



Building on the Fundamentals

Disclaimer

This document contains statements about expected future events and financial and operating results of Tilaknagar Industries Ltd., which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Tilaknagar Industries Ltd. Annual Report 2016-17.

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Tilaknagar Industries Ltd.'s (TI) roadmap to success has been a very simple and fundamental recipe. It has developed a product, a brand, a taste and eventually an experience that has made it a preferred brand across every occasion.

The strategy fulfils consumers' needs while remaining faithful to the core of its brand identity.

TI has focused on building its rich high-margin premium brand offerings through enhanced marketing initiatives and wide distribution network.

This has allowed TI to gain a strong foothold in the industry and remain competitive, despite challenges.

Nurtured by a strong legacy and experience, TI is committed to continuously build on its business fundamentals and emerge as a winner in the journey of its business transformation.





PROMINENT PLAYER IN INDIA'S IMFL INDUSTRY

TI is engaged in the business of manufacturing and distribution of Indian Made Foreign Liquor (IMFL). The Company manufactures liquor across the major categories i.e. Whisky, Brandy, Rum, Vodka and Gin. Today, TI is amongst the leading Brandy producers globally, and a key player in the IMFL industry with a diverse brand portfolio.

With corporate office in Mumbai, the Company has robust manufacturing facilities comprising of 1 owned facility, 3 operating liquor subsidiaries, 4 leased and 9 tie-up units strategically located across India. Its brands have strong presence in the largest IMFL consuming States in Southern India.

Vision

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

Mission

- Create modern, state-of-the-art distillation plants and fully automated manufacturing facilities.
- Increase customer base through focused marketing in domestic and international markets.
- Diversify into business activities that would optimise core competencies, resources and synergy.
- Consistently enhance customers' experience with world class products and service delivery.
- Carry out community activities in alignment with the business objectives and encourage community engagement among staff.



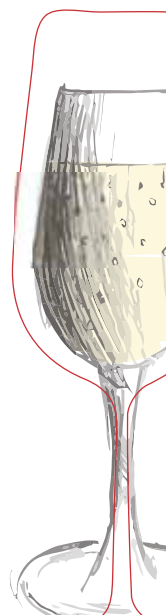
Business Principles
 Passion, Innovation, Care and Trust define TI's business and culture. TI's corporate philosophy is to align its business structure to reflect the highest levels of transparency, integrity, professionalism and accountability.



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PRODUCT PORTFOLIO & BRANDS

The Company has developed a sound understanding of the taste and preferences of its customers. Its wide product portfolio and superior brands strategically focus on creating a mix of semi-premium and premium line of products to enhance growth and margins.





Brandy and Rum

Business at TI is complemented by its International brands portfolio with premium Brandy and Rum that have a high potential to grow across regions and geographies. Following its strong heritage, TI continues to enjoy a strong position in this segment of the IMFL industry in India and creates value for its consumers. TI is also aspiring to spread its wings in the Rum segment. The Company's flagship 'Mansion House' Brandy (Millionaire Brand), 'Courier Napoleon' – Red and Green Brandy and 'White House' Rum are the most prominent names in this segment.

Whisky, Vodka and Gin

TI has a rich portfolio of white and light brown brands of premium liquor across various IMFL categories, offering enriched consumer experience for all occasions. This segment presents a unique expansion and growth opportunity for the Company. TI's 'Senate Royale' Whisky and 'Mansion House' Whisky lead the pack in the segment. With the existing portfolio of 'Volga' Vodka and 'Blue Lagoon' Gin, TI is well placed to grow in this space.



Product Category-wise Sales Volume in FY2017



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THE **premiumization** **STRATEGY**

– A KEY DIFFERENTIATOR

Rising disposable income with desire for social status and lifestyle, improved taste, experience and value are the contributing factors for the increased consumer demand for premier IMFL products. These factors have led TI to deliver an exclusive and premium experience to its consumers. TI has been leveraging on the premiumization strategy with reduced dependency on low-margin less premium products. The Company extended focus on expanding the portfolio of premium products across categories, regions and markets. The strategy has collectively enabled the Company to explore premiumization opportunity and deliver superior consumer experience.

The premium segment has delivered growth over the past 2-3 years reflecting the strong brand image and heritage of TI.





Increase in sale volume of the premium brand 'Mansion House' Brandy over FY16

Increase in sale of premium brand portfolio over FY16.

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UNIQUE MARKETING INITIATIVES

Great marketing and innovation throughout our diversified brand portfolio is an essential element for business growth. TI is committed to reshape the concept of socializing by ensuring the presence of its products in all consumer spaces.

-  Packaging of the 'Mansion House' Brandy was revamped completely PAN INDIA to provide a better look and vibrancy to the brand.
-  As a part of increasing the visibility and brand promotion initiative, celebration pack of 'Courier Napoleon' Brandy Green was introduced in Puducherry and Karnataka resulting in better demand and sale of the brand in the market.

