.TI.
TILAKNAGAR INDUSTRIES LTD.

Ref: TI/NSE/COMP/15-16/27 **September 01, 2015**

To,
The Manager (Listing),
National Stock Exchange of India Ltd.
Exchange Plaza,Plot no. C/1, G Block,
Bandra -Kurla Complex, Bandra (E).
Mumbai 400 051.
Ph No.: 26598235/36
Fax No.:26598120/237/238

Sub: Compliance of Clause 31 and Clause 49(XI) of the Listing Agreement
Ref: Scrip Code- TI

Dear Sir/Madam,

We are enclosing herewith the following documents:

1. Six copies of the Annual Report for the financial year 2014-15 alongwith Form A pursuant to the requirements of Clause 31(a) of the Listing Agreement;

2. Three copies of the Notice convening Annual General Meeting of the Company on Saturday, September 26, 2015 at the Registered Office of the Company i.e. P.O. Tilaknagar, Tal. Shrirampur, District Ahmednagar, Maharashtra – 413 720 at 10.30 a.m pursuant to the requirements of Clause 31(c) of the Listing Agreement; and

3. Certificate obtained from the Statutory Auditors regarding compliance of conditions of Corporate Governance pursuant to the requirements of Clause 49(XI) of the Listing Agreement.

We have also submitted the same through NEAPS.

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

Thanking you.
Yours Faithfully,
For Tilaknagar Industries Ltd.

Gaurav Thakur
Company Secretary

Encl: a/a

Corporate Office : Industrial Assurance Building, 3rd Floor, Churchgate, Mumbai - 400 020
Tel.: +91 22 22831716/18 **Fax :** +91 22 22046904 **E-mail :** tiliquor@tilind.com
Regd. Office & Works : P. O. Tilaknagar, Tal.Shrirampur, Dist. Ahmednagar, Maharashtra - 413 720.
Tel.: (02422) 265 123 / 265 032 **Fax :** (02422) 265 135 **E-mail :** regoff@tilind.com **Website :** www.tilind.com
CIN : L15420PN1933PLC133303

.TI.
TILAKNAGAR INDUSTRIES LTD.
CIN: L15420PN1933PLC133303
Registered Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra-413 720
Email: investor@tilind.com, **Website:** www.tilind.com, **Phone:** +91 22 22831716/18, **Fax:** +91 22 22046904

NOTICE

NOTICE is hereby given that the **80th Annual General Meeting (AGM)** of the Members of Tilaknagar Industries Ltd. will be held on **Saturday, September 26, 2015 at 10:30 a.m.** at the Registered Office of the Company i.e. P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra-413 720 to transact the following business:

ORDINARY BUSINESS

Item No. 1 – Adoption of the audited financial statements and the reports of the Board of Directors and Auditors thereon

To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2015, the Reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company for the financial year ended March 31, 2015.

Item No. 2 – To appoint a Director in place of the Director retiring by rotation

To appoint a Director in place of Mr. Amit Dahanukar (DIN: 00305636), who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 3 – Re-appointment of Statutory Auditors

To ratify the appointment of M/s Batliboi & Purohit, Chartered Accountants (ICAI Firm Registration No. 101048W) as the Statutory Auditors of the Company to hold office from the conclusion of the 80th Annual General Meeting till the conclusion of the 82nd Annual General Meeting, subject to ratification of their appointment by the Members at every Annual General Meeting held after this Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

Item No. 4 - Approval of the remuneration payable to the Cost Auditors for the financial year 2015-16

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s P. D. Phadke & Associates, Cost Auditors, appointed by the Board of Directors for conducting the audit of cost accounting records maintained by the Company relating to manufacturing of the products covered under the abovementioned rules, be paid a remuneration of ₹ 1,50,000/-(Rupees One Lac Fifty Thousand Only) plus service tax as applicable and re-imbursement of out of pocket expenses as may be incurred by them for conducting the Cost Audit for the financial year 2015-16;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item No. 5 - Waiver of the recovery of excess remuneration paid during the financial year 2014-15 to Mr. Amit Dahanukar, Chairman & Managing Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Section 197, Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any statutory modification(s) or re-enactment thereof and subject to approval of the Central Government and such other consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such condition(s) as may be imposed by the Central Government or other authorities while granting such consent(s), approval(s) and permission(s), approval be and is hereby accorded to waive the recovery of excess remuneration of ₹ 2,60,39,261 (Rupees Two Crore Sixty Lacs Thirty Nine Thousand Two Hundred and Sixty One Only) paid during the financial year 2014-15, over and above the limits prescribed under the provisions of Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013 to Mr. Amit Dahanukar (DIN: 00305636), Chairman & Managing Director of the Company, as recommended by the Nomination and Remuneration Committee;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard."

Item No. 6 - Waiver of the recovery of excess remuneration paid during the financial yea 2014-15 to Mrs. Shivani Amit Dahanukar, Executive Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Section 197, Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any statutory modification(s) or re-enactment thereof and subject to approval of the Central Government and such other consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such condition(s) as may be imposed by the Central Government or other authorities while granting such consent(s), approval(s) and permission(s), approval be and is hereby accorded to waive the recovery of excess remuneration of ₹ 1,44,74,081 (Rupees One Crore Forty Four Lacs Seventy Four Thousand and Eighty One Only) paid during the financial year 2014-15, over and above the limits prescribed under the provisions of Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013 to Mrs. Shivani Amit Dahanukar (DIN: 00305503), Executive Director of the Company, as recommended by the Nomination and Remuneration Committee;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard."

Item No. 7 – Fixation of remuneration payable to Mr. Amit Dahanukar, Chairman & Managing Director for the period April 01, 2015 to November 06, 2017

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Section 197, Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any statutory modification(s) or re-enactment thereof and subject to approval of the Central Government and such other consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such condition(s) as may be imposed by the Central Government or other authorities while granting such consent(s), approval(s) and permission(s), approval be and is hereby accorded for making payment of following remuneration recommended by the Nomination and Remuneration Committee as minimum remuneration to Mr. Amit Dahanukar (DIN: 00305636), Chairman & Managing Director of the Company for the period April 01, 2015 to November 06, 2017 in case of inadequacy of profits or no profits in any financial year during the above mentioned period:

Sr. No.	Particulars	Entitlements
A	Salary	₹ 15,78,000/- per month
B	Perquisites and Allowances:	
(a)	Accommodation	Furnished or otherwise, shall be provided by the Company or HRA in lieu thereof subject to a limit of sixty percent of the annual salary
(b)	Medical Reimbursement	For self and family in accordance with the rules of the Company and Scheme as applicable to other Senior Executives
(c)	Leave Travel Assistance	For self and family in accordance with the rules of the Company and Scheme as applicable to other Senior Executives
(d)	Personal Accident Insurance	Premium not to exceed ₹ 4,000/- per annum
(e)	Leave	Leave on full pay as per the rules of the Company subject to maximum of one month's leave for every eleven months service
(f)	Encashment of Leave	Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites
(g)	Provident Fund	Benefits under the Provident Fund Scheme of the Company in accordance with the Company's rules and regulations in force from time to time
(h)	Pension and Superannuation Fund	Benefits under the Company's Pension & Superannuation Fund Scheme in accordance with the Company's rules and regulations and Schemes in force from time to time, to the extent these two are not taxable under the Income-Tax Act, 1961
(i)	Gratuity	Gratuity payable in accordance with the rules and approved scheme of the Company which does not exceed half month's salary (15 days) for each completed year of service, subject to a ceiling laid down thereunder from time to time
(j)	Car and Telephone	Free use of Company's Car including maintenance and operation together with driver, the monetary value of which may be evaluated as per Income-Tax Rules, 1962 Free telephone facility at residence. Provision for use of car for official duties and telephone facility at residence shall not be included in computation of perquisites for the purpose of calculation of the said ceiling
(k)	Club Fees	Fees of Clubs, subject to a maximum of two Clubs, excluding admission and life membership fees

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard."

Item No. 8 – Fixation of remuneration payable to Mrs. Shivani Amit Dahanukar, Executive Director for the period April 01, 2015 to September 30, 2017

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Section 197, Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any statutory modification(s) or re-enactment thereof and subject to approval of the Central Government and such other consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such condition(s) as may be imposed by the Central Government or other authorities while granting such consent(s), approval(s) and permission(s), approval be and is hereby accorded for making payment of following remuneration recommended by the Nomination and Remuneration Committee as minimum remuneration to Mrs. Shivani Amit Dahanukar (DIN: 00305503), Executive Director of the Company for the period April 01, 2015 to September 30, 2017 in case of inadequacy of profits or no profits in any financial year during the abovementioned period:

Sr. No.	Particulars	Entitlements
A	Salary	₹ 14,94,000/- per month
B	**Perquisites and Allowances:**	
(a)	**Medical Reimbursement**	For self in accordance with the rules of the Company and Scheme as applicable to other Senior Executives
(b)	**Personal Accident Insurance**	Premium not to exceed ₹ 4,000/- per annum
(c)	**Leave**	Leave on full pay as per the rules of the Company subject to maximum of one month's leave for every eleven months service
(d)	**Encashment of Leave**	Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites
(e)	**Provident Fund**	Benefits under the Provident Fund Scheme of the Company in accordance with the Company's rules and regulations in force from time to time
(f)	**Pension and Superannuation Fund**	Benefits under the Company's Pension & Superannuation Fund Scheme in accordance with the Company's rules and regulations and Schemes in force from time to time, to the extent these two are not taxable under the Income-Tax Act, 1961
(g)	**Gratuity**	Gratuity payable in accordance with the rules and approved scheme of the Company which does not exceed half month's salary (15 days) for each completed year of service, subject to a ceiling laid down thereunder from time to time
(h)	**Car**	Free use of Company's Car including maintenance and operation together with driver, the monetary value of which may be evaluated as per Income-Tax Rules, 1962 Provision for use of car for official duties shall not be included in computation of perquisites for the purpose of calculation of the said ceiling
(i)	**Club Fees**	Fees of Clubs, subject to a maximum of two Clubs, excluding admission and life membership fees

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard."

By Order of the Board

Place: Mumbai
Date: August 14, 2015

Gaurav Thakur
Company Secretary

Registered Office:
P.O. Tilaknagar, Tal. Shrirampur,
Dist. Ahmednagar, Maharashtra-413 720

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   A person can act as a Proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten percent (10%) of the total share capital of the Company. A Member holding more than ten percent (10%) of the total share capital of the Company may appoint a single person as Proxy and such Proxy shall not act as a Proxy for any other Member.

   The Proxy form is annexed with this Notice. The instrument appointing the Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed, stamped and signed, not less than 48 hours before the commencement of the Meeting.

   Corporate Members intending to send their authorized representatives to attend the Annual General Meeting ("the Meeting") are requested to send to the Company a certified true copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.

   During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member is entitled to inspect the Proxies lodged, at any time during the business hours of the Company, provided that not less than 3 days of notice in writing is given to the Company by such Member.

2. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

3. The Members/Proxies are requested to bring the attendance slip duly filled in for attending the Meeting.

4. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

5. As required under Clause 49 of the Listing Agreement, a statement containing the details of the Director seeking re-appointment at the ensuing Annual General Meeting is annexed to this Notice.

6. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, September 19, 2015 to Saturday, September 26, 2015 (both days inclusive) for the purpose of the Meeting.

7. The Register of Directors and Key Managerial Personnel and their Shareholding, the Register of Contracts or Arrangements in which Directors are interested and the Certificate given by the Statutory Auditors with respect to implementation of the ESOP Schemes of the Company will be available for inspection at the Meeting.

8. All the documents referred to in the Notice and Explanatory Statement annexed thereto including the Annual Report for the financial year 2014-15 and Notice of the 80th Annual General Meeting are open for inspection by the Members, without any fees, at the Registered Office and Corporate Office of the Company between 11.00 a.m. and 01.00 p.m. on all working days except Saturday up to the date of the Meeting and the same shall also be made available for inspection by Members at the Meeting.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to furnish their PAN to Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agents of the Company.

10. Members holding shares in physical form are requested to approach Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agents of the Company at E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai – 400 072 for:

    (a) intimating any change in their address and/or bank mandate;

    (b) submitting requests for transfer, transmission, 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.

11. 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.

12. 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.

13. 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). Members, who have registered their e-mail address, are also entitled to receive such communication in physical form, upon request.

14. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unclaimed dividend amounts lying with it as on September 27, 2014 (date of last Annual General Meeting) on its website i.e. www.tilind.com and also on the website of the Ministry of Corporate Affairs.

    The concerned Members may claim the same by sending a request letter along with the letter of undertaking available on the website of the Company 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 available on the website of the Company i.e. www.tilind.com to the Investor Education and Protection Fund (IEPF), constituted by the Central Government.

15. 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.

16. The Annual Report for the financial year 2014-15 and Notice of the 80th Annual General Meeting, inter-alia, indicating the process and manner of voting including remote e-voting along with Attendance Slip and Proxy Form are being sent in electronic mode to all the Members holding shares in dematerialized form and having their e-mail address registered with their Depository Participants and such other Members who have positively consented in writing to receive the same by electronic mode. Physical copies of the abovementioned documents are being sent to all other Members by the permitted mode.

    Members, who have received the above documents in electronic mode, are entitled to receive the same, free of cost, in physical form, upon making a request in this regard to Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agents of the Company or to the Company at investor@tilind.com.

    The abovementioned documents are also available for download on the Company's website i.e. www.tilind.com.

17. In compliance with the provisions of Clause 35B of the Listing Agreement and Section 108 of the Companies Act, 2013 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 business proposed to be transacted at the 80th Annual General Meeting ("the Meeting"). Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate remote e-voting.

    The facility for voting through ballot paper shall also be made available at the venue of the Meeting. The Members attending the Meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the Meeting.

18. **Information and other instructions relating to remote e-voting are as under:**

    i. The voting period begins on Wednesday, September 23, 2015 at 10:00 a.m. and ends on Friday, September 25, 2015 at 5.00 p.m. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, September 19, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

    ii. The Members who have cast their vote by remote e-voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their vote again.

    iii. The Members should log on to the e-voting website www.evotingindia.com.

    iv. Click on Shareholders.

    v. 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.

vi. Next enter the Image Verification as displayed and Click on Login.

vii. 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.

viii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letter of their name and 8 digits of the sequence number in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. ● If both details are not recorded with the depository or Company please enter the Member ID/Folio Number in the Dividend Bank details field as mentioned in instruction (v).

ix. After entering these details appropriately, click on "SUBMIT" tab.

x. Members holding shares in physical form will then directly reach 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.

xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xii. Click on the EVSN for "Tilaknagar Industries Ltd." on which you choose to vote.

xiii. 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.

xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xv. 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.

xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvii. You can also take out print of the vote cast by clicking on "Click here to print" option on the Voting page.

xviii. If a 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.

xix. **Note for Non – Individual Shareholders:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an e-mail to helpdesk.evoting@cdslindia.com. The Members may also approach the Company Secretary at investor@tilind.com for any grievances pertaining to remote e-voting process.

19. Any person who is not a Member as on the cut-off date should treat this Notice for information purpose only. Also, any person who acquires shares and becomes the Member of the Company after the dispatch of Annual Report and Notice of the Meeting and holding shares on the cut-off date i.e. Saturday, September 19, 2015, may obtain login ID and password by sending a request at helpdesk.evoting@cdslindia.com.

20. The Board of Directors has appointed Mr. R. T. RajGuroo, Advocate as Scrutinizer to scrutinize the voting process (including remote e-voting) in a fair and transparent manner in its Meeting held on August 14, 2015. He has communicated his willingness to be so appointed and will be available for the purpose of ascertaining the requisite majority.

21. The Scrutinizer shall, after the conclusion of voting at the Meeting, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman & Managing Director of the Company or any person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

22. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e. www.tilind.com and on the website of the CDSL immediately after the declaration of the results by the Chairman & Managing Director of the Company or a person authorized by him in writing and also be displayed at the Registered and Corporate Office of the Company. The results shall also be immediately forwarded to the Stock Exchange(s) i.e. BSE Limited and National Stock Exchange of India Ltd.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 SETTING OUT ALL THE MATERIAL FACTS RELATING TO SPECIAL BUSINESS:

Item No. 4

Pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and based on the recommendation of the Audit Committee, the Board of Directors had appointed M/s P. D. Phadke & Associates, Cost Accountants as Cost Auditors for the financial year 2015-16 for conducting the audit of cost accounting records maintained by the Company relating to manufacturing of the products covered under the abovementioned rules at a remuneration of ₹ 1,50,000/- (Rupees One Lac Fifty Thousand Only) plus service tax as applicable and re-imbursement of out of pocket expenses as may be incurred by them for conducting the Cost Audit.

The following certificates obtained from them are available for inspection by the Members without any fees at the Registered 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 Annual General Meeting:

(i) certifying their independence and arms length relationship with the Company; and

(ii) certifying that their appointment, if made, will be in conformity with the limits specified in Section 141 of the Companies Act, 2013 and that they hold a valid certificate of practice and are eligible under Section 148 of the Companies Act, 2013 for being appointed as Cost Auditors.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is subject to ratification by the Members.

Accordingly, the Board recommends the Ordinary Resolution set out at Item No. 4 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. 4.

Item Nos. 5 and 6

The Members had, upon the recommendation of the Nomination and Remuneration Committee (then known as Remuneration Committee), in their 77th Annual General Meeting held on September 21, 2012 granted approval by way of Special Resolutions for the re-appointment of Mr. Amit Dahanukar, Chairman & Managing Director and Mrs. Shivani Amit Dahanukar, Executive Director of the Company

for a period of 5 years expiring on November 06, 2017 and September 30, 2017 respectively on the remuneration approved thereat.

The Members had, upon the recommendation of the Nomination and Remuneration Committee (then known as Remuneration Committee), in their 78th Annual General Meeting held on September 11, 2013 granted approval by way of Ordinary Resolutions for revision in the abovementioned remuneration payable to Mr. Amit Dahanukar, Chairman & Managing Director and Mrs. Shivani Amit Dahanukar, Executive Director of the Company w.e.f. April 01, 2013 for the remainder of their tenure.

As the Company was making consistent profits till the financial year 2013-14, the remuneration paid to Mr. Amit Dahanukar, Chairman & Managing Director and Mrs. Shivani Amit Dahanukar, Executive Director of the Company till the financial year 2013-14 was well within the overall ceiling prescribed under Section 309 read with Schedule XIII of the Companies Act, 1956 (corresponding to Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013 effective from April 01, 2014).

However, during the financial year 2014-15, the Company's revenue has declined due to prolonged slowdown in the economy, weak consumer sentiments, supply side limitations in the State of Tamil Nadu driven by bottling constraints, operational disturbances caused due to bifurcation of the State of Andhra Pradesh and restrictions imposed on sales in the Kerala Market.

During the financial year 2014-15, the Company has incurred loss due to moderation in revenues, elevated finance costs and increased raw material costs. This has resulted in the managerial remuneration paid to Mr. Amit Dahanukar, Chairman & Managing Director and Mrs. Shivani Amit Dahanukar, Executive Director of the Company for the financial year 2014-15 to exceed the limits prescribed under Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013 (effective from April 01, 2014) as per details given herein below:

Particulars	Mr. Amit Dahanukar (Chairman & Managing Director) (₹)	Mrs. Shivani Amit Dahanukar (Executive Director) (₹)
Remuneration paid during the financial year 2014-15	3,20,39,261	2,04,74,081
Entitlement under Schedule V of the Companies Act, 2013	60,00,000	60,00,000
Remuneration paid in financial year 2014-15 in excess of entitlement	2,60,39,261	1,44,74,081

The abovementioned excess remuneration is held by Mr. Amit Dahanukar, Chairman & Managing Director and Mrs. Shivani Amit Dahanukar, Executive Director of the Company in trust and is liable to be refunded by them to the Company unless permission from the Central Government for waiver of recovery of excess remuneration under Section 197(10) of the Companies Act, 2013 is obtained by the Company.

Mr. Amit Dahanukar is a graduate in Electrical Engineering with a Masters degree in Engineering Management from Stanford University, U.S.A. and 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. They have been associated with the Company since 2000 and 2006 respectively. They are instrumental in expansion of the Company's operations on Pan India basis and under their leadership, the Company has emerged as a well established player in the IMFL industry with dominant position in Southern India.

After taking into consideration that the managerial remuneration paid to them during the financial year 2014-15 was justified and commensurate with the remuneration paid to similar senior-level appointees in other companies and thus comparable to the industry standards, the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on May 30, 2015 and August 14, 2015 have recommended the waiver of the abovementioned excess remuneration paid to them, subject to approval of the Members by way of Special Resolutions and approval of the Central Government.

Accordingly, the Board recommends the Special Resolutions set out at Item Nos. 5 and 6 for the approval of the Members.

Save and except Mr. Amit Dahanukar and Mrs. Shivani Amit Dahanukar, none of the other Directors/Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 5 and 6.

Item Nos. 7 and 8

The Members had, upon the recommendation of the Nomination and Remuneration Committee (then known as Remuneration Committee), in their 77th Annual General Meeting held on September 21, 2012 granted approval by way of Special Resolutions for the re-appointment of Mr. Amit Dahanukar, Chairman & Managing Director and Mrs. Shivani Amit Dahanukar, Executive Director of the Company for a period of 5 years expiring on November 06, 2017 and September 30, 2017 respectively on the remuneration approved thereat.

The Members had, upon the recommendation of the Nomination and Remuneration Committee (then known as Remuneration Committee), in their 78th Annual General Meeting held on September 11, 2013 granted approval by way of Ordinary Resolutions for revision in the abovementioned remuneration payable to Mr. Amit Dahanukar, Chairman & Managing Director and Mrs. Shivani Amit Dahanukar, Executive Director of the Company w.e.f. April 01, 2013 for the remainder of their tenure.

The Company was making consistent profits till the financial year 2013-14. However, due to prolonged slowdown in the economy, weak consumer sentiments, supply side limitations in the State of Tamil Nadu driven by bottling constraints, operational disturbances caused due to bifurcation of the State of Andhra Pradesh and restrictions imposed on sales in the Kerala Market, the Company's revenue has declined during the financial year 2014-15.

During the financial year 2014-15, the Company has incurred loss due to moderation in revenues, elevated finance costs and increased raw material costs.

The Company has been making necessary efforts to improve its performance and is aggressively pursuing and implementing various strategies, including selling of high margin semi-premium and premium brands and cost reductions initiatives etc. The results of these initiatives will be felt gradually in the coming years. However, during the financial years 2015-16 to 2017-18, the Company may have inadequate profits which may result in payment of the managerial remuneration to Mr. Amit Dahanukar, Chairman & Managing Director and Mrs. Shivani Amit Dahanukar, Executive Director of the Company for said years to fall within the purview of Section II of Part II of Schedule V of the Companies Act, 2013.

After taking into consideration that the managerial remuneration proposed to be paid to them as detailed in the respective resolutions set out at Item No. 7 and 8 is justified and commensurate with the remuneration paid to similar senior-level appointees in other companies and thus comparable to the industry standards, the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on May 30, 2015 and August 14, 2015 have recommended to make payment of such remuneration as minimum remuneration to them for the period April 01, 2015 to November 06, 2017 and April 01, 2015 to September 30, 2017 respectively in case of inadequacy of profits or no profits in any financial year during the abovementioned period, subject to approval of the Members by way of Special Resolutions and approval of the Central Government.

Accordingly, the Board recommends the Special Resolutions set out at Item Nos. 7 and 8 for the approval of the Members. The Statement as required under Section II of Part II of Schedule V of the Companies Act, 2013 is given herein below:

I. GENERAL INFORMATION

(i) Nature of Industry:
The Company is engaged in the business of manufacturing and distribution of Spirits and Indian Made Foreign Liquor at its plants located at various parts of India.

(ii) Date or expected date of commencement of commercial production:
The Company is having operations since 1933.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable

(iv) Financial performance based on given indicators:

(₹. in million, except per share data)

Particulars	Year ended 31.03.2015 (Audited)	Year ended 31.03.2014 (Audited)	Year ended 31.03.2013 (Audited)	Year ended 31.03.2012 (Audited)
Total Revenue	5,533.12	6,198.98	5,713.62	4,587.27
Profit/(Loss) before tax	(231.88)	691.77	719.72	580.64
Profit/(Loss) after tax	(345.02)	485.95	503.43	387.54
Earnings Per Share (EPS)-basic	(2.77)	3.96	4.17	3.35
Earnings Per Share (EPS)-diluted	(2.77)	3.89	4.04	3.30

(v) Foreign investments or collaborations, if any:
The Company has not entered into any foreign collaboration. As per the shareholding pattern as on August 07, 2015, Foreign Institutional Investors (FII) holds 2,48,476 shares i.e. 0.19% of the total paid up share capital of the Company.

II. INFORMATION ABOUT MR. AMIT DAHANUKAR AND MRS. SHIVANI AMIT DAHANUKAR

Particulars	Mr. Amit Dahanukar (Chairman & Managing Director)		Mrs. Shivani Amit Dahanukar (Executive Director)	
Background details	Mr. Amit Dahanukar, aged 38 years is a graduate in Electrical Engineering with a Masters degree in Engineering Management from Stanford University, U.S.A. He has experience of 14 years in the IMFL industries.		Mrs. Shivani Amit Dahanukar, aged 37 years has a Masters in Business Administration from the University of San Francisco. She is also a graduate in Law from the Government Law College, University of Mumbai. She has experience of 9 years in the IMFL industries.	
Past remuneration	2012-13	₹ 34.55 million	2012-13	₹ 22.37 million
	2013-14	₹ 34.95 million	2013-14	₹ 22.34 million
	2014-15	₹ 32.04 million	2014-15	₹ 20.47 million
Recognition or awards	Mr. Amit Dahanukar was conferred with prestigious **Bharat Vibhushan Samman Puraskar** for his outstanding individual achievement & distinguished services to the Nation presented by the Economic and Human Resource Development Association, Delhi.		The prestigious **Award for Excellence in CSR** was given to the Company by 'Ambrosia', a leading alcobev magazine for the outstanding contribution made in the field of social welfare through CSR activities headed by Mrs. Shivani Amit Dahanukar.	
Job profile and his/ her suitability	Mr. Amit Dahanukar joined the Company's Board of Directors on June 07, 2000. He attended 3 meetings of the Board out of total 5 meetings held during the financial year ended March 31, 2015. He is also holding directorship in following subsidiaries of the Company: 1. Prag Distillery (P) Ltd. 2. Vahni Distilleries Private Limited 3. Kesarval Springs Distillers Pvt. Ltd. 4. PunjabExpo Breweries Private Limited 5. Srirampur Grains Private Limited 6. Studd Projects P. Ltd. 7. Mykingdom Ventures Pvt. Ltd. 8. Shivprabha Sugars Ltd. He is the Member of the Nomination and Remuneration Committee of Prag Distillery (P) Ltd. and Vahni Distilleries Private Limited. As the Chairman & Managing Director of the Company, he provides strategic direction for Company's future initiatives and is also instrumental in the expansion of the Company's operations on Pan India basis and under his leadership, the Company has emerged as a well established player in the IMFL Industry with dominant position in Southern India.		Mrs. Shivani Amit Dahanukar joined the Company's Board of Directors on June 07, 2000. She attended 3 meetings of the Board out of total 5 meetings held during the financial year ended March 31, 2015. She is also holding directorship in following subsidiaries of the Company: 1. Prag Distillery (P) Ltd. 2. Vahni Distilleries Private Limited 3. Kesarval Springs Distillers Pvt. Ltd. 4. PunjabExpo Breweries Private Limited 5. Srirampur Grains Private Limited 6. Studd Projects P. Ltd. 7. Mykingdom Ventures Pvt. Ltd. 8. Shivprabha Sugars Ltd. She is the Chairperson of the CSR Committee of Prag Distillery (P) Ltd. As the Executive Director of the Company, she oversees its daily operations and spearheads its community welfare activities in the fields of nutrition, primary education and healthcare. She is also instrumental in the expansion of the Company's operations on Pan India basis.	

Remuneration proposed	As detailed in the resolution set out at Item No. 7 of this Notice.	As detailed in the resolution set out at Item No. 8 of this Notice.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The managerial remuneration proposed to be paid to Mr. Amit Dahanukar is justified in view of the size and complexity of the business, the diversified product portfolio and competitive environment in which the Company operates and is commensurate with the remuneration package of similar senior-level appointees in other companies and thus comparable to the industry standards.	The managerial remuneration proposed to be paid to Mrs. Shivani Amit Dahanukar is justified in view of the size and complexity of the business, the diversified product portfolio and competitive environment in which the Company operates and is commensurate with the remuneration package of similar senior-level appointees in other companies and thus comparable to the industry standards.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Apart from drawing remuneration as Chairman & Managing Director, Mr. Amit Dahanukar receives license fees of ₹ 6,12,427/- p.m. with respect to leave and license agreement dated June 01, 2012 entered into with the Company. He holds 29,844,552 shares having face value of ₹ 10/- each in the Company in his personal capacity. He is husband of Mrs. Shivani Amit Dahanukar, Executive Director of the Company and is not related to any other managerial personnel.	Apart from drawing remuneration as Executive Director, Mrs. Shivani Amit Dahanukar does not have any pecuniary relationship directly or indirectly with the Company. She holds 32,976,043 shares having face value of ₹ 10/- each in the Company in her personal capacity. She is wife of Mr. Amit Dahanukar, Chairman & Managing Director of the Company and is not related to any other managerial personnel.

III. OTHER INFORMATION

(i) Reasons of loss or inadequate profits:

The Company was making consistent profits till financial year 2013-14 but prolonged slowdown in the economy, weak consumer sentiments, and supply side limitations in the State of Tamil Nadu driven by bottling constraints, operational disturbances caused due to bifurcation of the State of Andhra Pradesh and restrictions imposed on sales in the Kerala Market has resulted in a considerable decline in the revenue. Due to moderation in revenues, elevated finance costs and increased raw material costs, the Company has incurred loss during the financial year 2014-15.

(ii) Steps taken or proposed to be taken for improvement:

The Company has been making necessary efforts to improve its performance and is aggressively pursuing and implementing various strategies, including selling of high margin semi-premium and premium brands, discontinuation of various loss making brands in Kerala and Canteen Stores Department(CSD), exploring alternative supply options in the State of Tamil Nadu and cost reductions initiatives etc.

(iii) Expected increase in productivity and profits in measurable terms:

Though the IMFL industry is witnessing a prolonged slowdown, the Company anticipates that the overall economy and consumer sentiments will revive in near future. The productivity, performance and profitability of the Company will gradually improve in the coming years owing to the persistent efforts and aggressive strategies adopted by the Company.

Save and except Mr. Amit Dahanukar and Mrs. Shivani Amit Dahanukar, none of the other Directors/Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 7 and 8.

By Order of the Board

Place : Mumbai
Date : August 14, 2015

Gaurav Thakur
Company Secretary

Registered Office:
P.O. Tilaknagar, Tal. Shrirampur,
Dist. Ahmednagar, Maharashtra-413 720

DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Mr. Amit Dahanukar
Date of Birth	November 06, 1976
Expertise in specific functional areas	As the Chairman & Managing Director of the Company, he provides strategic direction for Company's future initiatives and is also instrumental in the expansion of the Company's operations on Pan India basis and under his leadership, the Company has emerged as a well established player in the IMFL Industry with dominant position in Southern India.
Qualifications	B.E. (ELEC.), M.S. (U.S.A.)
Public Companies in which Directorship is held as on March 31, 2015	Prag Distillery (P) Ltd.* Vahni Distilleries Private Limited* Kesarval Springs Distillers Pvt. Ltd.* PunjabExpo Breweries Private Limited* Srirampur Grains Private Limited* Studd Projects P. Ltd.* Mykingdom Ventures Pvt. Ltd.* Shivprabha Sugars Ltd.
Chairman of Committees formed by Board of other Listed Companies of which he/she is a Director as on March 31, 2015	Nil
Member of Committees formed by Board of other Listed Companies of which he/she is a Director as on March 31, 2015	Nil
Shareholding in the Company as on March 31, 2015 (Equity)	29,844,552

* Being Subsidiaries of Tilaknagar Industries Ltd. deemed as Public Limited Companies in accordance with the provisions of Section 2(71) of the Companies Act, 2013.

.TI.
TILAKNAGAR INDUSTRIES LTD.

CIN: L15420PN1933PLC133303

Registered Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra-413 720
Email: investor@tilind.com, **Website:** www.tilind.com, **Phone:** +91 22 22831716/18, **Fax:** +91 22 22046904

ATTENDANCE SLIP

Regd. Folio No./ DP ID - Client ID :_____

Name of the Member :_____

Name of the Proxy :_____

No. of Shares held :_____

I hereby record my presence at the 80th Annual General Meeting of Tilaknagar Industries Ltd. on Saturday, September 26, 2015 at 10:30 a.m. at its Registered Office i.e. P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720.

_____
Signature of the Member/Proxy

.TI.
TILAKNAGAR INDUSTRIES LTD.

CIN: L15420PN1933PLC133303

Registered Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra-413 720
Email: investor@tilind.com, **Website:** www.tilind.com, **Phone:** +91 22 22831716/18, **Fax:** +91 22 22046904

PROXY FORM

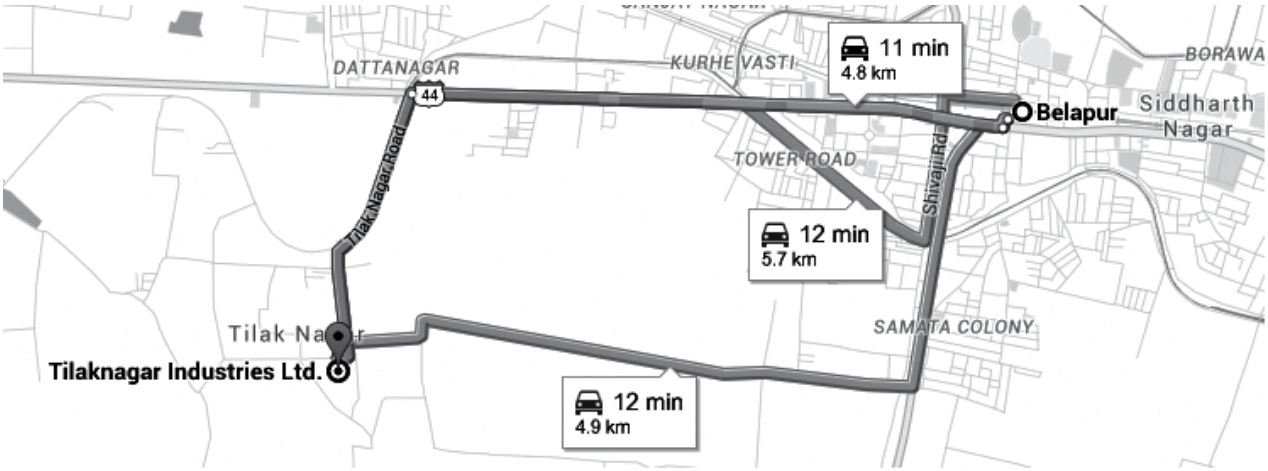
[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No./Client ID	
DP ID	

I/We, being the Member(s) of _____ shares of Tilaknagar Industries Ltd., hereby appoint:

1) Name: _____ Address: _____
   E-mail id: _____ Signature: _____ , or failing him /her
2) Name: _____ Address: _____
   E-mail id: _____ Signature: _____ , or failing him /her
3) Name: _____ Address: _____
   E-mail id: _____ Signature: _____ ,

Route Map to the AGM Venue



Source: Google Map

AGM Venue: Tilaknagar Industries Ltd.
P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra-413 720

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 80th Annual General Meeting of the Company, to be held on Saturday, September 26, 2015 at 10:30 a.m. at P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720 and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolutions	Vote (Optional see Note 4)		
		For	Against	Abstain
ORDINARY BUSINESS				
1	Adoption of the audited financial statements and the reports of the Board of Directors and Auditors thereon			
2	To appoint a Director in place of the Director retiring by rotation			
3	Re-appointment of Statutory Auditors			
SPECIAL BUSINESS				
4	Approval of the remuneration payable to the Cost Auditors for the financial year 2015-16			
5	Waiver of the recovery of excess remuneration paid during the financial year 2014-15 to Mr. Amit Dahanukar, Chairman & Managing Director			
6	Waiver of the recovery of excess remuneration paid during the financial year 2014-15 to Mrs. Shivani Amit Dahanukar, Executive Director			
7	Fixation of remuneration payable to Mr. Amit Dahanukar, Chairman & Managing Director for the period April 01, 2015 to November 06, 2017			
8	Fixation of remuneration payable to Mrs. Shivani Amit Dahanukar, Executive Director for the period April 01, 2015 to September 30, 2017			

Signed this _____ day of _____ 2015

Affix a ₹ 1/- Revenue Stamp

Signature of Member

Signature of 1st Proxy holder

Signature of 2nd Proxy holder

Signature of 3rd Proxy holder

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A person can act as a proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. A Member holding more than ten percent (10%) of the total share capital of the Company may appoint a single person as a Proxy and such Proxy shall not act as a Proxy for any other Member.
3. This form of proxy in order to be effective, should be deposited at the Registered Office of the Company i.e. P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720, duly completed, stamped and signed, not less than 48 hours before the commencement of the Meeting.
4. This is only optional. Please put a '√' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For','Against' or 'Abstain' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

ESTD.
1933
.TI.
TILAKNAGAR INDUSTRIES LTD.
KING of PREMIUMS
Annual Report 2014-15

COURRIER NAPOLEON
CNB
COURRIER
NAPOLEON
FINEST FRENCH BRANDY
750
GREEN

KING of PREMIUMS

In our long history of being a premium player in the IMFL industry, we've seen many business cycles come and go. We've always been light on our feet to adapt to both good and trying times. Today, we are once again in the midst of another challenging cycle. A phase in which the toxic combination of a restrictive regulatory environment, massive duties and levies, and expensive capital - are requiring us to introspect and question the very fundamentals of our business model and strategies going forward. One thing is amply clear to us: going forward, there must always be a strong and compelling rationale of value creation in any segment or price point we participate in. Under this premise, the established economics of our business necessitates us to focus on increasing our market share only in the premium end of each segment. In the past, we have persevered to develop our brands to suit a variety of price points. Now, we must relinquish the commodity end of the business characterised by high volumes and low margins, which eventually erode rather than create value.

At TI, we have prepared ourselves to travel this journey of transformation. We are already an established leader in the premium end of Brandy and Rum. We have also made an encouraging entry into the premium segments of light browns and whites. Our vast experience in the premiums prepares us well towards our new goals. We now embark on a journey of consolidating our leadership position in Brandy and Rum, while solely focusing on expanding our premium categories and brands. The road ahead will be both bumpy and smooth. But we are determined to conquer all challenges and reach our goal for becoming the "King of Premiums".

ESTD. 1933

.TI.
TILAKNAGAR INDUSTRIES LTD.

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Mr. Amit Dahanukar

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Consumption of liquor is injurious to health. Do not drink and drive. For restricted circulation in liquor/IMFL/wine trade

About Us and Messages

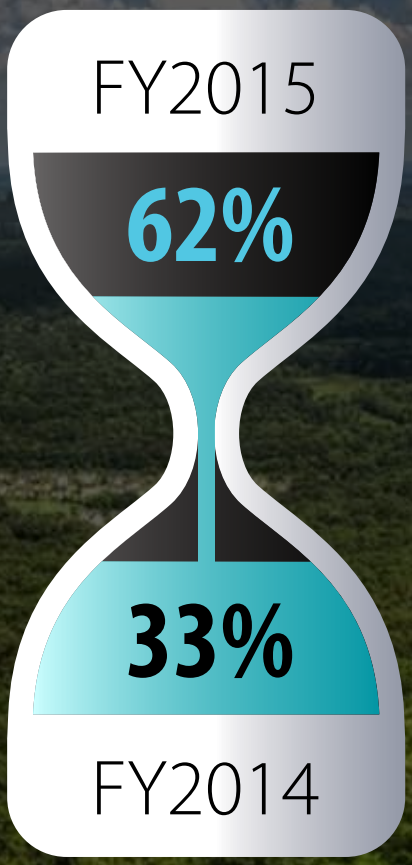
1

TI at a Glance

TI is one of the leading Brandy producers and a strategic player in India's IMFL Industry. It has more than 40 well-established and iconic brands covering a range of Brandy, Rum, Whisky, Gin and Vodka. These brands are carefully positioned at the premium and semi-premium end of the market, catering to the tastes of discerning consumers. Due to the premiumization strategy of TI, the Company enjoys better operating margins.

Premiumization

In FY2015, we purposefully de-grew our high-volume low-margin products and placed strong efforts behind growing our semi-premium and premium lines. As a result, the over all share of our semi-premium and premium products as a percentage of our total volumes grew. Going forward, we look forward to the economic and financial benefits of having a portfolio of largely high margin products that yield strong contribution.



Percentage Share of Semi-Premium and Premium Liquor Sold in Volumes

Disclaimer:
The map alongside has been created with the highest degree of accuracy possible. However, Tilaknagar Industries Ltd., nor any of its suppliers, can be held responsible for any errors or omissions in this map. Depiction of boundaries is not authoritative.

Manufacturing

TI operates a robust production model with 5 in-house manufacturing (inclusive of 4 subsidiaries), 9 lease arrangements and 13 tie-up units.

Portfolio Split by Revenue

Madira
.TI.
(TILAKNAGAR INDUSTRIES LTD)
TI's
Madira
PREMIUM
DARK
XXX RUM
MANSION HOUSE
SILK
MANSION HOUSE
SILK
Le terroir français

The Land of the Giants – the Dark Browns

Brandies and Rums have been our distinct forte. They continue to be the centrepiece of our overall IMFL play in India and our pillars for value creation. With a deep rooted footing, we continue to persevere to extend our peer position as the leader of dark browns.

Consumers may initially be price sensitive, but in the longer term they stay with a brand for quality. Our leading brands are testimony to our ability to keep winning in the market place. Our key focus is to extend our lead in the Brandy space, while also consolidating our position in the Rum business, with a strong aspiration to become the No 1 player in this category.

BLUE LAGOON
Gin Orange
Volga
PREMIUM GRAIN
VODKA
TRIPLE FILTERED

Beyond the Browns

We have a rich portfolio of Gins, Vodkas and Whiskies. Consolidating our position in the white and light brown spirits has been a strategic imperative. Through this portfolio, we continue to expand our presence in Eastern India with much success.

With Blue Lagoon Gin and Volga Vodka, we are today the leading Gin and Vodka sellers in Eastern India. We have more than doubled our market share of Blue Lagoon Gin in the East since we acquired the brands. Our immediate priority is to broaden our distribution network, solidify our brands' standing further and make these products highly complementary and supportive to our mainstay Brandy and Rum business. We also aspire to penetrate the light brown Whisky segment and have a patient and value-driven approach to build this business. Our white and light brown brands enrich our portfolio of premium spirits across various IMFL categories, offering a premium choice for all occasions.

COURRIER NAPOLEON
CNB
COURRIER
NAPOLEON
FINEST FRENCH BRANDY
750ml
COURRIER NAPOLEON
CNB
TI
COURRIER
NAPOLEON
FRENCH BRANDY

Reinforcing Premiumization

With renewed focus on our bottom line, we are strategically lessening our dependency on low-margin less premium products, and extending our focus on expanding our portfolio of premium products across categories, regions and markets.

We have already proved our mettle in the premium segments of Brandy and Rum. We well understand that with limited resources, one must maximize the value of its burgeoning premium products. To optimally leverage our peer position in many premium categories, we are carefully re-allocating our working capital from low-margin lines to supporting sales of higher-margin premium brands. The launch of pan-Indian and tactical brands in the premium space has reiterated our premiumization journey in Brandy, Rum, Vodka and Whisky segments. We are confident that the pay-offs of such re-allocation of resources will be value generating and rewarding.

Board of Directors

Mr. Amit Dahanukar

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

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 oversees TI's daily operations and spearheads the community welfare activities of the Group in the fields of nutrition, primary education and healthcare.

Mr. C. V. Bijlani

Mr. C. V. Bijlani started his career as a Lecturer in Economics. He possesses a five-decade experience in banking and finance (project finance, capital structuring, merchant banking, investment banking, forex, mergers and acquisitions, industrial rehabilitation, joint ventures, external commercial borrowings, leasing, hire purchase, HRD, accounts, taxation, legal and general administration, among others). He has held senior positions both with public and private sector banks. He was awarded Udyog Gaurav Award in 1992 by All India Organisational Entrepreneurial Confederation for his contribution to the financial sector.

