2021	As at March 31, 2020
a)	Corporate guarantees issued to banks on behalf of Subsidiary Company	970.13	1,770.19
b)	Bank guarantees issued on behalf of the Company	20.00	70.00
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
d)	In respect of disputed Sales tax matters, pending before the appropriate tax authorities, contested by the Company		
	F.Y. 2010-2011 (MVAT)	36.94	36.94
	F.Y. 2010-2011 (Central Sales Tax)	244.96	244.96
	F.Y. 2011-2012 (Central Sales Tax)	295.06	295.06
	F.Y. 2012-2013 (MVAT)	1,322.25	1,322.25
	F.Y. 2012-2013 (Central Sales Tax)	1,334.96	1,334.96
	F.Y. 2013-2014 (MVAT)	1,290.65	1,290.65
	F.Y. 2013-2014 (Central Sales Tax)	1,201.20	1,201.20
	F.Y. 2014-2015 (MVAT)	57.85	57.85
	F.Y. 2014-2015 (Central Sales Tax)	27.29	27.29
	F.Y. 2015-2016 (MVAT)	94.35	94.35
	F.Y. 2015-2016 (Central Sales Tax)	146.72	146.72
	F.Y. 2013-2014 (KVAT- Kerala)	28.31	28.31
	F.Y. 2013-2014 (CST- Kerala)	141.94	141.94
	F.Y. 2014-2015 (KVAT- Kerala)	32.17	32.17
	F.Y. 2014-2015 (CST- Kerala)	170.02	170.02
	F.Y. 2015-2016 (KVAT- Kerala)	0.43	-
	F.Y. 2015-2016 (CST -Kerala)	113.62	-
	F.Y. 2016-2017 (CST -Kerala)	5.12	-
	F.Y. 2017-2018 (CST-Kerala)	0.41	-
	F.Y. 2011-2012 (Karnataka VAT)	23.09	-
	F.Y. 2015-2016 (Karnataka CST)	2.45	-
e)	In respect of disputed Central Excise matters, pending before the appropriate tax authorities, contested by the Company		
	April 2012 - January 2016 (Central Excise)	1.84	1.84
	March 2015 - June 2017 (Central Excise)	828.55	-

Contingent liabilities above represent estimates made mainly for probable claims arising out of litigation and disputes pending with tax authorities. The probability and timing of outflow with regard to these matters depend on the final outcome of litigations / disputes. Hence the Company is not able to reasonably ascertain the timing of the outflow.

In addition to above, the Company is also subject to legal proceedings and claims which arise in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's operations or financial condition.

.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (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, 2021	As at March 31, 2020
Carrying amount right-of-use assets at beginning of the year	81.54	106.84
Additions to right-of-use assets during the year	8.16	18.13
Deletions to right-of-use assets during the year	3.85	2.52
Amortisation of right-of-use assets during the year	41.46	40.91
Interest expense (unwinding of discount) on lease liabilities	10.87	14.51
Total cash outflows in respect of leases	50.99	44.74
Carrying amount right-of-use assets at year end	44.39	81.54

b) Lease rentals of ₹ 19.91 lacs (P.Y. ₹ 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 ₹ 1.74 lacs (₹ 25.49 lacs) paid towards lease rentals has been charged to Statement of Profit and Loss under Contract manufacturing cost.

d) Maturity profile:

(₹ in lacs)

Maturities of Lease Liabilities	Carrying amount	Less than 1 year	1 to 3 years	3 to 5 years	above 5 years
Lease Liabilities	56.06	45.50	10.56	-	-

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 ₹ 84.95 lacs (P.Y. ₹ 96.87 lacs) under defined contribution plan as employer's contribution to Provident Fund.

Defined Benefit Plan

The Employees' gratuity fund scheme managed by LIC is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method (PUCM), which recognises 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
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

The net value of the defined commitment is detailed below:

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
	Funded Gratuity	Funded Gratuity
Present Value of obligation	359.93	376.99
Fair Value of Plans	55.38	51.68
Net Liability in the balance sheet	**304.55**	**325.31**
Defined Benefit Obligations		
Balance at the beginning of the year	376.99	354.36
Interest expenses	25.71	26.72
Current service cost	20.19	19.82
Past service cost	-	-
(Liability Transferred Out/ Divestments)	-	7.41
Benefit paid directly by the employer	(86.29)	(41.93)
Actuarial (gain) / loss-Due to change in Demographic Assumptions	18.71	-
Actuarial (gain) / loss-Due to change in Financial assumptions	7.33	14.51
Actuarial (gain) / loss- Due to Experience	(2.71)	(3.90)
Balance at the end of the year	**359.93**	**376.99**
Plan Assets		
Balance at the beginning of the year	51.68	51.29
Interest Income	3.52	3.87
Expected return on plan assets	0.18	(3.48)
Paid Funds	-	-
Actuarial (gain) / loss	-	-
Balance at the end of the year	**55.38**	**51.68**

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Funded Gratuity	Funded Gratuity
Return on Plan Assets		
Expected return on plan assets	0.17	(3.48)
Actuarial (gain) / loss	-	-
Actual Return on Plan Assets	**0.17**	**(3.48)**
Expenses Recognised in the Statement of Profit or Loss on defined benefit plan		
Current service costs	20.19	19.82
Past service cost	-	-
Interest expense	25.71	26.72
Interest Income	(3.53)	(3.87)
Expected return on plan assets	-	-
Expenses Recognised	**42.37**	**42.67**
Expenses Recognised in the Other Comprehensive Income (OCI) on defined benefit plan		
Actuarial (gain) / loss	23.33	10.61
Expected return on plan assets	(0.17)	3.48
Net (Income)/ Expense for the period Recognised in OCI	**23.16**	**14.09**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ in lacs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Funded Gratuity	Funded Gratuity
Maturity Analysis of the Benefit Payments: From the Fund		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	95.18	89.46
2nd Following Year	51.90	24.71
3rd Following Year	50.32	43.12
4th Following Year	37.81	38.35
5th Following Year	28.97	30.17
Sum of Years 6 to 10	105.64	111.40
Sum of Years 11 and above	108.86	275.21
Sensitivity Analysis		
Projected Benefits Obligations on Current Assumptions	359.93	376.99
Delta Effect +1% Change in Rate of Discounting	(12.82)	(19.81)
Delta Effect -1% Change in Rate of Discounting	14.11	22.42
Delta Effect +1% Change in Rate of Salary Increase	13.42	22.60
Delta Effect -1% Change in Rate of Salary Increase	(12.41)	(20.32)
Delta Effect +1% Change in Rate of Employee Turnover	1.06	2.53
Delta Effect -1% Change in Rate of Employee Turnover	(1.17)	(2.79)

