



TILAKNAGAR INDUSTRIES LTD.

ANNUAL REPORT 2018-19



RISING

STRENGTH

CORPORATE OVERVIEW 1 – 17**Rising Strong 1 - 9****Chairman's Message 10 - 11****Board of Directors & Profile of Senior Management 12 - 17****STATUTORY REPORTS 18 – 86****Management Discussion & Analysis Report 18 - 25****Directors' Report 26 - 59****Corporate Governance Report 60 - 86****FINANCIAL STATEMENTS 87 – 203****CONSOLIDATED FINANCIAL STATEMENTS 88 - 143****Independent Auditor's Report 88 - 95****Balance Sheet 96****Statement of Profit & Loss 97****Cash Flow Statement 98 - 99****Statement of Changes in Equity 100****Notes to Financial Statements 101 - 143****STANDALONE FINANCIAL STATEMENTS 144 - 201****Independent Auditor's Report 144 - 153****Balance Sheet 154****Statement of Profit & Loss 155****Cash Flow Statement 156 - 157****Statement of Changes in Equity 158****Notes to Financial Statements 159 - 201****FORM AOC-1 202 - 203****Disclaimer**

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

Please find our online version
at [http://www.tilind.com/
investors/#shareholder-services](http://www.tilind.com/investors/#shareholder-services) or
simply scan to download





**At
TILAKNAGAR INDUSTRIES**
(also mentioned as 'TI' or 'the Company'), growth is not just limited to profitability, it is about the positive mindset and the business strengthening initiatives to keep the organization moving, despite external challenges. The resultant impact has allowed the Company to rise stronger through the following key outcomes:

- Enhanced market position in existing and new markets
- Strengthened presence across broader geographic areas
- Improved processes and resource utilization for achieving cost efficiencies
- Continued caring for employees, communities and the surrounding environment

₹ 66,133.00 lacs
+14%

Consolidated Revenue from Operations for the financial year ended March 31, 2019

₹ 6,134.09 lacs
+68%

*EBITDA for the financial year ended March 31, 2019

₹ 66.43 lacs
+12.27%

Cases sold in 2018-19

*EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization

ABOUT US

Founded in 1933, as The Maharashtra Sugar Mills Limited, a manufacturer of sugar and allied products, today, the Company is amongst the leading alco-bev player in India with rich experience. The Company is present across varied liquor categories comprising Brandy, Whisky, Vodka, Gin and Rum.

Our strong geographic reach coupled with best-in-class marketing strategies has allowed us to build a strong and diverse portfolio of brands across our operating categories.

The Company has been consistently meeting the consumer demands across domestic and international market through its 15 owned/leased/tie up facilities located across India. The Shirampur facility has the capacity to produce 100 KLPD of molasses based and 100 KLPD of grain-based ENA. The strong distribution network has further allowed the Company to mark its presence across all the major market segments and geographies across Southern India.



OUR VISION

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



OUR MISSION

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



OUR VALUES

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

MANUFACTURING PRESENCE

1
Owned
Facility



3
Operating
Subsidiaries



3
Leased
Units



8
Tie-up
Units





RISING STRONG WITH

PORTFOLIO OF BRANDS

The Company is rising strong with its diverse product range of over 16 iconic brands sold across various geographies, categories and price points. Being one of the leading manufacturers of IMFL in the Southern and Western regions, the Company has successfully evolved its portfolio in the premium segment and is fulfilling customer aspirations.



5
Brands in
Brandy

6
Brands in
Whisky

2
Brands
in Rum

3
Brands in
Vodka & Gin

Product Category-Wise
Sales Volume in 2018-19

89.04%

BRANDY

6.23%

RUM

3.16%

WHISKY

1.57%

VODKA & GIN

What we offer?	Our USPs	How are we rising strong?
Brandy and Rum	'Mansion House' Brandy, 'Courier Napoleon' – Red & Green Brandy, 'White House' Rum and 'Madira XXX' Rum	Being preferred in all the occasions providing immaculate growth opportunity for the Company
Whisky, Vodka and Gin	'Senate Royale' and 'Mansion House' Whisky	We have something to offer to all the consumers through our diverse portfolio of white and light brown brands of premium liquor across IMFL categories
	'Volga' Vodka and 'Blue Lagoon' Gin	There is immense growth opportunity in Vodka and Gin category





RIISING STRONG BY

UNDERSTANDING THE CONSUMER PREFERENCES

The Company's competitive advantage is reflected through its cutting-edge consumer insights and marketing campaigns leading to capturing the right preferences. Our strong distribution network nurtures customer relationships, enhances reach and builds superior agri-sourcing, among others.



Region-Wise Sales Performance

[Quantity in Lac Cases]

Region/Category	2018-19	2017-18	Change (%)
South	58.01	49.08	18.19
Export & Institutions	5.31	7.54	(29.58)
East	2.28	1.89	20.63
West	0.83	0.66	25.76
Total	66.43	59.17	12.27

Segment-Wise Sales Performance

[Quantity in Lac Cases]

Segment	2018-19	2017-18	Change (%)
Brandy	59.15	49.81	18.75
Rum	4.14	5.91	(29.95)
Whisky	2.10	2.48	(15.32)
Vodka & Gin	1.04	0.97	7.22
Total	66.43	59.17	12.27

Market Presence Across the Globe



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

SOUTH-EAST ASIA



India & Singapore

AFRICA



Guinea, Ghana,
Nigeria, Angola, Congo,
South Sudan, Uganda,
Rwanda and Kenya

MIDDLE-EAST



Bahrain

EUROPE



Italy



RISING STRONG THROUGH

EFFICIENT MARKETING ACTIVITIES

The Company has adopted smart marketing strategies and programmes focused on augmenting strong brand recall and marking a strong presence in the consumer's mind share.