Dr. Vishnu Kanhere

Dr. Vishnu Kanhere is a practicing Chartered Accountant and a qualified Cost & Management Accountant. He is a Certified Fraud Examiner (Association of Certified Fraud Examiners, U.S.A) and a Certified Information System Auditor (Information Systems Audit and Control Association, U.S.A). He is an I.R.C.A. (U.K.) accredited auditor for ISO 9001:2008 Quality Management Systems. His financial, commercial and information technology background helps him provide valuable inputs to the Company.

Dr. Ravindra Bapat

Dr. Ravindra Bapat is an Emeritus Professor, Department of Surgical Gastroenterology at Seth G. S. Medical College and K.E.M Hospital, Parel, Mumbai.

Mr. Madan Goyal

Mr. Madan Goyal is a Management graduate (Faculty of Management Studies, Delhi), the Fellow of Chartered Institute of Bankers, United Kingdom and Lord Aldington Research Fellow, United Kingdom and C.A.I.I.B. He has an experience of more than 49 years in commercial banking, investment banking and human resource management. He was associated with State Bank of India, SBI Capital Markets and SBI Mutual Fund for 25 years, holding senior positions. Currently, he is the Chairman & Managing Director of Primeview (India) Infin Pvt. Ltd.

Message from the Chairman & Managing Director

Amit Dahanukar
Chairman & Managing Director

We decided to move away from volume growth of low margin products, and pour our energies and resources towards the growth of our better margin Premium and Semi-premium products.

Dear Stakeeholders,

FY2015 has been a year of introspection and profound shifts. It has a been a period in which we took a hard look at our business and took some tough decisions with the ultimate goal of preserving and growing shareholders' wealth. Despite our best efforts over the years, the overarching regulatory, tax and capital regimes imposed on our industry have made it practically impossible for any IMFL player to make decent or justifiable returns on products with high volume and lower price points. In our view, doing business in certain categories and segments, in which we have significant market share, are no longer remunerative enough to pursue. In fact, they are proving to be a drain on our resources without producing adequate returns. Given these realities, we decided to move away from volume growth of low margin products, and pour our energies and resources towards the growth of our better margin Premium and Semi-premium products. Though painful and difficult in the initial years, we believe that the adoption of a fundamentally good business rationale will pay off well in the long term. As a Company already with very strong position in multiple Premium Brands with strong margins, we are well experienced to know what it will take to make this shift successful.

Given this reality check, during FY2015, we initiated corrective actions on multiple fronts. These included cost control wherever possible; productivity improvements; product range consolidation with respect to their price points and geographic rationalisation in terms of reducing our exposure to less remunerative markets. These areas of rationalisation were initiated under the umbrella of wanting to re-allocate our precious resources in terms of time, marketing effort, working capital and manufacturing resources, towards the high margin premium and semi-premium segments of all our product categories.

Though painful and difficult in the initial years, we believe that the adoption of a fundamentally good business rationale will pay off well in the long term.

BUSINESS PERFORMANCE

Amidst the backdrop of a business in transition, our net revenue from operations in FY2015 declined by 10.5% YoY, to reach 5513.32 million. This was the result of a sharp drop in our overall total number of cases sold from 16.1 million cases in FY2014 to 8.3 million cases in FY2015. The key reason behind this significant reduction was our decision to exit volumes that were margin decretive or loss leaders, and our parallel efforts to drive sales of semi-premium and premium brands. The volume reductions in shipments were also impacted by our conscious decision to exit volumes in the subprime categories in Kerala and our CSD business. We also faced supply constraints in the State of Tamil Nadu leading to lack of sales within this particular market.

We believe that we are experiencing the initial pains of the tough measures we have taken. The full benefits of our firm actions taken during the year will take time to show in terms of numbers. While this pain may last a little while longer as we complete our far-reaching rationalization, I am confident that we shall resurface as a much stronger Company with solid and sustainable value creation capabilities in the not too future distance.

MANAGING AND SERVICING OUR DEBTS

We are conscious of our swollen debt levels resulting from our legacy in high volume low margin segments of our business. We deeply desire to lower it responsibly without hampering the revitalization process that has already been put in play. As our business is inherently working capital intensive, our working capital levels will eventually get optimized by managing our portfolio towards further premiumization and even healthier EBIDTA. Our business is as much about financial acumen as it is about the flavour of our beverages. We look forward to working with all our lenders closely through this transitionary period towards surplus cash generation. In time, we are confident that our EBIDTA and various return ratios will start looking much healthier.

GOING FORWARD

Millions of consumers appreciate and respect our Premium and Semi-premium Brands. As we exit some of our low margin products, we expect some of our loyal consumers who are less price sensitive will migrate to our Semi-premium brands. We are also focusing on expanding our Premium product range within each category and market. There is still a lot of growth potential within the Premium segments in India, with many less-penetrated geographies and segments still waiting to be tapped. I foresee substantial latent demand for our focus products and in time we expect most of our business to be Premium and Semi-premium driven. Since we are no longer playing a volume game but a value accretive plan, our manufacturing capacities are more than adequate to support our requirements well into the future. As such, we do not need to make any serious capital investments in visible future. We recognise that we may need to strengthen our balance sheet in the near term as we journey through this transition period. We are exploring multiple options for this purpose and take the Company to the next level.

I am deeply grateful for the support and faith posed in us by all our stakeholders in these trying times. I am confident of the corrective steps we have initiated and look forward to completing this journey towards a stronger future.

With warm regards,

Amit Dahanukar
Chairman & Managing Director

.TI.
TILAKNAGAR INDUSTRIES LTD.

appreciate the timeless

Corporate Social Responsibility

2

Corporate Social Responsibility

Mrs. Shivani Amit Dahanukar
Executive Director

"LET'S COME TOGETHER"

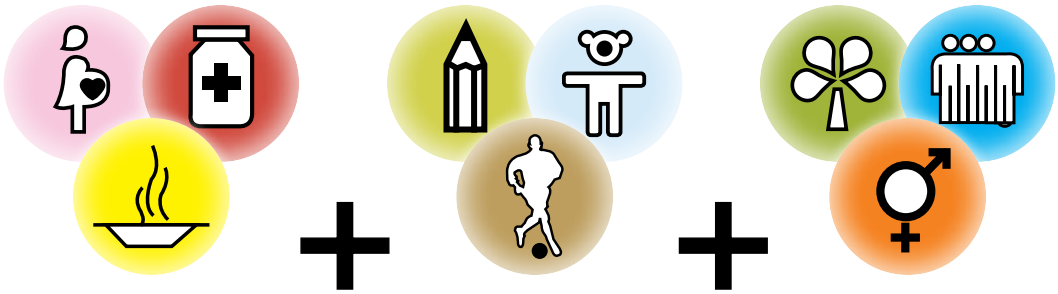
In a recent quarterly issue of a magazine published by the Centre of Advancement of Philanthrophy, the editors have discussed about grant making for social causes. What came out, strongly, is that often the money to do good is all there, but seldom is there time and commitment to see the work through. We reach out to all those who seek to drive social cause to come together on mutual projects/ programs to have a greater and optimal impact.

In the last three or four years, TI's CSR Team has aimed at a focused approach towards community development. Education, nutrition, livelihood empowerment, environmental sustainability and maternal & child welfare continue to be our tenants for social giveback. However, the Team is also actively involved in deeper grassroot research to enhance its work and give back more to the society.

Within the framework of our expanded program, we run a focused clinic at the nearby Loni hospital for addressing malnutrition. Our focus is not only on treatment, but prevention of diseases. "Training and Awareness" have assumed the core of our work. The two schools we support have been expanded, with a first-of-its-kind pre-primary center focused between the ages of 3-5 years. The schools articulate researched teaching aids and techniques and promise to inspire the way our children will learn.

There are many of us who seek CSR as an opportunity to reach out to the larger world, rather than a mere obligation under the CSR Act. We, at TI, go by the approach that when we must, we might as well do our best in this. There is no greater strength than the heads and hearts of many. So, why not come together collectively in our endeavor to 'Reach Out'.

We intervene at all these stages to help people escape the cycle of poverty. We now have the opportunity to save lives and allow thousands of children to develop to their full potential.



Maternal Health + Combat Diseases + Nutritious Food

Preventing Malnutrition+ Education + Sports

Environment + Livelihood + Global Partnership

0 — **3 yrs** — **18 yrs** — **60 yrs**

Resulting into a healthy and active mind

Holistic education and Physical fitness

Empowering the youth and maintaining the environmental balance.

Platforms used for implementation

School Children

Women

Awareness in each village

Approach: Positive social change which is scalable and replicable is something that we always strive towards. While passion is at the core of our things, what we need is a structured method to address the issues on hand. After all, while dealing with communities, it is imperative to factor in a multitude of interlinked factors and understand what influences community change and betterment.

Addressing the Millennium Developmental Goals :

A meaningful path out of poverty implies a strong platform, one that provides good livelihood opportunities. It also needs schools offering quality education to ensure all-round development of the child. Hospitals, waste management,

Corporate Social Responsibility

clean drinking water, hygienic living conditions are needed to maintain the environmental balance and to have healthy, well-nourished children who are our future human capital and will fuel economic growth.

Eradicate extreme Poverty & Hunger:-
Nutritious, healthy and wholesome meals are served daily supervised by a nutritionist. This helps keep malnutrition and illness at bay. The Annakshetra serves children and elderly people who are otherwise forced to earn their daily meals by indulging in laborious work.

We support basic nutrition and education in ZP schools and practical demonstrations. This is aimed to show the importance of healthy, fresh, and delicious food for the entire family from locally available commodities.

Achieve Universal Education:-
A child-friendly education method fosters self-learning. It also allows children to develop their physical, intellectual, social and emotional skills. We strive to improve the learning abilities of children by integrating arts & culture, sports and experiential learning in their curriculum.

We follow a comprehensive model that involves working with principals, teachers and other non-teaching staff. This is in the areas of school development and improvement, teacher development, design and development of teaching aids and classroom resources. We aim to create a scalable and replicable model that can be adopted by Government schools across India.

Promote Gender Equality and Empower Women:-
We focus on improving access of marginalized communities to natural resources. This enhances productive returns on resources, thereby creating an enabling environment. This kind of environment emphasizes on building capability, developing multiple assets, and promoting secure and sustainable livelihood opportunities, especially to women.

35 independent vermicompost units have been set up this year by farmers with our guidance. Now the beneficiaries themselves are training other farmers for starting their own vermicompost units and providing vermicultures from their unit to promote the same. The compost produced is used by the farmer for his own farm produce, while the rest is sold in the market to end-users, enabling them earn an income and making it a sustainable and continuous model for implementation.

1,376 women were introduced to the concept of micro saving. We reached out to 1,114 women through various awareness sessions. Through these sessions, we educated rural women about hand wash, sanitization, menstrual hygiene, family planning, breast cancer, ill effects of addiction and AIDS awareness.

4

Reduce Child Mortality:-

We help to prevent and treat malnutrition directly at the grass-root level and by "training of trainers". This approach enables us to reach many more families.

There are many in our communities who do not understand the importance of a varied diet, exclusive breastfeeding, avoidance of junk food, hand washing and other basic learnings to promote good health. Education in these matters can make a huge difference, especially during the first 1,000 days of a child's life (from conception until two years).

We have reached out to 753 adolescent girls for menstrual education through ZP schools. We have counseled 1,513 pregnant and lactating mothers for proper breast feeding practices, thus preventing malnutrition through 1,017 nursing mothers.

We have treated 176 children of less than 5 years of age, out of which 66 SAM (Severely Acute Malnourished) and 110 MAM (Moderately Acute Malnourished) have been successfully brought to normal condition.

In addition to malnutrition prevention and eradication, we conduct programs emphasizing disease control and prevention activities. We also provide education on improving child-care and feeding practices. Some of these are nutritional counseling, cooking demos, home visits and micronutrient supplementation, street plays aimed at informing, training and empowering communities on early child developmental awareness.

Activities are targeted towards the most vulnerable age groups (children under 6 years, mainly under 3 years and pregnant & lactating women). Supplementary feeding activities are better targeted towards those who need it the most. On the other hand, growth-monitoring activities are performed with greater regularity, with an emphasis on using this process to help parents understand how to improve their children's health and nutrition.

5

Improving Maternal Health:-

Healthcare and child development, with a keen focus on prevention and education, is a cost-effective tool to make a lasting impact. We replicate our model by reaching out to people in partnership with other NGOs, communities, hospitals and like-minded organizations. A dedicated team of doctors, nurses, nutritionists and field officers ensure that pregnant mothers have healthy pregnancies and their children are born healthy. Proper nutrition during the first 1,000 days of a child's life (from conception until their second birthday) is a key factor in ensuring they survive and reach their full potential.

Corporate Social Responsibility

Monitoring and evaluation activities through the collection of timely, relevant, accessible and high-quality information is also ensured. As a part of better parenting lesson, we demonstrate proper feeding practices and cooking demonstrations to display various food recipes to address nutrient deficiency.

Combat HIV/AIDS, Malaria and other Diseases:-

We engage with the broader community through health education, awareness campaigns, health fairs and dental camps. We teach children in ZP school directly about the benefits of healthy eating. Our aim is to raise the standard of nutrition across the entire community.

ENT, Ophthalmic, Dental assessment and treatment camps were held in July and December. These camps addressed 17,016 beneficiaries and provided Medical Aid to 72 patients suffering from critical illnesses.

We also reached out to 11,995 people through awareness sessions on water-borne diseases, breast cancer, harmful effects of tobacco, importance of deworming, and AIDS awareness rallies. There was a street play conducted, which demonstrated the cause for AIDS and shared precautions to avoid the disease.

We have also educated and assessed 771 children on physical & behavioral changes during adolescence. This was in addition to sessions on communicable diseases and precautions to be taken and first-aid education at Remand Home at Tilaknagar, Cannosa Girls Hostel and Anand Vihar – the home for destitute children.

Environmental Sustainability:-

9,092 trees were distributed in nearby villages, promoting afforestation. The ill-effects of chemical farming are seen on the soil as well as on human health. Due to this reason, we decided to promote organic farming. Till date, we have practically guided over 640 farmers towards organic cultivation. Over 15 villages are engaged in organic education. Twenty one farmers in these villages have themselves become the ambassadors of the activity and brought new farmers under the practice of organic farming. By promoting organic farming, we are conserving the environment and connecting the rural farmers directly to the consumers.

We emphasize more on environmental education in our schools. Planting trees, maintaining them and tending to them is being taught to children from an early age. To promote entrepreneurship and to improve waste management in villages, we have initiated Earn-While-You-Learn projects. By growing organic vegetables on campus, children are learning environmental conservation. The vegetables thus produced are used in mid-day meals for school children.

Waste Management: With an aim to reduce its impact on waste disposal mechanism, we decided to tackle all the biodegradable waste in a responsible manner. Towards this end, we set up a vermicompost production unit which is capable of producing 150 MT of vermicompost per anuum. Since then, we have been disposing our organic wastes and creating a valuable product from it, which can be further used for production of organic vegetables on campus.

We have installed a gobar gas project which suffices the cooking requirement for 730 hours per annum and is used in our community kitchen for cooking. The slurry generated is used in the fields for manuring.

12,000 liters of waste water generated daily from the community kitchen (from hand washing, vegetable washing) is passed through reed beds to ensure that no water is wasted. The resultant water is enriched with nutrients and is used for farming and gardening.

Sports Development:-

We believe that sports offer a transferrable set of skills for social development through team building, acceptance and discipline. Our centre acts as safe place free from discrimination, providing a positive role model and a place to develop one self and enjoy.

Sports act as the messenger and educate communities on sexual and domestic abuse, unemployment, alcoholism, drug usage, malnutrition and mental health issues. It also provides education on a cycle of disengagement from education resulting into struggle. This method prevents them from being successful and other complex issues in youth on a daily basis through friendly interaction.

The sports development program started its outreach among the 14 sports outreach centers in ZP schools. Through this, it reached out to 2,038 children and 56 unemployed youth from the periphery through Krida Mandals (youth clubs) to mobilize youth. To promote rural sports, inter-village matches were organized at various levels where 736 children from 12 Wadi's schools participated to develop sports talent that lies hidden in the villages.

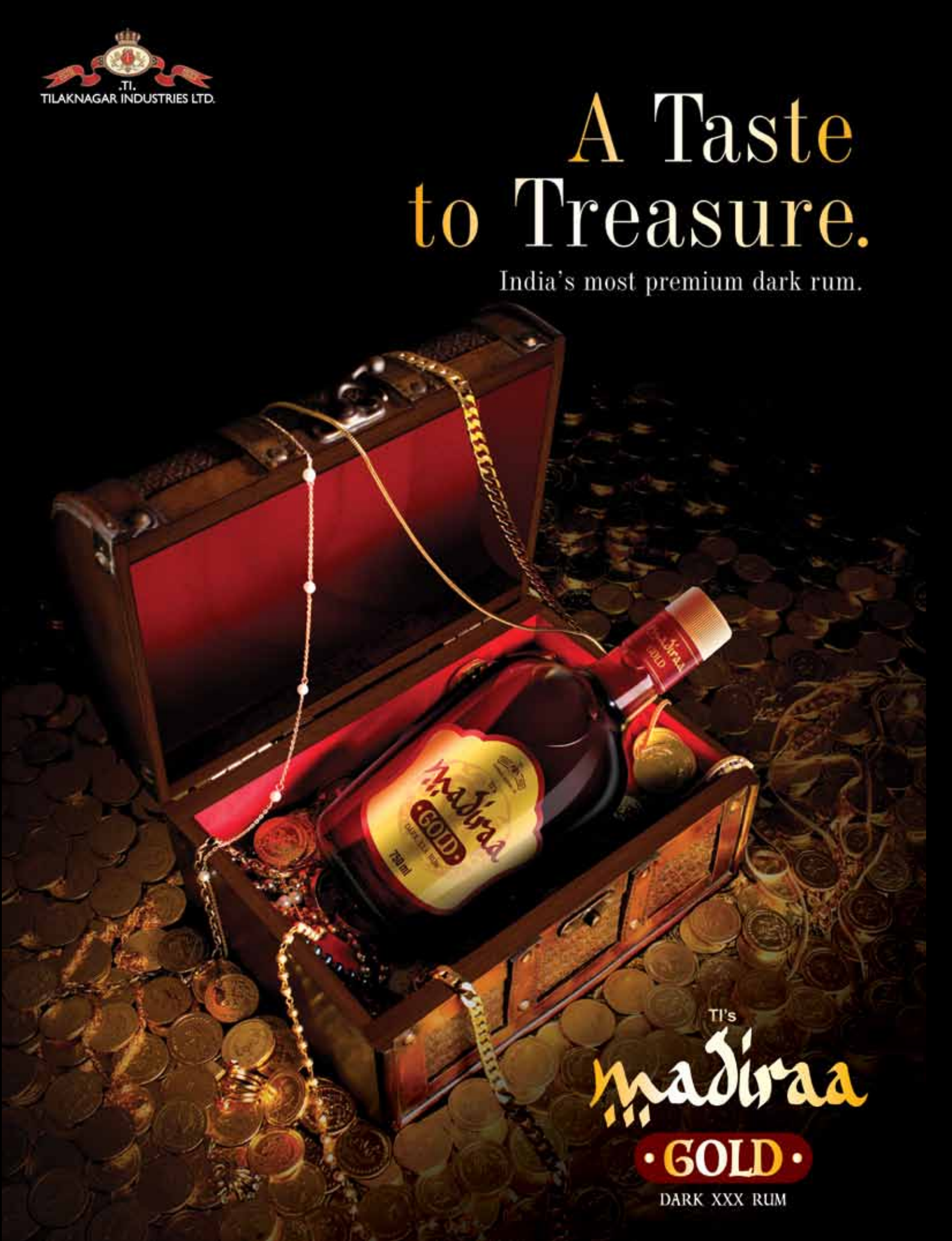
We have initiated a model where schools lacking basic sports are taken under our program. The faculty is trained by our sports coordinators, 300 sports equipments are distributed, and 8 playgrounds at ZP schools are maintained. This encourages communities to maintain their assets.

Other CSR initiatives:-

- We support renovation and re-establishment of many spiritual structures and institutions, irrespective of any particular religious affiliation. We will continue to support their upkeep and maintenance. Kateswami Ashram-Wadala, Mirawali Baba Dargah-Ahmednagar, Bethel-Church, Dattanagar are some of the institutions we have assisted.
- We regularly support the Anand Vihar Home for Destitute Children as well as Canosa Girls Hostel in Shrirampur for their monthly grocery needs.
- Safe drinking water is supplied by us to over 19 wadis regularly.

A step forward, a step together:-

Even as we have reached out to numerous villages around the plant, we believe that there is still a long way to go. Our initiatives are definitely gaining momentum since the last few years. We hope to maintain the pace and continue doing our bit for the community, and in turn, for the nation. We wish to see a happier and a stronger community over the years to find stability and sustainability.


.TI.
TILAKNAGAR INDUSTRIES LTD.
A Taste to Treasure.
India's most premium dark rum.
madiraa
GOLD
750 ml
TI's
madiraa
GOLD
DARK XXX RUM

Management Discussion and Analysis

3

MDA

Management Discussion and Analysis

GLOBAL ECONOMY

The global economy grew at a slightly faster pace in 2014, as a modest revival in the euro zone and a pick-up in India helped offset slowdowns in China and Japan. Growth picked up, albeit marginally, from 2.5% to 2.6%, mainly driven by momentum in the U.S. and U.K. It is seen shifting upwards to an average of 3.3% between 2015 and 2017, brought about by an upward shift of growth in Gross Domestic Product (GDP) of the developed economies from 1.8% to 2.2% and with developing economies accelerating from 4.8% to 5.4 %. The combined gross domestic output of the Group of 20 largest economies, which accounts for 90% of the global economic output, expanded to 3.4% in 2014, up slightly from 3.2% in 2013, aided by a return to growth in the Eurozone. Global growth is forecast to rise moderately to 3.5% in 2015 and 3.7% in 2016, the net positive being a sharp decline in oil prices. International Monetary Fund (IMF) projects growth in emerging markets and developing economies to remain broadly stable at 4.3% in 2015 and increase to 4.7% in 2016. Moving ahead, across nations, the mandate to Governments is to control inflation, improve fiscal prudence and sustainable growth, with concerted efforts being on job creation through public and private investments.

GLOBAL SPIRITS MARKET AND TRENDS

According to www.statistica.com[1], the world revenue of the global spirits industry was US$107.9 billion in 2014, and estimated to grow to US$113.78 billion by 2015. According to them, the global spirits market has been growing at a CAGR of 3.52% over the last 7 years.

According to Rabobank's report on the global spirits industry in Q2 2015, consumers worldwide are looking for new experiences, in response to which leading players are pushing the boundaries of the sector in an effort to establish new brands and products. In the U.S., the shift in consumer behaviour is mirrored by the rapid rise of craft spirits[2] and is creating structural challenges for established spirits players. In Europe, Scotch producers are starting to feel the squeeze. The sector registered a decline in

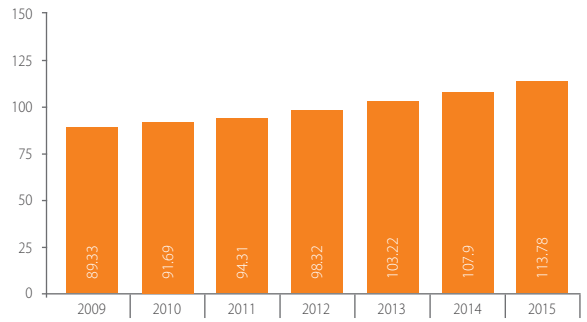
[1] http://www.statista.com/statistics/233496/revenue-forecast-of-the-global-spirits-industry/

[2] Craft spirits are the products of an independently-owned distillery with maximum annual sales of 52,000 cases where the product is physically distilled and bottled on-site.

While volume growth was relatively flat over the past 3 years, value growth continues to show solid progress within the Indian Alcoholic Beverages Industry. Despite flat to modest volume growth, the Indian spirits industry has been witnessing value growth within the range of 13% to 18% per annum over the last eight years.

exports for the second year in a row, driven by a contraction of blended Scotch, a category that is struggling to remain relevant among younger consumers in particular. However, other parts of the sector showed promising growth, signaling that there is still potential for growth in the Scotch sector. The Chinese liquor industry has seen consistent weak performance, with consumers continuing to trade down. The Chinese New Year brought some much-needed relief for the sector, but spirits producers are looking towards new categories to revive growth in the sector. Imported spirits are struggling in Brazil as a result of a weakening economic environment and a strengthening U.S. dollar. As a result, an increase in inflation in the category is expected, leading to a reduction in out-of-home expenditure and trading down in the spirits category.

Revenue forecast of the global spirits industry from 2009 to 2015 (in billion U.S. dollars)



Source: Statista

IMFL MARKET TRENDS IN INDIA

While volume growth was relatively flat over the past 3 years, value growth continues to show solid progress within the Indian Alcoholic Beverages Industry. Despite flat to modest volume growth, the Indian spirits industry has been witnessing value growth within the range of 13% to 18% per annum over the last eight years (Euromonitor). With YoY pricing growth being in high single digits over the past five years, value growth has remained strong on the back of product mix and churn improvement. This is because, over a longer-term perspective, consumers are willing and able to move up the brand chain to more premium drinks.

The Indian alcoholic beverages industry is broadly divided into – Wine, Beer, Indian Made Foreign Liquor (IMFL) and Country Liquor. While the market is almost equally divided in terms of volume, the IMFL market is much larger in terms of value, thus accounting for more than 65% of the market share by value. The IMFL industry is the third largest market in the world with an estimated market size of around US$35 billion. Imports constitute 3-4% of this volume. The current industry size is about 305 million cases per annum, and assuming an average growth rate of 7%, industry volumes are likely to be more than 400 million cases by FY2019.

The IMFL industry in India is characterised by diverse customer preferences, changing significantly from region to region. For instance, due to ban on country liquor, South India dominates the IMFL segment with ~ 60% market share in volumes, followed by North with ~16%, East India accounting for ~11%, West India ~9% and CSD ~4% (Source: Company Estimates). Within South India, Tamil Nadu leads IMFL market share in volumes followed by Karnataka, Andhra Pradesh and Kerala.

The IMFL industry market size has been growing at CAGR of 10% over the last 10 years. The segment is majorly led by brown spirits, where Whisky accounts for around 57% market share, followed by Brandy at 25% and Rum at 14%, while the remaining 4% is from white spirits like Vodka and Gin. The share of IMFL segment in the spirits market surpassed that of country liquor, having grown from 45% in 2008 to 52% in 2013, indicating a shift towards good quality and premium products. Going forward, according to ICICIdirect.com Research, the IMFL growth is expected to moderate, due to higher base.

Management Discussion and Analysis

GROWTH DRIVERS

Despite being the third-largest liquor market in the world, the per capita consumption in India is one of the lowest. Rising incomes and a significant increase in the numbers of people allowed to drink will boost the popularity of the premium segment over the medium term. Following are some of the key drivers pushing forward the consumption of spirits in India:

- India's strong demographic profile, with around 485 million population in the drinking age.
- A large chunk of the population will join the consumption base of India within just a few years. Over FY2011-16, more than 100 million individuals will reach the legally permissible drinking age in India. Between FY2016-21, another 100 million plus are expected to reach this age. This will add a significant number to the alcohol consuming class, which should be a key positive driver for the IMFL industry in the medium term.
- Increasing social acceptance of alcohol driven by improving lifestyle and rising consumption among women.
- The Indian middle class, target consumers for many IMFL companies, is expected to swell up to 267 million people in the next five years, up 67% from the current levels according to NCAER.
- The number of people living in urban areas should also see a sharp increase over the next couple of decades, adding to the attractiveness of the IMFL industry in the medium term.
- A key driving factor for the IMFL industry over the next decade will be a trend toward premiumization. With a large portion of the industry still in the 'regular and below' segment, there is ample scope for the industry to witness far more premiumization in due course.

100 Million

More than 100 million individuals will reach the legally permissible drinking age in India between FY2016-21.

The industry is currently experiencing a structural transformation towards premiumization of products along with a structural shift from country liquor to IMFL. The Government's preference for better quality liquor has also led to the shift towards IMFL.

Key structural features and trends being experienced by industry players are:

Regulatory entry barriers: The Indian alcoholic beverages industry is characterised by very stringent regulations. The industry

is subject to different laws and regulations varying from State to State. This entails any company in the industry to have licenses and permissions in each State where its operations are present. Hence, most of the smaller players in the industry are regional in nature.

Foreign Direct Investment (FDI): 100% FDI is permitted in the alcoholic beverages sector. A foreign entity can invest in an Indian business through the automatic route, provided the required licenses are in place. In some cases where the investor is an Indian entity with foreign owners, the investment would require clearance from the Foreign Investment Promotion Board (FIPB).

High taxation and price controls: Various taxes such as excise duties, sales tax, VAT contribute to the bulk of the retail price. In most States, the Government tightly controls the retail price of liquor. In many cases, a tender process is used to determine prices and volumes that will be bought by the distributors.

Market control: Distribution and retailing of all alcoholic beverages in India are subject to government control. Nearly 75% of the distribution is handled by government corporations, whereas around 21% is handled by distributors and the remaining 4% from direct sales.

Premiumization: Growth in the premium segment has already been higher in the past two to three years, despite the overall market seeing flat performance. The move towards premium spirits is helping to drive gross margins higher for the industry. In the near term, however, there will be significant levels of investment behind driving these premiumization strategies.

Cost improvements and productivity: With global players entering and general industry consolidation, the scale of operations for long-term players is increasing. This will give each player opportunities to rationalise costs and improve margins.

BUSINESS AND OPERATIONS REVIEW

A. Overview

Tilaknagar Industries Ltd.'s (TI) key priority is to improve its profitability across all its products. The Company aims to do this at the lowest cost possible and in partnership with its stakeholders.

During FY2014-15, the Company made progress in these endeavours and has largely achieved several of these objectives. To supplement its own plants, the Company also engages in third-party plant contracts and outsources its manufacturing under strict quality guidelines and rigorous supervision.

B. Manufacturing

TI manufactures a vast product portfolio through 5 in-house facilities, supported by 9 lease arrangements and 13 tie-up units. Based on the Company's business model, it is positioned reasonably well to project growth via strategic investments

Management Discussion and Analysis

and production capabilities. It runs and operates its own manufacturing facilities built to support the Company's growth ambitions.

Commissioning of New Plant

A key development during FY2015 is the completion and commissioning of TI's new IMFL Bottling Facility. This new facility is a state-of-the-art Bottling Facility with Plant in Plant Concept, in which all activities starting from Storage of Packing & Raw Materials, Blending, Filtration & Polishing of blended liquor, Bottle Rinsing, Bottling Section and the Finished Goods Storage are under one roof. The mezzanine floor is used for storage of dry goods items such as CC Boxes, PP Caps, Mono cartons and Labels on one side, while the other half is used for storage of finished goods. It has state-of-the-art hygiene facilities and system, stricter process control and mechanised material handling.The whole infrastructure is provided with natural ventilation using Turbo Ventilators and natural lighting. All entries to the building are provided with combination of Air Curtains and Strip Curtains to minimise ingress of dust and insects. Despite this, all critical locations are provided with insectocutors.

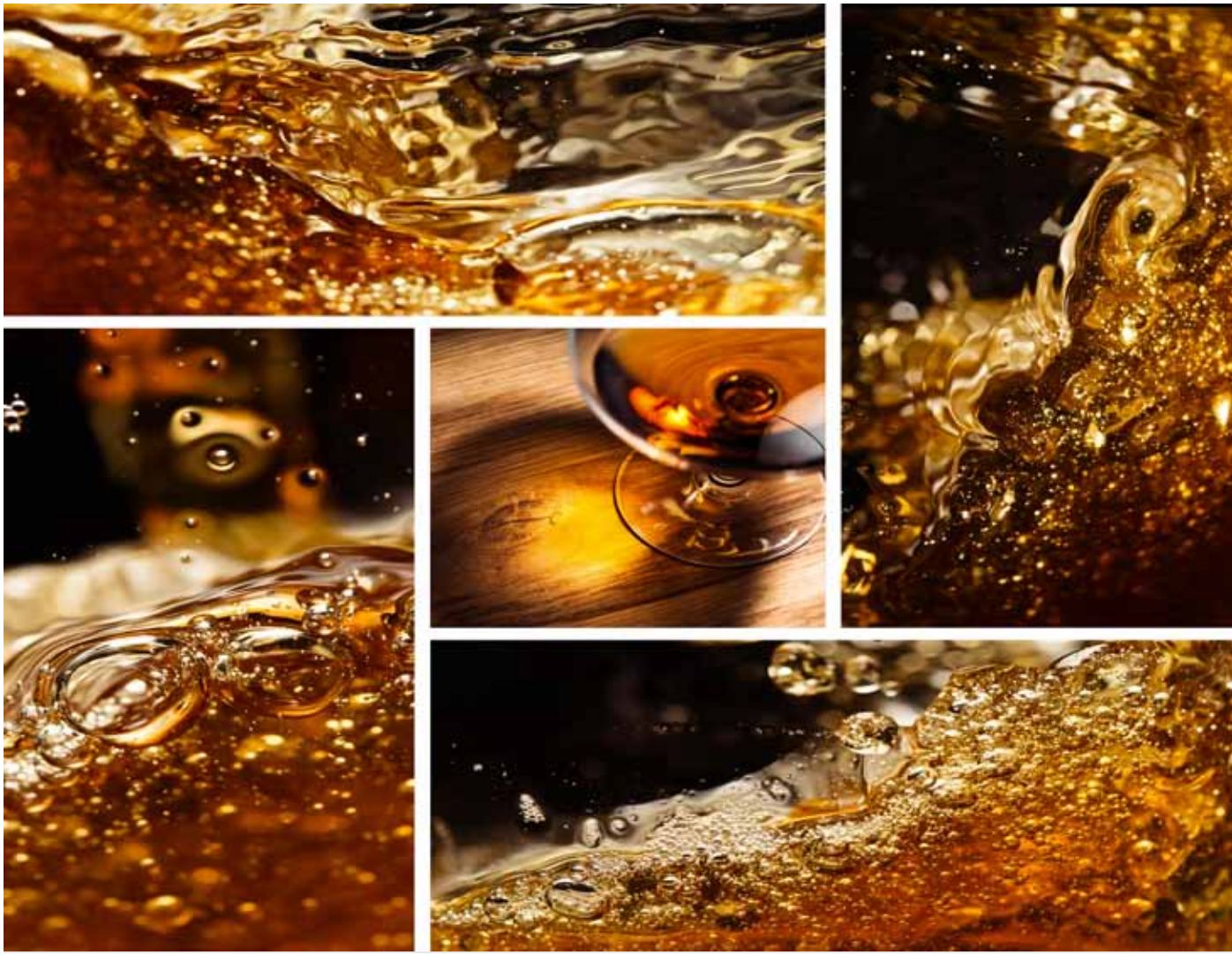
This state-of-the-art building will be self-sufficient for its power needs with Solar Panel once installed – a concept of Green Building. Currently, it is running two 300 BPM Auto Bottling Lines for 180 ml and 90 ml pack size production and one semi-auto Bottling Line which caters to all pack sizes. All the three lines are fully operational.

The Company has achieved average production on both the Auto Lines to the tune of 2,200 cases per day for 180 ml size which averages to nearly 80% productivity on 7.5 hrs production basis. So far, the highest ever production achieved is 2700 cases in a day. This new facility is capable of catering to over 1.3 lac cases in a month. Post shifting of the balance lines from the old PLP hall and completion of installation of all the 10 lines, the plant will have an eventual capacity to produce around 5.0 lac cases in a month.

BREAK-UP OF OUR PRODUCTION UNITS

Unit Types	2011	2012	2013	2014	2015
Owned	4	5	5	5	5
Leased	7	10	10	12	9
Tie-ups	21	15	13	14	13
Total	32	30	28	31	27

The business model of having tie-ups has several advantages: they can be started in relatively much shorter time; very little or



no capital investment is required; one does not have to wait for licenses; it is devoid of any labour related issues and offers the management the flexibility to change over from one location to another.

C. Marketing

TI is one of the leading players within the IMFL segment in India. The Company's 40+ brands covering Brandy, Whisky, Rum, Vodka and Gin are sold through India's largest distribution network. TI's flagship brand "Mansion House " Brandy continues to be a millionaire brand.

Currently, Mansion House Brandy is the world's 2nd largest selling brandy. TI has established a distinct identity for itself within the IMFL segment through its portfolio of superior liquor brands (offered at various price points) for consumers at varied cross-sections. TI is already an established player in the Brandy space in India. It is committed to fortify its presence in the segment with a strong portfolio of its legacy brands that includes Mansion House Brandy and Courrier Napoleon Brandy family, to achieve superior business performance.

Distribution Network

TI sells its products through 30+ Distributors and 40,000+ POS across India. TI has one of India's largest distribution networks in the IMFL space. The Company sells through State Corporations across Telangana, Andhra Pradesh, Karnataka, Kerala,Tamil Nadu and Odisha. It also operates through a vast distributor channel located in Maharashtra, Goa, Silvassa, Assam and West Bengal. TI is also one of the largest players in the CSD marketplace. Going forward, the Company is looking to expand its reach into the East, which is currently being tapped with immense growth potential.

Management Discussion and Analysis

Strong Brands and Geographical Reach

TI enjoys a strong and established Brand Portfolio and is capitalizing on its market-leading presence in South India. The Company's Courrier Napoleon Brandy family is anticipated to become a Millionaire Brand in the near future adding to the Company's Mansion House Brandy in this segment. Going forward, TI is continuously evolving to expand its business profile, both in terms of Brands and Geographies.

Premiumization

TI has an enviable history in leading the premiumization strategy within the industry. With a target of profitable and sustainable growth, the Company is always concentrating on healthy EBIDTA. The key strategy behind this outcome is the Company's endeavour in further penetrating existing premium segments while pioneering new premium positions which it can readily serve. TI continues its premiumization journey in Brandy, Rum, Vodka and Whisky segments by launching pan Indian and tactical brands in the premium space. Not only have these brands been well received, but they have also managed to get lion's share of the segment. TI has not limited itself only to brown spirits, but is also interested to enter and succeed in the white spirits space as well.

Beyond product mix enhancement and sales growth, TI recognizes that with limited resources, one must be highly focused to maximize value of its burgeoning premium products. However, to tap into these opportunities, the Company is carefully re-allocating its working capital from low margin brands to higher margin brands. This is a gradual process and actually requires greater short term investments to reduce volumes or terminate low margin generating lines. But in the medium term, the payoffs of such a strategy of redirected resources into higher margin brands, will be highly rewarding.

Some key premiumization strategies in play during FY2014-15 were:

- Courrier Napoleon Brandy in the PREMIUM Brandy segment, posted growth across Southern Market.
- Courrier Napoleon Brandy – Green reported a growth YOY and continues to lead the PREMIUM PLUS segment.
- Mansion House Silk Brandy posted a growth in the SUPER PREMIUM Brandy segment.
- Mansion House Gold Whisky posted a growth in the SEMI PREMIUM segment across the Southern Market.
- Blue Lagoon Gin is the largest selling Premium Gin across the Eastern Zone.

Mansion House Brandy

Mansion House Brandy is the world's 2nd largest selling Brandy. The Company expects this premium brand to keep growing in its markets. Over the last 5 years, "Mansion House" Brandy has matured and evolved significantly. TI's continuous focus on premiumization has transformed it from a regular brand into a pan Indian premium brand.

Courrier Napoleon Brandy – Green

Priced above the existing Courrier Napoleon Finest French Brandy (Red), this brand is the first step towards expanding the Courrier Napoleon Family.

Courrier Napoleon Brandy - Red

This is one of the most profitable brands in TI stable and has grown during FY2014-15.

Madiraa Gold Dark XXX Rum

Madiraa Gold Dark XXX Rum is most premium Rum by an Indian Company.

Vodka and Gin

Vodka and Gin as a segment for TI is witnessing an increase in share in its overall sales. By acquiring IFB brands in March 2014, TI has strengthened its Vodka and Gin footprints in the East and will gradually take these acquired brands into its pan India marketing channels. Through this acquisition, TI has added to its fold IFB Agro's brands 'Volga' Vodka, 'Blue Lagoon' Gin and 'Leonov' Vodka – the most popular brands in East Indian markets of West Bengal, Assam and Odisha.

Whisky

Whisky is a burgeoning segment for TI and the Company is dedicated to increase its foothold in the segment with a direction towards becoming a serious player in the premium category. TI's journey in the Whisky space has transformed the Company from being a regular Whisky player to a pan Indian Premium Whisky contender. The Whisky portfolio comprises of emerging brands such as Mansion House Whisky, BLACPOWER Grain Whisky and Senate Royale Whisky. Having been launched in FY2012, Mansion House Whisky has gradually established itself as an emerging brand within the Whisky segment.

Management Discussion and Analysis

D. Marketing Initiatives

We laid a stronger emphasis on new marketing initiatives. With a strategy of focussed marketing and successful implementation of each of these initiatives, we hope to get substantial direct and indirect returns. Besides launching new brands, we also streamlined our current brand portfolio. Our brand launches and new marketing initiatives mark a new phase for the Company, positively impacting our top and bottom lines.

Evolution of Mansion House

With its cult identity and loyal brand following, Mansion House Brandy (MHB), our flagship product, enjoys a leadership position in the market. With careful marketing and meticulous attention to the distillation process, MHB has become the preferred choice for Brandy drinkers. The Year on Year sales figure is witness to the fact that MHB is one of the most preferred brand in India. During FY2015, our continuous focus on premiumization of MHB has transformed it from a regular into a pan-India premium brand.

Volume Reduction in Unprofitable Markets

During the year under review, we made a conscious plan to exit the unprofitable segment of Tamil Nadu. The primary aim behind this has been to avoid supply-side limitations owing to bottling capacity constraints. Our net contribution from Tamil Nadu market fell from 40% in FY2011 to 10% in FY2014. Further, we registered "zero" sales in the region in FY2015. We also identified other States with good growth prospects and better margins in the segment.

Courrier Napoleon French Brandy

Mansion House Brandy

AWARDS & RECOGNITIONS

During FY2014-15, the following prestigious awards were conferred in recognition of our performance, achievements and contribution to the Society:

LACP Award for Annual Report 2013-14

We won the prestigious Silver Award in 2014 Spotlight Awards, a Global Communication Competition organized by LACP (League of American Communications Professionals) for excellence in the development of our Annual Report for the FY2013-14.

HR Leadership Award, 2014

Dr. Keshab Nandy, Director (Legal, HR, IT, IR, Vigilance & Safety), was conferred with the prestigious "HR Leadership Award" at the Asia Pacific HRM Congress Awards 2014. This is a congregation of a global audience of HR professionals, governed by the Global Advisory Council & National Advisory Council and benchmarks talent and HR practices.

Bharat Vibhushan Samman Puraskar

Dr. Keshab Nandy, Director (Legal, HR, IT, IR, Vigilance & Safety), was conferred with the prestigious 'Bharat Vibhushan Samman Puraskar' for his Outstanding Individual Achievement & Distinguished Services to the Nation. The Award was presented by the Global Achievers Foundation, New Delhi on the occasion of a National Seminar held at Dehradun on 30th May, 2015 on "Individual Contribution for National Economic and Social Development".

Blacpower Whisky

White House Rum

Management Discussion and Analysis

FINANCIAL OVERVIEW

Due to prolonged slowdown in the economy, weak consumer sentiments, supply side limitations in the State of Tamil Nadu driven by bottling constraints, operational disturbances caused due to bifurcation of the State of Andhra Pradesh and restrictions imposed on sales in the Kerala Market, the Company's revenue from operation (net of excise duty) during the FY2014-15 declined by 10.50% to ₹ 5,513.32 million (inclusive of MVAT and CST refund of ₹ 1,152.90 million for the year 2013-14 and 2014-15) as compared to ₹ 6,160.12 million (inclusive of MVAT and CST refund of ₹ 123.76 million for the year 2012-13) during the FY2013-14.

The finance costs have increased during the FY2014-15, mainly, due to increased premium paid on forward exchange contracts and hike in the interest rates by the banks.

Due to moderation in revenues, elevated finance costs and increased raw material costs, the Company has incurred a net loss of ₹ 345.02 million during the FY2014-15 as compared to the net profit of ₹ 485.95 million during the FY2013-14.

