

COMPETENCE



CAPACITY

COMMITMENT



.TI.

TILAKNAGAR INDUSTRIES LTD.

COMPANY OVERVIEW

- The driving spirit **02**
- Financial highlights **04**
- Delighting customers in more ways than one **06**
- Milestones, awards and accreditations **08**

STRATEGIC OVERVIEW

- A fine blend of brands and relationships **10**
- A thirst for volumes and visibility **16**
- A bonafide pledge to create value **18**
 - From the CMD's desk **20**
 - Profile of the Board of Directors **22**
 - Senior Management profile **24**
 - Corporate Social Responsibility **26**

BOARD AND MANAGEMENT REPORTS **38**

FINANCIAL STATEMENTS **77**

Forward Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



It's the compelling story of achieving the sales volume of over 10 million cases.

It's the gripping narrative of winning hearts and minds through product premiumisation nationally and internationally.

IT'S A RICH BLEND OF COMPETENCE, CAPACITY AND COMMITMENT.

We are one of the leading players in the Indian Made Foreign Liquor (IMFL) industry by virtue of our impeccable blending competence (enriching brand exclusivity), growing capacities (enhancing volumes and visibility), and above all an enduring stakeholder commitment (reinforcing business sustainability).

Our industry performance has strengthened our confidence to exceed customer expectations and drive profitable growth through brand premiumisation and strategic leverage of new markets and customers.

We are committed to promote responsible consumption of our products, help drive environmental sustainability and support our host communities.

Strategic developments 2010-11



Installed and commissioned

100 KLPD grain-based Extra Neutral Alcohol (ENA) plant and a 5 MW power plant (with back pressure technology) at Shrirampur

Acquired

Kesarval Springs Distillers Pvt. Ltd., Goa-based wine and bottling unit





COMPANY OVERVIEW	STRATEGIC REVIEW	BOARD AND MANAGEMENT REPORTS	FINANCIAL STATEMENTS
THE DRIVING SPIRIT			



Our flagship brand Mansion House Brandy continued to outpace the industry growth yet again

Introduced

New brands and variants of existing brands in various markets

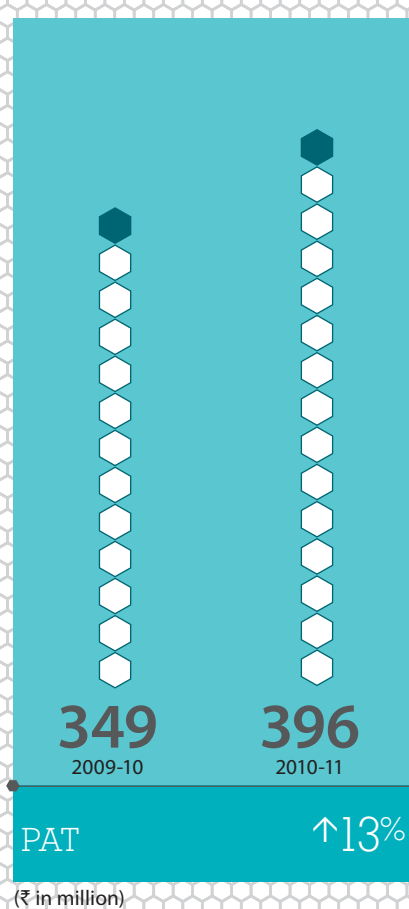
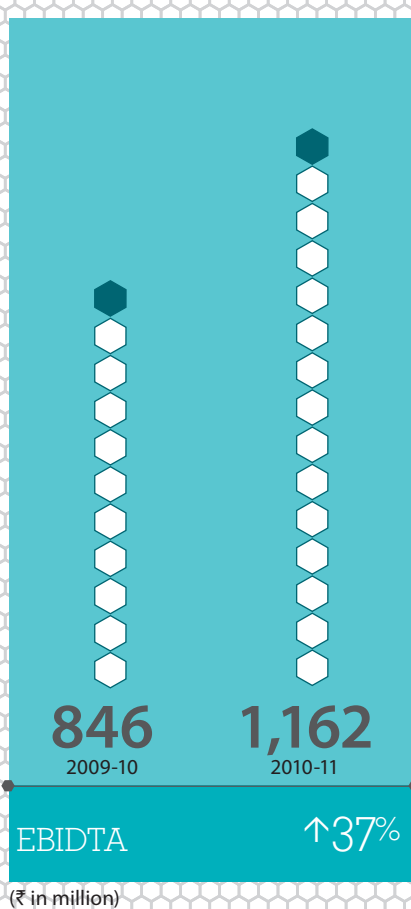
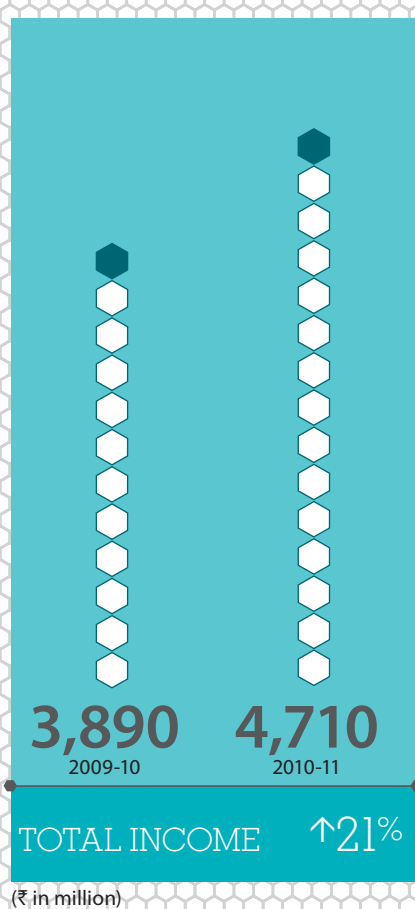
Family-shaped packaging for the Mansion House Brandy