Investments Details	As at March 31, 2021	As at March 31, 2020
	% 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, 2021	As at March 31, 2020
	Funded Gratuity	Funded Gratuity
Mortality (LIC)	2006-08 Ultimate	2006-08 Ultimate
Discount rate (per annum)	6.26%	6.82%
Expected rate of return on plan assets (per annum)	6.26%	6.82%
Rate of escalation in salary (per annum)	5.00%	5.00%

Defined Contribution Plan

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

(₹ in lacs)

Funded Gratuity for the year ended	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
Present value of DBO	359.93	376.99	354.36	344.10	353.87
Fair value of plan assets	55.38	51.68	51.28	47.93	44.52
Deficit/(Surplus)	304.55	325.31	303.08	296.17	309.34

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, 2021 the following schemes were in operation :

a) Employee Stock Option Scheme 2010

Particulars	Grant 5	Grant 6
Date of Grant	July 5, 2016	June 14, 2018
Date of the Board Approval	July 5, 2016	June 14, 2018
Date of the Shareholders Approval	Sept 20, 2010	Sept 20, 2010
Number of options granted till March 31, 2021	2,150,000	1,200,000
Number of options cancelled till March 31, 2021	627,450	68,000
Number of options lapsed till March 31, 2021	1,041,700	437,570
Number of options exercised till March 31, 2021	56,250	52,000
Net options outstanding as on March 31, 2021	424,600	642,430
Vesting period from the date of grant	3 years	3 years
Exercise period from the date of vesting	2 years	2 years

b) Employee Stock Option Scheme 2012

Particulars	Grant 5	Grant 6
Date of Grant	July 5, 2016	June 14, 2018
Date of the Board Approval	July 5, 2016	June 14, 2018
Date of the Shareholders Approval	May 24, 2012	May 24, 2012
Number of options granted till March 31, 2021	3,000,000	2,600,000
Number of options cancelled till March 31, 2021	600,000	47,144
Number of options lapsed till March 31, 2021	1,555,000	145,032
Number of options exercised till March 31, 2021	565,000	5,238
Net options outstanding as on March 31, 2021	280,000	2,402,586
Vesting period from the date of grant	3 years	3 years
Exercise period from the date of vesting	2 years	2 years

C) The details of the options as on March 31, 2021 are as under:

(Nos. in lacs)

Particulars	ESOP Scheme 2010	ESOP Scheme 2012
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**
Financial Year 2020-21		
Options outstanding as on April 01, 2020	**20.14**	**39.30**
Options granted from April 01, 2020 to March 31, 2021	-	-
Options cancelled from April 01, 2020 to March 31, 2021	0.72	0.47
Options lapsed from April 01, 2020 to March 31, 2021	8.20	9.55
Options exercised April 01, 2020 to March 31, 2021	0.56	2.45
Options outstanding as on March 31, 2021	**10.67**	**26.83**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

D) The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

a) Employee Stock Option Scheme 2010

Particulars	Grant 5	Grant 6
Dates of Grant	July 05, 2016	June 14, 2018
Market Price (₹ per share) on the dates of grant	15.80	20.65
Volatility	51.21%	57.12%
Risk free rate	6.57%	7.90%
Exercise price	13	15
Time to maturity (years)	3	3
Dividend yield	0.91%	0.00%
Option fair value (₹ per share)	7.04	11.45

b) Employee Stock Option Scheme 2012

Particulars	Grant 5	Grant 6
Dates of Grant	July 05, 2016	June 14, 2018
Market Price (₹ per share) on the dates of grant	15.80	20.65
Volatility	51.21%	57.12%
Risk free rate	6.57%	7.90%
Exercise price	13	15
Time to maturity (years)	3	3
Dividend yield	0.91%	0.00%
Option fair value (₹ per share)	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
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

35. RELATED PARTY DISCLOSURES:

The disclosures pertaining to the related parties as required by Ind AS 24 "Related Party Disclosure" are as under:

a) List of Subsidiary Companies	: Prag Distillery (P) Ltd.	
	: Vahni Distilleries Private Limited	
	: PunjabExpo Breweries Private Limited	
	: Kesarval Springs Distillers Pvt. Ltd.	
	: Mykingdom Ventures Pvt. Ltd.	
	: Studd Projects P. Ltd.	
	: Srirampur Grains Pvt. Ltd.	
	: Shivprabha Sugars Ltd.	
b) Key Managerial Personnel	: Mr. Amit Dahanukar	- Chairman & Managing Director
	: Mrs. Shivani Amit Dahanukar	- Non-Executive Director
	: Dr. Ravindra Bapat	- Independent Director
	: Mr. C V Bijlani	- Independent Director
	: Mr. Kishorekumar Mhatre	- Independent Director
	: Maj.Gen. Dilawar Singh (Retd.)	- Independent Director
	: Mr. Satish Chand Mathur	- Independent Director
	: Ms. Aparna Chaturvedi	- Independent Woman Director (from July 31, 2020)
	: Ms. Swapna Shah	- Non-Executive Director (from July 31, 2020)
	: Mr. C R Ramesh	- Whole time Director (from November 13, 2020)
	: Mr. Srijit Mullick	- Chief Financial Officer (up to September 15, 2020)
	: Mr. Gaurav Thakur	- Company Secretary (up to November 30, 2020)
	: Mr. Ajit Anant Sirsat	- Chief Financial Officer (from January 21, 2021)
	: Mr. Shekhar R Singh	- Company Secretary (from January 21, 2021)
Relative of Key Managerial Personnel	: Dr. Priyadarshini A. Dahanukar	
	: Ms. Sanaya Amit Dahanukar	
c) Entities controlled by Key Managerial Personnel	: M.L. Dahanukar & Co. Pvt. Ltd.	
	: Arunoday Investments Pvt. Ltd.	
	: Maharashtra Sugar Mills Pvt. Ltd.	
	: Smt. Malati Dahanukar Trust	
	: Dahanukar Vidyalaya Trust (Dahanukar English Medium School)	