The Company has been making necessary efforts to improve its performance and is aggressively pursuing and implementing various strategies, including selling of high margin semi-premium and premium brands, discontinuation of various loss making brands in Kerala and Canteen Stores Department(CSD), exploring alternative supply options in the State of Tamil Nadu and cost reductions initiatives etc.

Though the IMFL industry is witnessing a prolonged slowdown, the Company anticipates that the overall economy and consumer sentiments will revive in near future. The productivity, performance and profitability of the Company will gradually improve in the coming years owing to the persistent efforts and aggressive strategies adopted by the Company.

62%

We grew the ratio of our premium portfolio from 33% of total volumes in FY2014, to 62% of our total volumes in FY2015

Over the last 5 years, "Mansion House" Brandy has matured and evolved significantly. TI's continuous focus on premiumization has transformed it from a regular brand into a pan Indian premium brand.

RISKS & CONCERNS, OPPORTUNITIES & THREATS

TI is already an established and recognised player in the marketplace with a strong and loyal following by millions of consumers who stand by its portfolio of alcoholic beverages. The vast numbers of young Indians coming of legal drinking age over the next few years is a tremendous advantage and a huge potential consumer base. TI expects that this 'young' India will continue to be a sustained growth opportunity for TI. However, despite these positives, the Company is not impervious to certain risks or concerns that might challenge this industry from time to time.

To begin with, the increasing levels of taxation coupled with regulation has pushed taxes and duties to approximately three fifths of the retail prices of most of its products. Further, non-inclusion of liquor in the Goods and Services Tax(GST) regime will also result in price escalation. To avoid the risk of losing market share to its competitors, the Company is taking various initiatives to ensure constant supply of its products to cater to the demand in different markets.

Dr. Keshab Nandy, Director - HR, being awarded "HR Leadership Award" at the Asia Pacific HR Congress 2014

HUMAN RESOURCES

Today, the HR function has become a critical catalyst for continuous transformation during a phase of rapid growth and transition; shaping not only processes, people and mindsets, but creating a culture that epitomises TI and unleashes innovation at every level within the organisation.

At the very heart of TI and its steady growth story is its biggest asset - People. The Company is proud of its passion and commitment and the alignment of its aspirations and dreams to its shared vision. Its growth and successes are met equally by even greater steps to ensure that it not only complies, but leads in areas of processes and human relations to unleash and harness innovation at every level within the organisation. It is the conduct of its leadership team and people, their shared wisdom and values, which have gone into creating TI - a Company where entrepreneurship and innovation thrive. As a close knit team of 604 employees as on March 31, 2015, the Company has done very well over the last few years. It is against this backdrop that the Human Resources function assumes a strategic and critical role.

TI has been conferred the "Bharat Vibhushan Samman Puraskar" by the Global Achievers Foundation, Delhi for TI's extra-ordinary professional contributions and excellence.

TI'S HR PHILOSOPHY:

- To be identified as a preferred employer and an employer of choice by prospective candidates;
- To develop a culture based on open communication, trust, fairness and one that promotes equity;
- To be an equal opportunity employer, promoting diversity across cultural and linguistic backgrounds;

Management Discussion and Analysis

- To foster and promote a culture which recognises and promotes merit/performance based compensation and rewards; and
- Building the organisation from within, by growing, developing and promoting our people to a large extent and resorting to external hires only to complement the existing skill/competency base or fill positions for which suitable internal resources are not available.

EMPLOYEE FRIENDLY ORGANISATION

The Company has a "family" value system and is an employee friendly organisation. This is based on the basic premise that in order to get the best out of its people in terms of productivity and creativity, it needs to take a very endearing and compassionate approach to engaging with them. A liberal medical policy; complimentary meals and refreshments; sponsoring employees' children to study domestically and abroad are only a few examples of the Company's extraordinary gestures to the employee engagement and welfare. As a result, its employees are generally a very happy lot and identify themselves completely with the Company.

EMPLOYEE ENGAGEMENT SURVEY:

The HR team conducted an in-depth Employee Engagement Survey, through which many constructive findings were made. This survey showed that while the majority of the workforce is highly engaged with the Company, there are areas that leave room for improvement. The HR team is using this report to find new and better ways to strengthens engagement levels among its employees.

TRAINING, DEVELOPMENT AND EVENTS:

The Company has carried out various in-house training programmes in skill-enhancement and other soft skill areas, in addition to sponsoring employees to various training programmes organized by Bombay Chamber of Commerce and Bombay Management Association. The Company also carries out a very successful Mentorship and Buddy programme for training and empowerment of working managers. Dr. Keshab Nandy, Director-HR, a widely acclaimed speaker on management and trainer, has conducted a series of training programmes on Leadership Development and Motivational strategies for employees of the Company at the Corporate Office and the Shrirampur factory.

The Company had conducted free medical health check-up for its employees in Corporate Office and Reports were distributed to the employees with medical counseling by Doctors and health workers.

INFORMATION TECHNOLOGY

At the centre of the business is our SAP based system, which enables full visibility to the management of Company's operations, marketing and financial parameters. Investment in technology allows TI to raise the standard of customer service and reliability. In addition, innovative technology solutions differentiate TI in the marketplace in terms of both-offerings and operational efficiency. Technology is also the foundation for process improvements within TI that enhances productivity, improves efficiency and reduces costs. This multi-tier effort has engineered our domestic business, based on a data-driven platform derived from renowned and trusted software and hardware platforms.

During FY2014-15, the following initiatives were taken:
Implementation of UBUNTU operating system on user desktop computers. UBUNTU, being an open source software has the following advantages over other Operating system:

- **Security:** It is one of most secured operating systems. "Walls" and flexible file access permission systems prevent access by unwanted visitors or viruses.
- **Low cost:** It comes with free GNU General Public License and so no need to spend on license cost and can be installed on many computers.
- **Stability:** It does not slow down over a period of time due to leakage of memory.
- **Performance:** It provides persistent high performance on workstations, network and run on less powerful resources with multitasking.
- **Flexibility:** It can be used for high performance server applications, desktop applications, embedded systems and can be tailored to meet user-specific demand.
- **Compatibility:** It runs all common Unix software packages and can process all common file formats.

INTERNAL CONTROL SYSTEMS

The Company has effective, efficient and adequate systems of internal controls, which have been incorporated throughout the enterprise through SAP systems commensurate with the size and nature of the business. The Company's Internal and Statutory Auditors review the adequacy of internal controls on a regular basis and thus help mitigate/avoid fraud or any other discrepancies in the daily operational activities of the Company. The Audit Committee periodically reviews the findings of Internal and Statutory Auditors and advises the management with corrective policies and controls to be adopted by the Company, consistent with the organizational requirements.

OUTLOOK

Looking at the Company's history, TI has never experienced any problems with garnering popularity for its products. In fact, its success across all price points in all the drink categories has been legendary. The Company is and has been a great standard bearer for both the premium and affordable end of the price spectrum. Furthermore, the market demand for IMFLs remains to be strong due to the positive macroeconomic factors highlighted in the earlier section of the MD&A. TI has in fact been a victim of its success, wherein its large volumes in the entry level products have been working capital hungry and produce very little net benefit to the Company. This has been due to external factors beyond the control of the Company, such regulatory restrictions, exorbitant levels of duties and levies, and the high cost of working capital. In recognition of these anomalies, the Company has made a strategic decision to exit some of these value decretive products and place more focus on its high margin premium and semi-premium business. Given the evolving social demographics of the country, the Company foresees substantial growth in demand for these types of premium products and is confident of growing its volumes in this segment. This turnaround in EBITDA is expected to come from the organic volume growth of some of its key existing flagship brands and through the introduction of new premium and semi-premium brands in strategic markets. With stringent steps taken towards EBITDA and profit maximisation, your Company is on a steady a path to recovery and remains an enduring and evolving Company in the IMFL space.

CAUTIONARY STATEMENT

Statement made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities laws & 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 & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.

Profile of our Senior Management

Mr. Laxmi Narasimhan
Deputy Managing Director

Mr. Laxmi Narasimhan is an alumnus of IIM Calcutta and has a B.E. degree in Industrial Engineering from CEG, Anna University. He has over 22 years of work experience by and large in the FMCG sector. Prior to joining TI, he was with United Spirits. He has worked in Coca-Cola, Illinois Tool Works and TATA Motors prior to that.

Dr. Keshab Nandy
Director (Legal, HR, IT, IR, Vigilance & Safety)

Dr. Keshab Nandy is a multiple graduate and post-graduate degree holder with distinctions in English, HRD, Law, Management and is a Ph.D in Human Resources. He has expertise in several areas of management with more than 35 years of Industry experience. He is actively associated with management research, a prolific motivational speaker and is recipient of several awards.

Mr. Srijit Mullick
Chief Financial Officer

Mr. Srijit Mullick is both, a Chartered Accountant and Cost and Management Accountant and comes with over 36 years of experience spread over different financial management areas with specialization in mergers and acquisitions, fund raising, accounts, treasury, costing and taxation in different reputed companies including Shaw Wallace and Company Ltd. and the Essel Group.

Dr. Sukhbir Puri
Sr. Vice President – Operations

Dr. Sukhbir Puri is MSc, Ph. D. in Chemistry and has 42 years of extensive experience of which 5 years is in marketing and more than 37 years in manufacturing / operations / supply chain. He is associated with Bhartiya Yuva Sakti Trust, an NGO that trains the youth to become entrepreneurs. He was a member of BIS Technical Committee FAD 14 dealing with alcoholic beverages.

Mr. Gaurav Thakur
Company Secretary

Mr. Gaurav Thakur is a qualified Company Secretary and Cost and Management Accountant and a post-graduate in Commerce, having over 15 years of experience in secretarial and legal functions across various sectors.

Profile of our Senior Management

Mr. G. S. Krishnan
General Manager – Finance
Mr. G. S. Krishnan is a Science graduate and C.A.I.I.B. (Indian Institute of Bankers) and has over 33 years of experience with nationalized and private sector banks in the area of financial services.

Mr. Ajit Sirsat
General Manager - Finance & Accounts
Mr. Ajit Sirsat is a Chartered Accountant and Cost and Management Accountant having 21 years of experience in finance and accounts.

Mr. C. D. Nageshwar Rao
Sr. Vice President – Sales (Deccan & North)
Mr. C. D. Nageshwar Rao, a high performing marketing professional, is a graduate in Commerce with a diploma in Business Management. He possesses 33 years of experience in sales, of which 31 years in liquor industry.

Mr. Pinaki Sengupta
Sr. Vice President – Sales (East & Maharashtra)
Mr. Pinaki Sengupta has a PG Diploma in Marketing and Sales Management with 23 years of hands-on experience in the liquor industry and sales and marketing experience serving MNCs and leading Indian liquor companies.

Mr. Ashish Choudhury
General Manager – Sales (Karnataka)
Mr. Ashish Choudhury is a graduate in Humanities from the Bengaluru University and has 35 years experience in sales in different locations with leading IMFL companies.

Mr. Rajesh Agrawal
General Manager – Sales (Maharashtra & Daman)
Mr. Rajesh Agrawal is a graduate in Humanities and has over 31 years of experience in IMFL industry. He possesses an in-depth knowledge of sales and distribution in the liquor industry.

Mr. S. S. Balaje
DGM – Sales (Tamil Nadu & Puducherry)
Mr. S. S. Balaje is a graduate in Corporate Secretaryship and has over 31 years of experience in the areas of sales and marketing of liquor, packages and tinned food.

Profile of our Senior Management

Mr. Biswadeb Chowdhury
AGM – Sales
Mr. Biswadeb Chowdhury is a Commerce graduate and has over 19 years of work experience in sales with leading IMFL companies.

Mr. K. UdayKumar
Sr. Manager – Tamil Nadu & PMK
Mr. K. UdayKumar is a graduate in English Literature and has over 16 years of experience in sales with leading IMFL companies.

Mr. Debasis Nayak
Manager – Sales (Odisha)
Mr. Debasis Nayak is a B. Com (Hons.) and MBA with 13 years of experience in sales in FMCG and liquor industry.

Mr. Naresh Agnihotri
Vice President – Works
Mr. Naresh Agnihotri is a graduate in Chemistry and has over 43 years of experience, of which 26 years is in liquor industry.

Mr. M. R. K. Nair
Vice President – HR/IR and Legal
Mr. M. R. K. Nair has extensive experience spread over 46 years across various industries. He has handled IR, industrial administration and legal matters.

Mr. C. R. Ramesh
General Manager – Liquor
Mr. C. R. Ramesh is having 33 years of experience in liquor manufacturing operations.

Profile of our Senior Management

Mr. Santosh Thakur
General Manager – Purchase
Mr. Santosh Thakur is a graduate in Science from Mumbai University and a post-graduate in Materials Management from L. N. Welingkar Institute of Management having 22 years of cross-functional experience across various sectors.

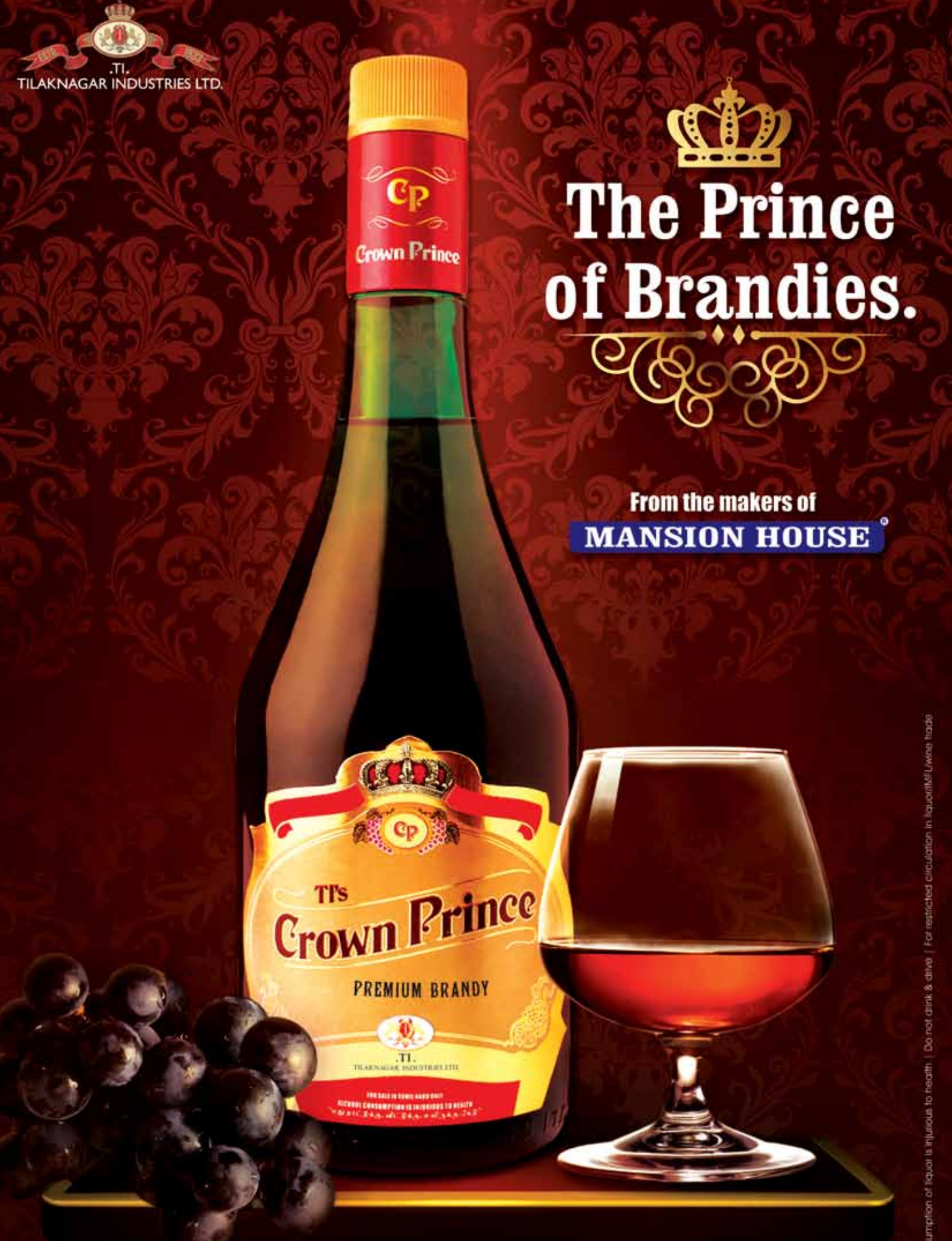
Mr. Anand Kadam
DGM – Purchase
Mr. Anand Kadam is a graduate in Engineering (B.E. Production – Hons.) from Mumbai University and a post-graduate in Materials Management having more than 23 years of experience in material management.

Mr. Bhaskar Ray Chowdhury
General Manager – Production (East & North East)
Mr. Bhaskar Ray Chowdhury is a B. Tech in Chemical Engineering from Jadavpur University and has over 19 years of experience with leading liquor companies.

Mr. Shankar Pawar
AGM – Finance & Accounts
Mr. Shankar Pawar is a Chartered Accountant and has 11 years of experience in the areas of accounts, finance and taxation across various sectors.

Mr. Bhavin Desai
AGM – Cost and Accounts
Mr. Bhavin Desai is a qualified Cost and Management Accountant and is MBA (Finance) from ICFAI and has over 18 years of experience across various sectors.

Ms. Hemangi Joshi Naik
DGM – Legal
Ms. Hemangi Joshi Naik is a B.A., LL.B. and has over 10 years of experience in corporate laws across various sectors.


.TI.
TILAKNAGAR INDUSTRIES LTD.
The Prince of Brandies.
From the makers of
MANSION HOUSE
CP
Crown Prince
TI's
Crown Prince
PREMIUM BRANDY
.TI.
umption of liquor is injurious to health. | Do not drink & drive | For restricted circulation in liquor/IMFL/wine trade

Directors' Report

Directors' Report

Dear Members,

The Directors hereby present their 80th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2015.

1. FINANCIAL HIGHLIGHTS

The summary of the Company's financial results for the financial year ended March 31, 2015 and appropriation of divisible profits is furnished below:

(₹ in million)

Particulars	Standalone	
	Year ended 31.03.2015	Year ended 31.03.2014
Revenue from operations	5,513.32	6,160.12
Operating expenditure	4,670.31	4,742.53
Earnings before interest, depreciation and amortization, tax(EBIDTA)	843.01	1,417.59
Other income	19.80	38.86
Finance costs	823.71	530.46
Depreciation and amortization expenses	270.98	234.22
Profit / (Loss) before tax	(231.88)	691.77
Tax expenses	113.14	205.82
Profit / (Loss) for the year	(345.02)	485.95
Balance brought forward from previous year	1,502.36	1,133.80
Amount available for appropriation	1,157.34	1,619.75
Appropriations		
Adjustment relating to fixed assets	38.65	-
Transferred to general reserve	-	-
Proposed dividend and tax thereon	0.74	117.39
Balance carried to balance sheet	1,117.95	1,502.36

The Company has tie-up arrangements in some States and in respect of such arrangements, the net turnover of ₹ 879.21 million during the financial year ended March 31, 2015 (P.Y. ₹ 3,195.02 million) has not been treated as sales. However, the surplus generated out of these arrangements is included in the revenue from operations.

With effect from the quarter ended September 30, 2014, the Company is recognizing income on account of entitlement of MVAT and CST refund on quarterly basis and has, accordingly, during the financial year 2014-15 recognized a sum of ₹ 1,152.90 million as income on that account (for the year 2013-14 and 2014-15) as against ₹ 123.76 million in the previous year (for the year 2012-13).

During the financial year 2014-15, the finance costs have increased, mainly, due to increased premium paid on forward exchange contracts and hike in the interest rates by the banks.

During the financial year 2014-15, the Company has revised its accounting policy in respect of depreciation method of its fixed assets, which are now being depreciated on straight line method (SLM) over their expected useful life as against written down value method (WDV) for ensuring more appropriate presentation of the financial statements. Consequent upon retrospective calculation of the depreciation on straight line method, reversal of depreciation expense amounting to ₹ 58.75 million pertaining to previous years has been recorded in the current year's Statement of Profit & Loss.

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets

(determined after considering the change in the method of depreciation from WDV to SLM), after retaining the residual value, where the remaining useful life of the asset was determined to be nil as on April 01, 2014 and has adjusted an amount of ₹ 38.65 million net of deferred tax against the opening balance of the Statement of Profit & Loss.

2. OPERATIONAL REVIEW

Operations

The Company is a well established player in the Indian Made Foreign Liquor(IMFL) industry with predominant presence in South India and Canteen Stores Department (CSD). With its diversified brand range and a keen focus on premiumization, the Company has created a distinct identity for itself in the IMFL Segment.

The financial year 2014-15 has turned out to be a tough year for the Company as it faced lots of challenges during the year e.g. supply side limitations in the State of Tamil Nadu driven by bottling constraints, operational disturbances caused due to bifurcation of the State of Andhra Pradesh and restrictions imposed on sales in the Kerala Market. The Company, as a part of its premiumization strategy, focused during the year on selling of high margin semi-premium and premium brands and discontinued various loss making brands in Kerala and CSD. The impact of the same was reflected in the sales volume of the Company which has declined during the year by 49% to 8.25 million cases as compared to 16.13 million cases in the previous year.

Due to moderation in revenues, elevated finance costs and increased raw material costs, the profitability during the financial year 2014-15 remained constrained and the Company posted a net loss of ₹ 345.02 million as against a net profit of ₹ 485.95 million in the previous financial year.

While the macro economic situation continues to present challenges, the Company, with the support of its strong, resilient business model, is persistent with its efforts to generate long term growth.

Manufacturing Facilities

The Company has modern manufacturing set up encompassing various manufacturing facilities comprising of 1 owned facility, 4 operating subsidiaries with additional 4 subsidiaries for allied activities, 9 lease arrangements and 13 tie-up units strategically located across India.

The Company is having 100 KLPD molasses based and 100 KLPD grain based distillation plants at Shrirampur (Maharashtra). During the financial year 2014-15, it has increased its own bottling capacity to 0.28 million cases per month with successful completion and commissioning of a new state-of-the-art IMFL bottling facility project based on 'Plant in Plant' concept in Shrirampur.

During the financial year 2014-15, the Company has consciously curtailed the operations of its grain based plant due to increase in the grain prices and has applied to the Government for allowing use of the grain based plant for distillation of molasses along with grain (Dual Feed) to take advantage of the market price of the two feed stocks viz. grain and molasses and is awaiting permission for the same.

The Company stringently monitors all its manufacturing facilities to ensure product consistency and quality.

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. During the financial year 2014-15, CNB–Green Brandy reported YoY growth and continues to lead the premium plus segment while Mansion House Silk Brandy posted a growth YoY in the super premium Brandy segment.

During the financial year 2014-15, the Company has achieved sales volume of 6.08 million cases in southern region, 1.39 million cases in exports & institutions segment, 0.54 million cases in eastern region and 0.24 million cases in western region. Brandy segment, during the year, has contributed 59%, followed by Whisky, Rum, Vodka & Gin segments, which have contributed 24%, 14% and 3% respectively to the overall sales volume of the Company. Blue Lagoon Gin has become the largest selling premium Gin across the eastern region.

The Company ensures a seamless co-ordination of all its functions not only in production, but also in its supply chain management. 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 that cover large swathes of the Indian market with a strong network of distributors and points of sales covering numerous market segments and geographies with especially pronounced presence in the South, India's largest IMFL consuming geography.

Directors' Report

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, 2015.

4. SHARE CAPITAL

During the financial year 2014-15, the paid up equity share capital of the Company has increased from 123,769,643 equity shares of ₹ 10/- each as on April 01, 2014 to 124,756,115 equity shares of ₹ 10/- each as on March 31, 2015 consequent upon allotment of 986,472 equity shares to option grantees pursuant to exercise by them of vested stock options as per statement given below:

Date	Particulars	Cumulative No. of Equity Shares
April 01, 2014	Paid up equity shares at the beginning of the year	123,769,643
May 26, 2014	Allotment of 503,195 equity shares	124,272,838
August 14, 2014	Allotment of 284,419 equity shares	124,557,257
November 14, 2014	Allotment of 115,694 equity shares	124,672,951
February 14, 2015	Allotment of 83,164 equity shares	124,756,115
March 31, 2015	Paid up equity shares at the end of the year	124,756,115

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. In accordance with Rule 8(1) of the Companies (Accounts) Rules, 2014, a report on their performance and financial position is presented herein below:

Sr. No.	Name of Subsidiary Companies (Stake)	Performance
(A)	FOR OPERATING ACTIVITIES	
1	**Prag Distillery (P) Ltd. (100%)**	The net sales, during the financial year 2014-15, of Prag stood at ₹ 1,232.11 million as compared to ₹ 1,207.69 million in the previous year. It has incurred net loss of ₹ 15.23 million during the financial year 2014-15 as compared to net profit of ₹ 58.29 million in the previous year. Out of the total licensed capacity of Prag, 3.5 million PLs is subleased to Pernod Ricard India Private Limited (PRIPL) along with part of its manufacturing facility for a period of five years for optimum utilization of its production capacities. It is also vigorously pursuing with the Government for enhancement of its bottling capacities from the current 0.05 million cases to 0.3 million cases per month.
2	**Vahni Distilleries Private Limited (100%)**	The net sales, during the financial year 2014-15, of Vahni stood at ₹ 595.92 million as compared to ₹ 671.62 million in the previous year. It has incurred net loss of ₹ 2.03 million during the financial year 2014-15 as compared to net profit of ₹ 37.04 million in the previous year. The production capacity of Vahni's plant has been fully utilized in the financial year 2014-15. It is contemplating enhancing its finished goods storage capacity in the financial year 2015-16.
3	**Kesarval Springs Distillers Pvt. Ltd. (100%)**	The net sales, during the financial year 2014-15, of Kesarval stood at ₹ 3.54 million as compared to ₹ 2.09 million in the previous year. It has incurred net loss of ₹ 2.27 million during the financial year 2014-15 as compared to net loss of ₹ 4.64 million in the previous year. There was no significant increase in production of IMFL during the financial year 2014-15. The Company is exploring the option to hive off the entire stake held by it in Kesarval.
4	**PunjabExpo Breweries Private Limited (100%)**	The net sales, during the financial year 2014-15, of PunjabExpo stood at ₹ 181.55 million as compared to ₹ 309.28 million in the previous year. It has incurred net loss of ₹ 36.62 million during the financial year 2014-15 as compared to net profit of ₹ 4.57 million in the previous year. PunjabExpo is contemplating purchase of adjacent land for its expansion plans in future.

(B)	FOR ALLIED ACTIVITIES	
5	**Mykingdom Ventures Pvt. Ltd. (100%)**	During the financial year 2014-15, no activities have been carried out by Mykingdom and it has incurred net loss of ₹ 0.02 million during the year as compared to net loss of ₹ 0.02 million in the previous year.
6	**Studd Projects P. Ltd. (100%)**	During the financial year 2014-15, no activities have been carried out by Studd and it has incurred net loss of ₹ 0.01 million during the year as compared to net loss of ₹ 0.01 million in the previous year.
7	**Srirampur Grains Pvt. Ltd. (100%)**	During the financial year 2014-15, no activities have been carried out by Srirampur and it has incurred net loss of ₹ 0.02 million during the year as compared to net loss of ₹ 0.03 million in the previous year.
8	**Shivprabha Sugars Ltd. (90%)**	During the financial year 2014-15, no activities have been carried out by Shivprabha and it has incurred net loss of ₹ 0.37 million during the year as compared to net loss of ₹ 0.42 million in the previous year.

Apart from the abovementioned subsidiary companies, the Company is having one associate company falling under the purview of Section 2(6) of the Companies Act, 2013 viz. Mason And Summers Marketing Service Private Limited in which the Company is having 26% stake. During the financial year 2014-15, no significant changes in its financial performance have taken place as compared to previous year.

The consolidated financial statements of the Company and its subsidiaries for the financial year ended March 31, 2015, prepared in accordance with the Companies Act, 2013 and Accounting Standards AS-21 on consolidated financial statements form part of this Annual Report and same shall also be laid in the ensuing Annual General Meeting in accordance with the provisions of Section 129(3) of the Companies Act, 2013. The share of profit/ loss of the associate company being immaterial has not been considered in the abovementioned consolidated financial statements.

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 and forms part of this Annual Report.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the standalone and consolidated financial statements of the Company along with the documents required to be attached 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 2014-15, 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 79th Annual General Meeting of the Company held on September 27, 2014, Dr. Vishnu Kanhere, Dr. Ravindra Bapat, Mr. C.V. Bijlani, Mr. Madan Goyal and Mr. Ronil Sujan were appointed as Independent Directors, not liable to retire by rotation for a term expiring on March 31, 2019 in accordance with the provisions of Sections 149,152 read with Schedule IV of the Companies Act, 2013 and 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 Companies Act, 2013, was also re-appointed as Director, liable to retire by rotation.

Due to his pre-occupancy with other assignments in Singapore, Mr. Ronil Sujan resigned from the directorship of the Company with effect from April 24, 2015. The Board of Directors places on record its appreciation for the valuable services rendered by him during his tenure as Director of the Company.

All the Independent Directors have furnished declaration stating that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mr. Amit Dahanukar, Chairman & Managing Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Directors' Report

In accordance with the provisions of the Clause 49 of the Listing Agreement, his brief profile is furnished in the Notice convening the ensuing Annual General Meeting. The Board of Directors recommends his re-appointment.

7. NOMINATION, REMUNERATION AND EVALUATION POLICY

In accordance with the provisions of Section 178 of the Companies Act, 2013 read with Clause 49(IV)(B) of the Listing Agreement, the Board of Directors in its Meeting held on November 14, 2014 has, on the recommendation of Nomination and Remuneration Committee, adopted the Nomination, Remuneration and Evaluation Policy of the Company which 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 are elaborated in the Corporate Governance Report.

8. BOARD EVALUATION

In accordance with the provisions of Section 178(2) and Schedule IV of the Companies Act, 2013 read with Clause 5 of the Nomination, Remuneration and Evaluation Policy of the Company, the annual performance evaluation of the Independent Directors, Executive Directors and Board as a whole (including its Committees) was carried out on February 14, 2015 in the manner given below:

i. The performance evaluation of Independent Directors was done by the entire Board of Directors (excluding the Director being evaluated);

ii. Independent Directors in their separate meeting reviewed the performance of Non-Independent Directors and the Board as a whole; 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, 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 in its Meeting held on May 30, 2015 and expressed overall satisfaction on the performance of the Independent Directors, Executive Directors, Chairman and Board as a whole (including its Committees).

9. NUMBER OF MEETINGS OF THE BOARD

The details of the number of meetings of the Board of Directors held during the financial year 2014-15 are furnished as a part of the Corporate Governance Report.

10. COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises of Dr. Vishnu Kanhere, Mr. C.V. Bijlani and Mr. Madan Goyal, Independent Directors of the Company. Dr. Vishnu Kanhere is the Chairman of the Committee and Mr. Gaurav Thakur, Company Secretary is the Secretary to the Committee. There have not been any instances during the year when recommendations of the Audit Committee were not accepted by the Board of Directors.

11. KEY MANAGERIAL PERSONNEL (KMP)

During the financial year 2014-15, appointment of Mr. Srijit Mullick, Chief Financial Officer as KMP was formalized on November 14, 2014 in accordance with the provisions of Section 179(3) read with Section 203 of the Companies Act, 2013.

12. AUDITORS

Statutory Auditors and Statutory Audit Report

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, M/s Batliboi & Purohit, Chartered Accountants were appointed as Statutory Auditors of the Company in the 79th Annual General Meeting held on September 27, 2014 to hold office from the conclusion of the 79th Annual General Meeting till the conclusion of the 82nd Annual General Meeting of the Company, subject to ratification of their appointment by the Members at every Annual General Meeting held after the 79th Annual General Meeting.

Accordingly, a proposal seeking Members' ratification for the re-appointment of M/s Batliboi & Purohit, Chartered Accountants, as the Statutory Auditors of the Company and for fixing their remuneration for the remaining tenure forms part of the Notice convening the ensuing Annual General Meeting. Pursuant to the provisions of Sections 139 and 141 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014, the Company has received consent from them to the effect that their re-appointment, if made, will be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for re-appointment. As required under Clause 41 of the Listing Agreement, they have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Audit Committee and Board of Directors have reviewed their eligibility criteria as laid down under Section 141 of the Companies Act, 2013 and recommended the ratification of their re-appointment as Statutory Auditors for the remaining tenure.

No frauds have been reported by the Statutory Auditors during the financial year 2014-15 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

The Board of Directors refer to the Auditors' observations in the Auditors' Report and as required under Section 134(3)(f) of the Companies Act, 2013, provides its explanation as under:

i. **Explanation to Point No. (viii) of the Annexure to the Auditors' Report on Consolidated Financial Statements regarding cash losses incurred during the financial year 2014-15:**

   Prolonged slowdown in the economy, weak consumer sentiments, supply side limitations in the State of Tamil Nadu driven by bottling constraints, operational disturbances caused due to bifurcation of the State of Andhra Pradesh and restrictions imposed on sales in the Kerala Market has resulted in a considerable decline in the revenue of the Company for the financial year 2014-15.

   Moderation in revenues, elevated finance costs and increased raw material costs have resulted in incurring of cash losses by the Company during the financial year 2014-15. The Company is making necessary efforts to reduce its cash losses by improving its performance through aggressively pursuing and implementing various strategies viz. selling of high margin semi-premium and premium brands, discontinuation of various loss making brands in Kerala and Canteen Stores Department(CSD), exploring alternative supply options in the State of Tamil Nadu and cost reductions initiatives etc.

ii. **Explanation to Point Nos. (vii)(a) and (vii)(b) of the Annexure to the Auditors' Report on the Standalone and Consolidated Financial Statements respectively regarding unpaid income tax dues of ₹ 99.33 million for the Assessment Year 2014-15:**

   Income tax dues of ₹ 99.33 million for the Assessment Year 2014-15 are yet to be paid by the Company as liquidity constraints are being faced by it due to the cash losses incurred during the financial year 2014-15. The Company is taking necessary measures to clear the abovementioned dues on priority basis.

iii. **Explanation to Point Nos. (vii)(a) and (ix) of the Annexure to the Auditors' Report on the Standalone and Consolidated Financial Statements respectively regarding slight delay in few cases in deposit of undisputed statutory dues and payment of principal and interest to Banks:**

   During the financial year 2014-15, slight delay had occurred in depositing of undisputed statutory dues in few cases and also, payment of ₹ 42.25 million due on March 26, 2015 to Banks on account of principal and interest was made by the Company on April 10, 2015 due to temporary mismatch in cash flows at that point of time.

Cost Auditors and Cost Audit Report

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors, has on the recommendation of the Audit Committee, appointed M/s P. D. Phadke & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2015-16 at a remuneration of ₹ 1,50,000/- plus service tax as applicable and re-imbursement of out of pocket expenses as may be incurred by them for conducting the Cost Audit subject to ratification of such remuneration by the Members in the ensuing Annual General Meeting. Accordingly, a resolution seeking Members' ratification for the remuneration payable to the Cost Auditors forms part of the Notice convening the ensuing Annual General Meeting.

Directors' Report

The Company has filed the Cost Audit Report for the financial year ended March 31, 2014 on September 29, 2014. The Cost Audit Report for the financial year ended March 31, 2015 shall be filed in due course.

Secretarial Auditors and Secretarial Audit Report

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s Ragini Chokshi & Associates, Practicing Company Secretaries as Secretarial Auditors of the Company for the financial year 2015-16.

The Secretarial Audit Report for the financial year ended March 31, 2015 is set out in Annexure 'A' to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Internal Auditors and Internal Audit Report

The Company is having M/s Devdhar Joglekar & Srinivasan, Chartered Accountants as its Internal Auditors in accordance with the provisions of Section 138(1) of the Companies Act, 2013. 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 Companies Act, 2013 read with Rule 8 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 Companies Act, 2013 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. EXTRACT OF ANNUAL RETURN

An extract of Annual Return in Form MGT-9 as required under the provisions of Section 134(3)(a) read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is set out in Annexure 'E' to this Report.

16. EMPLOYEE STOCK OPTION SCHEMES

The Company has implemented ESOP Scheme 2008, ESOP Scheme 2010 and ESOP Scheme 2012 compliant with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 [applicable till October 27, 2014] and SEBI (Share Based Employee Benefits) Regulations, 2014 [applicable from October 28, 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 2014-15.

The disclosures as required under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 are set out in Annexure 'F' to this Report. A certificate from the Statutory Auditors of the Company as required under Regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2014 shall be placed at the ensuing Annual General Meeting for inspection by the Members.

17. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is committed to ensure a healthy environment and empowered community around it and has, accordingly, adopted a triple bottom line approach of people, planet and profit. The Company has embraced the United Nation's (UN) Millennium Development Goals (MDG) and directs its efforts towards Poverty Reduction, Health, Education and Environment Conservation. Details of the CSR projects, programs or activities undertaken by the Company during the financial year 2014-15 are provided in CSR Report annexed hereto and form an integral part of the Annual Report.

The shortfall in the budgeted CSR expenditure during the financial year 2014-15 relates to certain CSR projects of ongoing nature undertaken by the Company spanning over multiple years and the same is being spent by the Company across the life of these projects

The Annual Report on CSR activities as required under Section 134(3)(o) of the Companies Act, 2013 read with Rule 8 of the Companies (CSR Policy) Rules, 2014 is set out in Annexure 'G' to this Report and is also accessible on Company's website at weblink: http://www.tilind.com/corporateResponsibilities.htm

18. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report containing the details as required under Clause 49 (VIII)(D)(1) of the Listing Agreement is annexed hereto and forms an integral part of this Report.

19. CORPORATE GOVERNANCE REPORT

A separate Report on Corporate Governance along with a certificate from the Statutory Auditors of the Company confirming the compliance of the conditions of corporate governance by the Company as required under Clause 49 of the Listing Agreement 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 Section 134(3)(g) read with Section 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 is proposed to be utilized by the recipient have been disclosed in the financial statements.

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

The Company is committed to provide a healthy environment to all its employees and has zero tolerance for sexual harassment at workplace. In order to prohibit, prevent and redress complaints of sexual harassment at workplace, it has constituted a Complaint Committee in line with the provisions of Section 4(1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has not received any complaint of sexual harassment during the financial year 2014-15.

22. FIXED DEPOSITS

As on April 01, 2014, the Company was not having any outstanding deposits falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposits covered under said Chapter during the financial year 2014-15. As on March 31, 2015, the Company was not having any outstanding deposit falling under the scope of said Chapter.

23. DETAILS OF UNCLAIMED BONUS SHARES IN TERMS OF CLAUSE 5A(II) OF THE LISTING AGREEMENT

Details in respect of unclaimed bonus shares lying in dematerialized form in the 'Tilaknagar Industries Ltd.-Unclaimed Suspense Account' as required under the provisions of Clause 5A(II) of the Listing Agreement are as under:

Particulars	Bonus Issue – 2009		Bonus Issue – 2010	
	No. of Members	No. of Shares	No. of Members	No. of Shares
Aggregate number of Members and the outstanding shares in the suspense account lying at the beginning of the year	1,112	62,478	1,177	197,866
Number of Members who approached the Company for transfer of shares from suspense account during the year	1	100	1	300
Number of Members to whom shares were transferred from suspense account during the year	1	100	1	300
Aggregate number of Members and the outstanding shares in the suspense account lying at the end of the year*	1,111	62,378	1,176	197,566

* The voting rights on the shares outstanding in the suspense account as on March 31, 2015 shall remain frozen till the rightful owner of such shares claims the shares.

Directors' Report

24. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION & PROTECTION FUND

In accordance with the provisions of Sections 205A(5) read with 205C of the Companies Act, 1956, an amount of ₹ 109,913 being dividend for the financial year 2006-07 lying unclaimed for a period of 7 years was transferred by the Company on September 20, 2014 to the Investor Education and Protection Fund.

Details of the unclaimed amounts lying with the Company as on September 27, 2014 (date of last Annual General Meeting) as required under the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 have been uploaded on the website of the Company i.e. www.tilind.com and also on the Ministry of Corporate Affairs' website.

25. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2014-15, the Company has not entered into any contracts or arrangements with related parties falling under the purview of Section 188(1) of the Companies Act, 2013. Hence, disclosure in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

26. RISK MANAGEMENT

In accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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 entrusted with the responsibilities of developing risk mitigation plans, implementing risk reduction/mitigation strategies and reviewing the effectiveness of the Risk Management Policy.

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

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

ii. **Strategic Risk**
The Company's strategy and its execution is dependent on uncertainties and untapped opportunities. To mitigate this risk, the Company has adopted resilient policies which not only allow the Company to maximize opportunities under normal conditions but also ensure that acceptable results are achieved under extra-ordinary 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 of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Internal, Statutory and Secretarial Auditors and External Consultants; reviews performed by the Management and relevant Board Committees including the Audit Committee, the Board of Directors 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 2014-15.

28. VIGIL MECHANISM

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement, the Company has adopted a Whistle Blower Policy to provide a 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. The Whistle Blower Policy of the Company can be accessed at the Weblink: http://www.tilind.com/downloads/pdf/Whistleblower.pdf.

29. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Companies Act, 2013, 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. RESIDUARY DISCLOSURES

i. During the financial year 2014-15, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise. Hence, disclosure under Rule 4(3) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable;

ii. During the financial year 2014-15, 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 2014-15, 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. During the financial year 2014-15, 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. Hence, disclosure under the provisions of Section 134(3)(l) of the Companies Act, 2013 is not applicable; and

v. During the financial year 2014-15, 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.

31. ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : August 14, 2015

Amit Dahanukar
Chairman & Managing Director

Annexure 'A' to the Directors' Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

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

To,
The Members,
Tilaknagar Industries Ltd.
P.O. Tilaknagar, Tal. 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 no. L15420PN1933PLC133303)** (hereinafter called **"the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Management's Responsibility for Secretarial Compliances
The Company's management is responsible for preparation and maintenance of secretarial records and for devising systems to ensure compliances with the provisions of applicable Laws and Regulations.

Auditors' Responsibility
Our responsibility is to express an opinion on the secretarial records, standard and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate to provide a basis for our opinion.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by **Tilaknagar Industries Ltd.** and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period **1st April, 2014 to 31st March, 2015** ("the Reporting Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period **1st April, 2014 to 31st March, 2015** 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 **(Not applicable to the Company during the Audit Period)**, Overseas Direct Investment **(Not applicable to the Company during the Audit Period)** and External Commercial Borrowings;

(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, 2009;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on October 28, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**;

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

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

a. The Trade Marks Act, 1999;
b. Food Safety and Standards Act, 2006;
c. The Indian Boilers Act, 1923;
d. The Bombay Prohibition Act, 1949

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not notified hence not applicable to the Company during the Audit Period)**.
ii. 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.

We further report that:
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

We further report that during the Audit Period:

a. The Company has allotted 9,86,472 equity shares pursuant to ESOP Schemes-2008, 2010 & 2012; and
b. The Company has passed following special resolutions which are having major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc:
   i. Increase in borrowing limits under Section 180(1)(c) of the Companies Act, 2013; and
   ii. Sell, lease or dispose off whole or substantially the whole of the undertaking under Section 180(1)(a) of the Companies Act, 2013.

For **Ragini Chokshi & Associates**
Practicing Company Secretaries

Mrs. Ragini Chokshi
Proprietor
C.P. No. 1436
FCS No. 2390

Place: Mumbai
Date: May 30, 2015

Annexure 'B' to the Directors' Report

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

(A) CONSERVATION OF ENERGY

(i) Steps Taken or Impact on Conservation of Energy:

The Company acknowledges the importance of conserving energy and accords high priority to the same in its operations. During the financial year 2014-15, the following steps have been taken by the Company for conservation of energy:

a) easily operative and accessible circuit breakers have been installed in each machinery/equipment resulting in reduction of idle run;

b) bottling lines have been equipped with Trip System for conservation of energy in case of lag/fault in any equipment/machinery across the line;

c) in all the process areas, Gravity Liquor Flow Systems have been installed for lesser consumption of energy; and

d) environment friendly Turbo Vents for natural ventilation and Transparent Poly Coat Sheets for natural lighting have been installed in the roof of the new Bottling Hall.

