



RESPECTED & ADMIRABLE

ANNUAL
REPORT
2015-16



RESPECTED & ADMIRABLE

The year 2015-16 was marked by a number of challenges – stringent regulations, unfavourable market dynamics and volatile consumption behaviour.

At TI, we focused towards countering these headwinds and implemented a number of initiatives to emerge stronger. TI has been proactive to adapt to the changing ground realities and reinforce its focus on creating value out of its high-margin premium products.

Today, TI has a rich portfolio of highly respected and appreciated brands in the dark browns, light browns and whites category. Our success can be measured from the fact that the market has a wide appetite for our products, much higher than the current supply throughput.

What helped us successfully capitalize on the evolving market dynamics is our rich pedigree and a vast experience within the industry. It is the passion that drives TI, which is in reality a composite of great people, great brands, great taste and strong consumer affinity.

Going ahead, TI has much to offer. With improved favourable regulatory conditions and a streamlined balance sheet, we believe TI can create enormous value for a long time to come...



CONTENTS

04	About Us
07	Beyond the Ordinary
09	The Dark Browns
10	Beyond the Browns
12	Message from the Chairman & Managing Director
14	Board of Directors

17	Global Economy
18	Global Spirits Market
19	IMFL Market Trends in India
19	Growth Drivers
20	Key Features of the Market
20	Company Overview
21	Business Performance
24	Risk, Concerns, Opportunities and Threats
25	Human Resource
26	Information Technology
27	Internal Control Systems
27	Outlook
27	Forward Looking Statement
28	Profile of our Senior Management

32	Directors' Report
-----------	-------------------

67	Corporate Governance Report
-----------	-----------------------------

89	Independent Auditor's Report
92	Annexure - A to the Independent Auditor's Report
94	Consolidated Balance Sheet
95	Consolidated Statement of Profit and Loss
96	Consolidated Cash Flow Statement
97	Notes to Consolidated Financial Statements

123	Independent Auditor's Report	131	Standalone Statement of Profit and Loss
125	Annexure - A to the Independent Auditor's Report	132	Standalone Cash Flow Statement
128	Annexure - B to the Independent Auditor's Report	133	Notes to Standalone Financial Statements
130	Standalone Balance Sheet	160	Form AOC-1

01 ABOUT US AND
MESSAGES

02 MANAGEMENT
DISCUSSION AND
ANALYSIS

03 DIRECTORS'
REPORT

04 CORPORATE
GOVERNANCE
REPORT

05 CONSOLIDATED
FINANCIAL
STATEMENTS

06 STANDALONE
FINANCIAL
STATEMENTS

ABOUT US

Today TI has evolved to one of the world's leading brandy producer and a strategic player in India's IMFL industry. Its brand portfolio consists of unique and diverse brands that enjoy excellent consumer preference owing to its quality and value for money.

A strong outlook for the industry has strengthened its confidence to exceed customer expectations through brand premiumisation and strategic leverage of new markets and customers.

TI is committed to promote responsible consumption of its products, help drive environmental sustainability and support host communities.

OUR PRESENCE

With corporate office in Mumbai, TI possesses various manufacturing facilities comprising of 1 owned facility, 3 operating liquor subsidiaries with additional 5 subsidiaries for allied activities, 4 lease arrangements and 6 tie-up units strategically located across India.

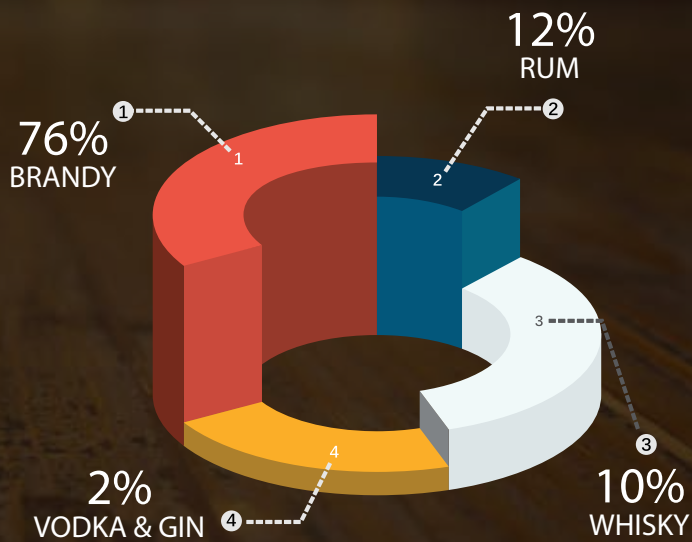
The distribution strength of TI is built around its dispersed manufacturing facilities that cover large swathes of the Indian market with a strong network of distributors and points of sales covering numerous market segments and geographies with especially pronounced presence in the South, India's largest IMFL consuming geography.

TI's brands have a foothold with a presence across Africa, the Middle-East, the Far East and the Caribbean countries.

OUR OFFERINGS

TI has to offer over 40 well-established and iconic brands across the range of Brandy, Rum, Whisky, Gin and Vodka.

While TI has a wide range of products across price points, it has strategically enhanced focus toward value added premium products.



Product Categorywise Sales Volume FY2016



With renewed focus on its bottom line, TI has strategically reduced its dependency on low-margin less premium products, and extended focus on expanding its portfolio of premium products across categories, regions and markets.



BEYOND THE ORDINARY

A NUMBER OF HURDLES HAVE BEEN AFFECTING THE INDIAN LIQUOR INDUSTRY OVER THE LAST FEW YEARS - FROM ALCOHOL PROHIBITION IN CERTAIN INDIAN STATES TO DIFFICULT TAXATION REGIME AND STRINGENT REGULATIONS.

IN THE WAKE OF SLACKENING SPIRITS, TI PURPOSEFULLY DE-GREW ITS HIGH-VOLUME LOW-MARGIN PRODUCTS AND ENHANCED FOCUS ON GROWING ITS SEMI-PREMIUM AND PREMIUM PRODUCT LINES.

TI reinforced its belief towards enhancing product quality, focused on providing superior consumer experience, branding its products differently and pricing its products at a premium with a view to maximising the production of value-added premium and semi-premium product lines.

With renewed focus on its bottom line, TI has strategically reduced its dependency on low-margin less premium products, and extended focus on expanding its portfolio of premium products across categories, regions and markets. TI has already showcased success in the premium segments of Brandy and Rum.

With a strong foothold, TI continues to be the leader in this product category.