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ in lacs)

Nature of Transaction (excluding reimbursements)	Parties referred in (a) above		Parties referred in (b) above		Parties referred in (c) above	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Sales						
Vahni Distilleries Private Limited	116.69	31.11	-	-	-	-
PunjabExpo Breweries Private Limited	24.43	26.49	-	-	-	-
Total	**141.12**	**57.60**	**-**	**-**	**-**	**-**
Purchases						
Prag Distillery (P) Ltd.	-	106.97	-	-	-	-
Vahni Distilleries Private Limited	11.17	1.30	-	-	-	-
PunjabExpo Breweries Private Limited	81.99	110.82	-	-	-	-
Total	**93.16**	**219.09**	**-**	**-**	**-**	**-**
Expenses -Bottling Charges						
Vahni Distilleries Private Limited	316.32	355.83	-	-	-	-
PunjabExpo Breweries Private Limited	65.62	74.58	-	-	-	-
Total	**381.94**	**430.41**	**-**	**-**	**-**	**-**
Royalty Income						
PunjabExpo Breweries Private Limited	-	3.03	-	-	-	-
Total	**-**	**3.03**	**-**	**-**	**-**	**-**
Interest Income						
PunjabExpo Breweries Private Limited	37.19	-				
Mykingdom Ventures Pvt Ltd	0.66	0.59	-	-	-	-
Studd Projects P. Ltd.	1.24	1.13	-	-	-	-
Srirampur Grains Pvt Ltd	2.01	1.83	-	-	-	-
Total	**41.10**	**3.55**	**-**	**-**	**-**	**-**
Corporate Social Responsibility						
Smt. Malati Dahanukar Trust	-	-	-	-	26.00	22.00
Total	**-**	**-**	**-**	**-**	**26.00**	**22.00**
Donations						
Dahanukar Vidyalaya Trust (Dahanukar English Medium School)	-	-	-	-	22.20	-
Total	**-**	**-**	**-**	**-**	**22.20**	**-**
Payments to Key Managerial Personnel						
Remuneration and Sitting Fees to Executive Directors / Relatives	-	-	48.81	17.05	-	-
Remuneration to Chief Financial Officer / Company Secretary	-	-	88.31	95.25	-	-
Sitting Fees and Consultancy Charges to Non-Executive Director / Independent Director	-	-	54.30	3.60	-	-
Rent to Executive Directors / Relatives	-	-	35.13	30.29	-	-
Total	**-**	**-**	**226.55**	**146.19**	**-**	**-**
Repayment of Loan						
Maharashtra Sugar Mills Pvt. Ltd.	-	-	-	-	-	12.45
Total	**-**	**-**	**-**	**-**	**-**	**12.45**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ in lacs)

Nature of Transaction (excluding reimbursements)	Parties referred in (a) above		Parties referred in (b) above		Parties referred in (c) above	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Net Loans & Advances given / (taken)						
Prag Distillery (P) Ltd.	831.88	39.36	-	-	-	-
Vahni Distilleries Private Limited	579.37	(841.04)	-	-	-	-
PunjabExpo Breweries Private Limited	841.77	(6,661.68)	-	-	-	-
Mykingdom Ventures Pvt Ltd	0.94	1.01	-	-	-	-
Studd Projects P. Ltd.	1.49	1.48	-	-	-	-
Srirampur Grains Pvt Ltd	2.39	2.29	-	-	-	-
Shivprabha Sugars Ltd.	0.62	1.21	-	-	-	-
Total	**2,258.46**	**(7,457.37)**	**-**	**-**	**-**	**-**
Outstanding Balances						
Loans and Advances given						
Prag Distillery (P) Ltd. *	7,220.24	6,388.36	-	-	-	-
Vahni Distilleries Private Limited	2,096.63	1,517.25	-	-	-	-
PunjabExpo Breweries Private Limited	4,278.64	3,436.87	-	-	-	-
Mykingdom Ventures Pvt Ltd	8.22	7.28	-	-	-	-
Studd Projects P. Ltd.	15.19	13.70	-	-	-	-
Srirampur Grains Pvt Ltd	24.56	22.17	-	-	-	-
Shivprabha Sugars Ltd.	46.09	45.47	-	-	-	-
Maharashtra Sugar Mills Pvt. Ltd.	-	-	-	-	-	-
Total	**13,689.57**	**11,431.10**	**-**	**-**	**-**	**-**
Outstanding Receivable (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	**-**	**-**	**1,003.66**	**1,003.66**	**15.00**	**15.00**

* The Company has impaired advances with Prag Distillery (P) Ltd. for ₹ 7,220.24 lacs (P.Y. ₹ 6,388.36 lacs) for the year ended March 31, 2021.

Notes :

a) All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis.

(₹ in lacs)

b)

Compensation of key management personnel of the Company **	Year ended March 31, 2021	Year ended March 31, 2020
Short-term employee benefits	136.12	112.30
Directors sitting fees / Consultancy Charges	55.30	3.60
Total compensation of key management personnel of the Company	**191.42**	**115.90**

***Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (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, 2021	Year ended March 31, 2020
a) Audit fees	12.00	12.00
b) Limited review fees	2.00	5.35
b) Reimbursement of expenses	-	0.05
	14.00	**17.40**

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, Small and Medium enterprises, which are outstanding for more than the stipulated period are given below :

(₹ in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	2,280.54	1,720.03
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 year; and	59.83	60.62
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)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit / (Loss) After Tax	(2,879.21)	30,792.00
Weighted average number of shares	1,252.11	1,251.34
Basic Earnings Per Share	(2.30)	24.61
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	1,252.11	1,255.14
Diluted Earnings Per Share	(2.30)	24.53
Face Value per Equity Share	10.00	10.00

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (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, 2021 are as under:

Particulars	Currency	As at March 31, 2021		As at March 31, 2020	
		FC Amount (in lacs)	(₹ in lacs)	FC Amount (in lacs)	(₹ in lacs)
Receivable - Debtors	USD	0.08	5.66	0.25	18.87
Payable - Creditors	USD	74.28	5,440.20	74.28	5,578.81

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)

Particulars	Year ended March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
	TMUs	Subsidiaries	Total	TMUs	Subsidiaries	Total
Revenue from operations / Other Income	49,855.40	60,727.11	110,582.51	59,752.29	60,874.44	120,626.73
Total Income	**49,855.40**	**60,727.11**	**110,582.51**	**59,752.29**	**60,874.44**	**120,626.73**
Cost of materials consumed / (Increase) / decrease in Inventories	14,046.67	3,712.85	17,759.52	16,894.34	5,531.22	22,425.56
Excise Duty	20,382.44	52,702.01	73,084.45	28,608.21	50,256.26	78,864.47
Finance Cost / Other expenses	1,692.16	1,866.46	3,558.62	1,818.72	2,076.94	3,895.66
Total expenses	**36,121.27**	**58,281.32**	**94,402.59**	**47,321.27**	**57,864.42**	**105,185.69**
Profit/(Loss)	**13,734.13**	**2,445.79**	**16,179.92**	**12,431.02**	**3,010.02**	**15,441.04**

(₹ in lacs)

In Balance Sheet	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020
	TMUs	Subsidiaries	Total	TMUs	Subsidiaries	Total
Assets						
Inventory	3,017.44	1,548.48	4,565.92	2,515.10	1,231.59	3,746.69
Trade Receivables	10,819.91	2,225.15	13,045.06	14,883.10	1,581.66	16,464.76
Cash and Bank Balances	1,015.94	-	1,015.94	606.79	-	606.79
Other Financial Assets	196.43	-	196.43	57.90	-	57.90
Other Assets	1,935.46	30.53	1,965.99	858.42	72.55	930.97
Liabilities						
Trade Payables	1,775.90	1,460.85	3,236.75	2,174.72	1,559.70	3,734.42
Provisions	1,125.86	1,165.62	2,291.48	383.96	800.65	1,184.61
Other Liabilities	102.81	2,384.43	2,487.24	4,431.43	2,479.01	6,910.44

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

43. EXCEPTIONAL ITEMS ACCOUNTED AS NET INCOME DURING 2019-20 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, during 2019-20 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 2019-20, 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,during 2019-20 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 2019-20, 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., during 2019-20 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, during 2019-20 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.

44. 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.

45. In lieu of advances given to certain body corporates 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 body corporates 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
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

46. The erosion of the net worth of the Company has been substantially recovered in the financial year 2019-20 and the negative networth stands at ₹ 5,236.78 lacs as at March 31, 2021. This is due to major reduction in debt resulting from compromise settlements with banks and entering into agreement, during the financial year 2019-20 with Edelweiss Asset Reconstruction Company Ltd. ("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 financial year 2020-21, ever since the staggered resumption of operations, sales have started stabilising across the country with certain southern states showing substantial growth 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 approximately ₹ 731.10 lacs towards refund of security deposit and other dues. The Hon'ble Court vide its Order dated December 22, 2007 dismissed their application for attachment of property for recovery of the above dues. The Company has filed a counter claim for the sum of approximately ₹ 1,193.00 lacs against Anupama Wine Distributors and the matter is pending before City Civil Court, Bangalore. The matter is posted for filing evidence by Anupama Wine Distributors. The Company has filed an application to club both the matters related to Anupama Wine Distributors and Anupama Distributors as the evidences are the same. This clubbing application has been allowed.

b) A body corporate has filed a legal suit on the Company to obtain restraining order on the use of certain trademarks owned by the Company. An interim order was passed by the Bombay High Court upholding the ownership of the Company in the aforesaid trade marks and allowing the Company continuous and uninterrupted use of the said trademarks without any restraint.

48. The net worth of PunjabExpo Breweries Private Limited ("PunjabExpo"), a wholly owned subsidiary of the Company, has been eroded and has incurred net loss during the year. However, the 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. This would significantly improve the capacity utilisation and have favourable impact on the profitability of PunjabExpo. Moreover, PunjabExpo is also in the process of rationalisation of its administrative overheads. In order to repose faith in PunjabExpo, the Company has subscribed to rights issue of 69,99,300 shares of ₹ 10 each of PunjabExpo in the month of April 2021, thereby further improving the net worth of PunjabExpo. 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 PunjabExpo's ability to continue as a going concern taking into account the plans management has put in place and the other mitigating factors described above. Hence, the management believes that no provision for impairment in equity investment and loans and advances given is required..

49. 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, as a going concern. A liquidator has been appointed to manage the affairs of Prag and complete the liquidation process. The Company has submitted a formal proposal to the two financial lenders for full and final settlement of all their claims. The settlement agreement with Standard Chartered Bank, one of the financial lender has been entered and a sum of USD 11,00,000/- has been paid to them. The agreement with DCB bank is yet to be entered. 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

50. Disclosure required under Section 186 (4) of the Company's Act, 2013 for loans, advances and guarantees :

(₹ in lacs)

		As at March 31, 2021		As at March 31, 2020	
		Maximum amount outstanding	Balance as at the year end	Maximum amount outstanding	Balance as at the year end
a)	**Loans and Advances to subsidiaries**				
	Prag Distillery (P) Ltd. *	7,220.24	7,220.24	6,448.02	6,388.36
	Vahni Distilleries Private Limited	2,096.63	2,096.63	3,214.07	1,517.25
	PunjabExpo Breweries Private Limited	4,278.64	4,278.64	3,436.87	3,436.87
	Mykingdom Ventures Pvt. Ltd.	8.22	8.22	7.28	7.28
	Studd Projects P. Ltd.	15.19	15.19	13.70	13.70
	Srirampur Grains Pvt. Ltd.	24.56	24.56	22.17	22.17
	Shivprabha Sugars Ltd.	46.09	46.09	45.47	45.47
	Total	**13,689.57**	**13,689.57**	**13,187.58**	**11,431.10**

* The Company has impaired advances with Prag Distillery (P) Ltd. for ₹ 7,220.24 lacs (P.Y. ₹ 6,388.36 lacs) for the year ended March 31, 2021.