(ii) Steps Taken by the Company for Utilizing Alternate Sources of Energy:

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

A statement of biogas generated, consumed and the resultant saving of coal during the financial year 2014-15 as compared to 2013-14 is given herein below:

Sr. No.	Particulars	Unit	Year 14-15	Year 13-14
1	Biogas generation	Lac M^3	10.97	31.67
2	Spent-wash treated	Lac M^3	0.29	0.86
3	Ratio of biogas generation to spent-wash treated	M^3/M^3	37.03	36.81
4	Biogas utilization:			
	a. for steam generation in boiler	Lac M^3	7.39	23.61
	b. biogas flared during start up & interruptions	Lac M^3	3.58	8.06
5	Coal saved:			
	a. quantity	MT	739	2361
	b. value	₹ (Lac)	43.97	129.34

Saving in coal during the financial year 2014-15 was lower than the previous year due to shutdown of the main digester caused by leakage and closure of distillery for three months owing to higher molasses cost.

(iii) Capital Investment on Energy Conservation Equipments:

During the financial year 2014-15, no capital investment was made by the Company on energy conservation equipments.

(B) TECHNOLOGY ABSORPTION

(i) Efforts made towards Technology Absorption:

The new IMFL bottling facility project at Shrirampur was completed and commissioned in January, 2015. This is a State of the Art bottling facility with 'Plant in Plant' concept i.e. all activities starting with receipt and storage of packing material, raw material storage, blending, filtration and polishing, bottle washing, bottling and finished goods storage are under one roof. It has better hygiene facilities and systems, stricter process control and mechanized material handling system. The mezzanine floor is used for storage of packing material like CC boxes, PP caps, monocartons and labels on one side while the other side is used for storage of finished goods. Hydraulic lifts have been provided for the same.

Two 300 BPM Auto Bottling Lines for 180 ml and 90 ml production and one Semi Auto Bottling Line are installed and operational, catering to all pack sizes.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

During the financial year 2014-15, average production of 2,200 cases per day was achieved on the Auto Lines for 180 ml pack size; highest production being 2700 cases in a day.

With 3 lines installed in the new bottling facility, capacity of Shrirampur unit of the Company has increased from 1,50,000 cases per month to 2,80,000 cases per month and the same will go upto 5,00,000 cases per month upon installation of all 10 lines.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a. **the details of technology imported:** The Company has not imported any technology during the last three financial years.

b. **the 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 2014-15, neither capital nor revenue expenditure was incurred by the Company on Research and Development.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2014-15, the foreign exchange earned in terms of actual inflows was ₹ 96.60 million (P.Y. ₹ 310 million) and the foreign exchange outgo during the financial year 2014-15, in terms of actual outflows was ₹ 24.30 million (P.Y. ₹ 83.55 million).

For and on behalf of the Board of Directors

Place: Mumbai
Date : August 14, 2015

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 2014 – 2015 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 2014-15:

Sr. No.	Name	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in remuneration
1	Mr. Amit Dahanukar	Chairman & Managing Director	96:1	-
2	Mrs. Shivani Amit Dahanukar	Executive Director	61:1	-
3	Mr. V.B. Haribhakti*#	Independent Director	-	-
4	Dr. Vishnu Kanhere#	Independent Director	-	-
5	Dr. Ravindra Bapat#	Independent Director	-	-
6	Mr. C. V. Bijlani#	Independent Director	-	-
7	Mr. Madan Goyal#	Independent Director	-	-
8	Mr. Ronil Sujan**#	Independent Director	-	-
9	Mr. Srijit Mullick#	Chief Financial Officer	Not Applicable	-
10	Mr. Gaurav Thakur#	Company Secretary	Not Applicable	6.00

* Retired from the directorship of the Company w.e.f. September 27, 2014

** Resigned from the directorship of the Company w.e.f April 24, 2015

The Independent Directors were paid only sitting fees during the financial years 2014-15 and 2013-14

(ii) The percentage increase in the median remuneration of employees in the financial year:

The median remuneration of employees in the financial year 2014-15 has declined by 2.93% as compared to the previous year.

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

As on March 31, 2015, 604 permanent employees were on the rolls of the Company.

(iv) The explanation on the relationship between average increase in remuneration and company performance:

Average increase in the remuneration of employees during the financial year 2014-15 was 6.12%. In view of the subdued performance of the Company during the year, only nominal increments were given to employees to provide for increased cost of living/inflation in accordance with the Remuneration Policy of the Company.

(v) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

The comparison of remuneration of the Key Managerial Personnel against the performance of the Company for the financial year 2014-15 is as follows:

Aggregate remuneration of KMPs in FY 2014-15 (₹ in million)	65.06
Revenue (₹ in million)	5,513.32
Remuneration of KMPs (as % of revenue)	1.18%
Earnings before interest, depreciation and amortization and tax [EBIDTA] (₹ in million)	843.01
Remuneration of KMPs (as % of EBIDTA)	7.72%

(vi) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies:

a. The Market Capitalization of the Company as on March 31, 2015 has declined to ₹ 2,470 million as against ₹ 6,882 million as on March 31, 2014;

b. The price earnings ratio of the Company as on March 31, 2015 is not applicable as the Company has incurred losses during the year. The price earnings ratio as on March 31, 2014 was ₹ 11.71; and

c. The quoted price of the Company's shares as on March 31, 2015 was higher by 791% [after adjustment for bonus issues in the years 2009 (2:1) and 2010 (2:1)] as against the price of ₹ 20 at which the Company last came out with its Right Issue in the financial year 2005-06.

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

During the financial year 2014-15, average percentile increase already made in the salaries of employees other than the managerial personnel was 6.12%. In view of the losses incurred by the Company during the financial year 2014-15, there was no increase in the managerial remuneration under Section 197 of the Companies Act, 2013. The nominal increments were given to employees other than the managerial personnel during the financial year 2014-15 to provide for increased cost of living/ inflation in accordance with the Remuneration Policy of the Company.

(viii) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

The comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company for the financial year 2014-15 is as follows:

Name of KMP	Designation	% of Revenue	% of EBIDTA
Mr. Amit Dahanukar	Chairman & Managing Director	0.58%	3.80%
Mrs. Shivani Amit Dahanukar	Executive Director	0.37%	2.43%
Mr. Srijit Mullick	Chief Financial Officer	0.16%	1.00%
Mr. Gaurav Thakur	Company Secretary	0.07%	0.49%

(ix) The key parameters for any variable component of remuneration availed by the Directors:

During the financial year 2014-15, no variable component of remuneration has been availed by the Directors of the Company.

(x) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:

During the financial year 2014-15, no employee has received remuneration in excess of the highest paid Director of the Company.

(xi) 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 2014-15 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date : August 14, 2015

Amit Dahanukar
Chairman & Managing Director

Annexure 'D' to the Directors' Report

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

Sr. No.	Name	Designation	Remuneration (inclusive of contribution to PF) (₹ in million)	Nature of employment, whether contractual or otherwise	Qualifications	Total Experience (Years)	Date of Commencement of Employment	Age (Years)	Last employment held	Relative of any Director or Manager
1	Mr. Amit Dahanukar	Chairman & Managing Director	32.039	Contractual	B.E. (ELEC.), M.S. (U.S.A.)	14	07.11.2001	38	First Employment	Yes, Spouse of Mrs. Shivani Amit Dahanukar
2	Mrs. Shivani Amit Dahanukar	Executive Director	20.474	Contractual	M.B.A., LL.B.	9	01.06.2006	37	First Employment	Yes, Spouse of Mr. Amit Dahanukar
3	Mr. Laxmi Narasimhan	Deputy Managing Director	28.852	Permanent	B.E. (IND. ENGG.), P.G.D.M. (I.I.M, Calcutta)	22	24.10.2011	45	United Spirits Ltd. - Chief Operating Officer (Deccan Region)	No
4	Dr. Keshab Nandy	Director (Legal, HR, IT, IR, Vigilance and Safety)	8.853	Permanent	B.A, M.A, M.H.R.M, P.G.D.P.M. & I.R, LL.B, D.C.M., M.Phil., Ph.D.	36	03.09.2007	59	UTI Technology Services Ltd. - Sr. VP – HR, IR, Legal, Quality, Admin, Facility Mgt & CVO	No
5	Dr. Sukhbir Puri	Sr. Vice President – Operations	9.978	Permanent	M.Sc., Ph.D.	42	27.04.2009	66	Khemani Group – Group President	No
6	Mr. Srijit Mullick	Chief Financial Officer	8.433	Permanent	B. Com., FCA., ACMA.	36	05.10.2013	60	E City Ventures Group of Companies - Chief Financial Officer	No

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman & Managing Director

Place: Mumbai
Date : August 14, 2015

Annexure 'E' to the Directors' Report

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS

1. CIN	L15420PN1933PLC133303
2. Registration Date	July 29, 1933
3. Name of the Company	Tilaknagar Industries Ltd.
4. Category/Sub-Category of the Company	Public Company Limited by Shares/Indian Non-Government Company
5. Address of the Registered Office and Contact details	P. O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra - 413 720 Tel: (02422) 265123/265032 Fax: (02422) 265135 E-mail: regoff@tilind.com Website: www.tilind.com
6. Whether listed Company	Yes
7. Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072 Tel: (022) 40430200 Fax: (022) 28475207 E-mail: investor@bigshareonline.com Website: www.bigshareonline.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the Company
1	Manufacturing of Indian Made Foreign Liquor (IMFL)	11011	92%

III PARTICULARS OF HOLDINGS, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Prag Distillery (P) Ltd. P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Shrirampur, Maharashtra – 413 720	U15512PN2005PTC133636	Subsidiary	100	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
2	Vahni Distilleries Private Limited P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Shrirampur, Maharashtra – 413 720	U24119PN1993PTC133461	Subsidiary	100	2(87)
3	Kesarval Springs Distillers Pvt. Ltd. P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Shrirampur, Maharashtra – 413 720	U15511PN1993PTC140561	Subsidiary	100	2(87)
4	PunjabExpo Breweries Private Limited P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Shrirampur, Maharashtra – 413 720	U15531PN1997PTC143390	Subsidiary	100	2(87)
5	Mykingdom Ventures Pvt. Ltd. P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Shrirampur, Maharashtra – 413 720	U74900PN2008PTC143964	Subsidiary	100	2(87)
6	Studd Projects P. Ltd. P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Shrirampur, Maharashtra – 413 720	U45202PN2008PTC144178	Subsidiary	100	2(87)
7	Srirampur Grains Private Limited P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Shrirampur, Maharashtra – 413 720	U01300PN2008PTC144177	Subsidiary	100	2(87)
8	Shivprabha Sugars Ltd. P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Shrirampur, Maharashtra – 413 720	U15424PN2006PLC129391	Subsidiary	90	2(87)
9	Mason And Summers Marketing Service Private Limited 1134, 1st Floor, 100 Feet Road, HAL II Stage, Bangalore – 560 008	U01551KA2005PTC036347	Associate	26	2(6)

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 01, 2014				No. of Shares held at the end of the year i.e. March 31, 2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Promoters									
(1) Indian									
a) Individual/HUF	63,816,499	-	63,816,499	51.56	63,816,499	-	63,816,499	51.15	(0.41)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	4,755,169	-	4,755,169	3.84	4,755,169	-	4,755,169	3.81	(0.03)
e) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	**68,571,668**	**-**	**68,571,668**	**55.40**	**68,571,668**	**-**	**68,571,668**	**54.96**	**(0.44)**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoters (A)= (A)(1)+(A)(2)	**68,571,668**	**-**	**68,571,668**	**55.40**	**68,571,668**	**-**	**68,571,668**	**54.96**	**(0.44)**
B Public Shareholding									
(1) Institutions									
a) Mutual Funds	14,341,830	-	14,341,830	11.59	-	-	-	-	(11.59)
b) Banks/Financial Institutions	67,919	9,858	77,777	0.06	161,108	9,858	170,966	0.14	0.08
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	10,102,755	-	10,102,755	8.16	936,555	-	936,555	0.75	(7.41)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	**24,512,504**	**9,858**	**24,522,362**	**19.81**	**1,097,663**	**9,858**	**1,107,521**	**0.89**	**(18.92)**
(2) Non- Institutions									
a) Bodies Corporate	6,769,843	17,110	6,786,953	5.48	10,775,300	17,110	10,792,410	8.65	3.17
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 01, 2014				No. of Shares held at the end of the year i.e. March 31, 2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	12,090,491	1,313,584	13,404,075	10.84	22,853,964	1,254,919	24,108,883	19.32	8.48
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8,750,929	158,490	8,909,419	7.20	17,041,054	258,490	17,299,544	13.87	6.67
c) Others									
i) Clearing Member	470,283	-	470,283	0.38	1,080,658	-	1,080,658	0.87	0.49
ii) NRIs	835,785	8,754	844,539	0.68	1,526,733	8,754	1,535,487	1.23	0.55
iii) Tilaknagar Industries Ltd. – Unclaimed Suspense Account	260,344	-	260,344	0.21	259,944	-	259,944	0.21	-
Sub-total (B) (2)	**29,177,675**	**1,497,938**	**30,675,613**	**24.79**	**53,537,653**	**1,539,273**	**55,076,926**	**44.15**	**19.36**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**53,690,179**	**1,507,79 6**	**55,197,975**	**44.60**	**54,635,316**	**1,549,131**	**56,184,447**	**45.04**	**0.44**
C) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**122,261,847**	**1,507,796**	**123,769,643**	**100.00**	**123,206,984**	**1,549,131**	**124,756,115**	**100.00**	**-**

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 01, 2014			Shareholding at the end of the year i.e. March 31, 2015			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encum-bered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encum-bered to total shares	% Change in Share-holding during the year
1	Mr. Amit Dahanukar (Promoter)	29,844,552	24.11	13.86	29,844,552	23.92	21.36	(0.19)
2	Mrs. Shivani Amit Dahanukar (Promoter)	32,976,043	26.64	16.51	32,976,043	26.43	25.06	(0.21)
3	Ms. Anupama Arun Dahanukar (Promoter Group)	457,623	0.37	-	457,623	0.37	-	-
4	Ms. Priyadarshini Arun Dahanukar (Promoter Group)	538,281	0.44	-	538,281	0.43	-	(0.01)
5	M L Dahanukar and Co Pvt. Ltd. (Promoter Group)	3,564,235	2.88	-	3,564,235	2.86	-	(0.02)
6	Arunoday Investments Pvt. Ltd. (Promoter Group)	1,190,934	0.96	-	1,190,934	0.95	0.85	(0.01)

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year i.e. April 01, 2014		Cumulative Shareholding during the year i.e. March 31, 2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	During the financial year 2014-15, there was no change in the shareholding in absolute terms. The variation in terms of percentage is due to increase in the paid up share capital of the Company on account of allotment of shares pursuant to exercise of options under ESOP scheme(s).			
	Date wise Increase/Decrease in Promoters' Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)				
	At the end of the year				

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top Shareholders	Shareholding at the beginning of the year i.e. on April 01, 2014		Increase/Decrease in shareholding during the year				Cumulative Shareholding during the year i.e. on March 31, 2015	
		No. of Shares	% of total Shares of the Company	01/04/2014 to 30/06/2014	01/07/2014 to 30/09/2014	01/10/2014 to 31/12/2014	01/01/2015 to 31/03/2015	No. of Shares	% of total Shares of the Company
1	LKP Securities Ltd.	-	-	-	-	500,000 (Transfer)	855,000 (Transfer)	1,355,000	1.09
2	Jimeet Vipul Modi	-	-	-	-	-	1,250,000 (Transfer)	1,250,000	1.00
3	Ravi Chug (HUF)	-	-	-	-	1,000,000 (Transfer)	63,636 (Transfer)	1,063,636	0.85
4	Rajkumari Kishanchand Chug	-	-	-	-	500,000 (Transfer)	-	500,000	0.40
5	Simran Ravi Chug	-	-	-	-	500,000 (Transfer)	(708) (Transfer)	499,292	0.40
6	Himanshu Wasudeo Kane	5,000	0.00	2,000 (Transfer)	-	404,000 (Transfer)	-	411,000	0.33
7	Sai Telecom Ltd.	106,100	0.09	286,006 (Transfer)	-	-	-	392,106	0.31
8	Laxmi Narasimhan	421,929	0.34	40,000 (Transfer)	10,000 (Transfer)	10,000 (Transfer)	(94,445) (Transfer)	387,484	0.31
9	Religare Securities Ltd.	82,006	0.07	(68,731) (Transfer)	30,854 (Transfer)	245,365 (Transfer)	82,431 (Transfer)	371,921	0.30
10	Ravi Kishan Chug	64,967	0.05	-	-	-	281,199 (Transfer)	346,166	0.28

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year i.e. on April 01, 2014		Increase/Decrease in shareholding during the year				Cumulative Shareholding during the year i.e. on March 31, 2015	
		No. of Shares	% of total Shares of the Company	01/04/2014 to 30/06/2014	01/07/2014 to 30/09/2014	01/10/2014 to 31/12/2014	01/01/2015 to 31/03/2015	No. of Shares	% of total Shares of the Company
1	Mr. Amit Dahanukar CMD)	29,844,552	24.11	-	-	;-	-	29,844,552	23.92
2	Mrs. Shivani Amit Dahanukar (ED)	32,976,043	26.64	-	-	-	-	32,976,043	26.43
3	Mr. V.B. Haribhakti* (ID)	21,000	0.02	-	-	-	-	21,000	0.02
4	Dr. Vishnu Kanhere (ID)	12,000	0.01	-	-	-	-	12,000	0.01
5	Dr. Ravindra Bapat (ID)	32,250	0.03	-	-	-	-	32,250	0.03
6	Mr. C.V. Bijlani (ID)	12,000	0.01	-	4,500 (Transfer)	3,500 (Transfer)	-	20,000	0.02
7	Mr. Madan Goyal (ID)	12,000	0.01	-	-	-	-	12,000	0.01
8	Mr. Ronil Sujan **(ID)	-	-	-	-	-	-	-	-
9	Mr. Srijit Mullick (CFO)	-	-	-	-	-	-	-	-
10	Mr. Gaurav Thakur (CS)	-	-	1 (Transfer)	15,233 (ESOP)	12,767 (ESOP & Transfer)	-	28,001	0.02

CMD: Chairman & Managing Director, ED: Executive Director, ID: Independent Director, CFO: Chief Financial Officer, CS: Company Secretary

* Retired from the directorship of the Company w.e.f. September 27, 2014

** Resigned from the directorship of the Company w.e.f. April 24, 2015

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,737.97	711.65	-	8,449.62
ii) Interest due but not paid	27.33	-	-	27.33
iii) Interest accrued but not due	2.06	-	-	2.06
Total (i+ii+iii)	7,767.36	711.65	-	8,479.01
Change in Indebtedness during the financial year				
• Addition	4,431.41	776.80	-	5,208.21
• Reduction	4,629.86	582.39	-	5,212.25
Net Change	198.45	194.41	-	392.86
Indebtedness at the end of the financial year				
i) Principal Amount	7,539.52	906.06	-	8,445.58
ii) Interest due but not paid	33.79	-	-	33.79
iii) Interest accrued but not due	0.97	-	-	0.97
Total (i+ii+iii)	7,574.28	906.06	-	8,480.34

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in million)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Amit Dahanukar (Chairman & Managing Director)	Mrs. Shivani Amit Dahanukar (Executive Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29.956	18.502	48.458
	(b) Value of perquisites u/s 17(2) of the Income- tax Act, 1961	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- other, specify	-	-	-
5	Others (Contribution to PF)	2.083	1.972	4.055
	Total (A)	**32.039**	**20.474**	**52.513**
	Ceiling as per the Act*	**6.000**	**6.000**	**12.000**

B. Remuneration to other Directors

(₹ in million)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
1	**Independent Directors**	Mr. V.B. Haribhakti*	Dr. Vishnu Kanhere	Dr. Ravindra Bapat	Mr. C.V. Bijlani	Mr. Madan Goyal	Mr. Ronil Sujan**	
	Fee for attending board/ committee meetings	0.035	0.065	0.040	0.085	0.085	0.025	0.335
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	**0.035**	**0.065**	**0.040**	**0.085**	**0.085**	**0.025**	**0.335**
2	**Other Non-Executive Directors**							
	Fee for attending board/ committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**0.035**	**0.065**	**0.040**	**0.085**	**0.085**	**0.025**	**0.335**
	Total Managerial Remuneration							**52.513#@**
	Overall Ceiling as per the Act	₹ 12.000 million calculated as per the provisions of Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013 in view of the loss incurred by the Company during the financial year 2014-15.						

* Retired from the directorship of the Company w.e.f. September 27, 2014

** Resigned from the directorship of the Company w.e.f. April 24, 2015

\# Sitting fees paid to the Independent Directors are not included in Total Managerial Remuneration in line with the provisions of Section 197(2) of the Companies Act, 2013

@ Since the remuneration paid during the financial year 2014-15 to Mr. Amit Dahanukar, Chairman & Managing Director and Mrs. Shivani Amit Dahanukar, Executive Director of the Company is in excess of the overall ceiling as per the Companies Act, 2013, the Company is making necessary application to the Central Government for waiver of the excess remuneration paid to them, subject to approval of the Members in the ensuing Annual General Meeting

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Srijit Mullick (Chief Financial Officer)	Mr. Gaurav Thakur (Company Secretary)	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8.049	3.495	11.544
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	0.448	0.448
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others (Contribution to PF)	0.384	0.171	0.555
	Total	**8.433**	**4.114**	**12.547**

VII. Penalties/Punishment/Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
(A) COMPANY Penalty Punishment Compounding **(B) DIRECTORS** Penalty Punishment Compounding **(C) OTHER OFFICERS IN DEFAULT** Penalty Punishment Compounding	There were no penalties/punishment/compounding of offences for breach of any section of the Companies Act against the Company or its Directors or other Officers in Default during the financial year 2014-15.				

For and on behalf of the Board of Directors

Place: Mumbai
Date : August 14, 2015

Amit Dahanukar
Chairman & Managing Director

Annexure 'F' 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 Securities and Exchange Board of India (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 06, 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>5,136,363</td><td>4,846,500</td><td>6,000,088</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 not higher than 75% of the average of the daily high and low of the prices for the Company's equity shares quoted on BSE Limited, during the 15 days preceding the date of vesting of stock options subject to minimum exercise price as given below:
<table>
<tr><th>Date of Grant</th><th>Minimum Exercise Price (₹)</th></tr>
<tr><td>July 02, 2009</td><td>13.33</td></tr>
<tr><td>January 28, 2010</td><td>25.00</td></tr>
<tr><td>June 25, 2010</td><td>36.67</td></tr>
<tr><td>August 07, 2010</td><td>50.00</td></tr>
</table></td><td>The exercise price shall be calculated at a discount not higher than 75% of the average of the daily high and low of the prices for the Company's equity shares quoted on BSE Limited, during the 15 days preceding the date of vesting of stock options subject to minimum exercise price as given below:
<table>
<tr><th>Date of Grant</th><th>Minimum Exercise Price (₹)</th></tr>
<tr><td>January 15, 2011</td><td>60.00</td></tr>
<tr><td>August 01, 2011</td><td>38.00</td></tr>
<tr><td>October 21, 2011</td><td>25.00</td></tr>
<tr><td>November 11, 2011</td><td>25.00</td></tr>
</table></td><td>The exercise price shall be calculated at a discount not higher than 75% of the average of the daily high and low of the prices for the Company's equity shares quoted on BSE Limited, during the 15 days preceding the date of vesting of stock options subject to minimum exercise price as given below:
<table>
<tr><th>Date of Grant</th><th>Minimum Exercise Price (₹)</th></tr>
<tr><td>May 28, 2012</td><td>42.00</td></tr>
<tr><td>February 04, 2013</td><td>60.00</td></tr>
<tr><td>May 30, 2013</td><td>45.00</td></tr>
<tr><td>May 26, 2014</td><td>46.00</td></tr>
</table></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>1,300,445</td><td>2,341,006</td><td>4,562,229</td></tr>
</table>

Sr. No.	Particulars	ESOP Scheme 2008	ESOP Scheme 2010	ESOP Scheme 2012
9	Number of stock options granted during the year	Nil	Nil	Date of Grant: May 26, 2014; No. of stock options granted: 10,00,000
10	Number of stock options forfeited/ lapsed during the year	169,958	349,514	289,639
11	Number of stock options vested during the year	288,661	1,221,800	1,406,810
12	Number of stock options exercised during the year	439,352	393,573	153,547
13	Number of shares arising as a result of exercise of stock options	439,352	393,573	153,547
14	Money realized by exercise of stock options during the year(₹ in million)	10.27	10.12	6.48
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	691,135	1,597,919	5,119,043
17	Number of stock options exercisable at the end of the year	691,135	1,597,919	2,042,874
18	Stock options granted to Senior Managerial Personnel/Key Managerial Personnel	Nil	Nil	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	Nil	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 29(v) of the Notes to Accounts		
22	Diluted Earnings Per Share (EPS) on issue of shares pursuant to all the Schemes in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant Accounting Standards	Refer Note 29(v) of the Notes to Accounts		
23	Method used to account for ESOS – Intrinsic or fair value	Intrinsic Value Method		

Sr. No.	Particulars	ESOP Scheme 2008	ESOP Scheme 2010	ESOP Scheme 2012
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	Refer Note 29(v) of the Notes to Accounts		
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 29(v) of the Notes to Accounts		
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 a market condition.	Refer Note 29(v) of the Notes to Accounts		

In accordance with the provisions of Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, a certificate from M/s Batliboi & Purohit, Statutory Auditors of the Company shall be placed before the Members at the 80th Annual General Meeting.

For and on behalf of the Board of Directors

Place: Mumbai
Date : August 14, 2015

Amit Dahanukar
Chairman & Managing Director

Annexure 'G' to the Directors' Report

Annual Report on Corporate Social Responsibility (CSR) Activities

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

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

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

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

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

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

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

C) **Promotion of Rural Sports by:**
   i. providing sports training through Zilla Parishad schools or other educational institutes;
   ii. undertaking sporting tournaments and training camps; and
   iii. undertaking various sports awareness activities.

D) **Empowerment of Women, Senior Citizens, Differently Abled and Socially and Economically Backward Section of Society by:**
   i. forming Self Help Groups to promote financial inclusion;
   ii. identifying and training differently abled persons for skill building and improve livelihoods;
   iii. conducting vocational training programs for women through NGOs, institutions, government bodies etc.;
   iv. promoting savings and increasing financial literacy; and
   v. providing marketing support for existing rural micro enterprises.

E) **Promoting Preventive Healthcare, Sanitation and Making Available Safe Drinking Water by:**
   i. creating awareness in villages and conducting training programs for NGOs/Institutions on improving maternal health;
   ii. distributing medicines, supplements and therapeutic foods for improving health and nutrition;
   iii. managing dispensaries and mobile clinics;
   iv. organizing awareness programs on preventive healthcare in educational institutions and communities;
   v. providing medical sponsorships for HIV/AIDS patients; and
   vi. providing financial assistance to NGOs addressing the treatment of above illnesses.

F) **Ensuring Environmental Sustainability by:**
   i. conducting afforestation drives across the country through own or other plant nurseries;
   ii. promoting environmental conservation through promotion of sustainable farming;

iii. demonstrating sustainable farming and waste management methods on its lands to communities;
iv. training farmers, government agencies and NGOs on sustainable farming and waste management;
v. undertaking/promoting cultivation of organic foods; and
vi. undertaking water conservation and promoting the need for the same in communities.

G) Animal Welfare by:

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

Details of the CSR projects, programs or activities undertaken by the Company during the financial year 2014-15 are provided in the CSR Report forming part of the Annual Report.

The CSR Policy of the Company and projects or programs can be accessed at the Weblink: http://www.tilind.com/corporateResponsibilities.html

2. The Composition of the CSR Committee:

The CSR Committee comprises of Mrs. Shivani Amit Dahanukar, Executive Director and Dr. Ravindra Bapat, Mr. C.V. Bijlani and Mr. Madan Goyal, Independent Directors of the Company. Mrs. Shivani Amit Dahanukar is the Chairperson of the Committee and Mr. Gaurav Thakur, Company Secretary acts as the Secretary to the Committee.

(₹ in million)

3.	**Average net profit of the Company for last three financial years**	:	664.04
4.	**Prescribed CSR Expenditure [Rounded off] (two percent of the amount as in item 3 above)**	:	13.30
5.	**Details of CSR spent during the financial year 2014-15**	:	
	a. Total amount to be spent for the financial year	:	13.30
	b. Amount unspent, if any	:	2.35
	c. Manner in which the amount spent during the financial year 2014-15	:	Refer Annexure

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

The shortfall in the budgeted CSR expenditure during the financial year 2014-15 relates to certain CSR projects of ongoing nature undertaken by the Company spanning over multiple years and the same is being spent by the Company across the life of these projects.

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

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

For and on behalf of the Board of Directors

Amit Dahanukar
Chairman & Managing Director

For and on behalf of the CSR Committee

Shivani Amit Dahanukar
Chairperson – CSR Committee

Place: Mumbai
Date: August 14, 2015

(5) c. Manner in which the amount spent during the financial year 2014-15 is detailed below:

(₹ in million)

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs		Amount outlay (budget) project or program wise	Amount spent on the projects or programs		Cumulative expenditure up to reporting period i.e. March 31, 2015	Amount spent (Direct or through implementing agency)
			Local area or other	Specify the State and District where project or program was undertaken		Direct Expenditure on projects or programs	Overheads		
1	Community kitchen	Eradication of extreme poverty and hunger (Clause (i) of Schedule VII)	Local area	Shrirampur, Ahmednagar - Maharashtra.	5.00	6.34	-	6.34	Direct
2	Malnutrition and health assessment camps and malnutrition clinic	Eradication of Malnutrition (Clause (i) of Schedule VII)	Local area	Shrirampur, Ahmednagar - Maharashtra.	1.00	0.03	-	0.03	Shrimati Malti Dahanukar Trust
3	Literacy	Promoting education (Clause (ii) of Schedule VII)	Local area	Shrirampur, Ahmednagar - Maharashtra.	0.90	1.28	-	1.28	Shrimati Malti Dahanukar Trust
4	Livelihood empowerment and financial literacy	Empowerment of women and senior citizens (Clause (iii) of Schedule VII)	Local area	Shrirampur, Ahmednagar - Maharashtra.	0.40	0.33	-	0.33	Shrimati Malti Dahanukar Trust
5	Supporting grocery needs of Anand Vihar & Canosa Girls Hostel	Empowerment of differently abled and socially and economically backward section of society (Clause (iii) of Schedule VII)	Local area	Shrirampur, Ahmednagar - Maharashtra.	0.10	0.33	-	0.33	Shrimati Malti Dahanukar Trust
6	Awareness, treatment, health and dental camps	Promoting preventive healthcare (Clause (i) of Schedule VII)	Local area	Shrirampur, Ahmednagar - Maharashtra.	1.80	0.50	-	0.50	Direct
7	Supply of R.O water	Sanitation and making available safe drinking water (Clause (i) of Schedule VII)	Local area	Shrirampur, Ahmednagar - Maharashtra.	0.80	0.24	-	0.24	Direct
8	Sports and fitness to engage the unemployed youth	Promotion of rural sports (Clause (vii) of Schedule VII)	Local area	Shrirampur, Ahmednagar - Maharashtra.	0.10	0.07	-	0.07	Shrimati Malti Dahanukar Trust
9	Waste management, tree plantation, organic production, fodder production and training to farmers.	Ensuring environmental sustainability (Clause (iv) of Schedule VII)	Local area	Shrirampur, Ahmednagar - Maharashtra.	2.40	0.62	-	0.62	Direct
10	Animal welfare centre	Animal welfare (Clause (iv) of Schedule VII)	Local area	Shrirampur, Ahmednagar - Maharashtra.	0.80	1.21	-	1.21	Direct
	TOTAL				**13.30**	**10.95**	-	**10.95**	

SENATE ROYALE

NEVER SAY DRY

.TI.
TILAKNAGAR INDUSTRIES LTD.

Consumption of liquor is injurious to health | Do not drink & drive | For restricted circulation in liquor/IMFL/wine trade.

Corporate Governance Report

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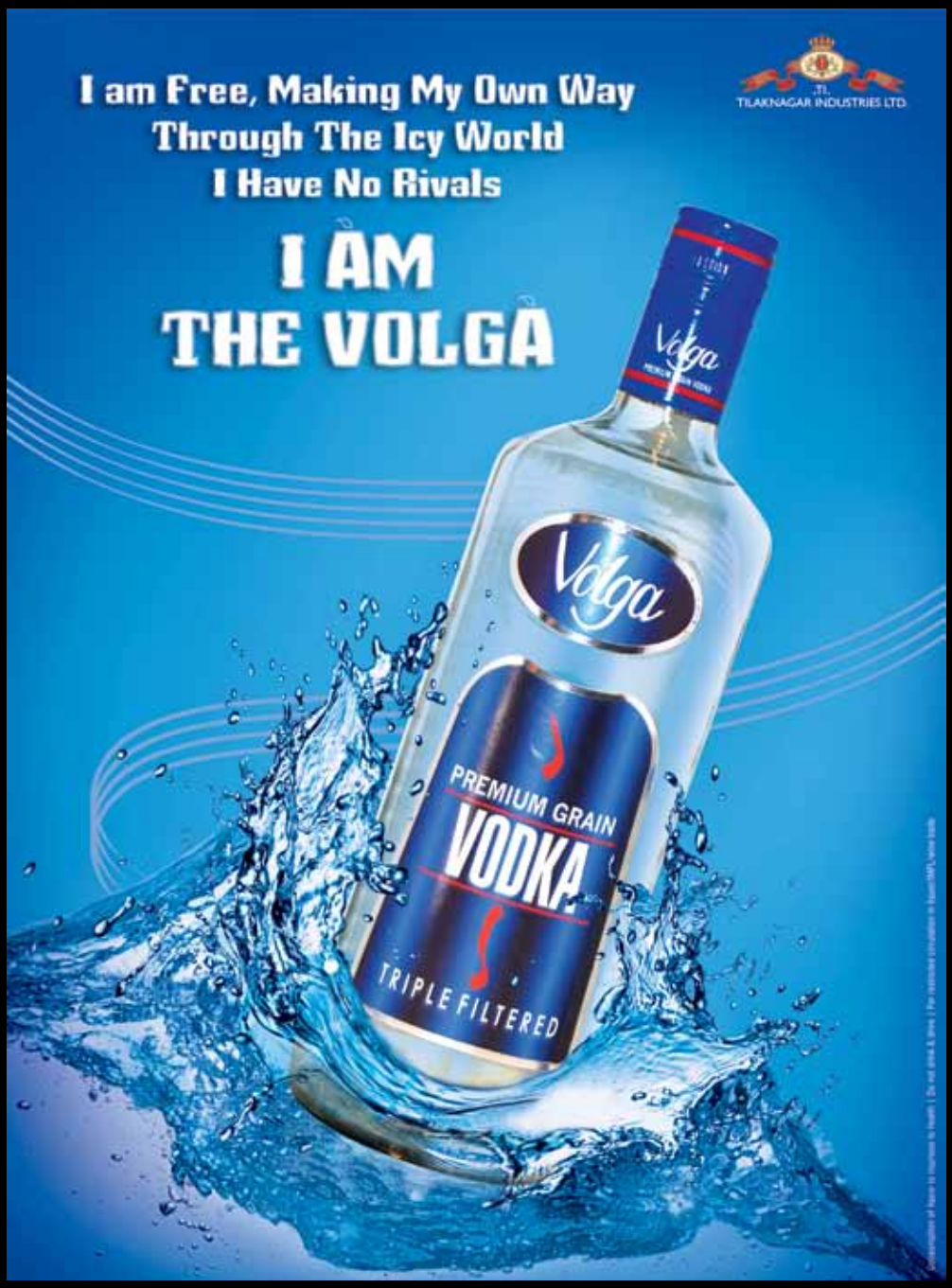

Corporate Governance Report

In accordance with the provisions of Clause 49 of the Listing Agreement, a Report on Corporate Governance for the financial year ended March 31, 2015 is presented herein below:

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 Clause 49(I) of the Listing Agreement, 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 cooperation with all its stakeholders and recognizes their rights established by law or through mutual agreements. The Company acknowledges its accountability to all its stakeholders and ensures dissemination of timely and accurate information on all material matters in such a way that it is accessible to them in equal, timely and cost efficient manner.

2. BOARD OF DIRECTORS

The Board of Directors ('the Board') represents the finest blend of professionals possessing relevant qualifications and experience in general corporate management, finance, banking 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 Clause 49(I) of the Listing Agreement and the Companies Act, 2013, endeavors its best to discharge the same in the interest of all the stakeholders and provides strategic direction, sets performance goals for the management and monitors their achievement with a view to optimize the performance of the Company and maximize shareholders' wealth.

The Board comprises of Mr. Amit Dahanukar, Chairman & Managing Director, Mrs. Shivani Amit Dahanukar, Executive Director and 4 Non-Executive Independent Directors. Mr. Amit Dahanukar is the Chairman of the Board. In accordance with the provisions of Clause 49(II)(A) of the Listing Agreement, the Board is having an optimum combination of Executive, Non-Executive, Independent and Woman Directors.

Composition of the Board along with the number of other Directorship/Committee positions held as on March 31, 2015 by the Directors is as follows:

Name of the Director	Director Identification Number	Category	No. of Directorship in other public companies*	No. of Committee positions held in other public companies**	
				Member	Chairman
Mr. Amit Dahanukar	00305636	Chairman & Managing Director (E, P)	8	Nil	Nil
Mrs. Shivani Amit Dahanukar	00305503	Executive Director (E, P)	8	Nil	Nil
Dr. Vishnu Kanhere	00999861	Director (NE, I)	2	Nil	2
Dr. Ravindra Bapat	00353476	Director (NE, I)	Nil	Nil	Nil
Mr. C.V. Bijlani	02039345	Director (NE, I)	2	Nil	2
Mr. Madan Goyal	00377825	Director (NE, I)	2	2	Nil
Mr. Ronil Sujan***	01780094	Director (NE, I)	Nil	Nil	Nil

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

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

** The committees considered for the purpose are those prescribed in the Listing Agreement i.e. Audit Committee and Stakeholders Relationship Committee

*** Resigned from the directorship of the Company w.e.f. April 24, 2015

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.

In terms of the provisions of Clause 49(II)(D)(2) of the Listing Agreement, 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 Chairman of more than 5 committees prescribed in the said Clause.

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 Clause 49 of the Listing Agreement. None of them is a Whole Time Director in any listed company or serves as Independent Director in more than 7 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 weblink: http://www.tilind.com/downloads/announcements/Appointment_letter_of_Independent_Director.pdf

The Board has met 5 times during the financial year 2014-15 on May 26, 2014; August 14, 2014; October 01, 2014; November 14, 2014 and February 14, 2015 and the intervening period between the two meetings did not exceed 120 days.

The attendance of the Directors at the Board Meetings held during the financial year 2014-15 and the last Annual General Meeting held on September 27, 2014 is as follows:

Name of the Director	Category	Attendance at the Meetings held during FY2014-15	
		Board Meetings	Annual General Meeting
Mr. Amit Dahanukar	Chairman & Managing Director	3	Yes
Mrs. Shivani Amit Dahanukar	Executive Director	3	Yes
Mr. V. B. Haribhakti*	Independent Director	2	Yes
Dr. Vishnu Kanhere	Independent Director	5	Yes
Dr. Ravindra Bapat	Independent Director	5	Yes
Mr. C.V. Bijlani	Independent Director	5	Yes
Mr. Madan Goyal	Independent Director	5	Yes
Mr. Ronil Sujan**	Independent Director	4	Yes

* Retired from the directorship of the Company w.e.f. September 27, 2014

** Resigned from the directorship of the Company w.e.f. April 24, 2015

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. The Board reviews the compliance reports in respect of laws and regulations applicable to the Company and the minimum information prescribed under Clause 49 of the Listing Agreement 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 Board has, upon the recommendation of the Nomination and Remuneration Committee, adopted a Nomination, Remuneration and Evaluation Policy containing the criteria for performance evaluation of all the Independent and Non-Independent Directors as given herein below:

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

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

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;

Corporate Governance Report

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

In accordance with the provisions of Section 149(9) read with Section 197 of the Companies Act, 2013 and Clause 49(II)(C) of the Listing Agreement, the Members of the Company had, by way of special resolution passed through Postal Ballot on August 01, 2014, authorized the Board to pay remuneration by way of commission to the Non-Executive Directors (including Independent Directors) for a period of 5 financial years commencing from April 01, 2014, subject to overall ceiling of 1% of the net profits of the Company computed in the manner prescribed in Section 198 of the Companies Act, 2013, in addition to the sitting fees and reimbursement of expenses for participation in the Board/Committee meetings.

During the financial year 2014-15, no commission was paid to the Independent Directors and only sitting fees, within the ceiling prescribed by the Central Government, was paid to them for attending the Board/Committee meetings. There is no pecuniary or business relationship between the Independent Directors and the Company except for the sitting fees paid to them during the year.

Mr. Amit Dahanukar, Chairman & Managing Director and Mrs. Shivani Amit Dahanukar, Executive Director of the Company, are under contract of employment with the Company for a period of 5 years commencing from November 07, 2012 and October 01, 2012 respectively. The service contracts of Mr. Amit Dahanukar and Mrs. Shivani Amit Dahanukar can be terminated by either party by giving 6 and 3 months' notice in writing or 6 and 3 months' salary in lieu thereof respectively. No severance fees is payable to them on termination of the service contracts.

They are paid remuneration in accordance with the resolutions passed by the Members in the 78th Annual General Meeting of the Company held on September 11, 2013. However, in view of the loss incurred during the financial year 2014-15, the remuneration paid to them has exceeded the overall ceiling as prescribed in the Companies Act, 2013. The Company is making necessary application to the Central Government for the waiver of excess remuneration paid to them, subject to approval of the same by the Members in the ensuing Annual General Meeting.

Remuneration paid to the Directors for the financial year 2014-15 is as follows: **(in ₹ million)**

Name of the Director	Category	Salaries, Allowances & Perquisites	Contribution to SA/ PF	Sitting Fees
Mr. Amit Dahanukar	Chairman & Managing Director	29.956	2.082	Nil
Mrs. Shivani Amit Dahanukar	Executive Director	18.502	1.972	Nil
Mr. V. B. Haribhakti*	Independent Director	Nil	Nil	0.035
Dr. Vishnu Kanhere	Independent Director	Nil	Nil	0.065
Dr. Ravindra Bapat	Independent Director	Nil	Nil	0.400
Mr. C.V. Bijlani	Independent Director	Nil	Nil	0.085
Mr. Madan Goyal	Independent Director	Nil	Nil	0.085
Mr. Ronil Sujan**	Independent Director	Nil	Nil	0.025

* Retired from the directorship of the Company w.e.f. September 27, 2014

** Resigned from the directorship of the Company w.e.f. April 24, 2015

Apart from the above remuneration, gratuity and leave encashment are payable to the Executive Directors as per rules of the Company. Since, the Companies Act, 2013 prohibits grant of Employee Stock Options (ESOPs) to Independent Directors, no ESOPs were granted to them during the financial year 2014-15.

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, 2015	As on March 31, 2014	As on March 31, 2015	As on March 31, 2014
Mr. Amit Dahanukar	Chairman & Managing Director	29,844,552	29,844,552	Nil	Nil
Mrs. Shivani Amit Dahanukar	Executive Director	32,976,043	32,976,043	Nil	Nil
Dr. Vishnu Kanhere	Independent Director	12,000	12,000	7,998	7,998
Dr. Ravindra Bapat	Independent Director	32,250	32,250	7,998	7,998
Mr. C.V. Bijlani	Independent Director	20,000	12,000	7,998	7,998
Mr. Madan Goyal	Independent Director	12,000	12,000	7,998	7,998
Mr. Ronil Sujan**	Independent Director	Nil	Nil	Nil	Nil

* Granted on August 07, 2010 at 75% discount to the average of the daily high and low of the price of 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 of ₹ 50/-, vesting in 4 years from the date of grant and exercisable within 2 years from the date of vesting

** Resigned from the directorship of the Company w.e.f. April 24, 2015

Code of Conduct

In accordance with the provisions of Clause 49(II)(E)(1) of the Listing Agreement, the Board has adopted a revised Code of Conduct for its Directors and Senior Management incorporating therein the duties of the Independent Directors as laid down in the Companies Act, 2013. The Company has uploaded the same on its website, accessible at the weblink: http://www.tilind.com/downloads/pdf/Code_of_Conduct_TI.pdf

All 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, 2015. 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

In accordance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has adopted 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and 'Code of Conduct for Prevention of Insider Trading' on May 30, 2015.

These Codes ensure fair disclosure of events and occurrences that could impact price discovery in the market for shares of the Company and prevention of dealing in its shares by the employees and other connected persons, while they are exposed to or expected to be exposed to unpublished price sensitive information.

Separate Meeting of Independent Directors

In accordance with the provisions of Clause 49(II)(B)(6) of the Listing Agreement, a separate meeting of all the Independent Directors, chaired by Dr. Ravindra Bapat, was held on February 14, 2015 to review the quality, content and timeliness of the flow of information between the management and the Board and its committees and also the performance of Non-Independent Directors, Chairman and the Board as a whole (including its Committees). All the Independent Directors were present at the meeting. Non-Independent Directors or members of the management did not participate in the meeting.

Familiarization Programs for Independent Directors

The Independent Directors are familiarized with their roles, rights and responsibilities in the Company, nature of the industry in which it operates, its business model and changes in the regulations applicable to the Company through familiarization programs conducted by the management as well as external consultants. The Company has disclosed details of such programs on its website, accessible at weblink:http://www.tilind.com/downloads/announcements/Independantdirectors.pdf

3. COMMITTEES OF THE BOARD

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

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A) Audit Committee

The Audit Committee, re-constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, comprises of 3 Independent Directors having specialization in the areas of accounting/financial management.

The Executive Directors, Chief Financial Officer, Internal Auditors and Statutory Auditors are permanent invitees to the Audit Committee meetings. The Cost Auditors are also invited to attend the meetings, as and when required.

Mr. Gaurav Thakur, Company Secretary, is the Secretary to the Committee. Mr. V. B. Haribhakti, then Chairman of the Audit Committee, had attended the Annual General Meeting of the Company held on September 27, 2014.

The Audit Committee met 5 times during the financial year 2014-15 on May 26, 2014; June 30, 2014; August 14, 2014; November 14, 2014 and February 14, 2015 and the intervening period between the two meetings did not exceed four months.

The composition of the Audit Committee and attendance of the Committee Members at the Audit Committee Meetings held during the financial year 2014-15 are as follows:

Name of the Member	Designation	Qualification	No. of Meetings attended
Mr. V. B. Haribhakti*	Chairman(till retirement)	Chartered Accountant	3
Dr. Vishnu Kanhere**	Chairman(since October 01, 2014)	Chartered Accountant and Cost & Management Accountant	5
Mr. C. V. Bijlani	Member	M.A., C.A.I.I.B.	5
Mr. Madan Goyal	Member	M.B.A., C.A.I.I.B., F.C.I.B. (U.K.)	5

* Retired from the directorship of the Company w.e.f. September 27, 2014

** Designated as Chairman of the Committee w.e.f. October 01, 2014 consequent upon retirement of Mr. V.B. Haribhakti

The terms of reference of the Committee are as follows:

i. overseeing the Company's financial reporting process and disclosure of financial information to ensure presentation of correct, sufficient and credible financial statements;

ii. recommending to the Board, the appointment, remuneration and terms of appointment of auditors of the Company;

iii. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to the following:

- matters required to be included in the 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
- qualifications 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.),the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this regard;

vi. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

vii. approval or any subsequent modification of transactions of the Company with related parties;

viii. scrutinizing inter-corporate loans and investments;

ix. valuation of undertakings or assets of the Company, wherever it is necessary;

x. evaluating the internal financial controls and risk management systems;

xi. reviewing, with the management, performance of Statutory and Internal Auditors and adequacy of the internal control systems;

xii. reviewing the adequacy of internal audit function, including the structure of the internal audit department, if any, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiii. discussing with Internal Auditors of any significant findings and follow up thereon;

xiv. reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

xv. discussion with Statutory Auditors before the commencement of audit about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvi. looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xvii. reviewing the functioning of the Whistle Blower mechanism;

xviii. approving the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

xix. reviewing the following information:
- management discussion and analysis of financial conditions and results of operations;
- statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- management letters/letters of internal control weaknesses issued by the Statutory Auditors; and
- internal audit reports relating to internal control weaknesses;

xx. reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditors, if any; and

xxi. carrying out such other functions as may be assigned by the Board from time to time.

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

B) Stakeholders Relationship Committee

The Stakeholders Relationship Committee has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement.

The terms of reference of the Committee are as follows:

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

ii. ensuring expeditious redressal of shareholders' complaints regarding the following:
- non-receipt of share certificates lodged for transfer;
- non-receipt of dividend warrants;
- non-receipt of annual reports;
- non-receipt of demat rejected share certificates;
- non-receipt of demat credit;
- non-receipt of bonus shares; and

iii. resolving any other grievances of the security holders.

The Committee met 4 times during the financial year 2014-15 on May 26, 2014; August 14, 2014; November 14, 2014 and February 14, 2015.

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The composition of the Stakeholders Relationship Committee and attendance of the Committee Members at the Stakeholders Relationship Committee Meetings held during the financial year 2014-15 are as follows:

Name of the Member	Designation	No. of Meetings attended
Mr. V. B. Haribhakti*	Chairman (since October 01, 2014)	2
Mr. C.V. Bijlani**	Chairman (till retirement)	4
Mr. Amit Dahanukar	Member	2
Mr. Madan Goyal	Member	4

* Retired from the directorship of the Company w.e.f. September 27, 2014

** Designated as Chairman of the Committee w.e.f. October 01, 2014 consequent upon retirement of Mr. V.B. Haribhakti

Mr. Gaurav Thakur, Company Secretary, is the Compliance Officer of the Company and Secretary to the Committee.

Statement of various complaints received and resolved during the financial year 2014-15 is as follows:

Nature of Complaint	Opening balance as on April 01, 2014	Received during the year	Resolved during the year	Closing balance as on March 31, 2015
Non-receipt of share certificates lodged for transfer	Nil	2	2	Nil
Non-receipt of dividend warrants	Nil	7	7	Nil
Non-receipt of annual reports	Nil	3	3	Nil
Non-receipt of demat rejected share certificates	Nil	2	2	Nil
Non-receipt of demat credit	Nil	2	2	Nil
Non-receipt of bonus shares	Nil	3	3	Nil
SEBI/ROC	Nil	Nil	Nil	Nil
Total	**Nil**	**19**	**19**	**Nil**

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

C) Nomination and Remuneration Committee

The Nomination and Remuneration Committee, re-constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, comprises of Mr. C.V. Bijlani, Dr. Vishnu Kanhere and Mr. Madan Goyal, Independent Directors of the Company. Mr. V. B. Haribhakti acted as Chairman of the Committee till his retirement i.e. September 27, 2014. Mr. C.V. Bijlani is the present Chairman and Mr. Gaurav Thakur, Company Secretary, is the Secretary to the Committee.

The terms of reference of the Committee are as follows:

i. 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 to carry evaluation of every Director's performance;

ii. 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.

The Committee met once during the financial year 2014-15 on November 14, 2014 and the meeting was attended by all the Committee Members. There have not been any instances during the year when the recommendations of the Committee were not accepted by the Board.

The Board has, based on the recommendations made by the Committee, adopted the following policies in its meeting held on November 14, 2014:

i. Nomination, Remuneration and Evaluation Policy

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

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

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

- The Nomination and Remuneration Committee shall have regard to integrity, qualification, expertise and experience in general corporate management, finance, banking or other allied fields appropriate to the business of the Company while nominating a candidate for Directorship, so as to have a diverse Board;
- The Committee, while nominating a candidate as Independent Director, shall also satisfy itself that such candidate meets the criteria of independence as prescribed in Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013;
- The Committee, while recommending remuneration structure for the Directors, shall ensure that the same is based on the prevailing industry norms, performance of the Company, track record, potential and performance of Directors and is suitably rewarding and sufficient to attract, retain and motivate them to achieve superior operational results;
- The Committee shall ensure that the remuneration of the Executive Directors aims at striking a balance between fixed pay and incentive pay (commission) reflecting short and long term performance objectives appropriate to the working of the Company and its goals; and
- The Committee may also recommend payment of commission to Non-Executive Directors (including Independent Directors) based on the Company's performance apart from sitting fees payable to them for attending the Board/Committee meetings.

The Company has uploaded the Nomination, Remuneration and Evaluation Policy on its website, accessible at the weblink: http://www.tilind.com/downloads/announcements/NominationRemunerationandEvaluationPolicy.pdf

ii. Board Diversity Policy

The Board Diversity Policy casts responsibility on the Nomination and Remuneration Committee to review the structure, size and composition of the Board and the appointment of new Directors for ensuring that the Board has a balanced composition of skills, experience and expertise, appropriate to the requirements of the business of the Company.

The Company has uploaded the Board Diversity Policy on its website, accessible at the weblink: http://www.tilind.com/downloads/announcements/BoardDiversityPolicy.pdf

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iii. **Succession Policy**

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

The Company has uploaded the Succession Policy on its website, accessible at the weblink: http://www.tilind.com/downloads/announcements/SuccessionPolicy.pdf

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, comprises of Mrs. Shivani Amit Dahanukar, Executive Director and Dr. Ravindra Bapat, Mr. Madan Goyal and Mr. C.V. Bijlani, Independent Directors of the Company. Mrs. Shivani Amit Dahanukar is the Chairperson of the Committee and Mr. Gaurav Thakur, Company Secretary, is the Secretary to the Committee.

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

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

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

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

iv. to prepare a transparent monitoring mechanism for ensuring implementation of the CSR projects/programs/activities being undertaken/proposed to be undertaken by the Company; and

v. 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 abovementioned roles and responsibilities. The Company has uploaded the CSR Policy and the Annual Report on CSR Activities for the financial year 2014-15 on its website, accessible at weblink: http://www.tilind.com/corporateResponsibilities.html

The Committee met once during the financial year 2014-15 on February 14, 2015 and the meeting was attended by all the Committee Members.

E) **Compensation Committee**

The Compensation Committee constituted in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 comprises of Mrs. Shivani Amit Dahanukar, Executive Director and Dr. Vishnu Kanhere and Dr. Ravindra Bapat, Independent Directors of the Company. Dr. Vishnu Kanhere is the Chairman and Mr. Gaurav Thakur, 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 Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The Committee met once during the financial year 2014-15 on May 26, 2014 and the meeting was attended by all the Committee Members.

F) **Risk Management Committee**

The Risk Management Committee, which earlier comprised of only Senior Management Personnel of the Company, was reconstituted on November 14, 2014. After re-constitution, the Committee comprises of Mr. Amit Dahanukar, Chairman & Managing Director, Mr. C.V. Bijlani, Independent Director and Mr. Srijit Mullick, Chief Financial Officer of the Company. Mr. Amit Dahanukar is the Chairman and Mr. Gaurav Thakur, 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;

iii. reviewing the effectiveness of the Risk Management Policy.

During the financial year 2014-15, the Committee, before re-constitution, met twice on August 07, 2014 and October 14, 2014 (attended by all the Committee Members) and after re-constitution, once on February 09, 2015 (attended by all the Committee Members except Mr. Amit Dahanukar).

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 comprises of Mr. Amit Dahanukar, Chairman & Managing Director, Mrs. Shivani Amit Dahanukar, Executive Director and Mr. C.V. Bijlani and Mr. Madan Goyal, Independent Directors of the Company. Mr. Amit Dahanukar is the Chairman and Mr. Gaurav Thakur, Company Secretary, is the Secretary to the Committee.

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 requests, if any, received from the Members are dealt by the Committee on weekly basis.

4. SUBSIDIARY COMPANIES

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

The Company has formulated a Policy for determining 'material' subsidiaries in accordance with the provisions of Clause 49(V)(D) of the Listing Agreement. The Company has uploaded the Policy on Material Subsidiaries on its website, accessible at the weblink: http://www.tilind.com/downloads/announcements/MaterialSubsidiaryPolicy.pdf

5. 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 Clause 49(IX) of the Listing Agreement, on the accuracy of the financial statements for the financial year ended March 31, 2015 and adequacy of internal controls is annexed hereto and forms an integral part of this Report.

6. COMPLIANCE REPORTS/AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

During the financial year 2014-15, quarterly compliance reports on corporate governance have been submitted by the Company to the stock exchanges within the time limit prescribed under Clause 49(X)(B) of the Listing Agreement and the same are also uploaded on its website.

A certificate from the Statutory Auditors confirming the compliance of the conditions of corporate governance by the Company as required under Clause 49(XI)(A) of the Listing Agreement is annexed hereto and forms an integral part of this Report.

7. DISCLOSURES

A) Disclosure on materially significant related party transactions having potential conflict with the interest 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 2014-15. 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.

In accordance with the provisions of Clause 49(VII)(C) of the Listing Agreement, the Board has, upon the recommendations made by the Audit Committee, formulated a Policy on materiality of related party transactions and also on dealing with related party transactions. The Company has uploaded the Policy on Related Party Transactions on its website, accessible at the weblink: http://www.tilind.com/downloads/announcements/RelatedPartyTransactionsPolicy.pdf

Corporate Governance Report

B) Disclosure of Accounting Treatment

The financial statements for the financial year ended March 31, 2015 have been prepared in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013. The Company has not adopted a treatment different from that prescribed in the Accounting Standards in their preparation.

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

There were no instances 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.

D) Whistle Blower Policy

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement, the Company has adopted a Whistle Blower Policy to provide a 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 its Code of Conduct.

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 2014-15, no employee was denied access to the Audit Committee.

The Company has uploaded the Whistle Blower Policy on its website, accessible at the weblink: http://www.tilind.com/downloads/pdf/Whistleblower.pdf

E) Disclosure by Senior Management Personnel

No material financial and 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 55A of SEBI (Depositories and Participants) Regulations, 1996 submitted by M/s Ragini Chokshi & Associates, Practicing Company Secretaries confirms that as on March 31, 2015, 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) Compliance with mandatory and non-mandatory requirements of Clause 49 of the Listing Agreement

The Company has complied with all the applicable mandatory requirements as prescribed under Clause 49 of the Listing Agreement. Details of these compliances have been disclosed in the relevant sections of this Report. The status of compliance with the non-mandatory requirements as prescribed in Annexure XIII to Clause 49 of the Listing Agreement is provided herein below:

i. The Board

This Clause is not applicable to the Company as the Chairman of the Board is not a Non-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 Audit Qualifications

There are no qualifications in the Auditors' Report on the financial statements for the financial year ended March 31, 2015 except for the observations made by the Statutory Auditors which are disclosed in the Directors' Report alongwith explanation/comments of the Board thereon.

iv. Separate posts of Chairman and CEO

The Company is not having separate post of Chairman and CEO. Mr. Amit Dahanukar is the Chairman & Managing Director of the Company in accordance with proviso to Section 203(1) of the Companies Act, 2013 read with Article No. 96 of the Articles of Association of the Company.

v. Reporting of Internal Auditors

M/s Devdhar Joglekar & Srinivasan, Internal Auditors of the Company report directly to the Audit Committee.

8. GENERAL BODY MEETINGS

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

Financial Year	Day, Date & Time	Venue	Particulars of Special Resolutions passed
2013-14	Saturday September 27, 2014 10.30 a.m.	P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720	Nil
2012-13	Wednesday September 11, 2013 10.30 a.m.	P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720	Nil
2011-12	Friday September 21, 2012 12.00 noon	P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720	Re-appointment of Mr. Amit Dahanukar as Chairman & Managing Director; Re-appointment of Mrs. Shivani Amit Dahanukar as Executive Director; and Payment of Commission to Non-Executive Directors.

Passing of Resolution by Postal Ballot

During the financial year 2014-15, the following Special Resolutions were passed on August 01, 2014, by way of Postal Ballot (which included e-voting) conducted under the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014:

i. Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for authorizing the Board to borrow moneys on behalf of the Company upto a sum not exceeding ₹ 1000 Crores;

ii. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for authorizing the Board to create mortgage/pledge/hypothecation/charge on all or any of the movable/immovable properties of the Company for securing the borrowings of the Company upto a sum not exceeding ₹ 1000 Crores;

iii. Special Resolution under Section 94 of the Companies Act, 2013 for granting approval to keep the Register of Members and copies of Annual Returns along with annexures in Mumbai at the office of Registrar and Share Transfer Agents of the Company;

iv. Special Resolution under Section 14 of the Companies Act, 2013 for adopting a new set of Articles of Association of the Company in alignment with the Companies Act, 2013; and

v. Special Resolution under Section 197 of the Companies Act, 2013 for granting approval to the Board for making payment of Commission to the Non-Executive Directors (including Independent Directors) of the Company.

Mr. R. T. RajGuroo, Practicing Company Secretary was appointed as Scrutinizer by the Board on May 26, 2014 for conducting the Postal Ballot and scrutinizing the e-voting process in a fair and transparent manner.

Corporate Governance Report

The results of the Postal Ballot (which included e-voting), as submitted by the scrutinizer are reproduced herein below:

Sr. No.	Particulars	Item No. 1		Item No. 2		Item No. 3		Item No. 4		Item No. 5	
		No. of Postal Ballot Forms/ e-votes	No. of equity shares	No. of Postal Ballot Forms/ e-votes	No. of equity shares	No. of Postal Ballot Forms/ e-votes	No. of equity shares	No. of Postal Ballot Forms/ e-votes	No. of equity shares	No. of Postal Ballot Forms/ e-votes	No. of equity shares
1	Total Number of votes casted	470	7,92,21,255	470	7,92,21,255	470	7,92,21,255	470	7,92,21,255	470	7,92,21,255
2	Less: Invalid No. of votes casted	69	56,420	71	56,920	71	56,920	73	57,335	75	89,48,430
3	Valid No. of votes casted (Net)	401	7,91,64,835	399	7,91,64,335	399	7,91,64,335	397	7,91,63,920	395	7,02,72,825
4	Votes casted in favour of the resolution out of total Valid Votes casted		7,91,56,098 (99.99%)		7,91,55,262 (99.99%)		7,91,60,433 (99.99%)		7,90,30,808 (99.83%)		70,254,025 (99.97%)
5	Votes casted against the resolution out of total Valid Votes casted		8,737 (0.01%)		9,073 (0.01%)		3,902 (0.01%)		1,33,112 (0.17%)		18,800 (0.03%)

During the conduct of the Postal Ballot, the Company had, in terms of Clause 35B of the Listing Agreement, provided e-voting facility to its Members to cast their votes electronically through CDSL e-voting platform. The Company had completed the dispatch of the Postal Ballot Notice together with the explanatory statement on June 26, 2014, along with the forms and postage prepaid business reply envelopes to all the Member(s) whose name(s) appeared on the Register of Members/list of beneficiaries as on June 20, 2014. The Company had also published a notice in the newspapers viz. Business Standard (June 27, 2014), Apla Mahanagar (June 27, 2014) and Gavkari (June 28, 2014) declaring the details of the completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable rules there under.

Based on the Report submitted by the Scrutinizer, Mr. Amit Dahanukar, Chairman & Managing Director of the Company declared the results of the Postal Ballot on August 01, 2014. The voting results along with the Scrutinizer Report were sent to National Stock Exchange of India Limited and BSE Limited and were also displayed at the Company's website i.e. www.tilind.com.

At the ensuing Annual General Meeting, no resolution is proposed to be passed through Postal Ballot.

9. MEANS OF COMMUNICATION

i. Quarterly/Half Yearly/Annual Results

Quarterly/Half Yearly/Annual Results of the Company are regularly submitted to the Stock Exchanges through NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (the "Listing Centre"). The same are also published in the newspapers viz. Business Standard, Apla Mahanagar and Gavkari.

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 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 prescribed under Clause 54 of the Listing Agreement. 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.

10. Management Discussion and Analysis Report

Management Discussion and Analysis Report containing the details as required under Clause 49(VIII)(D)(1) of the Listing Agreement forms an integral part of the Annual Report.

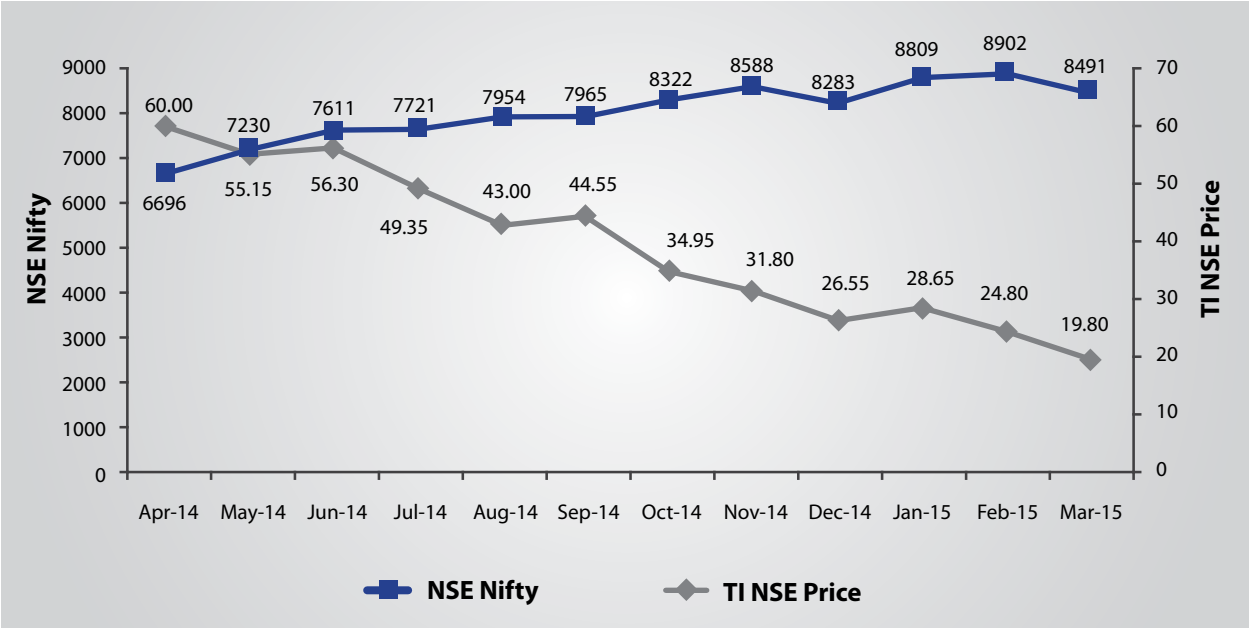
11. GENERAL SHAREHOLDER INFORMATION:

I	**80th Annual General Meeting**		
	Day, Date and Time	:	Saturday, September 26, 2015 at 10.30 a.m.
	Venue	:	Registered Office of the Company at P. O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720
II	**Financial Calendar**		
	Financial Year	:	1st April to 31st March
	Financial reporting of results		
	• Quarterly unaudited results (other than last quarter)	:	Within 45 days from the end of the quarter
	• Annual audited results	:	Within 60 days from the end of the last quarter
III	**Book Closure Date**	:	September 19, 2015 to September 26, 2015 (both days inclusive)
IV	**Dividend Payment Date**	:	The Directors have not recommended any Dividend for the financial year 2014-15.
V	**Registrar and Share Transfer Agents**	:	Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072 Ph: (022) 4043 0200 Fax: (022) 2847 5207 Email: investor@bigshareonline.com Website : www.bigshareonline.com
VI	**Share Transfer System**	:	Share transfers in physical form are required to be lodged with the Registrar and Share Transfer Agents. Share Transfer Committee meets on weekly basis to approve the share transfers. All shares received for transfer are registered and returned within a period of 15 days from the date of lodgment, provided the documents are valid and complete in all respects. The Company obtains half-yearly certificate from M/s Ragini Chokshi & Associates, Practicing Company Secretaries confirming the compliance by the Company of the timelines specified under Clause 47(c) of the Listing Agreement for registering transfer/transmission etc. and files the same with the stock exchanges in the prescribed timeline.
VII	**Corporate Identification Number (CIN)**	:	L15420PN1933PLC133303

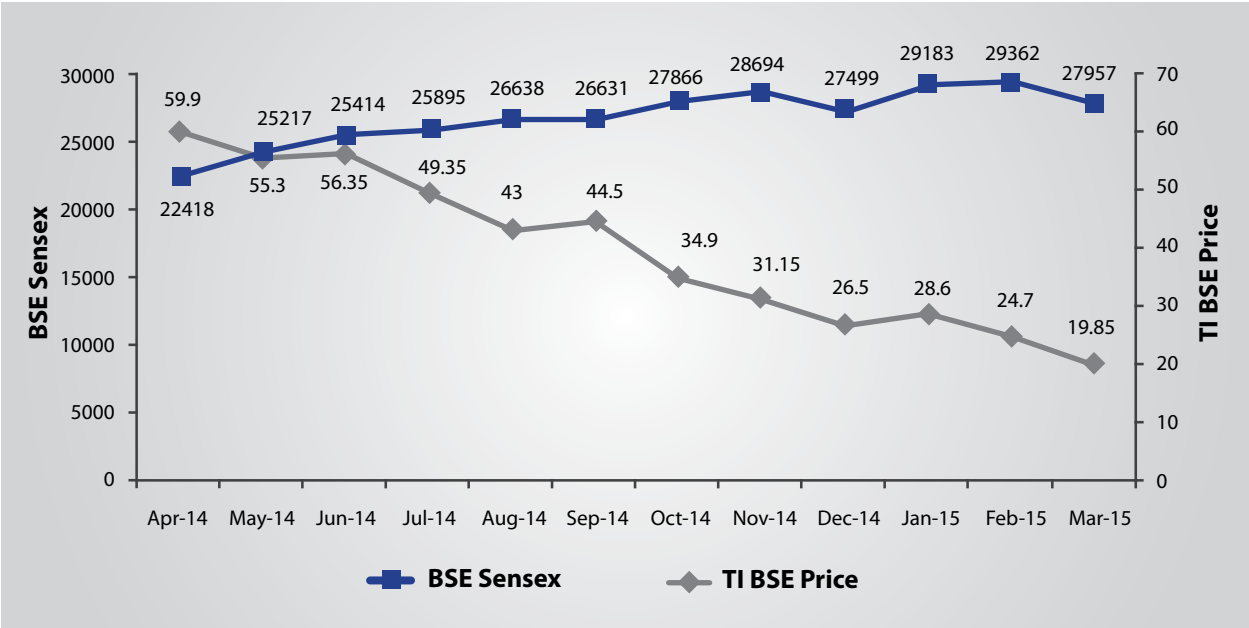
Corporate Governance Report

VIII	**Listing on Stock Exchanges**	:	BSE Limited **(Scrip Code: 507205)** National Stock Exchange of India Limited**(Scrip Code: TI)** The Company has paid the annual listing fees for the financial year 2015-16 to BSE and NSE in the prescribed timelines.
IX	**Dematerialization of Shares**	:	Trading in equity shares of the Company is permitted only in dematerialized form. The Company's shares are held in dematerialized form to the extent of 98.76% of the total issued and paid up shares as on March 31, 2015. The promoters hold their entire shareholding in dematerialized form.
X	**Demat ISIN For Equity Shares**	:	INE133E01013 Annual custodian fees for the financial year 2014-15 will be paid by the Company to NSDL and CDSL on receipt of the invoices.
XI	**Outstanding GDRs / ADRs / Warrants / Convertible Instruments and their impact on equity**	:	The Company does not have any outstanding GDRs/ADRs/Warrants/ Convertible instruments as on March 31, 2015.
XII	**Plant Locations**	:	(i) Tilaknagar Industries Ltd., P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720 (ii) Prag Distillery (P) Ltd., R.S. No. 199/1, 200/2, Bicca Bolu, Rajanagaram Road, Nallamilli, Rangampeta Mandal, East Godavari District, (A.P.) – 533 343 (iii) Vahni Distilleries Private Limited, No. 140, Tavaregera Village, Kushtagi Taluka, Koppal District, Karnataka – 584 131 (iv) Kesarval Springs Distillers Pvt. Ltd., L-22, Cuncolim Industrial Estate, Cuncolim, Goa – 403 703 (v) Punjab Expo Breweries Private Limited, Plot No. 237,238, Village Jeoli, Tehsil Derabassi, Dist. Mohali, Punjab – 140 507
XIII	**Address for Correspondence**	:	Mr. Gaurav Thakur, Company Secretary & Compliance Officer 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

XIV Stock Performance in comparison to NSE Nifty



XV Stock Performance in comparison to BSE Sensex



Corporate Governance Report

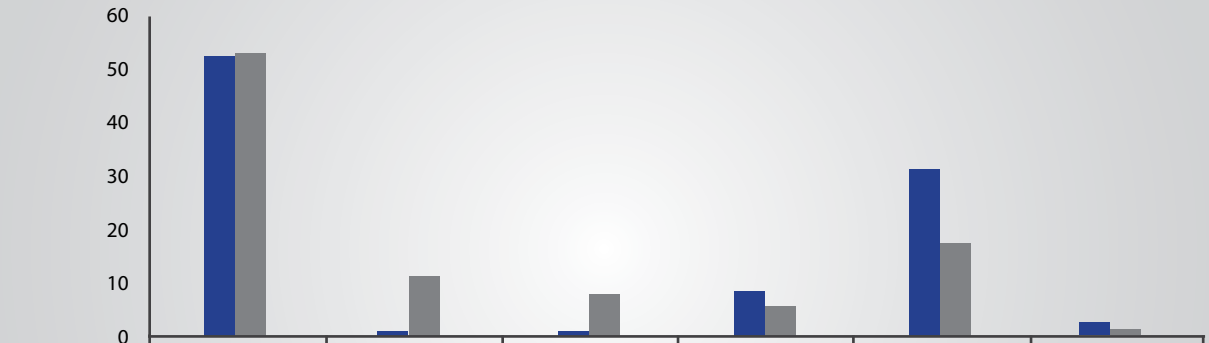
XVI Market Price Data:

Monthly High and Low Quotes and Volume of Shares traded at BSE and NSE						
	BSE			NSE		
Period	High Price (₹)	Low Price (₹)	Volume (Nos.)	High Price (₹)	Low Price (₹)	Volume (Nos.)
2014						
April	68.00	54.90	7,428,770	68.15	54.60	18,814,964
May	64.80	54.70	5,340,514	64.70	54.80	12,576,022
June	63.50	54.75	4,932,564	63.40	54.65	11,667,719
July	59.90	47.25	3,654,078	60.30	47.25	10,131,149
August	49.10	40.30	3,300,545	49.70	40.40	10,251,503
September	48.50	42.00	3,205,869	48.50	41.75	10,070,735
October	45.50	34.50	1,892,644	45.60	34.45	7,438,922
November	36.90	25.60	9,934,895	37.00	25.80	23,721,022
December	35.50	25.20	10,995,101	31.70	25.20	21,516,820
2015						
January	33.70	26.40	7,655,216	33.65	26.30	22,508,196
February	29.40	24.50	2,762,002	28.85	24.55	8,887,827
March	27.50	19.00	6,325,582	27.40	19.20	17,877,699

XVII Shareholding Pattern :

Category	As on March 31, 2015			As on March 31, 2014		
	No. of Shareholders	No. of Shares held	%	No. of Shareholders	No. of Shares held	%
Promoter Holding:	**15**	**68,571,668**	**54.96**	**15**	**68,571,668**	**55.40**
Public Holding:						
• Mutual Funds/UTI	0	0	0.00	13	14,341,830	11.59
• Financial Institutions/Banks	23	170,966	0.14	21	77,777	0.06
• Foreign Institutional Investors	8	936,555	0.75	11	10,102,755	8.16
• Bodies Corporate	743	10,792,410	8.65	617	6,786,953	5.48
• Individuals	36,276	41,408,427	33.19	26,551	22,313,494	18.04
• Clearing Members	122	1,080,658	0.87	160	470,283	0.38
• NRI	378	1,535,487	1.23	258	844,539	0.68
• TI – Unclaimed Suspense Account	1	259,944	0.21	1	260,344	0.21
Total Public Shareholding	**37,551**	**56,184,447**	**45.04**	**27,632**	**55,197,975**	**44.60**
Total Shareholding	**37,566**	**124,756,115**	**100.00**	**27,647**	**123,769,643**	**100.00**

Shareholding Pattern



	Promoters	MF/FI/UTI/Banks	FIIs	Bodies Corporate	Individuals	Others
31-Mar-15	54.96	0.14	0.75	8.65	33.19	2.31
31-Mar-14	55.40	11.65	8.16	5.48	18.04	1.27

XVIII Distribution of Shareholding as on March 31, 2015

Shareholding of nominal value (₹)	Share Holders		Share Amount	
	Number	% of total	₹	% of total
Upto - 5,000	26,217	69.79	46,062,880	3.69
5,001 -10,000	4,797	12.77	39,746,480	3.18
10,001- 20,000	2,895	7.71	45,365,160	3.64
20,001-30,000	1,149	3.06	29,669,840	2.38
30,001-40,000	551	1.47	19,724,460	1.58
40,001-50,000	508	1.35	23,902,410	1.92
50,001-1,00,000	775	2.06	57,131,570	4.58
1,00,001 and above	674	1.79	985,958,350	79.03
Total	**37,566**	**100.00**	**1,247,561,150**	**100.00**

XIX Top Ten Shareholders (other than Promoters) as on March 31, 2015

Sr. No.	Name of the Shareholder	No. of Shares held	% of Holding
1	LKP Securities Ltd.	1,355,000	1.09
2	Jimeet Vipul Modi	1,250,000	1.00
3	Ravi Chug (HUF)	1,063,636	0.85
4	Rajkumari Kishanchand Chug	500,000	0.40
5	Simran Ravi Chug	499,292	0.40
6	Himanshu Wasudeo Kane	411,000	0.33
7	Sai Telecom Ltd.	392,106	0.31
8	Laxmi Narasimhan	387,484	0.31
9	Religare Securities Ltd.	371,921	0.30
10	Ravi Kishan Chug	346,166	0.28
Total		**6,576,605**	**5.27**

Corporate Governance Report

CMD & CFO Certification

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

Dear Sirs,

We hereby certify that:

(a) We have reviewed financial statements and the cash flow statement of Tilaknagar Industries Ltd. ("the Company") for the financial year ended March 31, 2015 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, 2015 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 the internal control over financial reporting during the financial year ended March 31, 2015;

(ii) significant changes, if any, in accounting policies during financial year ended March 31, 2015 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.**

Srijit Mullick
Chief Financial Officer

Place: Mumbai
Date : May 29, 2015

Corporate Governance Report

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 Sirs,

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and the Senior Management of the Company. The Code of Conduct has also been posted on the website of the Company.

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, 2015, as envisaged in Clause 49 of the Listing Agreement entered with the Stock Exchanges.

For **Tilaknagar Industries Ltd.**

Place: Mumbai
Dated: August 14, 2015

Amit Dahanukar
Chairman & Managing Director

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members of
Tilaknagar Industries Ltd.

We have examined the compliance of conditions of corporate governance by Tilaknagar Industries Ltd. ('The Company') for the financial year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges in India.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was carried out in accordance with the guidance note on certification of corporate governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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 **Batliboi & Purohit**
Chartered Accountants
ICAI Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Place: Mumbai
Date : August 14, 2015

Consolidated Financial Statements

6

Independent Auditor's Report
on Consolidated Financial Statements

To
The Board of Directors of
Tilaknagar Industries Ltd.

Report on the Consolidated Financial Statements
We have audited the accompanying Consolidated Financial Statements of Tilaknagar Industries Ltd. - (hereinafter referred to as "the Holding Company") its subsidiaries and Associates (the Holding Company, its subsidiaries and its Associates together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements
The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility
Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports 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.

Opinion
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters
a) We did not audit the financial statements / financial information of 8 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 2,541.51 million as at March 31, 2015, total gross revenues of ₹ 5,282.87 million and net cash inflows amounting to ₹ 34.79 million for the year ended on that date, as considered in the Consolidated Financial Statements.

Independent Auditor's Report
on Consolidated Financial Statements

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b) We did not audit the financial statements / financial information of one associate where in the Company's share of profit / loss was not considered in the Consolidated Financial Statements since it is not material.

Our opinion was not qualified in respect of this matter.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, Subsidiary Companies, Associate Companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2) As required by section 143(3) of the Act, we report, to the extent applicable, 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) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report is in agreement with the relevant books of account maintained for the purpose of preparation of the 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) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiary Companies, none of the directors of the Group Companies is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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. 29 (xxiv) to the Consolidated Financial Statements.

      ii) The Company has made provision as at March 31, 2015, as required under the applicable law or accounting standards for material foreseeable losses if any on long-term contracts including derivative contracts.;

      iii) There has been no delay in transferring the amounts, which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its Subsidiary Companies.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : May 30, 2015

Annexure to the Independent Auditor's Report

on the Consolidated Financial Statements of Tilaknagar Industries Ltd.

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

"Our reporting on the Order includes 8 Subsidiary Companies, incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the Consolidated Financial Statements."

i) In respect of the fixed assets of the Holding Company and Subsidiary Companies:

   a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a regular programme of verification which, in our opinion and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us and the other auditors, no material discrepancies were noticed on such verification.

ii) In respect of the inventories of the Holding Company and Subsidiary Companies:

   a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.

   b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.

   c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.

iii) The Holding Company, Subsidiary Companies, Associate Companies have not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.

iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company and Subsidiary Companies, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our and the other auditors audit, no continuing failure to correct major weaknesses in such internal control system has been observed.

v) According to the information and explanations given to us, the Holding Company and Subsidiary Companies have not accepted any deposit during the year.

vi) According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Holding Company has, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. In the case of Subsidiary Companies, to the best of the knowledge of other auditors and according to the information and explanations given to other auditors, the central government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act 2013 and the Companies (Cost Records and Audit) Rules 2014 as amended, for any products of the Company. Neither we nor the other auditors have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company and Subsidiary Companies:

Annexure to the Independent Auditor's Report
on the Consolidated Financial Statements of Tilaknagar Industries Ltd.

a) The respective entities have been regularly depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities, though there has been slight delay in few cases.

b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable except for Income Tax of ₹ 99.93 million pertaining to A.Y. 2014-15 this is still unpaid by the Holding Company.

c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities are given below:

Holding Company

(₹ in million)

Name of statute	Nature of dues	Amount	Period to which it relates	Forum where the dispute is pending
Income Tax Act , 1961	Income Tax	36.69	A.Y. 2009-10	CIT (Appeals)
		273.79	A.Y. 2010-11	CIT (Appeals)
		253.83	A.Y. 2011-12	CIT (Appeals)
Sales Tax Laws	Sales Tax	15.41	F.Y. 2003-04 F.Y. 2004-05 F.Y. 2007-08 F.Y. 2008-09 F.Y. 2010-11	Joint Commissioner and Assistant Commissioner (Appeals)
	Central Sales Tax	138.52	F.Y. 2003-04 F.Y. 2004-05 F.Y. 2006-07 F.Y. 2009-10 F.Y. 2010-11	Deputy Commissioner and Joint Commissioner
	Turnover Tax	0.22	F.Y. 2007-08 and F.Y. 2008-09	Assistant Commissioner (Appeals)

Subsidiary Company – Prag Distilleries Private Limited

(₹ in million)

Name of statute	Nature of dues	Amount	Period to which amount relates	Forum where the dispute is pending
Sales Tax Act	Kerala Value Added Tax	22.92	F.Y.2009-10, F.Y.2010-11 and F.Y.2011-12	Deputy Commissioner of Sales Tax

Subsidiary Company – Vahni Distilleries Private Limited

(₹ in million)

Name of statute	Nature of dues	Amount	Period to which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	18.68	A.Y. 2012-13	Commissioner of Income Tax

Annexure to the Independent Auditor's Report

on the Consolidated Financial Statements of Tilaknagar Industries Ltd.

d) The aforesaid entities have been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made there under within time.

viii) The Group does not have consolidated accumulated losses at the end of the financial year and the Group has incurred cash losses on a consolidated basis during the financial year covered by our audit. There is no cash loss in the immediately preceding financial year.

ix) In respect of Holding Company, in our opinion and according to the information and explanations given to us, as at the balance sheet date, there were delays in the repayment of dues to banks aggregating to ₹ 42.25 million which was due on March 26, 2015 and paid on of April 10, 2015.