The above loans and advances have been given for general business purposes.

		As at March 31, 2021	As at March 31, 2020
b)	**Guarantees**		
	Corporate guarantees issued to a bank on behalf of a Subsidiary Company	970.13	1,770.19

51. IMPACT OF COVID-19:

The COVID-19 pandemic has brought economies, businesses and lives around the world to a standstill, and our country is no exception. Based on the directives and advisories issued by central and state governments and other relevant authorities during the lock down, our operations at factory / states was affected partially. Considering the unprecedented and ever evolving situation, the Company had made assessment of recoverability and carrying value of its assets comprising of tangible assets, inventories and other current assets as at March 31, 2021 and made appropriate provisions. However, the impact assessment of COVID-19 is a continuous process, given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions. The management has taken into account the impact of COVID-19 on the business for the foreseeable future and have concluded that the Company has sufficient resources to continue as a going concern.

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

As per our Report of even date annexed.

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

Harshil Shah
Partner
Membership No.124146

Place : Mumbai
Date : May 29, 2021

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Ajit Anant Sirsat
Chief Financial Officer

Shekhar R Singh
Company Secretary

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONGWITH ANNUAL AUDITED FINANCIAL RESULTS (STANDALONE)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited figures (as reported before adjusting for qualifications) ₹ in lacs	Adjusted Figures (audited figures after adjusting for qualifications) ₹ in lacs
	1	Turnover/Total income	1,43,006.42	1,43,006.42
	2	Total Expenditure	1,45,931.59	1,58,908.05
	3	Net Profit/(Loss) after tax	(2,879.21)	(15,855.67)
	4	Earnings Per Share (In ₹)	(2.30)	(12.66)
	5	Total Assets	95,476.86	82,500.40
	6	Total Liabilities	95,476.86	82,500.40
	7	Net Worth	(5,236.78)	(18,213.24)
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II.	**Audit Qualification (each audit qualification separately):**			
	a.	**Details of Audit Qualification:**	(i) The Company has not carried out impairment analysis of one of the ENA plants as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets' though there is an indication of impairment. Reference is invited to note no. 4 of the standalone annual financial results. (ii) The Company has not recognised provision for impairment of long overdue advances given to certain parties amounting to ₹ 6074.08 lacs as required by Indian Accounting Standard (Ind AS 109) 'Financial Instruments'. Reference is invited to note no. 5 of the standalone annual financial results. (iii) 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 ₹ 1543.35 lacs in Prag as required by Indian Accounting Standard (Ind AS 36) 'Impairment of assets'. Reference is invited to note no. 6 of the standalone annual financial results.	

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG WITH ANNUAL AUDITED FINANCIAL RESULTS (STANDALONE) (Contd.)

			(iv) PunjabExpo Breweries Pvt. Ltd. ("PunjabExpo") 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 ₹ 1,080.39 lacs and loans & advances given of ₹ 4,278.64 lacs to PunjabExpo as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets'. Reference is invited to note no. 7 of the standalone annual financial results.
	b.	**Type of Audit Qualification:**	Qualified Opinion
	c.	**Frequency of qualification:**	Point (i) - Appearing sixth time Point (ii) - Appearing fifth time Point (iii) - Appearing forth time Point (iv) – Appearing for second time
	d.	**For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**	Response to Point (II)(a)(ii) In lieu of advances given to certain body corporates 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 body corporates with their holding Company. In view of this, the management believes that no provision is considered necessary in the books of accounts. Response to Point (II)(a)(iii) 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, as a going concern. The Official Liquidator has obtained the order of liquidation of Prag as a going concern and is in the process for the same. Tilaknagar

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG WITH ANNUAL AUDITED FINANCIAL RESULTS (STANDALONE) (Contd.)

			Industries Ltd. has submitted a formal proposal to the two Financial lenders for full and final settlement of all their claims, the Settlement agreement with Standard Chartered Bank, one of the Financial Lender has been entered and a sum of USD 11,00,000/- have been paid to them. The agreement with DCB bank is yet to be entered. 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. Response to Point (II)(a)(iv) The net worth of PunjabExpo Breweries Pvt. Ltd. ("PunjabExpo"), a subsidiary of TI, has been eroded and has incurred net loss during the current year. However, the parent Company is actively exploring the possibility of entering into northern markets where PunjabExpo will be one of the major sources of supply. It is also in talks with other brand owners to enter into bottling arrangements for the said brand owners. This would significantly improve the capacity utilisation and have favourable impact on the profitability of PunjabExpo. Moreover, PunjabExpo is also in the process of rationalisation of its administrative overheads. In order to repose faith in PunjabExpo, TI has subscribed to rights issue of 69,99,300 shares of ₹ 10 each of PunjabExpo in the month of April 2021 thereby further improving the net worth of the Company. The Board of Directors have assessed the above conditions and indicators and have come to the conclusion that no material uncertainty exists that may cast significant doubt on the PunjabExpo's ability to continue as a going concern taking into account the plans management has put in place and the other mitigating factors described above. Hence, the management believes that no provision for impairment in equity investment and loans & advances given is required.

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG WITH ANNUAL AUDITED FINANCIAL RESULTS (STANDALONE) (Contd.)

	e.	**For Audit Qualification(s) where the impact is not quantified by the auditor:**	
		(i) Management's estimation on the impact of audit qualification:	Nil for the reasons given at para 2(e)(ii) below
		(ii) If management is unable to estimate the impact, reasons for the same:	Response to Point (II)(a) 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.
		(iii) Auditors' Comments on (i) or (ii) or(iii) above:	Refer II (a) above
III.	**Signatories:**		
	• CEO/Managing Director		Amit Dahanukar
	• CFO		Ajit Anant Sirsat
	• Audit Committee Chairman		C V Bijlani
	• Statutory Auditor		For **Harshil Shah & Company** Harshil Shah (Partner)
	Place: Mumbai		
	Date : May 29, 2021		