In respect of Subsidiaries, in the opinion of the other auditors and according to the information and explanations given to the other auditors, as at the balance sheet date, there were no defaults in the repayment of dues to financial institutions and banks. The Holding Company and Subsidiary Companies have not issued any debentures.

x) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there are no guarantees given by the Holding Company, Subsidiary Companies, Associate Companies for loans taken by others outside of the Group from banks and financial institutions.

xi) In our opinion and the opinion of the other auditors on the basis of records examined by us relying on the information compiled by the Holding Company and the Subsidiary Companies for co-relating the funds raised to the end use of term loans, and according to the information and explanations given to us and the other auditors, we have to state that the Holding Company and Subsidiary Companies have, prima-facie, applied the term loans for the purposes for which they were obtained.

xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company, its Subsidiary Companies, no material fraud on the Holding Company, its Subsidiary Companies has been noticed or reported during the year.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : May 30, 2015

Consolidated Balance Sheet
as at March 31, 2015

(₹ in million)

		Note No.	As at March 31, 2015	As at March 31, 2014
I	**EQUITY AND LIABILITIES**			
	Shareholders' Funds			
	Share Capital	2	1,247.56	1,237.70
	Reserves & Surplus	3	4,174.63	4,591.03
			5,422.19	**5,828.73**
	Minority Interest		**-**	**0.04**
	Non-Current Liabilities			
	Long-Term Borrowings	4	2,111.82	2,256.23
	Deferred Tax Liabilities (Net)	5	462.21	384.24
	Other Long-Term Liabilities	6	827.57	678.35
	Long-Term Provisions	7	23.78	14.32
			3,425.38	**3,333.14**
	Current Liabilities			
	Short-Term Borrowings	8	5,789.10	5,176.10
	Trade Payables	9	1,537.86	732.91
	Other Current Liabilities	10	693.30	1,208.17
	Short-Term Provisions	11	295.72	367.06
			8,315.98	**7,484.24**
	Total		**17,163.55**	**16,646.15**
II	**ASSETS**			
	Non-Current Assets			
	Fixed Assets			
	Tangible Assets	12	5,646.38	4,102.15
	Intangible Assets		183.36	252.26
	Capital Work-in-Progress		1,231.28	2,337.54
	Goodwill on consolidation		254.28	254.28
	Non-Current Investments	13	17.27	17.27
	Long-Term Loans and Advances	14	992.54	1,155.64
	Other Non-Current Assets	15	0.69	2.75
			8,325.80	**8,121.89**
	Current Assets			
	Current Investments	16	9.72	-
	Inventories	17	1,261.95	1,325.58
	Trade Receivables	18	1,484.99	2,224.26
	Cash and Bank Balances	19	334.76	187.25
	Short-Term Loans and Advances	20	5,745.28	4,786.31
	Other Current Assets	21	1.05	0.86
			8,837.75	**8,524.26**
	Total		**17,163.55**	**16,646.15**
	Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our Report of even date annexed. For and on behalf of the Board

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

Amit Dahanukar
Chairman & Managing Director

Shivani Amit Dahanukar
Executive Director

Dr. Vishnu Kanhere
Director

Kaushal Mehta
Partner
Membership No. 111749

Dr. Ravindra Bapat
Director

C. V. Bijlani
Director

Madan Goyal
Director

Place : Mumbai
Date : May 30, 2015

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary

Consolidated Statement of Profit and Loss
for the year ended March 31, 2015

(₹ in million)

	Note No.		Year ended March 31, 2015	Year ended March 31, 2014
INCOME				
Revenue from Operations				
Sale of products (Gross)	22		12,199.22	14,417.74
Less: Excise duty			5,922.32	6,349.09
Sale of products (Net)			**6,276.90**	**8,068.65**
Other Operating Income	22.1		1,205.35	173.03
			7,482.25	**8,241.68**
Other Income	23		23.65	42.95
			7,505.90	**8,284.63**
EXPENSES				
Cost of Materials Consumed	24		3,304.98	3,891.98
Purchase of Stock-in-Trade			442.70	-
(Increase) / Decrease in Stock	25		(38.39)	14.73
Employee Benefit Expense	26		212.74	344.50
Other Expenses	27		2,610.91	2,291.96
Finance Cost	28		974.55	641.24
Depreciation for the year		348.92		
Less: Reversal of Depreciation [Refer Note No. 29(viii)]		72.13	276.79	254.84
			7,784.28	**7,439.25**
Profit / (Loss) before taxation			**(278.38)**	**845.38**
Tax expenses				
Current Tax			-	203.67
For earlier years			25.12	9.02
MAT Credit entitlements			-	(3.61)
Deferred Tax			98.13	53.78
			123.25	**262.86**
Profit / (Loss) after taxation			**(401.63)**	**582.52**
Less : Minority Interest			(0.04)	(0.04)
Profit / (Loss) after taxation			**(401.59)**	**582.56**
Earnings Per Share (₹) Basic	29(xiii)		(3.23)	4.75
Diluted			(3.22)	4.66
Summary of significant accounting policies	1			

The accompanying notes are an integral part of the financial statements

As per our Report of even date annexed. For and on behalf of the Board

For **Batliboi & Purohit**
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Firm Registration No. 101048W

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Director

Madan Goyal
Director

Place : Mumbai
Date : May 30, 2015

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary

Consolidated Cash Flow Statement
for the year ended March 31, 2015

(₹ in million)

		2014-2015		2013-2014	
A)	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net profit before tax		(278.38)		845.38
	Adjustment for:				
	Depreciation	276.79		254.84	
	(Profit) / Loss on sale of assets	1.40		0.49	
	Provision for dimunition for value of Investments	0.28		-	
	Loss on exchange fluctuation	5.50		0.38	
	Employee stock option expenses	11.84		31.86	
	Dividend on current investments [₹ 3,000 (P.Y. ₹ 300)]	-		-	
	Sundry balance written back	(4.87)		(0.13)	
	Profit on sale of subsidiary	-		(1.80)	
	Interest expenses	974.55		641.24	
	Interest income	(10.14)		(13.01)	
	Operating Profit before working capital changes		1,255.35		913.87
	Adjustment for:				
	(Decrease)/ Increase in trade payables, current liabilities and provisions	1,146.97		(76.78)	
	(Increase) / Decrease in loans and advances	(758.42)		(1,236.00)	
	(Increase) / Decrease in inventory	63.63		5.95	
	(Increase) / Decrease in trade receivables	739.26		(204.67)	
			1,191.44		(1,511.50)
	Proceeds from short term borrowings		-		437.50
	Direct taxes paid		(37.46)		(125.38)
	Net Cash from Operating Activities		**2,130.95**		**559.87**
B)	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of fixed assets	(859.38)		(1,191.19)	
	Sale of fixed assets	0.72		8.02	
	Decrease / (Increase) in margin money and deposits	7.97		(56.88)	
	Net (Increase) / Decrease in investments	(10.00)		2.50	
	Dividend on current investments [₹ 3,000 (P.Y. ₹ 300)]	-		-	
	Interest received	9.94		12.48	
	Net Cash from Investing Activities		**(850.75)**		**(1,225.07)**
C)	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Equity shares issued on exercise of employee stock options including premium	26.87		48.95	
	Proceeds (repayment) from short-term borrowings	613.00		538.81	
	Proceeds (repayment) from long-term borrowings including current maturities	(681.28)		719.50	
	Dividend and tax thereon including unclaimed dividend	(116.17)		(113.41)	
	Interest expenses	(969.21)		(648.30)	
	Net Cash from Financing Activities		**(1,126.79)**		**545.55**
	Net increase in Cash & Cash equivalents		**153.41**		**(119.65)**
	Opening cash & cash equivalents		84.67		204.32
	Closing cash & cash equivalents		**238.08**		**84.67**

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

As per our Report of even date annexed.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : May 30, 2015

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director

Shivani Amit Dahanukar
Executive Director

Dr. Vishnu Kanhere
Director

Dr. Ravindra Bapat
Director

C. V. Bijlani
Director

Madan Goyal
Director

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

1 Significant Accounting Policies

A Principles of Consolidation

i) The Consolidated Financial Statements relate to Tilaknagar Industries Ltd. ("The Company") and its Subsidiary Companies collectively referred to as "The Group". The Consolidated Financial Statements have been prepared on the following basis:

a) The financial statements of the Company and its Subsidiary Companies are combined on a line-by-line basis by adding together the book value of like assets, liabilities, income and expenses, after fully eliminating intra- group balances and intra group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements" notified under Companies (Accounting Standards) Rules 2006.

b) The difference between the cost of investment in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

c) The financial statements of the subsidiaries are drawn upto the same reporting date as that of the Company i.e. March 31, 2015 and as far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

d) Minority interest in the net assets of the consolidated subsidiaries consists :

a) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made ; and

b) The minorities share of movements in equity since the date the parent subsidiary relationship comes into existence.

e) The list of Subsidiary Companies which are included in Consolidated Financial Statements and the Parent Company's Holding are as under:

Name of the subsidiary	Country of Incorporation	Parent Company's Interest as at March 31, 2015	Parent Company's Interest as at March 31, 2014
Prag Distillery (P) Ltd.	India	100%	100%
Vahni Distilleries Private Limited	India	100%	100%
Kesarval Springs Distillers Pvt. Ltd.	India	100%	100%
PunjabExpo Breweries Private Limited	India	100%	100%
Mykingdom Ventures Pvt. Ltd.	India	100%	100%
P.P.Caps Private Limited	India	Nil	100% (upto January 15, 2014)
Studd Projects P. Ltd.	India	100%	100%
Srirampur Grains Private Limited	India	100%	100%
Shivprabha Sugars Ltd.	India	90%	90%

ii) Investments other than in subsidiaries have been accounted as per Accounting Standard (AS-13) on "Accounting for Investments" notified under Companies (Accounting Standards) Rules 2006.

B Significant Accounting Policies

i) Basis of Preparation of Financial Statements :

The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 and other accounting pronouncements of the Institute of Chartered Accountants of India. The financial statements have been prepared under historical cost convention and on accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except for change in the accounting policy for depreciation on fixed assets as mentioned in Note 29 (viii).

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

ii) Use of Estimates :

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

iii) Revenue Recognition:

All revenue and expenses are accounted for on accrual basis. Revenue is recognized when no significant uncertainties exist in relation to the amount of eventual receipt.

a) Sales are recognized on dispatch of goods to customers and are recorded net of trade discounts, sales tax / value added tax and inclusive of central / state excise duty.

b) Insurance and other claims are accounted for as and when admitted by the appropriate authorities.

iv) Inventories :

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the basis of Weighted Average Method.

a) Raw materials, Stores & Spares and Work-In-Progress are valued at material cost.

b) Finished goods are valued at manufacturing cost, which comprise direct material, direct labour, other direct cost and other related manufacturing overheads. Excise duty payable on finished goods stock at the year end is added to the cost.

c) Obsolete / slow moving inventories are adequately provided for.

v) Fixed Assets :

a) Fixed assets are stated at their original cost of acquisition / installation, net of accumulated depreciation, amortization and impairment losses.

b) Capital Work-In-Progress is stated at the amount incurred up to the date of the Balance Sheet.

c) Expenditures incurred during construction / erection period on project under implementation are included under "Capital Work-In-Progress". These expenses are appropriated to fixed assets on commencement of commercial production.

d) Fixed assets purchased under hire purchase arrangements, includes expenditure incurred till the assets are put to use.

e) Goodwill and other intangible assets are stated at cost of acquisition less accumulated amortization.

f) Goodwill comprises the excess of purchase consideration over the fair value of the net assets of the acquired enterprises. Goodwill arising on consolidation or acquisition is not amortized but instead tested for impairment.

vi) Depreciation and Amortization:

a) Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc.

Plant & Equipment	Useful Life
Molasses & Grain based Distillery Plant	20 Years

b) Depreciation is provided on assets acquired during the year from the date on which assets were put to use.

c) Intangible assets are amortized over a period of two to five years on straight line basis which represents the period over which the Company expects to derive economic benefit.

vii) Impairment of Assets :

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors.

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the Statement of Profit and Loss and the carrying amount of the said asset is reduced to its recoverable amount.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

viii) Investments :

a) Long-Term Investments are valued at cost. Provision for diminution in value is made only if in the opinion of management such a decline is other than temporary.

b) Current Investments are valued at cost / fair value whichever is lower.

ix) Foreign Currency Transactions :

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. Exchange rate difference arising on the settlement of foreign currency transactions are recognized in the Statement of Profit and Loss. Foreign currency denominated monetary items as at the Balance Sheet date are translated at the rate prevailing on the date of Balance Sheet and the resultant exchange difference is recognized in the Statement of Profit and Loss.

x) Provisions and Contingencies :

Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure on contingent liability is made when there is a possible obligation or present obligation that probably will not require an outflow of resources or where reliable estimate of the amount of the obligation cannot be made. However contingent assets are neither provided for nor disclosed.

xi) Government Incentives :

The Company is entitled to various incentives from state government authorities in respect of its manufacturing unit. The Company accounts for its entitlement as income on accrual basis.

xii) Borrowing Cost:

Borrowing costs attributed to the acquisition of fixed assets are capitalized as a part of the cost of asset upto the date the asset is put to use. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which these are incurred.

xiii) Employee Benefits:

a) **Defined Contribution Plan:**

Employee benefits in the form of contribution to Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labour Welfare Fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The same is charged to the Statement of Profit and Loss of the year when the contribution to the respective funds are due. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

b) **Defined Benefit Plan:**

Retirement benefits in the form of gratuity are considered as defined benefit obligations and are provided at the present value of the amounts payable as on that date of the Balance Sheet, determined by using actuarial valuation techniques. Actuarial gains / losses, if any, are recognized in the Statement of Profit and Loss.

xiv) Employee Stock Compensation Cost:

The Company measures compensation cost relating to employee stock option using the 'intrinsic value method'. Compensation cost for stock option represent the excess of the market price over the exercise price of the shares

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

granted under "Employee Stock Option Scheme" is amortized in accordance with guidelines issued by Securities and Exchange Board of India (SEBI), in this regard.

xv) Taxation:

a) Provision for Income Tax is determined on the basis of the estimated taxable income and amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961.

b) Deferred Tax is recognized in respect of deferred tax assets (subject to the consideration of prudence) and to the extent there is virtual certainty that the asset will be realized in future and deferred tax liabilities on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in subsequent years.

xvi) Earnings Per Share:

Basic Earnings Per Share are calculated by dividing the net profit for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating the diluted earnings per share the net profit for the year attributable to equity share holders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xvii) Lease Accounting :

Leasing of assets whereby the lessor essentially remains the owner of the asset are classified as operating leases. The payments made by the Company as lessee in accordance with operational leasing contracts or rental agreements are expensed proportionally during the lease or rental period respectively. Any compensation, according to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated.

xviii) Cash and Cash Equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

(₹ in million)

		As at March 31, 2015	As at March 31, 2014
2	**Share Capital**		
	Authorised Shares		
	150,000,000 equity shares of ₹ 10/- each	**1,500.00**	**1,500.00**
	(P.Y. 150,000,000 equity shares of ₹ 10/- each)		
	Issued, subscribed and paid up shares		
	124,756,115 equity shares of ₹ 10/- each fully paid up	1,247.56	1,237.70
	(P.Y. 123,769,643 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		
		1,247.56	**1,237.70**

a)	**Reconciliation of the number of shares outstanding**		*(Nos. in million)*
	Number of equity shares at the beginning	123.77	121.88
	Equity shares issued on exercise of employee stock options	0.99	1.89
	Number of equity shares at the end	**124.76**	**123.77**

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

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

Name of the shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of equity shares in million	As a % of total holding	No. of equity shares in million	As a % of total holding
Shivani Amit Dahanukar	32.98	26.43	32.98	26.64
Amit Dahanukar	29.84	23.92	29.84	24.11
Small Cap World Fund, Inc	-	-	8.89	7.18
IDFC Premier Equity Fund	-	-	7.50	6.06
Total	**62.82**	**50.35**	**79.21**	**63.99**

(₹ in million)

		As at March 31, 2015	As at March 31, 2014
3	**Reserves & Surplus**		
a)	**Securities Premium Account**		
	As per last Balance Sheet	1,962.04	1,910.43
	Add : Additions during the year	25.87	51.61
		1,987.91	**1,962.04**
b)	**General Reserve**		
	As per last Balance Sheet	**106.18**	**106.18**
c)	**Capital Reserve**		
	As per last Balance Sheet	**1.90**	**1.90**
d)	**Revaluation Reserve**	642.39	672.47
	Less : Utilised against depreciation on revalued assets	-	30.08
		642.39	**642.39**
e)	**Employee Stock Option Outstanding (Net)**	**92.04**	**89.06**
f)	**Surplus / (deficit) in the Statement of Profit and Loss**		
	As per last Balance Sheet	1,789.46	1,324.29
	Less: Depreciation as per transitional provision specified in Schedule II of the Companies Act, 2013 (Net of tax ₹ 20.16 million) [Refer Note 29 (viii)]	42.92	-
	Add: Profit / (Loss) after tax for the year	(401.59)	582.56
	Less: Proposed Dividend	0.63	99.69
	Less: Dividend Distribution Tax	0.11	17.70
		1,344.21	**1,789.46**
		4,174.63	**4,591.03**

4	**Long-Term Borrowings**		
	Secured Loans		
	From Banks		
	Foreign Currency Term Loans	410.73	718.55
	Rupee Term Loans	-	1,529.97
	Hire Purchase Car Loans (with banker's lien on cars)	1.09	7.71
	From Financial Instituition		
	Rupee Term Loans	1,700.00	-
		2,111.82	**2,256.23**

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

a) The term loans are secured against first pari passu charge on all the fixed assets of the Company, both present and future excluding land and building on non plant area situated at Shrirampur, Dist. Ahmednagar and pari passu second charge on all current assets both present and future.

b) Foreign Currency term loans from banks carry interest @ Libor plus 3.45% . The loans are repayable in monthly / quarterly instalments each along with interest from the date of the loan. Hire Purchase Loan from banks carry interest @ 10.75% to 11.00% and loans and repayble in monthly installment each along with interest.

c) The term loans for a subsidiary are secured against first charge on plant & equipment and other fixed assets of the Company situated at Biccavolu, East Godavari, Andhra Pradesh.

d) Secured loans from banks outstanding at the end of the financial year have been guaranteed by the personal guarantee of Chairman & Managing Director of the Company.

e) Loan taken from financial insitution is repayable in eighteen quarterly instalments after a moratorium of twenty one months from the commencement of the loan viz March 31, 2015. Interest is payable on monthly basis from the commencement of the loan and carry interest @ 13.75%.

f) One installment and interest payment of ₹ 42.25 million of foreign currency loan from bank was delayed by 15 days.

g) **Maturity profile of Secured Term Loans** *(₹ in million)*

	1-2 years	2-3 years	3-4 years	Beyond 4 years
Foreign Currency Term Loans	136.91	136.91	136.91	-
Rupee Term Loans	50.00	200.00	350.00	1,100.00
	186.91	**336.91**	**486.91**	**1,100.00**

(₹ in million)

		As at March 31, 2015	As at March 31, 2014
5	**Deferred Tax Liabilities (Net)**		
	Deferred Tax Liability	473.50	392.59
	Deferred Tax Asset	(11.29)	(8.35)
		462.21	**384.24**

The break-up of Deferred Tax as at March 31, 2015 is as under: *(₹ in million)*

	Opening as at April 01, 2014	During the year	Transitional Provision	Closing as at March 31, 2015
Deferred Tax Liability :				
a) On depreciation differences	392.49	101.17	20.16	473.50
b) Product Development cost	0.10	(0.10)	-	-
Total Deferred Tax Liability	**392.59**	**101.07**	**20.16**	**473.50**
Deferred Tax Asset :				
Retirement Benefits & Items u/s. 43B (net of reversals)	(8.35)	(2.94)	-	(11.29)
Total Deferred Tax Asset	**(8.35)**	**(2.94)**	**-**	**(11.29)**
Deferred Tax Liabilities (Net)	**384.24**	**98.13**	**20.16**	**462.21**

(₹ in million)

		As at March 31, 2015	As at March 31, 2014
6	**Other Long-Term Liabilities**		
	Trade Deposits & Others (Unsecured)	827.57	678.35
		827.57	**678.35**

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

(₹ in million)

		As at March 31, 2015	As at March 31, 2014
7	**Long-Term Provisions**		
	Provision for Gratuity	23.78	14.32
		23.78	**14.32**

8	**Short-Term Borrowings**		
	Secured		
	Cash Credit (including Working Capital Demand Loan)	5,699.21	5,131.40
	Unsecured		
	From Directors and related parties	78.49	33.30
	From Others	11.40	11.40
		5,789.10	**5,176.10**

a) The cash credit (including Working Capital Demand Loan) loans are secured against first pari passu charge on all current assets both present and future and pari passu second charge on all the fixed assets of the Company, both present and future excluding land and building on non plant area situated at Shrirampur, Dist. Ahmednagar.

b) Secured loans from banks outstanding at the end of the financial year have been guaranteed by the personal guarantee of Chairman & Managing Director of the Company.

9	**Trade Payables**		
	Trade Payables [Refer Note No.29 (xii)]	1,537.86	732.91
		1,537.86	**732.91**

10	**Other Current Liabilities**		
	Current maturities of Term Loans- Foreign Currency Loan	342.05	307.82
	Current maturities of Term Loans-Rupee Loans	0.31	568.56
	Current maturities of Hire Purchase Car Loans	6.86	9.71
	Interest accrued and due on borrowings	33.79	-
	Interest accrued but not due on borrowings	1.31	29.76
	Payable towards Statutory Liabilities	188.18	86.18
	Payable for purchase of Fixed Assets	31.76	180.10
	Employee dues	25.04	8.96
	Unclaimed Dividend	3.15	2.67
	Other Payables	60.85	14.41
		693.30	**1,208.17**

11	**Short-Term Provisions**		
	Provision for Gratuity	15.64	16.47
	Proposed Dividend	-	99.02
	Dividend Distribution Tax	-	16.83
	Provision for Excise Duty on Finished Goods	108.57	70.50
	Provision for Taxation (Net of Advance Tax)	171.51	164.24
		295.72	**367.06**

Notes to Consolidated Financial Statements for the year ended March 31, 2015

12 Fixed Assets

(₹ in million)

	Gross Block					Depreciation / Amortization								Net Block	
	As on April 01, 2014	Additions	Subsidiary Sold During the Year	Deductions	As at March 31, 2015	As on April 01, 2014	Reversal of Depreciation *	Transition Adjustment **	Deductions	Subsidiary Sold During the Year	For the year	On Revaluation	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
TANGIBLE ASSETS															
Land	544.37	-	-	-	**544.37**	-	-	-	-	-	-	-	**-**	**544.37**	544.37
Buildings	380.55	634.01	-	-	**1,014.56**	138.54	16.86	50.65	-	-	12.68	-	**185.01**	**829.55**	242.01
Plant & Equipment	4,009.36	1,018.58	-	-	**5,027.94**	799.81	9.00	5.07	-	-	218.93	-	**1,014.81**	**4,013.13**	3,209.55
Furniture and Fixtures	33.10	0.66	-	-	**33.76**	11.11	5.19	-	-	-	3.90	-	**9.82**	**23.94**	21.99
Office Equipment	30.21	0.41	-	0.01	**30.61**	14.89	4.46	0.83	-	-	10.09	-	**21.35**	**9.26**	15.32
Computers	89.78	0.52	-	-	**90.30**	71.47	8.59	4.61	-	-	10.49	-	**77.98**	**12.32**	18.31
Electrical Installation & Fittings	20.98	163.13	-	-	**184.11**	9.33	4.32	0.11	-	-	6.31	-	**11.43**	**172.68**	11.65
Motor car and Transport Vehicles	70.37	-	-	3.48	**66.89**	39.07	15.76	0.08	1.37	-	9.15	-	**31.17**	**35.72**	31.30
Roads & Bridges	7.70	-	-	-	**7.70**	2.46	0.62	1.05	-	-	1.47	-	**4.36**	**3.34**	5.24
Library Books	0.03	-	-	-	**0.03**	0.03	-	-	-	-	-	-	**0.03**	**-**	-
Live Stock	0.03	-	-	-	**0.03**	-	-	-	-	-	-	-	**-**	**0.03**	0.03
Tools & Equipments	0.04	-	-	-	**0.04**	0.03	0.02	-	-	-	-	-	**0.01**	**0.03**	0.01
Leasehold Improvement	4.20	-	-	-	**4.20**	0.13	0.04	-	-	-	0.40	-	**0.49**	**3.71**	4.07
Total Tangible Assets	**5,190.72**	**1,817.31**	**-**	**3.49**	**7,004.54**	**1,086.87**	**64.86**	**62.40**	**1.37**	**-**	**273.42**	**-**	**1,356.46**	**5,648.08**	**4,103.85**
Less: Impairment of Assets														**(1.70)**	(1.70)
														5,646.38	**4,102.15**
INTANGIBLE ASSETS															
Brands	334.51	-	-	-	**334.51**	90.77	-	-	-	-	66.90	-	**157.67**	**176.84**	243.74
Software	57.60	-	-	-	**57.60**	49.08	7.27	0.67	-	-	8.60	-	**51.08**	**6.52**	8.52
Product Development	17.39	-	-	-	**17.39**	17.39	-	-	-	-	-	-	**17.39**	**-**	-
Total Intangible Assets	**409.50**	**-**	**-**	**-**	**409.50**	**157.24**	**7.27**	**0.67**	**-**	**-**	**75.50**	**-**	**226.14**	**183.36**	**252.26**
Grand Total	**5,600.22**	**1,817.31**	**-**	**3.49**	**7,414.04**	**1,244.11**	**72.13**	**63.07**	**1.37**	**-**	**348.92**	**-**	**1,582.60**	**5,829.74**	**4,354.41**
Previous Year	**5,131.05**	**488.41**	**1.22**	**18.02**	**5,600.22**	**968.76**	**-**	**-**	**9.50**	**0.07**	**254.84**	**30.08**	**1,244.11**	**4,354.41**	

Note : During the year 2007-2008 land, factory building and plant & equipment were revalued, resulting in increase in Gross Block by ₹ 822.87 million.

* During the current year, the Company has revised its accounting policy in respect of depreciation method of its fixed assets where depreciation was provided in the previous years under the 'written down value method'. Based on an evaluation carried out by the management in the current year, fixed assets are now being depreciated on 'straight line method' over the expected useful life of the fixed assets as against written down value method. This change in accounting policy has been made as it would result in a more appropriate presentation of the financial statements. As a result of this change, depreciation has been calculated retrospectively on straight line method and accordingly the Company has recorded reversal of depreciation expense amounting to ₹ 72.13 million pertaining to previous years in the current year's Statement of Profit and Loss.

** Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets (determined after considering the change in the method of depreciation from WDV to SLM), after retaining the residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 42.92 million (Net of tax ₹ 20.16 million) against the Statement of Profit and Loss.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(₹ in million)

12 Fixed Assets (Contd.) (Schedule of Fixed Assets for the P.Y. 2013-14)

	Gross Block						Depreciation / Amortization						Net Block	
	As on April 01, 2013	Additions	Subsidiary Sold During the Year	Deductions	Revaluation	As at March 31, 2014	As on April 01, 2013	Deductions	Subsidiary Sold During the Year	For the year	On Revaluation	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
TANGIBLE ASSETS														
Land	544.37	-	-	-	-	**544.37**	-	-	-	-	-	**-**	**544.37**	544.37
Buildings	314.50	66.05	-	-	-	**380.55**	116.27	-	-	11.79	10.48	**138.54**	**242.01**	198.23
Plant & Equipment	3,863.45	153.61	1.22	6.48	-	**4,009.36**	601.18	0.97	0.07	180.07	19.60	**799.81**	**3,209.55**	3,262.27
Furniture and Fixtures	15.96	17.14	-	-	-	**33.10**	8.87	-	-	2.24	-	**11.11**	**21.99**	7.09
Office Equipment	28.71	1.50	-	-	-	**30.21**	12.04	-	-	2.85	-	**14.89**	**15.32**	16.67
Computers	85.04	4.74	-	-	-	**89.78**	57.91	-	-	13.56	-	**71.47**	**18.31**	27.13
Electrical Installation & Fittings	20.64	0.34	-	-	-	**20.98**	7.52	-	-	1.81	-	**9.33**	**11.65**	13.12
Motor car and Transport Vehicles	67.83	14.08	-	11.54	-	**70.37**	38.09	8.53	-	9.51	-	**39.07**	**31.30**	29.74
Roads & Bridges	7.70	-	-	-	-	**7.70**	1.88	-	-	0.58	-	**2.46**	**5.24**	5.82
Library Books	0.03	-	-	-	-	**0.03**	0.03	-	-	-	-	**0.03**	**-**	-
Live Stock	0.03	-	-	-	-	**0.03**	-	-	-	-	-	**-**	**0.03**	0.03
Tools & Equipments	0.04	-	-	-	-	**0.04**	0.03	-	-	-	-	**0.03**	**0.01**	0.01
Leasehold Improvement	-	4.20	-	-	-	**4.20**	-	-	-	0.13	-	**0.13**	**4.07**	-
Total Tangible Assets	**4,948.30**	**261.66**	**1.22**	**18.02**	**-**	**5,190.72**	**843.82**	**9.50**	**0.07**	**222.54**	**30.08**	**1,086.87**	**4,103.85**	**4,104.48**
Less: Impairment of Assets													**(1.70)**	(1.70)
													4,102.15	**4,102.78**
INTANGIBLE ASSETS														
Brands	109.13	225.38	-	-	-	334.51	65.49	-	-	25.28	-	90.77	243.74	43.64
Software	56.23	1.37	-	-	-	57.60	43.79	-	-	5.29	-	49.08	8.52	12.44
Product Development	17.39	-	-	-	-	**17.39**	15.66	-	-	1.73	-	**17.39**	**-**	1.73
Total Intangible Assets	**182.75**	**226.75**	**-**	**-**	**-**	**409.50**	**124.94**	**-**	**-**	**32.30**	**-**	**157.24**	**252.26**	**57.81**
Grand Total	**5,131.05**	**488.41**	**1.22**	**18.02**	**-**	**5,600.22**	**968.76**	**9.50**	**0.07**	**254.84**	**30.08**	**1,244.11**	**4,354.41**	**4,160.59**

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

(₹ in million)

		As at March 31, 2015		As at March 31, 2014
13 Non-Current Investments				
a) Investment in Government Securities (Unquoted)	**Nos.**		**Nos.**	
Other than Trade Investments				
7 Year National Savings Certificates (Certificates worth ₹ 44,000/- deposited with Government authorities)		0.05		0.05
6 Year National Savings Certificates (deposited with Government authorities) [₹ 4,250 (P.Y. ₹ 4,250)]		-		-
		0.05		**0.05**
b) Investment in Associate (Unquoted)				
Trade Investments				
Investment in Equity Instruments				
Equity shares of ₹ 10/- each				
Mason & Summers Marketing Services Pvt. Ltd.	130,000	16.90	130,000	16.90
		16.90		**16.90**
c) Other than Trade Investments (Unquoted)				
Investment in Equity Instruments				
Equity shares of ₹ 100/- each				
Mula Pravara Electric Co-operative Society Ltd.	2,462	0.25	2,462	0.25
Shree Suvarna Sahakari Bank Ltd. [₹ 2,000 (P.Y. ₹ 2,000)]	20	-	20	-
Maharashtra State Financial Corporation	115	0.01	115	0.01
Rupee Co-op Bank Ltd.	1,000	0.03	1,000	0.03
Shamrao Vithal Co-operative Bank Ltd.	3,000	0.03	3,000	0.03
		0.32		**0.32**
		17.27		**17.27**
Aggregate of unquoted investments (at cost)		**17.27**		**17.27**

(₹ in million)

	As at March 31, 2015	As at March 31, 2014
14 Long-Term Loans and Advances		
Unsecured, considered good		
Capital advances	875.10	1,055.06
Loans and advance to employees	8.36	11.47
MAT Credit entitlement	32.01	32.01
Advance Tax (Net of Provision for Taxation)	57.64	38.02
Deposits with Court	19.43	19.08
	992.54	**1,155.64**

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

(₹ in million)

		As at March 31, 2015	As at March 31, 2014
15 Other Non-Current Assets			
Cash and Bank Balances			
Short-Term Bank Deposits (Maturity exceeding 12 months)		0.69	2.75
		0.69	**2.75**

16 Current Investments			
(At cost or market value, whichever is less)			
Investment in Debentures	**Nos.**		
Industrial Finance Corporation of India	10,000	10.00	-
Less: Provision for dimunition for value of Investments		0.28	-
		9.72	-
Aggregate amount of quoted investments		10.00	-
Market value of quoted investments		9.72	-

17 Inventories		
(At lower of cost and net realisable value)		
Raw Materials	129.77	163.20
Stores and Spares	507.60	576.19
Work-In-Progress	366.39	400.55
Finished Goods	258.19	185.64
	1,261.95	**1,325.58**

18 Trade Receivables		
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	20.01	20.01
Unsecured, considered doubtful		
Outstanding for a period exceeding six months from the date they are due for payment	9.01	9.01
Other receivables		
Unsecured, considered good	1,464.98	2,204.25
	1,494.00	**2,233.27**
Less: Provision for doubtful debts	9.01	9.01
	1,484.99	**2,224.26**

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

(₹ in million)

	As at March 31, 2015	As at March 31, 2014
19 Cash and Bank Balances		
a) Cash and Cash Equivalents		
i) Balances with Banks		
In Current Accounts	201.07	48.05
ii) Cash on Hand	37.01	36.62
	238.08	**84.67**
b) Other Bank Balances		
i) Earmarked Balances with Banks	3.15	2.67
ii) Short-Term Bank Deposits (Maturity within 12 months)	93.53	99.91
	96.68	**102.58**
	334.76	**187.25**

20 Short-Term Loans and Advances		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	3,124.40	2,021.22
Advance with Tie-up Units	2,130.90	2,426.75
Balance with Excise Authorities	74.86	87.11
Deposits	415.12	251.23
	5,745.28	**4,786.31**

21 Other Current Assets		
Interest accrued on Deposits	1.05	0.86
	1.05	**0.86**

(₹ in million)

	Year ended March 31, 2015	Year ended March 31, 2014
22 Revenue from Operations		
Sales of products	12,060.34	13,432.59
Income from tie-up units	138.88	985.15
	12,199.22	**14,417.74**

The Company has entered into arrangements with certain distilleries and bottling units in other states for manufacturing and marketing of its own brands. The manufacture under the said arrangement, wherein each party's obligations are stipulated, is carried out under Company's close supervision. The marketing is entirely the responsibility of the Company. The Company is also required to ensure adequate finance to the distilleries, where required. Accordingly, it is considered appropriate to disclose the following quantitative and value information for the year, as applicable to such activities.

	2014-15	2013-14
Gross Sales of Companys' brands and other sales including sales made by tie-up arrangements	13,830.11	20,066.68
Less : Excise Duty / sales under other various arrangements	6,812.88	9,788.16
Net Sales of Companys' brands and other sales	7,017.23	10,278.52
Less : Net Sales made by tie-up units	879.21	3,195.02
Add : Net income from tie-up arrangement	138.88	985.15
Total Income	**6,276.90**	**8,068.65**

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

(₹ in million)

	Year ended March 31, 2015	Year ended March 31, 2014
22.1 Other Operating Income		
Sale of by products and scrap	17.68	19.48
Income from contract manufacturing and other income	34.77	29.79
Government Incentives [Refer Note 29 (xxii)]	1,152.90	123.76
	1,205.35	**173.03**
23 Other Income		
Duty drawback on exports	4.88	17.50
Miscellaneous receipts	3.76	3.85
Sundry balance written back	4.87	0.13
Interest income on margin money / fixed deposits	10.14	13.01
Gain on exchange fluctuation	-	6.66
Dividend on current investments [₹ 3,000 (P.Y. ₹ 300)]	-	-
Profit on sale of subsidiary	-	1.80
	23.65	**42.95**
24 Cost of Materials Consumed		
i) Raw Material Consumption		
Opening Stock	163.20	136.33
Add: Purchases	1,504.65	1,844.66
Less: Closing Stock	129.77	163.20
	1,538.08	**1,817.79**
ii) Packing Materials & Consumables	1,766.90	2,074.19
	3,304.98	**3,891.98**
25 (Increase) / Decrease in Stock		
Opening Stock		
i) Work-In-Progress	400.55	425.64
ii) Finished Goods	185.64	175.28
	586.19	**600.92**
Less : Closing Stock		
i) Work-In-Progress	366.39	400.55
ii) Finished Goods	258.19	185.64
	624.58	**586.19**
(Increase) / Decrease in Stock	**(38.39)**	**14.73**
26 Employee Benefit Expense		
Salary and wages	141.15	253.01
Employee Stock Option Expenses	11.84	31.86
Contribution to provident fund and family pension fund	26.51	25.58
Staff welfare expenses	18.90	26.00
Gratuity	14.34	8.05
	212.74	**344.50**

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

(₹ in million)

		Year ended March 31, 2015	Year ended March 31, 2014
27	**Other Expenses**		
	Power and fuel	49.34	48.68
	Provision for Excise Duty on Finished Goods [Refer Note No. 29 (ix)]	38.07	(17.34)
	Repairs & maintenance		
	i) Plant & Equipment	12.71	5.09
	ii) Buildings	0.59	0.18
	iii) Others	14.25	13.46
	Insurance	10.41	11.84
	Rent	23.93	25.05
	Contract manufacturing cost	442.77	428.43
	Legal and professional charges	148.86	62.77
	Auditors Remuneration [Refer Note No. 29 (x)]	1.65	1.48
	Rates and taxes	247.42	323.39
	Freight, transport charges & other expenses	192.25	222.69
	Selling expenses [Discounts, Sales Promotion & Advertising etc.]	1,070.53	841.97
	Travelling and conveyance expenses	17.03	21.88
	Printing and stationery	4.91	6.47
	Communication expenses	13.26	14.06
	Vehicle running expenses	8.28	10.03
	Director sitting fees	0.41	0.44
	Loss on Sale of Assets	1.40	0.49
	Loss on exchange fluctuation	6.19	-
	Establishment expenses	205.64	149.14
	Corporate Social Responsibility	13.74	24.11
	Provision for dimunition for value of Investments	0.28	-
	Miscellaneous expenses	86.99	97.65
		2,610.91	**2,291.96**

28	**Finance Cost**		
	Interest on Term Loans	108.54	59.51
	Interest on Cash Credits / Working Capital Demand Loan	534.02	429.27
	Others	331.99	152.46
		974.55	**641.24**

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

29 Notes on Accounts

i) Contingent Liability not provided for:

(₹ in million)

	Particulars	As at March 31, 2015	As at March 31, 2014
a)	Bank guarantees issued on behalf of the Company	158.14	153.22
b)	In respect of disputed Income tax matters, pending before the appropriate Income tax authorities, contested by the Company		
	A.Y. 2012-2013	18.68	-
	A.Y. 2011-2012	253.83	253.83
	A.Y. 2010-2011	273.79	1.90
	A.Y. 2009-2010	36.69	6.13
	A.Y. 2007-2008	-	86.07
c)	In respect of disputed Sales tax matters, pending before the appropriate tax authorities, contested by the Company		
	F.Y. 2011-2012 (VAT-Kerala)	7.48	7.48
	F.Y. 2010-2011 (MVAT)	3.69	-
	F.Y. 2010-2011 (Central Sales Tax)	24.50	-
	F.Y. 2010-2011 (VAT-Kerala)	8.80	8.80
	F.Y. 2009-2010 (Central Sales Tax)	27.22	-
	F.Y. 2009-2010 (VAT-Kerala)	6.64	6.64
	F.Y. 2008-2009 (TOT- Kerala)	0.11	0.11
	F.Y. 2008-2009 (VAT- Kerala)	0.22	0.22
	F.Y. 2007-2008 (TOT- Kerala)	0.11	0.11
	F.Y. 2007-2008 (VAT- Kerala)	0.55	0.55
	F.Y. 2006-2007 (Central Sales Tax)	79.94	79.94
	F.Y. 2004-2005 (Bombay Sales Tax)	4.67	4.67
	F.Y. 2004-2005 (Central Sales Tax)	2.03	2.03
	F.Y. 2003-2004 (Bombay Sales Tax)	6.28	6.28
	F.Y. 2003-2004 (Central Sales Tax)	4.83	4.83

ii) Estimated amount of contracts remaining to be executed on capital accounts and not provided for is ₹ 50 million (net of advances) (P.Y. ₹ 200 million).

iii) Operating Lease:

a) The Company has taken bottling units under cancellable operating lease at various locations and during the financial year ₹ 37.43 million (P.Y. ₹ 38.74 million) paid towards lease rentals has been charged to Statement of Profit and Loss.

b) The Company has taken various residential / commercial premises under cancellable operating lease. Lease rental expenses included in the Statement of Profit and Loss for the financial year is ₹ 23.93 million (P.Y. ₹ 25.05 million).

c) Except for escalation clauses contained in certain lease arrangements providing for increase in the lease payment by a specified percentage / amounts after completion of specified period, the lease terms do not contain any exceptional / restrictive covenants other than the prior approval of the lessee before the renewal of lease.

d) There are no restrictions such as those concerning dividend and additional debt other than in some cases where prior approval of lessor is required for further leasing. There is no contingent rent payment.

iv) The disclosure of Accounting Standard 15 "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 ₹ 26.51 million (P.Y. ₹ 25.58 million) under defined contribution plan as employer's contribution to Provident Fund.

Defined Benefit Plan

The Employees gratuity fund scheme managed by LIC is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the manner as gratuity.

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

The net value of the defined commitment is detailed below:

(₹ in million)

	As at March 31, 2015		As at March 31, 2014	
	Funded Gratuity	**Unfunded Gratuity**	**Funded Gratuity**	**Unfunded Gratuity**
Present Value of obligation	40.98	2.24	34.88	1.66
Fair Value of Plans	3.80	-	5.75	-
Net Liability in the balance sheet	**37.18**	**2.24**	**29.13**	**1.66**
Defined Benefit Obligations				
Opening balance	34.89	1.66	32.95	-
Interest expenses	3.25	0.15	2.64	-
Current service cost	3.67	0.24	3.92	1.66
Benefit paid directly by the employer	(5.72)	-	-	-
Benefit paid from the fund	(2.28)	-	(4.98)	-
Actuarial (gain) / loss	7.17	0.19	0.35	-
Closing balance	**40.98**	**2.24**	**34.88**	**1.66**
Plan Assets				
Opening balance	5.75	-	10.21	-
Expected return on plan assets	0.51	-	0.89	-
Paid Funds	(2.28)	-	(4.98)	-
Actuarial (gain) / loss	(0.18)	-	(0.37)	-
Closing balance	**3.80**	**-**	**5.75**	**-**
Return on Plan Assets				
Expected return on plan assets	0.50	-	0.89	-
Actuarial (gain) / loss	(0.18)	-	(0.37)	-
Actual Return on Plan Assets	**0.32**	**-**	**0.52**	**-**
Expenses on defined benefit plan				
Current service costs	3.67	0.24	3.92	1.66
Interest expense	3.25	0.15	2.64	-
Expected return on plan assets	(0.50)	-	(0.89)	-
Net actuarial (gain) / loss	7.34	0.19	0.72	-
Expenses charged to the Statement of Profit and Loss	**13.76**	**0.58**	**6.39**	**1.66**

Investments Details	% Invested March 31, 2015	% Invested March 31, 2015	% Invested March 31, 2014	% Invested March 31, 2014
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)	7.92%	7.96%	9.32%	9.31%
Expected rate of return on plan assets (per annum)	7.92%	-	8.70%	-
Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%	5.00%
Attrition rate (per annum)	16.00%	2.00%	2.00%	2.00%

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

Defined Contribution Plan

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

Funded Gratuity for the year ended	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Present value of DBO	40.98	34.88	32.95	30.42	28.05
Fair value of plan assets	3.80	5.75	10.21	9.44	8.73
Deficit / (Surplus)	37.18	29.13	22.74	20.98	19.31
Experience adjustments on plan liabilities	4.34	3.67	(5.64)	(2.78)	2.96
Experience adjustments on plan assets	(0.18)	(0.37)	(0.04)	0.01	0.01

Unfunded Gratuity for the year ended	March 31, 2015	March 31, 2014
Present value of DBO	2.24	1.66
Fair value of plan assets	-	-
Deficit/(Surplus)	2.24	1.66
Experience adjustments on plan liabilities	(0.15)	-
Experience adjustments on plan assets	-	-

v) 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, 2015, the following schemes were in operation :

A) Employee Stock Option Scheme 2008

Particulars	Grant 1	Grant 2	Grant 3	Grant 4
Date of Grant	July 02, 2009	Jan 28, 2010	June 25, 2010	Aug 07, 2010
Date of the Board Approval	July 02, 2009	Jan 28, 2010	June 25, 2010	Aug 07, 2010
Date of the Shareholders Approval	Aug 06, 2008	Aug 06, 2008	Aug 06, 2008	Aug 06, 2008
Number of options granted till March 31, 2015	730,400	3,730,521	154,200	843,663
Number of options cancelled till March 31, 2015	241,700	846,381	33,870	202,818
Number of options lapsed till March 31, 2015	13,500	476,400	11,430	125,367
Number of options exercised till March 31, 2015	471,600	2,150,020	47,070	147,493
Net options outstanding as on March 31, 2015	3,600	257,720	61,830	367,985
Vesting period from the date of grant	4 years	4 years	4 years	4 years
Exercise period from the date of vesting	2 years	2 years	2 years	2 years

B) Employee Stock Option Scheme 2010

Particulars	Grant 1	Grant 2	Grant 3	Grant 4
Date of Grant	Jan 15, 2011	Aug 01, 2011	Oct 21, 2011	Nov 11, 2011
Date of the Board Approval	Jan 15, 2011	Aug 01, 2011	Oct 21, 2011	Nov 11, 2011
Date of the Shareholders Approval	Sept 20, 2010	Sept 20, 2010	Sept 20, 2010	Sept 20, 2010
Number of options granted till March 31, 2015	1,615,500	512,000	3,379,600	969,000
Number of options cancelled till March 31, 2015	756,240	173,840	1,210,661	Nil
Number of options lapsed till March 31, 2015	493,500	94,890	107,000	Nil
Number of options exercised till March 31, 2015	97,590	100,678	1,303,082	540,700
Net options outstanding as on March 31, 2015	268,170	142,592	758,857	428,300
Vesting period from the date of grant	3 years	3 years	3 years	3 years
Exercise period from the date of vesting	2 years	2 years	2 years	2 years

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

C) Employee Stock Option Scheme 2012

Particulars	Grant 1	Grant 2	Grant 3	Grant 4
Date of Grant	May 28, 2012	Feb 04, 2013	May 30, 2013	May 26, 2014
Date of the Board Approval	May 28, 2012	Feb 04, 2013	May 30, 2013	May 26, 2014
Date of the Shareholders Approval	May 24, 2012	May 24, 2012	May 24, 2012	May 24, 2012
Number of options granted till March 31, 2015	3,000,000	1,000,000	1,000,000	1,000,000
Number of options cancelled till March 31, 2015	222,831	83,934	11,098	Nil
Number of options lapsed till March 31, 2015	84,888	35,969	3,555	Nil
Number of options exercised till March 31, 2015	429,967	Nil	8,715	Nil
Net options outstanding as on March 31, 2015	2,262,314	880,097	976,632	1,000,000
Vesting period from the date of grant	3 years	3 years	3 years	3 years
Exercise period from the date of vesting	2 years	2 years	2 years	2 years

c) **The details of the options as on March 31, 2015 are as under:** *(Nos. in million)*

Particulars	ESOP Scheme 2008	ESOP Scheme 2010	ESOP Scheme 2012
Financial Year 2013-14			
Options outstanding as on April 01, 2013	**2.31**	**3.23**	**3.94**
Options granted from April 01, 2013 to March 31, 2014	Nil	Nil	1.00
Options cancelled till March 31, 2014	0.03	0.07	0.07
Options lapsed till March 31, 2014	0.09	0.26	0.02
Options exercised April 01, 2013 to March 31, 2014	0.89	0.56	0.29
Options outstanding as on March 31, 2014	**1.30**	**2.34**	**4.56**
Financial Year 2014-15			
Options outstanding as on April 01, 2014	**1.30**	**2.34**	**4.56**
Options granted from April 01, 2014 to March 31, 2015	Nil	Nil	1.00
Options cancelled till March 31, 2015	0.01	0.01	0.19
Options lapsed till March 31, 2015	0.16	0.34	0.10
Options exercised April 01, 2014 to March 31, 2015	0.44	0.39	0.15
Options outstanding as on March 31, 2015	**0.69**	**1.60**	**5.12**

d) The weighted average fair value of stock options granted during the financial year was ₹ 23.24 million (P.Y. ₹ 50.74 million). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

A) Employee Stock Option Scheme 2008

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

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

B) Employee Stock Option Scheme 2010

Particulars	Grant 1	Grant 2	Grant 3	Grant 4
Dates of Grant	Jan 15, 2011	Aug 01, 2011	Oct 21, 2011	Nov 11, 2011
Market Price (₹ per share) on the dates of grant	83.00	51.20	33.95	32.60
Volatility	66.25%	63.86%	63.63%	63.67%
Risk free rate	7.97%	8.36%	8.58%	8.99%
Exercise price	60	38	25	25
Time to maturity (years)	3	3	3	3
Dividend yield	2.24%	2.10%	2.10%	2.10%
Option fair value (₹ per share)	41.89	26.23	17.50	16.55