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, 2021

(₹ 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	(975.34)	14,531.79	15,139.03	0.30	3.54	(714.96)	-	(714.96)	-	(714.96)	Nil	100%
2	Vahni Distilleries Private Limited	INR	1,498.05	(2,166.56)	1,465.19	2,133.70	-	301.51	(0.54)	-	(0.54)	(0.04)	(0.58)	Nil	100%
3	Kesarval Springs Distillers Pvt. Ltd.	INR	30.00	(447.95)	1.23	419.18	-	-	(17.89)	(28.38)	(46.27)	-	(46.27)	Nil	100%
4	PunjabExpo Breweries Private Limited	INR	560.00	(1,891.52)	3,162.58	4,494.10	-	71.36	(1,055.69)	-	(1,055.69)	(11.30)	(1,066.99)	Nil	100%
5	Mykingdom Ventures Pvt. Ltd.	INR	1.00	(8.04)	1.41	8.45	-	0.40	(0.53)	-	(0.53)	-	(0.53)	Nil	100%
6	Studd Projects P. Ltd.	INR	1.00	(14.43)	1.97	15.40	-	-	(1.47)	-	(1.47)	-	(1.47)	Nil	100%
7	Srirampur Grains Pvt. Ltd.	INR	1.00	(24.88)	1.07	24.95	-	-	(2.36)	-	(2.36)	-	(2.36)	Nil	100%
8	Shivprabha Sugars Ltd.	INR	5.00	(149.35)	16.00	160.35	-	-	(0.55)	-	(0.55)	-	(0.55)	Nil	90%

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Ajit Anant Sirsat
Chief Financial Officer

Shekhar R Singh
Company Secretary

Place: Mumbai
Date: May 29, 2021

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 Private Limited
1	**Latest audited Balance Sheet Date**	NA
2	**Shares of Associate held by the Company on the year end**	
	i Number of Equity Shares	130,000
	ii Amount of Investment in Associate	169.00
	iii Extend of Holding %	26%
3	**Description of how there is significant influence**	Due to shareholding
4	**Reason why the associate / joint venture is not consolidated**	Refer Note below *
5	**Networth attributable to Shareholding as per latest audited Balance Sheet**	-
	(Limited to amount of investment in Associate)	
6	**Profit / (Loss) for the year**	
	i Considered in Consolidation	-
	ii Not Considered in Consolidation	-

* The group has made an impairment in value of investments in the associate Company Mason & Summers Marketing Services Private Limited (MSMSPL) of ₹ 169.00 Lacs, in its books of accounts during the financial year 2015-16 due to losses made by the associate. The group does not have any obligation to fund the losses of the associate beyond the investments made and hence the group's share of profit / loss in the associate Company has not been considered in the consolidated financial statements.

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Ajit Anant Sirsat
Chief Financial Officer

Shekhar R Singh
Company Secretary

Place: Mumbai
Date: May 29, 2021

TILAKNAGAR INDUSTRIES LTD.
CIN: L15420PN1933PLC133303
Registered Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra-413 720
Corporate Office: 3rd Floor, Industrial Assurance Building, Churchgate, Mumbai, Maharashtra-400 020
Email: investor@tilind.com, **Website:** www.tilind.com, **Phone:** +91 22 22831716/18, **Fax:** +91 22 22046904

NOTICE

NOTICE is hereby given that the **86th Annual General Meeting ('AGM')** of the Members of Tilaknagar Industries Ltd. will be held on **Thursday, September 30, 2021 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, 2021, Auditors' Report thereon and the Directors' Report**
2. **To appoint a Director in place of Mr. Amit Dahanukar (DIN:00305636), who retires by rotation and being eligible, offers himself for re-appointment**

SPECIAL BUSINESS

3. **Ratification of remuneration payable to the Cost Auditor of the Company for the financial year 2021-22**

   To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee, the remuneration payable to CMA Dr. Netra Shashikant Apte having Membership No. 11865 and Firm Registration No. 102229, appointed as the Cost Auditor of the Company by the Board of Directors, for conducting the audit of cost accounting records maintained by the Company for the financial year 2021-22 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 inforce), amounting to ₹ 150,000/- (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 be and is hereby ratified and confirmed.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to the abovementioned resolution."

4. **Re-appointment of Ms. Aparna Praveen Chaturvedi (DIN:00028647) as an Independent Woman 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, Ms. Aparna Praveen Chaturvedi (DIN:00028647), Independent Woman Director of the Company, whose term had expired on July 30, 2021 and who was re-appointed by the Board of Directors with effect from July 31, 2021, subject to approval of the Members 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 and who has submitted a declaration that she 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 Woman Director of the Company, not liable to retire by rotation to hold office for a second term of 5 (Five) consecutive years commencing from July 31, 2021 and expiring on July 30, 2026 (both days inclusive);

   RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient

NOTICE (Contd.)

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."

By Order of the Board of Directors

Place: Mumbai
Date: August 14, 2021

Shekhar R Singh
Company Secretary

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 (the MCA) has vide its General Circular Nos. 14/2020, 17/2020, 20/2020 and 2/2021 dated April 8, 2020, April 13, 2020 May 5, 2020 and January 13, 2021 respectively (collectively referred to as the MCA Circulars) and the SEBI Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020 and January 15, 2021, respectively issued by the Securities and Exchange Board of India (collectively referred to as SEBI 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 ("the SEBI Listing Regulations"), the SEBI Circulars and MCA Circulars, the AGM of the Company is being held through VC/OAVM facility. The Deemed Venue for the 86th AGM shall be the Registered Office of the Company, i.e. P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra-413 720.
2. The AGM is being held pursuant to the MCA Circulars and the SEBI Circulars, through VC/OAVM facility, therefore physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

   Corporate Members intending to authorise their representatives to attend & vote at the AGM through VC/OAVM facility on its behalf are requested to send duly certified copy of the relevant Board Resolution to the Company.

   In case of joint 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 2020-21 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 86th 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 Ltd. (BSE) and The National Stock Exchange of India Ltd. (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) Ltd. (CDSL) (agency for providing the remote e-voting facility) i.e. www.evotingindia.com.
5. In compliance with the provisions of Regulation 44 of the SEBI Listing Regulations and Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has provided a facility of remote e-voting (e-voting from a place other than venue of the Meeting) to its Members to enable them to exercise their right to vote on the businesses proposed to be transacted at the 86th AGM. Necessary arrangements have been made by the Company with CDSL to facilitate remote e-voting. The facility of casting votes by a Member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. Only those Members who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

   The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

   Voting Rights shall be reckoned on the paid-up value of equity shares registered in the name of the Members as on the cut-off date i.e. Thursday, September 23, 2021.

NOTICE (Contd.)

6. 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.
7. Information pursuant to Regulation 36(3) of the SEBI Listing 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 AGM is annexed to this Notice.
8. 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.
9. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, September 23, 2021 to Thursday, September 30, 2021 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
10. All the documents referred to in the Notice and Explanatory Statement annexed thereto including the Annual Report for the financial year 2020-21 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 the AGM. Members seeking to inspect such documents can send an e-mail to investor@tilind.com.
11. 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.
12. 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.
13. 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 Friday, August 27, 2021.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to furnish their PAN to Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agent of the Company.
15. As per Regulation 40 of the SEBI Listing Regulations, as amended, vide SEBI notifications dated June 08, 2018 and November 30, 2018, mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 01, 2019, except in case of request received for transmission or transposition of securities. Accordingly, requests for physical transfer of securities of the Company are not being accepted with effect 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 dematerialise their holdings.
16. Pursuant to Section 72 of the Act read with the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in single name are entitled to nominate a person to whom their shares in the Company shall vest in the event of their demise by sending a nomination in the prescribed Form No. SH-13 duly filled in to Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agent of the Company. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.
17. Members holding shares in physical form are requested to approach Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agent of the Company at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana

NOTICE (Contd.)

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.

18. Members holding shares in electronic form are hereby informed that the Company or its Registrar cannot act on any request received directly from them for any change of address and/or bank mandate or change in e-mail address. Such changes are to be intimated only to the Depository Participants of the Members.

19. 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.

20. To support the 'Green Initiative', Members who have not registered their e-mail address for receiving all communications including Annual Report, Notices and Circulars, etc. from the Company electronically, are requested to register the same with their Depository Participants (for shares held in electronic form) and with Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agents of the Company (for shares held in physical form).

21. 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 ₹ 1,031,976/- (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 (Seven) years was transferred by the Company during the financial year 2020-21 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, 68,032 (Sixty Eight Thousand and Thirty Two) shares relating to financial year 2012-13 have been transferred by the Company 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, 2021 have also been uploaded on the website of the Company, accessible at 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

22. 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.

23. This AGM Notice is being sent, by e-mail, only to those eligible Members who have already registered their

e-mail address with the Depositories/the depository participant/the Company's Registrar and Share Transfer Agent/the Company or who will register their e-mail address with RTA, on or before Friday, August 27, 2021.

Process for those Members whose email address/ mobile number are not registered with the Company/ Depositories, for procuring user id and password and registration of e-mail address/mobile number for e-voting for the resolutions set out in this Notice:

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/mobile number.
Demat Holding	Please contact your DP and register your e-mail address/mobile number in your demat account, as per the process advised by your DP.

24. 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. Thursday, September 23, 2021, may obtain login ID and password by sending a request at helpdesk.evoting@cdslindia.com.

25. **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

a. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. **The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.**

b. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.

c. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

d. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

e. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on CDSL's e-voting website i.e. www.evotingindia.com. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

f. Members who would like to express their views/ ask questions during the Meeting may register themselves as a speaker by sending their request in advance at least seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@tilind.com.

Members who do not wish to speak during the AGM but have queries may send their queries in advance seven days prior to Meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@tilind.com. These queries will be replied to by the Company suitably by email.

g. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.

h. Only those Members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

NOTICE (Contd.)

i. If any votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the Meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the Meeting is available only to the Members attending the Meeting.

26. **INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:**

a. The procedure for e-voting on the day of the AGM is same as the instructions mentioned below for remote e-voting.

b. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

27. **Information and other instructions relating to Remote e-Voting are as under:**

The voting period begins on Monday, September 27, 2021 at 10.00 a.m. and ends on Wednesday, September 29, 2021 at 05.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of Thursday, September 23, 2021 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of the SEBI Listing Regulation, listed entities are required to provide remote e-voting facility to its Members, in respect of all Members' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

In terms of the above SEBI circular, on e-voting facility provided by listed companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-voting facility.

Pursuant to the above SEBI circular, Login method for e-voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

NOTICE (Contd.)

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi/Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered mobile & e-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select Register Online for IDeAS Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

NOTICE (Contd.)

Type of Shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

Login method for e-voting and joining virtual meeting for physical shareholders and other shareholders other than individual shareholders holding in Demat form.

i. The Members should log on to the e-voting website www.evotingindia.com.

ii. Click on Shareholders Module.

iii. Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

iv. Next enter the Image Verification as displayed and Click on Login.

v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

vi. If you are a first time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.
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.

vii. After entering these details appropriately, click on "SUBMIT" tab.

viii. Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x. Click on the EVSN for "Tilaknagar Industries Ltd." on which you choose to vote.

xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiii. After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvi. If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvii. **Additional Facility for Non-Individual Shareholders and Custodians for Remote Voting only**

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com 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 scrutiniser to verify the same.
- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/Authority letter etc., together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the e-mail address viz investor@tilind.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

xviii. If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an e-mail to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542-43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Ltd. (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400 013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542-43.

28. The Board of Directors has appointed Advocate R. T. RajGuroo as Scrutiniser to scrutinise the voting process (including remote e-voting) in a fair and transparent manner in its meeting held on August 14,

NOTICE (Contd.)

2021. He has communicated his willingness to be so appointed and will be available for the purpose of ascertaining the requisite majority.

29. The Scrutiniser shall, after the conclusion of voting at the Meeting, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall provide, not later than 48 hours from the conclusion of the Meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman & Managing Director of the Company or any person authorised by him in writing, who shall countersign the same and declare the results of the voting forthwith. 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.

30. The results declared along with the report of the Scrutiniser 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 authorised by him in writing and also be displayed at the Registered and Corporate Office of the Company. The results shall also be immediately forwarded to the Stock Exchange(s) i.e. BSE Ltd. and National Stock Exchange of India Ltd.

31. 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 of the Company for conducting the audit of cost accounting records maintained by the Company relating to manufacturing of the products covered under the Companies (Cost Records and Audit) Rules, 2014 at a remuneration of ₹ 150,000/- (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 2021-22.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is hereby sought to ratify the remuneration payable to the Cost Auditor for the financial year 2021-22.