C) Employee Stock Option Scheme 2012

Particulars	Grant 1	Grant 2	Grant 3	Grant 4
Dates of Grant	May 28, 2012	Feb 04, 2013	May 30, 2013	May 26, 2014
Market Price (₹ per share) on the dates of grant	56.30	77.20	60.40	61.35
Volatility	61.31%	57.71%	55.67%	49.33%
Risk free rate	8.24%	7.95%	7.24%	8.52%
Exercise price	42	60	45	46
Time to maturity (years)	3	3	3	3
Dividend yield	1.84%	1.84%	1.83%	1.67%
Option fair value (₹ per share)	28.56	36.86	28.71	28.54

e) Since the Company used the intrinsic value method, the impact on the reported net profit and earnings per share by applying the fair value method is as under:

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Net Profit as Reported available to Equity Shareholders	(401.59)	582.56
Add: Employee stock compensation under intrinsic value	11.84	31.86
Less: Employee stock compensation under fair value method	23.24	50.74
Adjusted Net Profit	(412.99)	563.68
Earnings Per Share		
Basic: (₹)		
-As reported	(3.23)	4.75
-Adjusted	(3.32)	4.59
Diluted: (₹)		
-As reported	(3.22)	4.66
-Adjusted	(3.31)	4.51

vi) 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, 2015

vii) Related Party Disclosures:

The disclosures pertaining to the related parties as required by the Accounting Standard 18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a)	Key Managerial Personnel	:	Mr. Amit Dahanukar
		:	Mrs. Shivani Amit Dahanukar
b)	Company in which Key Managerial Personnel has substantial interest	:	M.L. Dahanukar & Co. Pvt. Ltd.
		:	Arunoday Investments Pvt. Ltd.
		:	Maharashtra Sugar Mills Pvt. Ltd.
		:	Smt. Malati Dahanukar Trust
c)	Relative of Key Managerial Personnel	:	Dr. Priyadarshini A. Dahanukar

(₹ in million)

Nature of Transaction	Parties refered in (a) above		Parties refered in (b) above		Parties refered in (c) above	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Donations						
Smt. Malati Dahanukar Trust	-	-	3.82	1.49	-	-
Total	**-**	**-**	**3.82**	**1.49**	**-**	**-**
Payment to Key Managerial Personnel*						
Mr. Amit Dahanukar	32.04	34.95	-	-	-	-
Mrs. Shivani Amit Dahanukar	20.47	22.34	-	-	-	-
Total	**52.51**	**57.29**	**-**	**-**	**-**	**-**
Loan Taken						
Mr. Amit Dahanukar	97.00	20.00	-	-	-	-
Mrs. Shivani Amit Dahanukar	10.50	-	-	-	-	-
M.L.Dahanukar & Co. Pvt. Ltd.	-	-	5.00	-	-	-
Arunoday Investments Pvt. Ltd.	-	-	73.00	-	-	-
Maharashtra Sugar Mills Pvt. Ltd.	-	-	12.00	-	-	-
Total	**107.50**	**20.00**	**90.00**	**-**	**-**	**-**
Repayment of Loan						
Mr. Amit Dahanukar	97.00	80.00	-	-	-	-
Mrs. Shivani Amit Dahanukar	10.50	-	-	-	-	-
Arunoday Investments Pvt. Ltd.	-	-	79.80	-	-	-
Maharashtra Sugar Mills Pvt. Ltd.	-	-	0.01	-	-	-
Total	**107.50**	**80.00**	**79.81**	**-**	**-**	**-**
Rent Payment						
Mr. Amit Dahanukar	7.39	6.72	-	-	-	-
M.L.Dahanukar & Co. Pvt. Ltd.	-	-	0.72	0.72	-	-
Dr. Priyadarshini A. Dahanukar	-	-	-	-	2.39	2.18
Total	**7.39**	**6.72**	**0.72**	**0.72**	**2.39**	**2.18**
Outstanding Payable						
M.L.Dahanukar & Co. Pvt. Ltd.	-	-	7.50	1.00	-	-
Arunoday Investments Pvt. Ltd.	-	-	4.00	10.80	-	-
Maharashtra Sugar Mills Pvt. Ltd.	-	-	31.99	20.00	-	-
Total	**-**	**-**	**43.49**	**31.80**	**-**	**-**
Outstanding Receivable						
Mr. Amit Dahanukar	28.80	2.76	-	-	-	-
Mrs. Shivani Amit Dahanukar	14.47	-				
Dr. Priyadarshini A. Dahanukar	-	-	-	-	0.89	0.89
Total	**43.27**	**2.76**	**-**	**-**	**0.89**	**0.89**

* Refer Note No.29 (xviii)

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

viii) Depreciation note

a) During the current year, the Company has revised its accounting policy in respect of depreciation method of its fixed assets where depreciation was provided in the previous years under the 'written down value method'. Based on an evaluation carried out by the management in the current year, fixed assets are now being depreciated on 'straight line method' over the expected useful life of the fixed assets as against written down value method. This change in accounting policy has been made as it would result in a more appropriate presentation of the financial statements. As a result of this change, depreciation has been calculated retrospectively on straight line method and accordingly the Company has recorded reversal of depreciation expense amounting to ₹ 72.13 million pertaining to previous years in the current year's Statement of Profit and Loss.

b) Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets (determined after considering the change in the method of depreciation from WDV to SLM), after retaining the residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 42.92 million (Net of tax ₹ 20.16 million) against the Statement of Profit and Loss.

c) The depreciation expense in the Statement of Profit and Loss for the year is lower by ₹ 62.24 million consequent to the above change in the method of depreciation and is higher by ₹ 43.94 million due to change in estimates.

ix) Provision of excise duty on finished goods manufactured but yet to be cleared from the factory as at March 31, 2015 estimated at ₹ 108.57 million (P.Y. ₹ 70.50 million) has been provided in the books and also been considered in valuation of closing stock of finished goods. Provision for excise duty on finished goods charged in the Statement of Profit and Loss for the financial year is as follows:

(₹ in million)

	2014-15	2013-14
Provision for excise duty on finished goods at the beginning of the year	70.50	87.84
Provision for excise duty on finished goods at the end of the year	108.57	70.50
Provision for excise duty on finished goods charged in the Statement of Profit and Loss	**38.07**	**(17.34)**

x) Auditor's remuneration charged to accounts:

		2014-15	2013-14
a)	Audit fees	1.21	1.21
b)	Auditors remuneration in other capacity	0.38	0.23
c)	Reimbursement of expenses	0.06	0.04
		1.65	**1.48**

xi) There are no amounts outstanding in respect of unpaid dividend / fixed deposits for more than seven years to be transferred to Investor Education & Protection Fund.

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

(₹ in million)

	2014-15	2013-14
Dues remaining unpaid as at 31st March		
- Principal	59.87	NA
- Interest on the above	5.49	NA

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

(₹ in million)

		2014-15	2013-14
xiii)	**Earnings Per Share:**		
	Profit After Tax	(401.59)	582.56
	Weighted average number of shares	124.43	122.75
	Basic Earnings Per Share	(3.23)	4.75
	Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	124.66	125.01
	Diluted Earnings Per Share	(3.22)	4.66
	Face Value per Equity Share	10.00	10.00

xiv) The Company has entered into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes. The foreign currency exposure not hedged as at March 31, 2015 are as under:

	Currency	March 31, 2015		March 31, 2014	
		FC in million	(₹ in million)	FC in million	*(₹ in million)*
Receivable - Debtors	USD	0.05	2.88	0.14	8.37

(₹ in million)

		2014-15	2013-14
xv)	**CIF Value of Imports**		
	Raw materials	-	22.08
xvi)	**Earnings in Foreign Exchange**		
	FOB value of exports	96.60	310.00
xvii)	**Expenditure in Foreign Exchange**		
	Professional Fees	3.69	27.24
	Travelling Expenses	0.86	1.23
	Interest	28.45	44.71
	Purchase of material	-	28.52
		33.00	**101.70**

xviii) Managerial Remuneration:

Details of the Managerial Remuneration paid or provided during the financial year ended on March 31, 2015:

Remuneration to Managing Director and Whole-time Directors		
- Salaries and contribution to funds	52.51	57.29
- Commission	-	-
	52.51	**57.29**
Remuneration to Non-executive and Independent Directors		
- Commission	-	-

Consequent to the losses during the current year in the Company, remuneration paid to the Managerial personnel and Directors is in excess of the limit prescribed under Companies Act, 2013 by ₹ 40.51 million. The said amount is subject to approval from Central Government and therefore the amount paid is held in trust by the concerned managerial personnel and disclosed as a receivable.

Notes to Consolidated Financial Statements
for the year ended March 31, 2015

xix) The Company prefers to use dual feed technology and has applied accordingly for permission to run this technology on one of its plants and the same is awaited.

xx) A subsidiary has entered into a contract bottling agreement with Pernod Ricard India Private Ltd. (PRIPL) to manufacture IMFL products for PRIPL at its manufacturing facility at Andhra Pradesh.

xxi) Subequent to the survey proceedings u/s 133 of the Income Tax Act initiated by the Department in the month of March 2013, the Company has filed an application before the Income Tax Settlement Commission for Assessment Years 2012-13 and 2013-14 and for a subsidiary for the Assessment Years 2011-12, 2012-13 and 2013-14 which has been admitted for further hearings. The Income Tax liability arising thereof had been provided for in the accounts for the year ended March 31, 2014. The hearings are under process.

xxii) Other operating income for the year ended March 31, 2015 includes ₹ 1,152.90 million on account of entitlement of MVAT and CST refund (for the year 2013-14 and 2014-15) as compared to ₹ 123.76 million included in the year ended March 31, 2014 (for the year 2012-13). The Company is awaiting disbursement of the sanctioned amount of ₹ 107.79 million for the year 2012-13.

xxiii) The group's share of profit / loss in the associate Company Mason & Summers Marketing Services Pvt. Ltd. (MSMSPL) has not been considered in the Consolidated Financial Statements, since it is not material.

xxiv) Other significant notes

a) The Company's glass manufacturing unit was given to Ramnath Glass Containers Pvt. Ltd. (RGCPL) managed by Mehta Brothers on lease for carrying out their business, which had discontinued the operations in the year 2003 and handed over the unit back to the Company in totally unworkable conditions without fulfilling their legal obligations under the agreement. Due to this the Company had to pay the statutory liabilities and settle the dues of the workmen on behalf of RGCPL / Mehta Brothers. The Company has initiated the legal action against the RGCPL / Mehta Brothers for recovery of amount paid together with interest and damages amounting to ₹ 76.20 million. As on date, the Honourable Court has orally pronounced the order for dismissal of our suit on the grounds on non-joinder of RGCPL as a party to the said suit. The Company will file an appeal to the said order after receiving the detailed copy of the order from the Court.

b) The Company's distributor Ding Dong Liquors has filed a suit pursuant to the Division Bench order of Bombay High Court for recovery of ₹ 41.20 million after their termination. They have filed Notice of Motion for interim relief in the suit for withdrawing and / or transferring Security Deposit. The Hon'ble Bombay High Court has agreed with the Company's contention of the issue of limitation and has accordingly framed limitation as the main issue. The matter is posted for hearing for leading evidence of plaintiff on the limitation issue.

The Company has filed a suit for recovery of ₹ 39.00 million for the sales proceeds not remitted by Ding Dong Liquors and also towards amount charges wrongly claimed by them. Defendants did not file written statement and the suit was directed as undefended. Thereafter, the Defendants filed a Notice of Motion for condoning the delay in filing written statement. The Honourable Court has allowed the notice of motion.

c) Anupama Wine Distributors has filed a suit before the City Civil Court, Bangalore claiming ₹ 73.11 million 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 ₹ 119.30 million against Anupama Wine Distributors and the matter is pending before City Civil Court, Bangalore. The matter is posted for filing evidence by Anupama Wine Distributors. The Company has filed a transfer petition to club both the matters related to Anupama Wine Distributors and Anupama Distributors as the evidences are the same.

d) The Company has filed a winding up petition against its bottler and manufacturer Rhizome Distilleries Pvt. Ltd., Hyderabad at Hyderabad High Court for the recovery of its pending dues of ₹ 69.00 million against the sales proceeds received by them against Company's products which they have failed to provide to the Company. The High Court, Hyderbad have passed an order restraining Rhizome Distilleries Pvt. Ltd. from alienating its assets and now the matter is placed for final orders. The Company has also filed a separate civil suit against Rhizome Distilleries Pvt. Ltd. for the recovery. The complaints against the Rhizome Distillery Pvt. Ltd.'s directors under section 138 of Negotiable Instruments Act has also been filed regarding the bouncing of cheques which they had provided against our sales proceeds.

e) 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.

xxv) Consequent to the financial difficulties faced by the principal bottler of the Company in Tamilnadu, the Company was constrained to discontinue its operations from the said bottler in Tamilnadu resulting in considerable drop in sales turnover and adversely affecting the profitability. In order to protect its financial interests from the bottler, the Company negotiated with the bottler and agreed to absorb certain conversion and miscellaneous costs on the condition that the overdues shall be repaid within an agreed and stipulated period. However, the principal bottler has failed to repay the said overdues. The Company is exploring various options including third party equity participation and / or filing a legal suit for recovery and is confident that the principal bottler shall commence its operations in the near future and that it will be able to recover its legitimate dues. The Company has estimated an amount of ₹ 463.00 million receivable on account of outstanding dues from all the bottling units of Tamilnadu which has been considered good and recoverable and hence no provision is made in the books of accounts.

xxvi) 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.

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

As per our Report of even date annexed.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : May 30, 2015

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director

Shivani Amit Dahanukar
Executive Director

Dr. Vishnu Kanhere
Director

Dr. Ravindra Bapat
Director

C. V. Bijlani
Director

Madan Goyal
Director

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary

Standalone Financial Statements

7

Independent Auditor's Report

To
The Members of
Tilaknagar Industries Ltd.

Report on the Financial Statements
We have audited the accompanying financial statements of Tilaknagar Industries Ltd. ("the Company") which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial Statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1 As required by Companies (Auditors' Report) Order 2015 issued by the Central Government of India in terms of sub section 11 of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2 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.

b) 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid 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) On the basis of the written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

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

i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - refer note no. 29 (xxii) to the financial statements.

ii) The Company has made provision as at March 31, 2015, as required under the applicable law or accounting standards for material foreseeable losses if any on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No.111749

Place : Mumbai
Date : May 30, 2015

Annexure to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report 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 fixed assets have been physically verified by the management during the year, and no material discrepancies were noted on such verification.

ii) a) According to the information and explanation given to us inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable;

b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;

c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material and have been properly dealt with in the books of account.

iii) According to the information and explanations given to us, the Company has not granted any loans secured and unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

v) The Company has not accepted any deposits during the year within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

vi) We have broadly reviewed the books of account maintained by the Company in respect of products pursuant to rules made by Central Government of India for maintenance of cost records specified under sub-section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed records have been made and maintained. We have however not made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii) a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Employees' State Insurance, Sales-Tax, Wealth-Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it though there have been slight delays in few cases.

According to the information and explanations given to us, there are no undisputed dues in respect of Provident Fund, Employees' State insurance, Sales-Tax, Wealth-Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it which were outstanding, at the year end for a period of more than six months from the date they became payable except for income tax of ₹ 99.93 million pertaining to AY 14-15 which is still unpaid.

b) According to the information and explanations given to us the dues outstanding of Income Tax or Sales Tax or Wealth Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax or Cess that have not been deposited on account of any dispute are as follows;

Annexure to the Independent Auditor's Report

(₹ in million)

Name of statute	Nature of dues	Amount	Period to which it relates	Forum where the dispute is pending
Income Tax Act , 1961	Income Tax	36.69	A.Y. 2009-10	CIT (Appeals)
		273.79	A.Y. 2010-11	CIT (Appeals)
		253.83	A.Y. 2011-12	CIT (Appeals)
Sales Tax Laws	Sales Tax	15.41	F.Y. 2003-04 F.Y. 2004-05 F.Y. 2007-08 F.Y. 2008-09 F.Y. 2010-11	Joint Commissioner and Assistant Commissioner (Appeals)
	Central Sales Tax	138.52	F.Y. 2003-04 F.Y. 2004-05 F.Y. 2006-07 F.Y. 2009-10 F.Y. 2010-11	Deputy Commissioner and Joint Commissioner
	Turnover Tax	0.22	F.Y.2007-08 and F.Y.2008-09	Assistant Commissioner (Appeals)

c) The amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under have been transferred to such fund within time.

viii) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.

ix) Based on our audit procedures and as per the information and explanations given by the management, the Company has delayed in repayment of dues to bank amounting to ₹ 42.25 million which was due on March 26, 2015 and paid on April 10, 2015.

x) According to the information and explanations given to us, the Company has given guarantee for loan taken by Subsidiary Company from bank, the terms and conditions whereof in our opinion are not prima facie prejudicial to the interest of the Company.

xi) On the basis of records examined by us, and relying on the information compiled by the Company for co-relating the funds raised to the end use of term loans, we have to state that, the company has, prima-facie, applied the term loans for the purposes for which they were obtained.

xii) Based on the audit procedures performed and as per the information and explanation given by the management we report that no material fraud on or by the Company has been noticed or reported during the year.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : May 30, 2015

Balance Sheet
as at March 31, 2015

(₹ in million)

		Note No.	As at March 31, 2015	As at March 31, 2014
I	**EQUITY AND LIABILITIES**			
	Shareholders' Funds			
	Share Capital	2	1,247.56	1,237.70
	Reserves & Surplus	3	3,827.30	4,182.86
			5,074.86	**5,420.56**
	Non-Current Liabilities			
	Long-Term Borrowings	4	2,111.82	2,084.84
	Deferred Tax Liabilities (Net)	5	432.42	357.65
	Other Long-Term Liabilities	6	827.57	678.35
	Long-Term Provisions	7	21.63	12.72
			3,393.44	**3,133.56**
	Current Liabilities			
	Short-Term Borrowings	8	5,575.41	4,971.45
	Trade Payables	9	1,234.75	437.60
	Other Current Liabilities	10	494.33	1,016.41
	Short-Term Provisions	11	189.34	300.19
			7,493.83	**6,725.65**
	Total		**15,962.13**	**15,279.77**
II	**ASSETS**			
	Non-Current Assets			
	Fixed Assets			
	Tangible Assets	12	5,364.89	3,811.92
	Intangible Assets		182.94	251.80
	Capital Work-in-Progress		153.45	1,270.17
	Non-Current Investments	13	455.25	455.25
	Long-Term Loans and Advances	14	933.71	1,098.66
	Other Non-Current Assets	15	0.69	2.75
			7,090.93	**6,890.55**
	Current Assets			
	Current Investments	16	9.72	-
	Inventories	17	996.43	1,048.73
	Trade Receivables	18	1,266.86	1,811.73
	Cash and Bank Balances	19	220.35	107.63
	Short-Term Loans and Advances	20	6,377.80	5,420.94
	Other Current Assets	21	0.04	0.19
			8,871.20	**8,389.22**
	Total		**15,962.13**	**15,279.77**
	Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our Report of even date annexed. For and on behalf of the Board

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : May 30, 2015

Amit Dahanukar
Chairman & Managing Director

Shivani Amit Dahanukar
Executive Director

Dr. Vishnu Kanhere
Director

Dr. Ravindra Bapat
Director

C. V. Bijlani
Director

Madan Goyal
Director

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary

Statement of Profit and Loss
for the year ended March 31, 2015

(₹ in million)

	Note No.		Year ended March 31, 2015	Year ended March 31, 2014
INCOME				
Revenue from Operations				
Sale of products (Gross)	22		7,056.99	9,198.40
Less: Excise duty			2,709.66	3,178.44
Sale of products (Net)			**4,347.33**	**6,019.96**
Other Operating Income	22.1		1,165.99	140.16
			5,513.32	**6,160.12**
Other Income	23		19.80	38.86
			5,533.12	**6,198.98**
EXPENSES				
Cost of Materials Consumed	24		2,268.46	2,785.78
Purchase of Stock-in-Trade			442.70	-
(Increase) / Decrease in Stock	25		(1.76)	11.27
Employee Benefit Expense	26		187.79	322.06
Other Expenses	27		1,773.12	1,623.42
Finance Cost	28		823.71	530.46
Depreciation for the year		329.73		
Less: Reversal of Depreciation [Refer Note No. 29 (viii)]		58.75	270.98	234.22
			5,765.00	**5,507.21**
Profit / (Loss) before taxation			**(231.88)**	**691.77**
Tax expenses				
Current Tax			-	155.20
For earlier years			18.47	2.00
MAT Credit entitlements			-	(3.61)
Deferred Tax			94.67	52.23
			113.14	**205.82**
Profit / (Loss) after taxation			**(345.02)**	**485.95**
Earnings Per Share (₹) Basic	29 (xiii)		(2.77)	3.96
Diluted			(2.77)	3.89
Summary of significant accounting policies	1			

The accompanying notes are an integral part of the financial statements

As per our Report of even date annexed. For and on behalf of the Board

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : May 30, 2015

Amit Dahanukar
Chairman & Managing Director

Shivani Amit Dahanukar
Executive Director

Dr. Vishnu Kanhere
Director

Dr. Ravindra Bapat
Director

C. V. Bijlani
Director

Madan Goyal
Director

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary

Cash Flow Statement
for the year ended March 31, 2015

(₹ in million)

		2014-2015		2013- 2014	
A)	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net profit before tax		(231.88)		691.77
	Adjustment for:				
	Depreciation	270.98		234.22	
	(Profit) / Loss on sale of assets	1.40		0.49	
	Provision for dimunition for value of Investments	0.28		-	
	Loss on exchange fluctuation	5.50		0.38	
	Employee stock option expenses	11.84		31.86	
	Sundry balance written back	(4.87)		-	
	Interest expenses	823.71		530.46	
	Interest income	(6.68)		(10.46)	
			1,102.16		786.95
	Operating Profit before working capital changes				
	Adjustment for:				
	(Decrease)/ Increase in trade payables, current liabilities and provisions	1,102.45		172.17	
	(Increase) / Decrease in loans and advances	(764.96)		(1,162.14)	
	(Increase) / Decrease in inventory	52.31		17.47	
	(Increase) / Decrease in trade receivables	544.87		(463.94)	
			934.67		(1,436.44)
	Proceeds from short term borrowings		-		437.50
	Direct taxes paid		(26.97)		(100.66)
	Net Cash from Operating Activities		**1,777.98**		**379.12**
B)	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of fixed assets	(851.33)		(1,098.81)	
	Sale of fixed assets	0.72		8.02	
	Decrease / (Increase) in margin money and deposits	8.79		(15.02)	
	Net (Increase) / Decrease in investments	(10.00)		2.50	
	Interest received	6.84		10.39	
	Net Cash from Investing Activities		**(844.98)**		**(1,092.92)**
C)	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Equity shares issued on exercise of employee stock options including premium	26.87		48.95	
	Proceeds (repayment) from short-term borrowings	603.95		438.63	
	Proceeds (repayment) from long-term borrowings including current maturities	(509.86)		863.10	
	Dividend and tax thereon including unclaimed dividend	(116.17)		(113.41)	
	Interest expenses	(818.35)		(534.00)	
	Net Cash from Financing Activities		**(813.56)**		**703.27**
	Net increase in Cash & Cash equivalents		**119.44**		**(10.53)**
	Opening cash & cash equivalents		52.49		63.02
	Closing cash & cash equivalents		**171.93**		**52.49**

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

As per our Report of even date annexed.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : May 30, 2015

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director

Shivani Amit Dahanukar
Executive Director

Dr. Vishnu Kanhere
Director

Dr. Ravindra Bapat
Director

C. V. Bijlani
Director

Madan Goyal
Director

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary

Notes to Financial Statements
for the year ended March 31, 2015

1 Significant Accounting Policies

i) Basis of Preparation of Financial Statements :

The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 and other accounting pronouncements of the Institute of Chartered Accountants of India. The financial statements have been prepared under historical cost convention and on accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except for change in the accounting policy for depreciation on fixed assets as mentioned in Note 29 (viii).

ii) Use of Estimates :

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

iii) Revenue Recognition:

All revenue and expenses are accounted for on accrual basis. Revenue is recognized when no significant uncertainties exist in relation to the amount of eventual receipt.

a) Sales are recognized on dispatch of goods to customers and are recorded net of trade discounts, sales tax / value added tax and inclusive of central / state excise duty.

b) Insurance and other claims are accounted for as and when admitted by the appropriate authorities.

iv) Inventories :

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the basis of Weighted Average Method.

a) Raw materials, Stores & Spares and Work-In-Progress are valued at material cost.

b) Finished goods are valued at manufacturing cost, which comprise direct material, direct labour, other direct cost and other related manufacturing overheads. Excise duty payable on finished goods stock at the year end is added to the cost.

c) Obsolete / slow moving inventories are adequately provided for.

v) Fixed Assets :

a) Fixed assets are stated at their original cost of acquisition / installation, net of accumulated depreciation, amortization and impairment losses.

b) Capital Work-In-Progress is stated at the amount incurred up to the date of the Balance Sheet.

c) Expenditures incurred during construction / erection period on project under implementation are included under "Capital Work-In-Progress". These expenses are appropriated to fixed assets on commencement of commercial production.

d) Fixed assets purchased under hire purchase arrangements, includes expenditure incurred till the assets are put to use.

e) Goodwill and other intangible assets are stated at cost of acquisition less accumulated amortization.

vi) Depreciation and Amortization:

a) Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc.

Plant & Equipment	Useful Life
Molasses & Grain based Distillery Plant	20 Years

Notes to Financial Statements
for the year ended March 31, 2015

b) Depreciation is provided on assets acquired during the year from the date on which assets were put to use.

c) Intangible assets are amortized over a period of two to five years on straight line basis which represents the period over which the Company expects to derive economic benefits.

vii) Impairment of Assets :

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors.

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the Statement of Profit and Loss and the carrying amount of the said asset is reduced to its recoverable amount.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

viii) Investments :

a) Long Term Investments are valued at cost. Provision for diminution in value is made only if in the opinion of management such a decline is other than temporary.

b) Current Investments are valued at cost / fair value whichever is lower.

ix) Foreign Currency Transactions :

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. Exchange rate difference arising on the settlement of foreign currency transactions are recognized in the Statement of Profit and Loss. Foreign currency denominated monetary items as at the Balance Sheet date are translated at the rate prevailing on the date of Balance Sheet and the resultant exchange difference is recognized in the Statement of Profit and Loss.

x) Provisions and Contingencies :

Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure on contingent liability is made when there is a possible obligation or present obligation that probably will not require an outflow of resources or where reliable estimate of the amount of the obligation cannot be made. However contingent assets are neither provided for nor disclosed.

xi) Government Incentives :

The Company is entitled to various incentives from state government authorities in respect of its manufacturing unit. The Company accounts for its entitlement as income on accrual basis.

xii) Borrowing Cost:

Borrowing costs attributed to the acquisition of fixed assets are capitalized as a part of the cost of asset upto the date the asset is put to use. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which these are incurred.

xiii) Employee Benefits:

a) **Defined Contribution Plan:**
Employee benefits in the form of contribution to Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labour Welfare Fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The same is charged to the Statement of Profit and Loss of the year when the contribution to the respective funds are due. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

b) **Defined Benefit Plan:**
Retirement benefits in the form of gratuity are considered as defined benefit obligations and are provided at the present value of the amounts payable as on that date of the Balance Sheet, determined by using actuarial valuation techniques. Actuarial gains / losses, if any, are recognized in the Statement of Profit and Loss.

Notes to Financial Statements
for the year ended March 31, 2015

xiv) Employee Stock Compensation Cost:

The Company measures compensation cost relating to employee stock option using the 'intrinsic value method'. Compensation cost for stock option represent the excess of the market price over the exercise price of the shares granted under "Employee Stock Option Scheme" is amortized in accordance with guidelines issued by Securities and Exchange Board of India (SEBI), in this regard.

xv) Taxation:

a) Provision for Income Tax is determined on the basis of the estimated taxable income and amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961.

b) Deferred Tax is recognized in respect of deferred tax assets (subject to the consideration of prudence) and to the extent there is virtual certainty that the asset will be realized in future and deferred tax liabilities on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in subsequent years.

xvi) Earnings Per Share:

Basic Earnings Per Share are calculated by dividing the net profit for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating the diluted earnings per share the net profit for the year attributable to equity share holders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xvii) Lease Accounting :

Leasing of assets whereby the lessor essentially remains the owner of the asset are classified as operating leases. The payments made by the Company as lessee in accordance with operational leasing contracts or rental agreements are expensed proportionally during the lease or rental period respectively. Any compensation, according to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated.

xviii) Cash and Cash Equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

(₹ in million)

		As at March 31, 2015	As at March 31, 2014
2	**Share Capital**		
	Authorised Shares		
	150,000,000 equity shares of ₹ 10/- each	**1,500.00**	**1,500.00**
	(P.Y. 150,000,000 equity shares of ₹ 10/- each)		
	Issued, subscribed and paid up shares		
	124,756,115 equity shares of ₹ 10/- each fully paid up	1,247.56	1,237.70
	(P.Y. 123,769,643 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		
		1,247.56	**1,237.70**

a)	**Reconciliation of the number of shares outstanding**		*(Nos. in million)*
	Number of equity shares at the beginning	123.77	121.88
	Equity shares issued on exercise of employee stock options	0.99	1.89
	Number of equity shares at the end	**124.76**	**123.77**

Notes to Financial Statements
for the year ended March 31, 2015

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

Name of the shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of equity shares in million	As a % of total holding	No. of equity shares in million	As a % of total holding
Shivani Amit Dahanukar	32.98	26.43	32.98	26.64
Amit Dahanukar	29.84	23.92	29.84	24.11
Small Cap World Fund, Inc	-	-	8.89	7.18
IDFC Premier Equity Fund	-	-	7.50	6.06
Total	**62.82**	**50.35**	**79.21**	**63.99**

(₹ in million)

		As at March 31, 2015	As at March 31, 2014
3	**Reserves & Surplus**		
a)	**Securities Premium Account**		
	As per last Balance Sheet	1,842.87	1,791.26
	Add : Additions during the year	25.87	51.61
		1,868.74	**1,842.87**
b)	**General Reserve**		
	As per last Balance Sheet	**106.18**	**106.18**
c)	**Revaluation Reserve**		
	As per last Balance Sheet	642.39	672.47
	Less : Utilised against depreciation on revalued assets	-	30.08
		642.39	**642.39**
d)	**Employee Stock Option Outstanding (Net)**	**92.04**	**89.06**
e)	**Surplus / (deficit) in the Statement of Profit and Loss**		
	As per last Balance Sheet	1,502.36	1,133.80
	Less: Depreciation as per transitional provision specified in Schedule II of the Companies Act, 2013 (Net of tax ₹ 19.90 million) [Refer Note 29 (viii)]	38.65	-
	Add: Profit / (Loss) after tax for the year	(345.02)	485.95
	Less: Proposed Dividend	0.63	99.69
	Less: Dividend Distribution Tax	0.11	17.70
		1,117.95	**1,502.36**
		3,827.30	**4,182.86**

Notes to Financial Statements
for the year ended March 31, 2015

(₹ in million)

		As at March 31, 2015	As at March 31, 2014
4	**Long-Term Borrowings**		
	Secured Loans		
	From Banks		
	Foreign Currency Term Loan	410.73	547.64
	Rupee Term Loans	-	1,529.97
	Hire Purchase Car Loans (with banker's lien on cars)	1.09	7.23
	From Financial Instituition		
	Rupee Term Loans	1,700.00	-
		2,111.82	**2,084.84**

a) The term loans are secured against first pari passu charge on all the fixed assets of the Company, both present and future excluding land and building on non plant area situated at Shrirampur, Dist. Ahmednagar and pari passu second charge on all current assets both present and future.

b) Foreign Currency term loans from banks carry interest @ Libor plus 3.45% . The loans are repayable in monthly / quarterly instalments each along with interest from the date of the loan. Hire Purchase Loan from banks carry interest @ 10.75% to 11.00% and loans and repayble in monthly installment each along with interest.

c) Secured loans from banks outstanding at the end of the financial year have been guaranteed by the personal guarantee of Chairman & Managing Director of the Company.

d) Loan taken from financial insitution is repayable in eighteen quarterly instalments after a moratorium of twenty one months from the commencement of the loan viz March 31, 2015. Interest is payable on monthly basis from the commencement of the loan and carry interest @ 13.75%.

e) One installment and interest payment of ₹ 42.25 million of foreign currency loan from bank was delayed by 15 days.

f) **Maturity profile of Secured Term Loans** (₹ in million)

	1-2 years	2-3 years	3-4 years	Beyond 4 years
Foreign Currency Term Loan	136.91	136.91	136.91	-
Rupee Term Loans	50.00	200.00	350.00	1,100.00
	186.91	**336.91**	**486.91**	**1,100.00**

(₹ in million)

		As at March 31, 2015	As at March 31, 2014
5	**Deferred Tax Liabilities (Net)**		
	Deferred Tax Liability	443.51	366.00
	Deferred Tax Asset	(11.09)	(8.35)
		432.42	**357.65**

The break-up of Deferred Tax as at March 31, 2015 is as under: (₹ in million)

Particulars	Opening as at April 01, 2014	During the year	Transitional Provision	Closing as at March 31, 2015
Deferred Tax Liability :				
a) On depreciation differences	365.90	97.51	19.90	443.51
b) Product Development cost	0.10	(0.10)	-	-
Total Deferred Tax Liability	**366.00**	**97.41**	**19.90**	**443.51**
Deferred Tax Asset :				
Retirement Benefits & Items u/s. 43B (net of reversals)	(8.35)	(2.74)	-	(11.09)
Total Deferred Tax Asset	**(8.35)**	**(2.74)**	**-**	**(11.09)**
Deferred Tax Liabilities (Net)	**357.65**	**94.67**	**19.90**	**432.42**

Notes to Financial Statements
for the year ended March 31, 2015

(₹ in million)

		As at March 31, 2015	As at March 31, 2014
6	**Other Long-Term Liabilities**		
	Trade Deposits & Others (Unsecured)	827.57	678.35
		827.57	**678.35**
7	**Long-Term Provisions**		
	Provision for Gratuity	21.63	12.72
		21.63	**12.72**
8	**Short-Term Borrowings**		
	Secured		
	Cash Credit (including Working Capital Demand Loan)	5,249.56	4,938.15
	Unsecured		
	From Directors and related parties	78.49	33.30
	Advances from Subsidiary Company	247.36	-
		5,575.41	**4,971.45**

a) The cash credit (including Working Capital Demand Loan) loans are secured against first pari passu charge on all current assets both present and future and pari passu second charge on all the fixed assets of the Company, both present and future excluding land and building on non plant area situated at Shrirampur, Dist. Ahmednagar.

b) Secured loans from banks outstanding at the end of the financial year have been guaranteed by the personal guarantee of Chairman & Managing Director of the Company.

9	**Trade Payables**		
	Trade Payables [Refer Note 29 (xii)]	1,234.75	437.60
		1,234.75	**437.60**
10	**Other Current Liabilities**		
	Current maturities of Term Loans-Foreign Currency Loans	171.14	136.91
	Current maturities of Term Loans-Rupee Loans	0.31	568.56
	Current maturities of Hire Purchase Car Loan	6.69	9.51
	Interest accrued and due on borrowings	33.79	-
	Interest accrued but not due on borrowings	0.97	29.39
	Payable towards Statutory Liabilities	168.45	67.74
	Payable for purchase of Fixed Assets	27.80	180.10
	Employee dues	23.08	8.20
	Unclaimed Dividend	3.15	2.67
	Other Payables	58.95	13.33
		494.33	**1,016.41**
11	**Short-Term Provisions**		
	Provision for Gratuity	15.55	16.41
	Proposed Dividend	-	99.02
	Dividend Distribution Tax	-	16.83
	Provision for Excise Duty on Finished Goods	35.26	38.67
	Provision for Taxation (Net of Advance Tax)	138.53	129.26
		189.34	**300.19**

Notes to Financial Statements for the year ended March 31, 2015

(₹ in million)

12 Fixed Assets

	Gross Block				Depreciation / Amortization							Net Block	
	As on April 01, 2014	Additions	Deductions	As at March 31, 2015	As on April 01, 2014	Reversal of Deprec-iation *	Transition Adjust-ment **	Deductions	For the year	On Revaluation	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
TANGIBLE ASSETS													
Land	522.89	-	-	**522.89**	-	-	-	-	-	-	**-**	**522.89**	522.89
Buildings	228.05	633.51	-	**861.56**	108.41	14.69	47.62	-	8.18	-	**149.52**	**712.04**	119.64
Plant & Equipment	3,827.55	1,017.54	-	**4,845.09**	751.97	-	3.82	-	207.65	-	**963.44**	**3,881.65**	3,075.58
Furniture and Fixtures	32.47	0.66	-	**33.13**	10.83	5.17	-	-	3.81	-	**9.47**	**23.66**	21.64
Office Equipment	28.91	0.41	0.01	**29.31**	14.32	4.39	0.65	-	9.90	-	**20.48**	**8.83**	14.59
Computers	84.43	0.50	-	**84.93**	68.01	7.68	4.60	-	9.63	-	**74.56**	**10.37**	16.42
Electrical Installation & Fittings	16.63	163.13	-	**179.76**	8.19	3.81	0.11	-	5.83	-	**10.32**	**169.44**	8.44
Motor Car and Transport Vehicles	67.57	-	3.48	**64.09**	38.44	15.70	0.02	1.37	8.88	-	**30.27**	**33.82**	29.13
Roads & Bridges	2.70	-	-	**2.70**	1.51	-	1.05	-	-	-	**2.56**	**0.14**	1.19
Library Books	0.03	-	-	**0.03**	0.03	-	-	-	-	-	**0.03**	**-**	-
Live Stock	0.03	-	-	**0.03**	-	-	-	-	-	-	**-**	**0.03**	0.03
Lease Hold Improvement	4.20	-	-	**4.20**	0.13	0.05	-	-	0.40	-	**0.48**	**3.72**	4.07
Total Tangible Assets	**4,815.46**	**1,815.75**	**3.49**	**6,627.72**	**1,001.84**	**51.49**	**57.87**	**1.37**	**254.28**	**-**	**1,261.13**	**5,366.59**	**3,813.62**
Less: Impairment of Assets												**(1.70)**	(1.70)
												5,364.89	**3,811.92**
INTANGIBLE ASSETS													
Brands	334.51	-	-	**334.51**	90.77	-	-	-	66.90	-	**157.67**	**176.84**	243.74
Software	56.52	-	-	**56.52**	48.46	7.26	0.67	-	8.55	-	**50.42**	**6.10**	8.06
Product Development	17.39	-	-	**17.39**	17.39	-	-	-	-	-	**17.39**	**-**	-
Total Intangible Assets	**408.42**	**-**	**-**	**408.42**	**156.62**	**7.26**	**0.67**	**-**	**75.45**	**-**	**225.48**	**182.94**	**251.80**
Grand Total	**5,223.88**	**1,815.75**	**3.49**	**7,036.14**	**1,158.46**	**58.75**	**58.54**	**1.37**	**329.73**	**-**	**1,486.61**	**5,547.83**	**4,063.72**
Previous Year	**4,825.56**	**416.34**	**18.02**	**5,223.88**	**903.66**	**-**	**-**	**9.50**	**234.22**	**30.08**	**1,158.46**	**4,063.72**	

Note : During the year 2007-2008 land, factory building and plant & equipment were revalued, resulting in increase in Gross Block by ₹ 822.87 million.

* During the current year, the Company has revised its accounting policy in respect of depreciation method of its fixed assets where depreciation was provided in the previous years under the 'written down value method'. Based on an evaluation carried out by the management in the current year, fixed assets are now being depreciated on 'straight line method' over the expected useful life of the fixed assets as against written down value method. This change in accounting policy has been made as it would result in a more appropriate presentation of the financial statements. As a result of this change, depreciation has been calculated retrospectively on straight line method and accordingly the Company has recorded reversal of depreciation expense amounting to ₹ 58.75 million pertaining to previous years in the current year's Statement of Profit and Loss.

** Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets (determined after considering the change in the method of depreciation from WDV to SLM), after retaining the residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 38.65 million (Net of tax ₹ 19.90 million) against the Statement of Profit and Loss.