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

Ms. Aparna Praveen Chaturvedi (DIN:00028647) was appointed as an Independent Woman Director of the Company to hold office for a term of 1(One) year commencing from July 31, 2020 upto July 30, 2021 (both days inclusive) vide resolution passed by the Members of the Company at the 85th Annual General Meeting held on December 29, 2020.

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 Members of the Company and disclosure of such appointment in the Directors' Report.

The Board has, on the recommendation of the Nomination and Remuneration Committee re-appointed, through circular resolution, Ms. Aparna Praveen Chaturvedi (DIN:00028647) with effect from July 31, 2021, subject to approval of the Members of the Company.

Accordingly, it is proposed to seek approval of the Members by way of Special Resolution for re-appointment of, Ms. Aparna Praveen Chaturvedi In respect of whom the company has received a Notice in writing from a Member under Section 160 of the act proposing her candidature for the office of Independent Director of the Company, not liable to retire by rotation for a second term of 5 (Five) consecutive years commencing from July 31, 2021 and expiring on July 30, 2026 (both days inclusive).

The Company has received a declaration from her confirming that she 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 she 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 re-appointment of Ms. Aparna Praveen Chaturvedi 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 Ms. Aparna Praveen Chaturvedi is annexed to this Notice.

In the opinion of the Board of Directors, Ms. Aparna Praveen Chaturvedi fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder, for her 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 Ms. Aparna Praveen Chaturvedi, the Board of Directors recommends the Special 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.

By Order of the Board of Directors

Place: Mumbai
Date: August 14, 2021

Shekhar R Singh
Company Secretary

Registered Office:
P.O. Tilaknagar, Tal. Shrirampur,
Dist. Ahmednagar, Maharashtra-413 720

NOTICE (Contd.)

Details of Directors seeking appointment/re-appointment in the 86th Annual General Meeting

[Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings]

Name of the Director	Mr. Amit Dahanukar	Ms. Aparna Praveen Chaturvedi
Director Identification Number	00305636	00028647
Date of Birth	November 06, 1976	August 25, 1958
Qualification	B.E. (ELEC.), M.S. (U.S.A.)	Ms. Aparna Praveen Chaturvedi holds MBA in finance from University of Lucknow and has also received coveted Chevening Scholarship at Manchester Business School.
Date of First Appointment on the Board	June 07, 2000	July 31, 2020
Experience (including expertise in specific functional area)	With an experience of over 20 years in the IMFL industry, Mr. Amit Dahanukar provides strategic direction for Company's future initiatives and is also responsible for its various alliances and collaborations.	She is having industry experience of more than 36 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.
Terms and Conditions of Appointment/ re-appointment	Mr. Amit Dahanukar is proposed to be re-appointed as Director of the Company, liable to retire by rotation, at the ensuing 86th Annual General Meeting. However, this retirement shall not be treated as break in his service as Chairman & Managing Director,	Ms. Aparna Praveen Chaturvedi is proposed to be re-appointed as an Independent Woman Director, not liable to retire by rotation and to hold office for a second term of 5 (Five) consecutive years commencing from July 31, 2021 and expiring on July 30, 2026 (both days inclusive).
Remuneration last drawn (including sitting fees, if any)	₹ 3,430,768/- per annum. No sitting fees was paid to Mr. Amit Dahanukar during the financial year 2020-21 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 ₹ 45,000,000/- per annum from its subsidiary company i.e. PunjabExpo Breweries Private Limited as its Chairman and Managing Director.	Only sitting fees of ₹ 450,000/- was paid to Ms. Aparna Praveen Chaturvedi during the financial year 2020-21.
Remuneration proposed to be paid	₹ 6,000,000/- per annum as approved by the Shareholders in their AGM held on December 29, 2020.	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.
Shareholding in the Company (Equity)	He holds 29,844,552 shares having face value of ₹ 10/- each in the Company in his personal capacity.	Nil
Disclosure of relationship with other Directors and Key Managerial Personnel	He is husband of Mrs. Shivani Amit Dahanukar, Non-Executive Director of the Company and is not related to any other Director or Key Managerial Personnel of the Company.	Ms. Aparna Praveen Chaturvedi 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 2020-21	8 (Eight)	7 (Seven)
Other listed companies in which he/she holds Directorship	Nil	MSTC Limited
Other public companies in which he/she holds Directorship	a. Prag Distillery (P) Ltd.*# b. Vahni Distilleries Private Limited* c. Kesarval Springs Distillers Pvt. Ltd.* d. PunjabExpo Breweries Private Limited* e. Shivprabha Sugars Ltd.* f. Srirampur Grains Private Limited* g. Studd Projects P. Ltd.* h. Mykingdom Ventures Pvt. Ltd.*	a. Ferro Scrap Nigam Limited b. Agra Smart City Limited c. Vahni Distilleries Private Limited*
Chairman/Member of Committee(s) of Board of Directors of the Company	a. Stakeholders Relationship Committee (Member) b. Share Transfer Committee (Chairman) c. Risk Management Committee (Chairman)	a. Stakeholders Relationship Committee (Member) b. CSR Committee (Member)
Chairman/Member of the Committee(s) of Board of Directors of other listed companies in which he/she is a Director	Nil	Chairperson in the following committees of MSTC Limited: Audit Committee Nomination and Remuneration Committee Corporate Social Responsibility Committee Stakeholders relationship Committee

*Subsidiaries of Tilaknagar Industries Ltd.
#Under liquidation

NOTES

Corporate

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. Ajit Anant Sirsat *(w.e.f. January 21, 2021)*

COMPANY SECRETARY

Mr. Shekhar R Singh *(w.e.f. January 21, 2021)*

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

INTERNAL AUDITORS

Ernst & Young, LLP

SOLICITORS

W. S. Kane & Co.
Advocate Umamaheshwar Rao
Economic Laws Practice (ELP)
Holla & Holla
Inttl. Advocare
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

86th Annual General Meeting is scheduled to be held on Thursday, September 30, 2021, at 10.30 a.m. IST through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM')

ESTD. 1933

TILAKNAGAR
INDUSTRIES LTD

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**