Notes to Financial Statements for the year ended March 31, 2015

(₹ in million)

12 Fixed Assets (Contd.) (Schedule of Fixed Assets for the P.Y. 2013-14)

	Gross Block					Depreciation / Amortization					Net Block	
	As on April 01, 2013	Additions	Deductions	Revaluation	As at March 31, 2014	As on April 01, 2013	Deductions	For the year	On Revaluation	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
TANGIBLE ASSETS												
Land	522.89	-	-	-	**522.89**	-	-	-	-	**-**	**522.89**	522.89
Buildings	228.05	-	-	-	**228.05**	91.97	-	5.96	10.48	**108.41**	**119.64**	136.08
Plant & Equipment	3,683.64	150.39	6.48	-	**3,827.55**	565.82	0.97	167.52	19.60	**751.97**	**3,075.58**	3,117.82
Furniture and Fixtures	15.37	17.10	-	-	**32.47**	8.63	-	2.20	-	**10.83**	**21.64**	6.74
Office Equipment	27.70	1.21	-	-	**28.91**	11.56	-	2.76	-	**14.32**	**14.59**	16.14
Computers	79.90	4.53	-	-	**84.43**	55.24	-	12.77	-	**68.01**	**16.42**	24.66
Electrical Installation & Fittings	16.29	0.34	-	-	**16.63**	6.86	-	1.33	-	**8.19**	**8.44**	9.43
Motor Car and Transport Vehicles	67.25	11.86	11.54	-	**67.57**	37.68	8.53	9.29	-	**38.44**	**29.13**	29.57
Roads & Bridges	2.70	-	-	-	**2.70**	1.38	-	0.13	-	**1.51**	**1.19**	1.32
Library Books	0.03	-	-	-	**0.03**	0.03	-	-	-	**0.03**	**-**	-
Live Stock	0.03	-	-	-	**0.03**	-	-	-	-	**-**	**0.03**	0.03
Lease Hold Improvement	-	4.20	-	-	**4.20**	-	-	0.13	-	**0.13**	**4.07**	-
Total Tangible Assets	**4,643.85**	**189.63**	**18.02**	**-**	**4,815.46**	**779.17**	**9.50**	**202.09**	**30.08**	**1,001.84**	**3,813.62**	**3,864.68**
Less: Impairment of Assets											**(1.70)**	(1.70)
											3,811.92	**3,862.98**
INTANGIBLE ASSETS												
Brands	109.13	225.38	-	-	**334.51**	65.49	-	25.28	-	**90.77**	**243.74**	43.64
Software	55.19	1.33	-	-	**56.52**	43.34	-	5.12	-	**48.46**	**8.06**	11.85
Product Development	17.39	-	-	-	**17.39**	15.66	-	1.73	-	**17.39**	**-**	1.73
Total Intangible Assets	**181.71**	**226.71**	**-**	**-**	**408.42**	**124.49**	**-**	**32.13**	**-**	**156.62**	**251.80**	**57.22**
Grand Total	**4,825.56**	**416.34**	**18.02**	**-**	**5,223.88**	**903.66**	**9.50**	**234.22**	**30.08**	**1,158.46**	**4,063.72**	**3,920.20**

Notes to Financial Statements
for the year ended March 31, 2015

(₹ in million)

			As at March 31, 2015		As at March 31, 2014
13	**Non-Current Investments**				
a)	**Investment in Government Securities (Unquoted)**	**Nos.**		**Nos.**	
	Other than Trade Investments				
	7 Year National Savings Certificates (Certificates worth ₹ 44,000/- deposited with Government authorities)		0.05		0.05
	6 Year National Savings Certificates (deposited with Government authorities) [₹ 4,250 (P.Y. ₹ 4,250)]		-		-
			0.05		**0.05**
b)	**Investment in Subsidiaries (Unquoted)**				
	Trade Investments				
	Investment in Equity Instruments				
	Equity shares of ₹ 100/- each				
	Vahni Distilleries Private Limited	1,498,050	186.49	1,498,050	186.49
	Kesarval Springs Distillers Pvt. Ltd.	30,000	15.00	30,000	15.00
	Equity shares of ₹ 10/- each				
	Prag Distillery (P) Ltd.	3,681,000	154.34	3,681,000	154.34
	PunjabExpo Breweries Private Limited	296,002	55.00	296,002	55.00
	Mykingdom Ventures Pvt. Ltd.	10,000	2.00	10,000	2.00
	Studd Projects P. Ltd.	10,000	0.10	10,000	0.10
	Srirampur Grains Private Limited	10,000	0.10	10,000	0.10
	Shivprabha Sugars Ltd.	45,000	24.98	45,000	24.98
			438.01		**438.01**
c)	**Investment in Associate (Unquoted)**				
	Trade Investments				
	Investment in Equity Instruments				
	Equity shares of ₹ 10/- each				
	Mason & Summers Marketing Services Pvt. Ltd.	130,000	16.90	130,000	16.90
			16.90		**16.90**
d)	**Other than Trade Investments (Unquoted)**				
	Investment in Equity Instruments				
	Equity shares of ₹ 100/- each				
	Mula Pravara Electric Co-operative Society Ltd.	2,462	0.25	2,462	0.25
	Shree Suvarna Sahakari Bank Ltd. [₹ 2,000 (P.Y. ₹ 2,000)]	20	-	20	-
	Maharashtra State Financial Corporation	115	0.01	115	0.01
	Rupee Co-op Bank Ltd.	1,000	0.03	1,000	0.03
			0.29		**0.29**
			455.25		**455.25**
	Aggregate of unquoted investments (at cost)		**455.25**		**455.25**

Notes to Financial Statements
for the year ended March 31, 2015

(₹ in million)

			As at March 31, 2015	As at March 31, 2014
14	**Long-Term Loans and Advances**			
	Unsecured, considered good			
	Capital advances		841.41	1,021.37
	Loans and advance to employees		8.36	11.47
	MAT Credit entitlement		19.43	19.43
	Advance Tax (net of Provision for Taxation)		45.08	27.31
	Deposits with Court		19.43	19.08
			933.71	**1,098.66**
15	**Other Non-Current Assets**			
	Cash and Bank Balances			
	Short-Term Bank Deposits (Maturity exceeding 12 months)		0.69	2.75
			0.69	**2.75**
16	**Current Investments**			
	(At cost or market value, whichever is less)			
	Investment in Debentures	**Nos.**		
	Industrial Finance Corporation of India	10,000	10.00	-
	Less: Provision for dimunition for value of Investments		0.28	-
			9.72	**-**
	Aggregate amount of quoted investments		10.00	-
	Market value of quoted investments		9.72	-
17	**Inventories**			
	(At lower of cost and net realisable value)			
	Raw Materials		127.51	150.58
	Stores, Spares and Packing Materials		409.37	440.36
	Work-In-Progress		290.52	318.27
	Finished Goods		169.03	139.52
			996.43	**1,048.73**
18	**Trade Receivables**			
	Unsecured, considered good			
	Outstanding for a period exceeding six months from the date they are due for payment		20.01	20.01
	Unsecured, considered doubtful			
	Outstanding for a period exceeding six months from the date they are due for payment		9.01	9.01
	Other receivables			
	Unsecured, considered good		1,246.85	1,791.72
			1,275.87	**1,820.74**
	Less: Provision for doubtful debts		9.01	9.01
			1,266.86	**1,811.73**

Notes to Financial Statements
for the year ended March 31, 2015

(₹ in million)

		As at March 31, 2015	As at March 31, 2014
19	**Cash and Bank Balances**		
	a) Cash and Cash Equivalents		
	i) Balances with Banks		
	In Current Accounts	155.08	35.57
	ii) Cash on Hand	16.85	16.92
		171.93	**52.49**
	b) Other Bank Balances		
	i) Earmarked Balances with Banks	3.15	2.67
	ii) Short-Term Bank Deposits (Maturity within 12 months)	45.27	52.47
		48.42	**55.14**
		220.35	**107.63**

20	**Short-Term Loans and Advances**		
	Unsecured, considered good		
	Advances recoverable in cash or in kind or for value to be received	2,881.71	1,693.41
	Advances to Subsidiary Companies *	909.02	1,007.90
	Advance with Tie-up Units	2,130.90	2,426.75
	Balance with Excise Authorities	74.76	77.50
	Deposits	381.41	215.38
		6,377.80	**5,420.94**

* Represents advances given to Private Companies where the Director of the Company is a Director.

21	**Other Current Assets**		
	Interest accrued on Deposits	0.04	0.19
		0.04	**0.19**

(₹ in million)

		Year ended March 31, 2015	Year ended March 31, 2014
22	**Revenue from Operations**		
	Sales of products	6,918.11	8,213.25
	Income from tie-up units	138.88	985.15
		7,056.99	**9,198.40**

The Company has entered into arrangements with certain distilleries and bottling units in other states for manufacturing and marketing of its own brands. The manufacture under the said arrangement, wherein each party's obligations are stipulated, is carried out under Company's close supervision. The marketing is entirely the responsibility of the Company. The Company is also required to ensure adequate finance to the distilleries, where required. Accordingly, it is considered appropriate to disclose the following quantitative and value information for the year, as applicable to such activities.

Notes to Financial Statements
for the year ended March 31, 2015

(₹ in million)

	2014-15	2013-14
Gross Sales of Companys' brands and other sales including sales made by tie-up arrangements	8,687.88	14,847.33
Less : Excise Duty / sales under other various arrangements	3,600.22	6,617.50
Net Sales of Companys' brands and other sales	5,087.66	8,229.83
Less : Net Sales made by tie-up units	879.21	3,195.02
Add : Net income from tie-up arrangement	138.88	985.15
Total Income	**4,347.33**	**6,019.96**
Details of sale of products		
Indian Made Foreign Liquor	6,219.99	7,896.32
Traded Goods	442.53	-
Industrial Alcohol, Spirits & Others	255.59	316.93
	6,918.11	**8,213.25**

22.1 Other Operating Income		
Sale of by products and scrap	13.09	16.40
Government Incentives [Refer Note No. 29 (xxi)]	1,152.90	123.76
	1,165.99	**140.16**

(₹ in million)

	Year ended March 31, 2015	Year ended March 31, 2014
23 Other Income		
Duty drawback on exports	4.88	17.50
Miscellaneous receipts	3.37	4.24
Sundry balance written back	4.87	-
Interest income on margin money / fixed deposits	6.68	10.46
Gain on exchange fluctuation	-	6.66
	19.80	**38.86**

24 Cost of Materials Consumed		
i) Raw Material Consumption		
Opening Stock	150.58	134.88
Add: Purchases	1,018.90	1,288.11
Less: Closing Stock	127.51	150.58
	1,041.97	**1,272.41**
ii) Packing Materials & Consumables	1,226.49	1,513.37
	2,268.46	**2,785.78**
Details of Raw Materials Consumed		
a) Molasses, Grain etc.	178.72	482.26
b) Industrial Alcohol & Other Spirits	775.39	697.09
c) Other Raw Materials	87.86	93.07
	1,041.97	**1,272.41**

Value of Imported & Indigenous Raw Materials Consumed	% to Total Consumption	2014-15	% to Total Consumption	2013-14
i) Imported	-	-	2.98	37.87
ii) Indigenous	100.00	1,041.97	97.02	1,234.54
	100.00	**1,041.97**	**100.00**	**1,272.41**

Notes to Financial Statements
for the year ended March 31, 2015

(₹ in million)

		Year ended March 31, 2015	Year ended March 31, 2014
25	**(Increase) / Decrease in Stock**		
	Opening Stock		
	i) Work-In-Progress	318.27	348.72
	ii) Finished Goods	139.52	120.34
		457.79	**469.06**
	Less : Closing Stock		
	i) Work-In-Progress	290.52	318.27
	ii) Finished Goods	169.03	139.52
		459.55	**457.79**
	(Increase) / Decrease in Stock	**(1.76)**	**11.27**

26	**Employee Benefit Expense**		
	Salary and wages	120.59	235.70
	Employee Stock Option Expenses	11.84	31.86
	Contribution to provident fund and family pension fund	24.99	24.38
	Staff welfare expenses	16.61	23.73
	Gratuity	13.76	6.39
		187.79	**322.06**

27	**Other Expenses**		
	Power and fuel	43.52	43.34
	Provision for Excise Duty on Finished Goods [Refer Note No.29 (ix)]	(3.41)	(8.53)
	Repairs & maintenance		
	i) Plant & Equipment	10.20	3.95
	ii) Buildings	0.59	0.15
	iii) Others	12.06	11.74
	Insurance	9.86	10.98
	Rent	15.39	15.29
	Contract manufacturing cost	377.52	355.88
	Legal and professional charges	130.96	57.28
	Auditors Remuneration [Refer Note No.29 (x)]	1.26	1.09
	Rates and taxes	174.93	262.93
	Freight, transport charges & other expenses	131.23	152.59
	Selling expenses [Discounts,Sales Promotion & Advertising etc.]	752.90	594.08
	Travelling and conveyance expenses	16.42	15.12
	Printing and stationery	2.57	4.94
	Communication expenses	8.01	13.29
	Vehicle running expenses	7.63	9.42
	Director sitting fees	0.38	0.41
	Loss on Sale of Assets	1.40	0.49
	Loss on exchange fluctuation	6.19	-
	Corporate Social Responsibility	10.95	23.00
	Provision for dimunition for value of Investments	0.28	-
	Miscellaneous Expenses	62.28	55.98
		1,773.12	**1,623.42**

28	**Finance Cost**		
	Interest on Term Loans	108.54	59.51
	Interest on Cash Credits / Working Capital Demand Loan	522.63	412.06
	Others	192.54	58.89
		823.71	**530.46**

Notes to Financial Statements
for the year ended March 31, 2015

29 Notes on Accounts

i) Contingent Liability not provided for:

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014
a) Corporate guarantees issued to banks on behalf of Subsidiary Company	172.12	330.55
b) Bank guarantees issued on behalf of the Company	154.65	150.75
c) In respect of disputed Income tax matters, pending before the appropriate Income tax authorities, contested by the Company		
A.Y. 2011-2012	253.83	253.83
A.Y. 2010-2011	273.79	1.90
A.Y. 2009-2010	36.69	6.13
A.Y. 2007-2008	-	86.07
d) In respect of disputed Sales tax matters, pending before the appropriate tax authorities, contested by the Company		
F.Y. 2010-2011 (MVAT)	3.69	-
F.Y. 2010-2011 (Central Sales Tax)	24.50	-
F.Y. 2009-2010 (Central Sales Tax)	27.22	-
F.Y. 2008-2009 (TOT- Kerala)	0.11	0.11
F.Y. 2008-2009 (VAT- Kerala)	0.22	0.22
F.Y. 2007-2008 (TOT- Kerala)	0.11	0.11
F.Y. 2007-2008 (VAT- Kerala)	0.55	0.55
F.Y. 2006-2007 (Central Sales Tax)	79.94	79.94
F.Y. 2004-2005 (Bombay Sales Tax)	4.67	4.67
F.Y. 2004-2005 (Central Sales Tax)	2.03	2.03
F.Y. 2003-2004 (Bombay Sales Tax)	6.28	6.28
F.Y. 2003-2004 (Central Sales Tax)	4.83	4.83

ii) Estimated amount of contracts remaining to be executed on capital accounts and not provided for is ₹ 50 million (net of advances) (P.Y. ₹ 200 million)

iii) Operating Lease:

a) The Company has taken bottling units under cancellable operating lease at various locations and during the financial year ₹ 15.25 million (P.Y. ₹ 14.08 million) paid towards lease rentals has been charged to Statement of Profit and Loss.

b) The Company has taken various residential / commercial premises under cancellable operating lease. Lease rental expenses included in the Statement of Profit and Loss for the financial year is ₹ 15.39 million (P.Y. ₹ 15.29 million).

c) Except for escalation clauses contained in certain lease arrangements providing for increase in the lease payment by a specified percentage / amounts after completion of specified period, the lease terms do not contain any exceptional / restrictive covenants other than the prior approval of the lessee before the renewal of lease.

d) There are no restrictions such as those concerning dividend and additional debt other than in some cases where prior approval of lessor is required for further leasing. There is no contingent rent payment.

iv) The disclosure of Accounting Standard 15 "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 ₹ 24.99 million (P.Y. ₹ 24.38 million) under defined contribution plan as employer's contribution to Provident Fund.

Defined Benefit Plan

The Employees gratuity fund scheme managed by LIC is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Notes to Financial Statements
for the year ended March 31, 2015

The net value of the defined commitment is detailed below:

(₹ in million)

	As at March 31, 2015	As at March 31, 2014
	Funded Gratuity	**Funded Gratuity**
Present Value of obligation	40.98	34.88
Fair Value of Plans	3.80	5.75
Net Liability in the balance sheet	**37.18**	**29.13**
Defined Benefit Obligations		
Opening balance	34.89	32.95
Interest expenses	3.25	2.64
Current service cost	3.67	3.92
Benefit paid directly by the employer	(5.72)	-
Benefit paid from the fund	(2.28)	(4.98)
Actuarial (gain) / loss	7.17	0.35
Closing balance	**40.98**	**34.88**
Plan Assets		
Opening balance	5.75	10.21
Expected return on plan assets	0.51	0.89
Paid Funds	(2.28)	(4.98)
Actuarial (gain) / loss	(0.18)	(0.37)
Closing balance	**3.80**	**5.75**
Return on Plan Assets		
Expected return on plan assets	0.50	0.89
Actuarial (gain) / loss	(0.18)	(0.37)
Actual Return on Plan Assets	**0.32**	**0.52**
Expenses on defined benefit plan		
Current service costs	3.67	3.92
Interest expense	3.25	2.64
Expected return on plan assets	(0.50)	(0.89)
Net actuarial (gain) / loss	7.34	0.72
Expenses charged to the Statement of Profit and Loss	**13.76**	**6.39**

Investments Details	% Invested March 31, 2015	% Invested March 31, 2014
Funds Managed by Life Insurance Corporation	100	100
Public Sector Unit Bonds	-	-
State / Central Guaranteed securities	-	-
Special deposit schemes	-	-
Other (excluding bank balances)	-	-
	100	100

Actuarial assumptions	**Funded Gratuity**	**Funded Gratuity**
Mortality (LIC)	2006-08 Ultimate	2006-08 Ultimate
Discount rate (per annum)	7.92%	9.32%
Expected rate of return on plan assets (per annum)	7.92%	8.70%
Rate of escalation in salary (per annum)	5.00%	5.00%
Attrition rate (per annum)	16.00%	2.00%

Defined Contribution Plan

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

Funded Gratuity for the year ended	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**	**March 31, 2012**	**March 31, 2011**
Present value of DBO	40.98	34.88	32.95	30.42	28.04
Fair value of plan assets	3.80	5.75	10.21	9.44	8.73
Deficit / (Surplus)	37.18	29.13	22.74	20.98	19.30
Experience adjustments on plan liabilities	4.34	3.67	(5.64)	(2.78)	2.96
Experience adjustments on plan assets	(0.18)	(0.37)	(0.04)	0.01	0.01

Notes to Financial Statements
for the year ended March 31, 2015

v) 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, 2015, the following schemes were in operation :

A) Employee Stock Option Scheme 2008

Particulars	Grant 1	Grant 2	Grant 3	Grant 4
Date of Grant	July 02, 2009	Jan 28, 2010	June 25, 2010	Aug 07, 2010
Date of the Board Approval	July 02, 2009	Jan 28, 2010	June 25, 2010	Aug 07, 2010
Date of the Shareholders Approval	Aug 06, 2008	Aug 06, 2008	Aug 06, 2008	Aug 06, 2008
Number of options granted till March 31, 2015	730,400	3,730,521	154,200	843,663
Number of options cancelled till March 31, 2015	241,700	846,381	33,870	202,818
Number of options lapsed till March 31, 2015	13,500	476,400	11,430	125,367
Number of options exercised till March 31, 2015	471,600	2,150,020	47,070	147,493
Net options outstanding as on March 31, 2015	3,600	257,720	61,830	367,985
Vesting period from the date of grant	4 years	4 years	4 years	4 years
Exercise period from the date of vesting	2 years	2 years	2 years	2 years

B) Employee Stock Option Scheme 2010

Particulars	Grant 1	Grant 2	Grant 3	Grant 4
Date of Grant	Jan 15, 2011	Aug 01, 2011	Oct 21, 2011	Nov 11, 2011
Date of the Board Approval	Jan 15, 2011	Aug 01, 2011	Oct 21, 2011	Nov 11, 2011
Date of the Shareholders Approval	Sept 20, 2010	Sept 20, 2010	Sept 20, 2010	Sept 20, 2010
Number of options granted till March 31, 2015	1,615,500	512,000	3,379,600	969,000
Number of options cancelled till March 31, 2015	756,240	173,840	1,210,661	Nil
Number of options lapsed till March 31, 2015	493,500	94,890	107,000	Nil
Number of options exercised till March 31, 2015	97,590	100,678	1,303,082	540,700
Net options outstanding as on March 31, 2015	268,170	142,592	758,857	428,300
Vesting period from the date of grant	3 years	3 years	3 years	3 years
Exercise period from the date of vesting	2 years	2 years	2 years	2 years

C) Employee Stock Option Scheme 2012

Particulars	Grant 1	Grant 2	Grant 3	Grant 4
Date of Grant	May 28, 2012	Feb 04, 2013	May 30, 2013	May 26, 2014
Date of the Board Approval	May 28, 2012	Feb 04, 2013	May 30, 2013	May 26, 2014
Date of the Shareholders Approval	May 24, 2012	May 24, 2012	May 24, 2012	May 24, 2012
Number of options granted till March 31, 2015	3,000,000	1,000,000	1,000,000	1,000,000
Number of options cancelled till March 31, 2015	222,831	83,934	11,098	Nil
Number of options lapsed till March 31, 2015	84,888	35,969	3,555	Nil
Number of options exercised till March 31, 2015	429,967	Nil	8,715	Nil
Net options outstanding as on March 31, 2015	2,262,314	880,097	976,632	1,000,000
Vesting period from the date of grant	3 years	3 years	3 years	3 years
Exercise period from the date of vesting	2 years	2 years	2 years	2 years

Notes to Financial Statements
for the year ended March 31, 2015

c) **The details of the options as on March 31, 2015 are as under:** *(Nos. in million)*

Particulars	ESOP Scheme 2008	ESOP Scheme 2010	ESOP Scheme 2012
Financial Year 2013-14			
Options outstanding as on April 01, 2013	**2.31**	**3.23**	**3.94**
Options granted from April 01, 2013 to March 31, 2014	Nil	Nil	1.00
Options cancelled till March 31, 2014	0.03	0.07	0.07
Options lapsed till March 31, 2014	0.09	0.26	0.02
Options exercised April 01, 2013 to March 31, 2014	0.89	0.56	0.29
Options outstanding as on March 31, 2014	**1.30**	**2.34**	**4.56**
Financial Year 2014-15			
Options outstanding as on April 01, 2014	**1.30**	**2.34**	**4.56**
Options granted from April 01, 2014 to March 31, 2015	Nil	Nil	1.00
Options cancelled till March 31, 2015	0.01	0.01	0.19
Options lapsed till March 31, 2015	0.16	0.34	0.10
Options exercised April 01, 2014 to March 31, 2015	0.44	0.39	0.15
Options outstanding as on March 31, 2015	**0.69**	**1.60**	**5.12**

d) The weighted average fair value of stock options granted during the financial year was ₹ 23.24 million (P.Y. ₹ 50.74 million). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

A) Employee Stock Option Scheme 2008

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

B) Employee Stock Option Scheme 2010

Particulars	Grant 1	Grant 2	Grant 3	Grant 4
Dates of Grant	Jan 15, 2011	Aug 01, 2011	Oct 21, 2011	Nov 11, 2011
Market Price (₹ per share) on the dates of grant	83.00	51.20	33.95	32.60
Volatility	66.25%	63.86%	63.63%	63.67%
Risk free rate	7.97%	8.36%	8.58%	8.99%
Exercise price	60	38	25	25
Time to maturity (years)	3	3	3	3
Dividend yield	2.24%	2.10%	2.10%	2.10%
Option fair value (₹ per share)	41.89	26.23	17.50	16.55

Notes to Financial Statements
for the year ended March 31, 2015

C) Employee Stock Option Scheme 2012

Particulars	Grant 1	Grant 2	Grant 3	Grant 4
Dates of Grant	May 28, 2012	Feb 04, 2013	May 30, 2013	May 26, 2014
Market Price (₹ per share) on the dates of grant	56.30	77.20	60.40	61.35
Volatility	61.31%	57.71%	55.67%	49.33%
Risk free rate	8.24%	7.95%	7.24%	8.52%
Exercise price	42	60	45	46
Time to maturity (years)	3	3	3	3
Dividend yield	1.84%	1.84%	1.83%	1.67%
Option fair value (₹ per share)	28.56	36.86	28.71	28.54

e) Since the Company used the intrinsic value method, the impact on the reported net profit and earnings per share by applying the fair value method is as under:

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Net Profit as Reported available to Equity Shareholders	(345.02)	485.95
Add: Employee stock compensation under intrinsic value	11.84	31.86
Less: Employee stock compensation under fair value method	23.24	50.74
Adjusted Net Profit	(356.42)	467.07
Earnings Per Share		
Basic: (₹)		
-As reported	(2.77)	3.96
-Adjusted	(2.86)	3.81
Diluted: (₹)		
-As reported	(2.77)	3.89
-Adjusted	(2.86)	3.74

vi) 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.

vii) Related Party Disclosures:

The disclosures pertaining to the related parties as required by the Accounting Standard 18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, as applicable, are as under:

a)	List of Subsidiary Companies	:	Prag Distillery (P) Ltd.
		:	Vahni Distilleries Private Limited
		:	Kesarval Springs Distillers Pvt. Ltd.
		:	PunjabExpo Breweries Private Limited
		:	Mykingdom Ventures Pvt. Ltd.
		:	P. P. Caps Private Limited (upto January 15, 2014)
		:	Studd Projects P. Ltd.
		:	Srirampur Grains Private Limited
		:	Shivprabha Sugars Ltd.
b)	Key Managerial Personnel	:	Mr. Amit Dahanukar
		:	Mrs. Shivani Amit Dahanukar
c)	Company in which Key Managerial Personnel has substantial interest	:	M.L. Dahanukar & Co. Pvt. Ltd.
		:	Arunoday Investments Pvt. Ltd.
		:	Maharashtra Sugar Mills Pvt. Ltd.
		:	Smt. Malati Dahanukar Trust
d)	Relative of Key Managerial Personnel	:	Dr. Priyadarshini A. Dahanukar

Notes to Financial Statements
for the year ended March 31, 2015

(₹ in million)

Nature of Transaction (excluding reimbursements)	Parties refered in (a) above		Parties refered in (b) above		Parties refered in (c) above		Parties refered in (d) above	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Sales								
Prag Distillery (P) Ltd.	30.16	96.56	-	-	-	-	-	-
Vahni Distilleries Private Limited	25.34	28.86	-	-	-	-	-	-
Kesarval Springs Distillers Pvt. Ltd.	1.26	0.08	-	-	-	-	-	-
PunjabExpo Breweries Private Limited	7.40	7.92	-	-	-	-	-	-
Total	**64.16**	**133.42**	**-**	**-**	**-**	**-**	**-**	**-**
Purchase								
Prag Distillery (P) Ltd.	4.18	2.52	-	-	-	-	-	-
Vahni Distilleries Private Limited	2.52	0.95	-	-	-	-	-	-
PunjabExpo Breweries Private Limited	12.53	4.30	-	-	-	-	-	-
Total	**19.23**	**7.77**	**-**	**-**	**-**	**-**	**-**	**-**
Donations								
Smt. Malati Dahanukar Trust	-	-	-	-	3.82	1.49	-	-
Total	**-**	**-**	**-**	**-**	**3.82**	**1.49**	**-**	**-**
Interest Income								
Prag Distillery (P) Ltd.	75.50	57.30	-	-	-	-	-	-
PunjabExpo Breweries Private Limited	20.89	22.53	-	-	-	-	-	-
Total	**96.39**	**79.83**	**-**	**-**	**-**	**-**	**-**	**-**
Interest Expenses								
Vahni Distilleries Private Limited	13.90	-	-	-	-	-	-	-
Total	**13.90**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payment to Key Managerial Personnel*								
Mr. Amit Dahanukar	-	-	32.04	34.95	-	-	-	-
Mrs. Shivani Amit Dahanukar	-	-	20.47	22.34	-	-	-	-
Total	**-**	**-**	**52.51**	**57.29**	**-**	**-**	**-**	**-**
Net Loans & Advances given								
Prag Distillery (P) Ltd.	57.28	(0.47)	-	-	-	-	-	-
Vahni Distilleries Private Limited	(385.33)	40.08	-	-	-	-	-	-
Kesarval Springs Distillers Pvt. Ltd.	3.66	3.55	-	-	-	-	-	-
PunjabExpo Breweries Private Limited	(22.65)	(1.49)	-	-	-	-	-	-
Mykingdom Ventures Pvt. Ltd.	0.40	(0.44)	-	-	-	-	-	-
P. P. Caps Private Limited	-	(0.55)	-	-	-	-	-	-
Studd Projects P. Ltd.	0.11	0.04	-	-	-	-	-	-
Srirampur Grains Private Limited	0.02	0.02	-	-	-	-	-	-
Shivprabha Sugars Ltd.	0.27	0.15	-	-	-	-	-	-
Total	**(346.24)**	**40.89**	**-**	**-**	**-**	**-**	**-**	**-**

* Refer Note No. 29 (xviii)

Notes to Financial Statements
for the year ended March 31, 2015

(₹ in million)

Nature of Transaction (excluding reimbursements)	Parties refered in (a) above		Parties refered in (b) above		Parties refe red in (c) above		Parties refered in (d) above	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Loan Taken								
Mr. Amit Dahanukar	-	-	97.00	20.00	-	-	-	-
Mrs. Shivani Amit Dahanukar	-	-	10.50	-	-	-	-	-
M. L. Dahanukar & Co. Pvt. Ltd.	-	-	-	-	5.00	-	-	-
Arunoday Investments Pvt. Ltd.	-	-	-	-	73.00	-	-	-
Maharashtra Sugar Mills Pvt. Ltd.	-	-	-	-	12.00	-	-	-
Total	**-**	**-**	**107.50**	**20.00**	**90.00**	**-**	**-**	**-**
Repayment of Loan								
Mr. Amit Dahanukar	-	-	97.00	80.00	-	-	-	-
Mrs. Shivani Amit Dahanukar	-	-	10.50	-	-	-	-	-
Arunoday Investments Pvt. Ltd.	-	-	-	-	79.80	-	-	-
Maharashtra Sugar Mills Pvt. Ltd.	-	-	-	-	0.01	-	-	-
Total	**-**	**-**	**107.50**	**80.00**	**79.81**	**-**	**-**	**-**
Rent Payment								
Mr. Amit Dahanukar	-	-	7.39	6.72	-	-	-	-
M. L. Dahanukar & Co. Pvt. Ltd.	-	-	-	-	0.72	0.72	-	-
Dr. Priyadarshini A. Dahanukar	-	-	-	-	-	-	2.39	2.18
Total	**-**	**-**	**7.39**	**6.72**	**0.72**	**0.72**	**2.39**	**2.18**
Outstanding Payable								
Vahni Distilleries Private Limited	247.36	-	-	-	-	-	-	-
M. L. Dahanukar & Co. Pvt. Ltd.	-	-	-	-	7.50	1.00	-	-
Arunoday Investments Pvt. Ltd.	-	-	-	-	4.00	10.80	-	-
Maharashtra Sugar Mills Pvt. Ltd.	-	-	-	-	31.99	20.00	-	-
Total	**247.36**	-	-	-	**43.49**	**31.80**	-	-
Outstanding Receivable								
Prag Distillery (P) Ltd.	660.60	603.32	-	-	-	-	-	-
Vahni Distilleries Private Limited	-	137.97	-	-	-	-	-	-
Kesarval Springs Distillers Pvt. Ltd.	81.69	78.03	-	-	-	-	-	-
PunjabExpo Breweries Private Limited	160.09	182.75	-	-	-	-	-	-
Mykingdom Ventures Pvt. Ltd.	0.66	0.26	-	-	-	-	-	-
Studd Projects P. Ltd.	0.33	0.22	-	-	-	-	-	-
Srirampur Grains Private Limited	1.44	1.41	-	-	-	-	-	-
Shivprabha Sugars Ltd.	4.21	3.94			-	-	-	-
Mr. Amit Dahanukar	-	-	28.80	2.76	-	-	-	-
Mrs. Shivani Amit Dahanukar	-	-	14.47	-	-	-	-	-
Dr. Priyadarshini A. Dahanukar	-	-	-	-	-	-	0.89	0.89
Total	**909.02**	**1,007.90**	**43.27**	**2.76**	**-**	**-**	**0.89**	**0.89**

Notes to Financial Statements
for the year ended March 31, 2015

viii) Depreciation note

a) During the current year, the Company has revised its accounting policy in respect of depreciation method of its fixed assets where depreciation was provided in the previous years under the 'written down value method'. Based on an evaluation carried out by the management in the current year, fixed assets are now being depreciated on 'straight line method' over the expected useful life of the fixed assets as against written down value method. This change in accounting policy has been made as it would result in a more appropriate presentation of the financial statements. As a result of this change, depreciation has been calculated retrospectively on straight line method and accordingly the Company has recorded reversal of depreciation expense amounting to ₹ 58.75 million pertaining to previous years in the current year's Statement of Profit and Loss.

b) Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets (determined after considering the change in the method of depreciation from WDV to SLM), after retaining the residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 38.65 million (Net of tax ₹ 19.90 million) against the Statement of Profit and Loss.

c) The depreciation expense in the Statement of Profit and Loss for the year is lower by ₹ 49.84 million consequent to the above change in the method of depreciation and is higher by ₹ 39.79 million due to change in estimates.

ix) Provision of excise duty on finished goods manufactured but yet to be cleared from the factory as at March 31, 2015 estimated at ₹ 35.26 million (P.Y. ₹ 38.67 million) has been provided in the books and also been considered in valuation of closing stock of finished goods. Provision for excise duty on finished goods charged in the Statement of Profit and Loss for the financial year is as follows:

(₹ in million)

	2014-15	2013-14
Provision for excise duty on finished goods at the beginning of the year	38.67	47.20
Provision for excise duty on finished goods at the end of the year	35.26	38.67
Provision for excise duty on finished goods charged in the Statement of Profit and Loss	**(3.41)**	**(8.53)**

(₹ in million)

	2014-15	2013-14
x) Auditor's remuneration charged to accounts:		
a) Audit fees	0.84	0.84
b) Auditors remuneration in other capacity	0.37	0.23
c) Reimbursement of expenses	0.05	0.02
	1.26	**1.09**

xi) There are no amounts outstanding in respect of unpaid dividend / fixed deposits for more than seven years to be transferred to Investor Education & Protection Fund.

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

(₹ in million)

	2014-15	2013-14
Dues remaining unpaid as at 31st March		
- Principal	59.87	NA
- Interest on the above	5.49	NA

Notes to Financial Statements
for the year ended March 31, 2015

(₹ in million)

		2014-15	2013-14
xiii)	**Earnings Per Share:**		
	Profit After Tax	(345.02)	485.95
	Weighted average number of shares	124.43	122.75
	Basic Earnings Per Share	(2.77)	3.96
	Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	124.66	125.01
	Diluted Earnings Per Share	(2.77)	3.89
	Face Value per Equity Share	10.00	10.00

xiv) The Company has entered into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes. The foreign currency exposure not hedged as at March 31, 2015 are as under:

	Currency	March 31, 2015		March 31, 2014	
		FC in million	(₹ in million)	FC in million	(₹ in million)
Receivable - Debtors	USD	0.05	2.88	0.14	8.37

(₹ in million)

		2014-15	2013-14
xv)	**CIF Value of Imports**		
	Raw materials	-	22.08
xvi)	**Earnings in Foreign Exchange**		
	FOB value of exports	96.60	310.00
xvii)	**Expenditure in Foreign Exchange**		
	Professional Fees	3.69	27.24
	Travelling Expenses	0.86	1.23
	Interest	19.75	26.56
	Purchase of material	-	28.52
		24.30	**83.55**

xviii) Managerial Remuneration:

Details of the Managerial Remuneration paid or provided during the financial year ended on March 31, 2015:

Remuneration to Managing Director and Whole-time Directors		
- Salaries and contribution to funds	52.51	57.29
- Commission	-	-
	52.51	**57.29**
Remuneration to Non-executive and Independent Directors		
- Commission	-	-

Consequent to the losses during the current year in the Company, remuneration paid to the Managerial Personnel and Directors is in excess of the limit prescribed under Companies Act, 2013 by ₹ 40.51 million. The said amount is subject to approval from Central Government and therefore the amount paid is held in trust by the concerned managerial personnel and disclosed as a receivable.

Notes to Financial Statements
for the year ended March 31, 2015

xix) The Company prefers to use dual feed technology and has applied accordingly for permission to run this technology on one of its plants and the same is awaited.

xx) Subsequent to the survey proceedings u/s 133 of the Income Tax Act initiated by the Department in the month of March 2013, the Company has filed an application before the Income Tax Settlement Commission for Assessment Years 2012-13 and 2013-14 which has been admitted for further hearings. The Income Tax liability arising thereof had been provided for in the accounts for the year ended March 31, 2014. The hearings are under process.

xxi) Other operating income for the year ended March 31, 2015 includes ₹ 1,152.90 million on account of entitlement of MVAT and CST refund (for the year 2013-14 and 2014-15) as compared to ₹ 123.76 million included in the year ended March 31, 2014 (for the year 2012-13). The Company is awaiting disbursement of the sanctioned amount of ₹ 107.79 million for the year 2012-13.

xxii) Other significant notes

a) The Company's glass manufacturing unit was given to Ramnath Glass Containers Pvt. Ltd. (RGCPL) managed by Mehta Brothers on lease for carrying out their business, which had discontinued the operations in the year 2003 and handed over the unit back to the Company in totally unworkable conditions without fulfilling their legal obligations under the agreement. Due to this the Company had to pay the statutory liabilities and settle the dues of the workmen on behalf of RGCPL / Mehta Brothers. The Company has initiated the legal action against the RGCPL / Mehta Brothers for recovery of amount paid together with interest and damages amounting to ₹ 76.20 million. As on date, the Honourable Court has orally pronounced the order for dismissal of our suit on the grounds on non-joinder of RGCPL as a party to the said suit. The Company will file an appeal to the said order after receiving the detailed copy of the order from the Court.

b) The Company's distributor Ding Dong Liquors has filed a suit pursuant to the Division Bench order of Bombay High Court for recovery of ₹ 41.20 million after their termination. They have filed Notice of Motion for interim relief in the suit for withdrawing and / or transferring Security Deposit. The Hon'ble Bombay High Court has agreed with the Company's contention of the issue of limitation and has accordingly framed limitation as the main issue. The matter is posted for hearing for leading evidence of plaintiff on the limitation issue.

   The Company has filed a suit for recovery of ₹ 39.00 million for the sales proceeds not remitted by Ding Dong Liquors and also towards amount charges wrongly claimed by them. Defendants did not file written statement and the suit was directed as undefended. Thereafter, the Defendants filed a Notice of Motion for condoning the delay in filing written statement. The Honourable Court has allowed the notice of motion.

c) Anupama Wine Distributors has filed a suit before the City Civil Court, Bangalore claiming ₹ 73.11 million 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 ₹ 119.30 million against Anupama Wine Distributors and the matter is pending before City Civil Court, Bangalore. The matter is posted for filing evidence by Anupama Wine Distributors. The Company has filed a transfer petition to club both the matters related to Anupama Wine Distributors and Anupama Distributors as the evidences are the same.

d) The Company has filed a winding up petition against its bottler and manufacturer Rhizome Distilleries Pvt. Ltd., Hyderabad at Hyderabad High Court for the recovery of its pending dues of ₹ 69.00 million against the sales proceeds received by them against Company's products which they have failed to provide to the Company. The High Court, Hyderbad have passed an order restraining Rhizome Distilleries Pvt. Ltd. from alienating its assets and now the matter is placed for final orders. The Company has also filed a separate civil suit against Rhizome Distilleries Pvt. Ltd. for the recovery. The complaints against the Rhizome Distillery Pvt. Ltd.'s directors under section 138 of Negotiable Instruments Act has also been filed regarding the bouncing of cheques which they had provided against our sales proceeds.

e) 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.

xxiii) Consequent to the financial difficulties faced by the principal bottler of the Company in Tamilnadu, the Company was constrained to discontinue its operations from the said bottler in Tamilnadu resulting in considerable drop in sales turnover and adversely affecting the profitability. In order to protect its financial interests from the bottler, the Company negotiated with the bottler and agreed to absorb certain conversion and miscellaneous costs on the condition that the overdues shall be repaid within an agreed and stipulated period. However, the principal bottler has failed to repay the said overdues. The Company is exploring various options including third party equity participation and / or filing a legal suit for recovery and is confident that the principal bottler shall commence its operations in the near future and that it will be able to recover its legitimate dues. The Company has estimated an amount of ₹ 463.00 million receivable on account of outstanding dues from all the bottling units of Tamilnadu which has been considered good and recoverable and hence no provision is made in the books of accounts.

xxiv) Disclosure required under Section 186 (4) of the Company's Act, 2013 for loans and advances and guarantees :

(₹ in million)

		2014-15		2013-14	
a)	**Loans and advances in the nature of loans to subsidiaries**	**Maximum amount outstanding**	**Balance as at the year end**	**Maximum amount outstanding**	**Balance as at the year end**
	Prag Distillery (P) Ltd.	660.24	660.60	669.77	603.32
	Vahni Distilleries Private Limited	137.97	-	137.97	137.97
	Kesarval Spring Distillers Private Ltd	81.69	81.69	78.03	78.03
	PunjabExpo Breweries Private Limited	197.19	160.09	184.24	182.75
	Mykingdom Ventures Pvt. Ltd.	0.26	0.66	0.70	0.26
	Studd Projects P. Limited	0.33	0.33	0.22	0.22
	Srirampur Grain Pvt. Ltd.	1.44	1.44	1.41	1.41
	Shivprabha Sugars Ltd.	4.21	4.21	3.94	3.94
	Total	**1,083.33**	**909.02**	**1,076.28**	**1,007.90**
		2014-15		**2013-14**	
b)	**Guarantees**				
	Corporate guarantees issued to banks on behalf of Subsidiary Company		172.12		330.55

The above loans and guarantees have been given for general business purposes.

xxv) 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.

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

As per our Report of even date annexed.

For **Batliboi & Purohit**
Chartered Accountants
Firm Registration No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date : May 30, 2015

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director

Shivani Amit Dahanukar
Executive Director

Dr. Vishnu Kanhere
Director

Dr. Ravindra Bapat
Director

C. V. Bijlani
Director

Madan Goyal
Director

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Statement Containing Salient Features of The Financial Statement of Subsidiaries

(₹ in million)

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit /(Loss) Before Taxation	Provision for Taxation	Profit /(Loss) After Taxation	Proposed Dividend	% of Shareholding
1	Prag Distillery (P) Ltd	INR	36.81	340.44	1,642.10	1,264.85	0.03	2,173.98	(9.85)	5.38	(15.23)	Nil	100%
2	Vahni Distilleries Private Limited	INR	149.81	46.54	644.98	448.63	-	2,921.54	(2.03)	-	(2.03)	Nil	100%
3	Kesarval Springs Distillers Pvt. Ltd.	INR	3.00	(21.99)	64.81	83.80	-	4.90	(2.27)	-	(2.27)	Nil	100%
4	PunjabExpo Breweries Private Limited	INR	2.96	(27.30)	170.71	195.05	-	182.45	(32.25)	4.37	(36.62)	Nil	100%
5	Mykingdom Ventures Pvt. Ltd.	INR	0.10	2.25	3.06	0.71	-	-	(0.02)	-	(0.02)	Nil	100%
6	Studd Projects P. Ltd.	INR	0.10	(0.24)	0.20	0.34	-	-	(0.01)	-	(0.01)	Nil	100%
7	Srirampur Grains Private Limited	INR	0.10	(1.55)	0.01	1.46	-	-	(0.02)	-	(0.02)	Nil	100%
8	Shivprabha Sugars Ltd.	INR	0.50	(0.50)	15.64	15.64	-	-	(0.03)	0.34	(0.37)	Nil	90%

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director

Shivani Amit Dahanukar
Executive Director

Dr. Vishnu Kanhere
Director

Dr. Ravindra Bapat
Director

C. V. Bijlani
Director

Madan Goyal
Director

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary

Place : Mumbai
Date : May 30, 2015

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 million)

Sr. No.		Name of Associate	Mason & Summers Marketing Services Pvt. Ltd.
1		**Latest audited Balance Sheet Date**	March 31, 2014
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	16.90
	(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 29 (xxiii) of Consolidated Financial Statements
5		**Networth attributable to Shareholding as per latest audited Balance Sheet**	(16.90)
		(Limited to amount of investment in Associate)	
6		**Profit / (Loss) for the year**	
	(i)	Considered in Consolidation	-
	(ii)	Not Considered in Consolidation	(5.83)

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director

Shivani Amit Dahanukar
Executive Director

Dr. Vishnu Kanhere
Director

Dr. Ravindra Bapat
Director

C.V.Bijlani
Director

Madan Goyal
Director

Srijit Mullick
Chief Financial Officer

Gaurav Thakur
Company Secretary

Place : Mumbai
Date : May 30, 2015

Notes

Notes

Corporate Information

Board of Directors

Executive Directors

Mr. Amit Dahanukar
Chairman & Managing Director

Mrs. Shivani Amit Dahanukar
Executive Director

Non - Executive Independent Directors

Dr. Vishnu Kanhere
Dr. Ravindra Bapat
Mr. C. V. Bijlani
Mr. Madan Goyal

Chief Financial Officer
Mr. Srijit Mullick

Company Secretary
Mr. Gaurav Thakur

Statutory Auditors
Batliboi & Purohit
Chartered Accountants

Internal Auditors
Devdhar Joglekar & Srinivasan
Chartered Accountants

Cost Auditors
P. D. Phadke & Associates
Cost Accountants

Solicitors
W. S. Kane & Co.
Advocate Dharmish Thanai
Parekh & Co.
Advocate Umamaheshwar Rao
Economic Laws Practice (ELP)
Holla & Holla
Inttl. Advocare
Kunal Bhanage

Bankers/Financial Institutions

State Bank of India
Bank of India
Punjab National Bank
Axis Bank Ltd.
IDBI Bank Ltd.
IFCI Ltd.

Registered Office & Works

P. O. Tilaknagar, Tal. Shrirampur,
Dist. Ahmednagar, Maharashtra - 413 720
Tel.: (02422) 265123/265032
Fax.: (02422) 265135
E-mail: regoff@tilind.com
Website: www.tilind.com

Corporate Office

Industrial Assurance Building,
3rd Floor, Churchgate, Mumbai - 400 020
Tel.: (022) 22831716/18
Fax.: (022) 22046904
E-mail: tiliquor@tilind.com

Registrar & Share Transfer Agents

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E), Mumbai – 400 072
Tel.: (022) 40430200
Fax : (022) 28475207
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

80th Annual General Meeting is scheduled to be held on Saturday, September 26, 2015 at 10:30 a.m., at the Registered Office of the Company at P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra - 413 720

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TILAKNAGAR INDUSTRIES LTD.
CIN: L15420PN1933PLC133303

3rd Floor, Industrial Assurance Building,
Churchgate, Mumbai 400 020.
Tel.: +91 22 22831716/18, Fax: +91 22 22046904
Email : investor@tilind.com, Website: www.tilind.com

dickenson www.dickensonworld.com

BATLIBOI & PUROHIT
Chartered Accountants

To
The Members of
Tilaknagar Industries Ltd.

We have examined the compliance of conditions of corporate governance by Tilaknagar Industries Ltd. ('The Company') for the financial year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges in India.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was carried out in accordance with the guidance note on certification of corporate governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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 BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Registration No. 101048W

BATLIBOI & PUROHIT MUMBAI Chartered Accountants

Kaushal Mehta
Partner
Membership No. 111749

Place : Mumbai
Date: August 14, 2015

National Insurance Building, 2nd floor, 204, Dr D. N. Road, Fort, Mumbai - 400 001.
Tel : +91 -22- 22077942 / 22014930 • E-mail : auditteam@bnpindia.in