Premium version of Madira Rum namely Madiraa Premium Dark XXX Rum



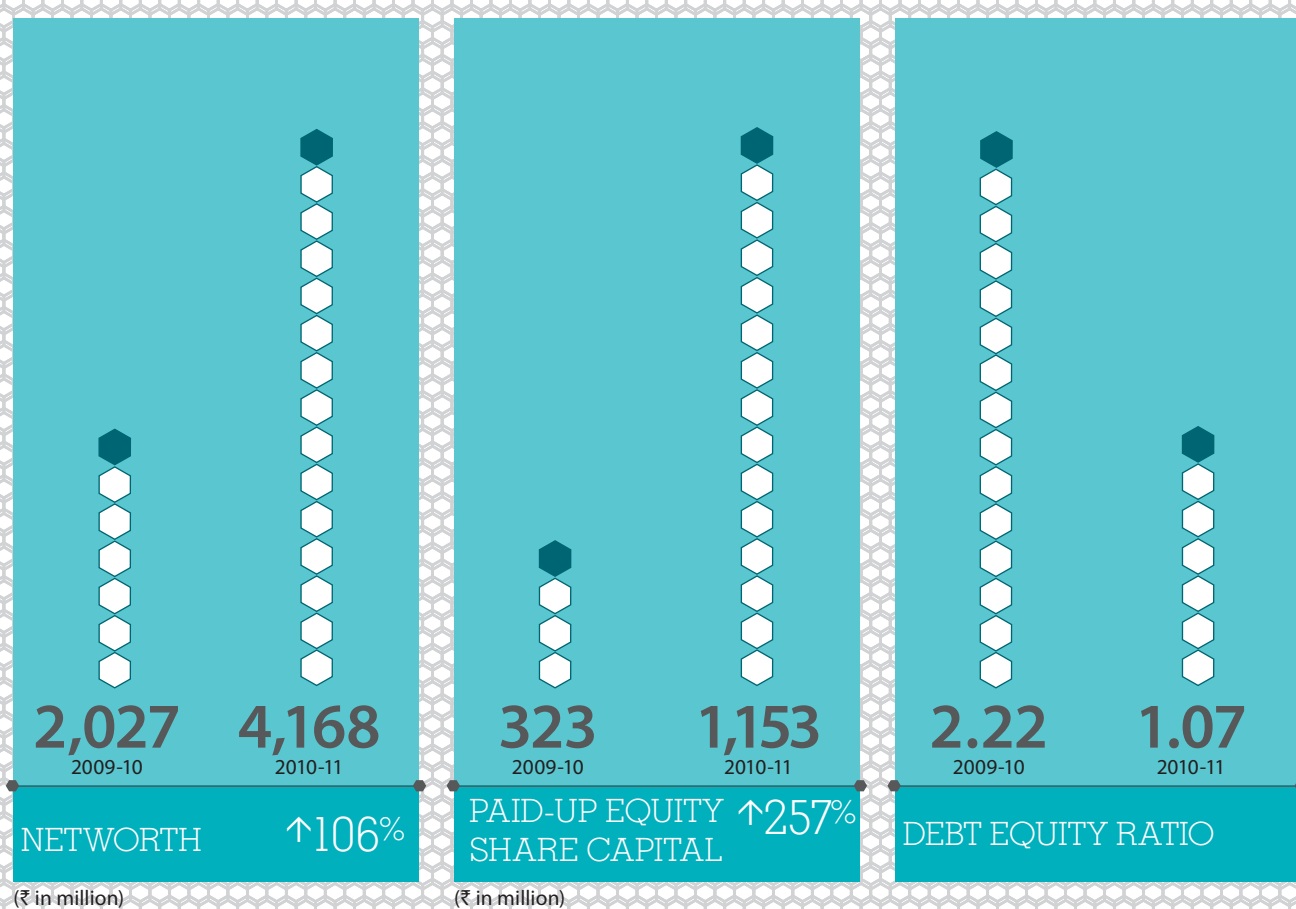


FINANCIAL HIGHLIGHTS





COMPANY OVERVIEW	STRATEGIC REVIEW	BOARD AND MANAGEMENT REPORTS	FINANCIAL STATEMENTS
FINANCIAL HIGHLIGHTS			



Note:- Graphs not to scale



DELIGHTING CUSTOMERS IN MORE WAYS THAN ONE

TI is recognised among the leading players in the manufacture, marketing and distribution of Indian Made Foreign Liquor (IMFL). We believe in providing highest levels of quality, product delivery and services to our customers across India and globally.



Products manufactured

Whisky, brandy, rum, vodka and gin



Manufacturing facility

Shrirampur (Maharashtra)

Domestic presence

Dominant presence in Karnataka, Andhra Pradesh, Kerala, Tamil Nadu, Puducherry and Canteen Stores Department (CSD) and increasing presence in Northern, Eastern and Western regions

Export presence

Africa, the Middle-East, the Far East and the Caribbean countries



40+

Brands

11

Brands registered with CSD

32

Manufacturing facilities across India (4 owned, 7 leased arrangements and 21 tie-ups)

200 KLPD

Molasses based distillation plants (100 KLPD)
Grain based distillation plant (100 KLPD)



COMPANY OVERVIEW	STRATEGIC REVIEW	BOARD AND MANAGEMENT REPORTS	FINANCIAL STATEMENTS
DELIGHTING CUSTOMERS IN MORE WAYS THAN ONE			

MISSION

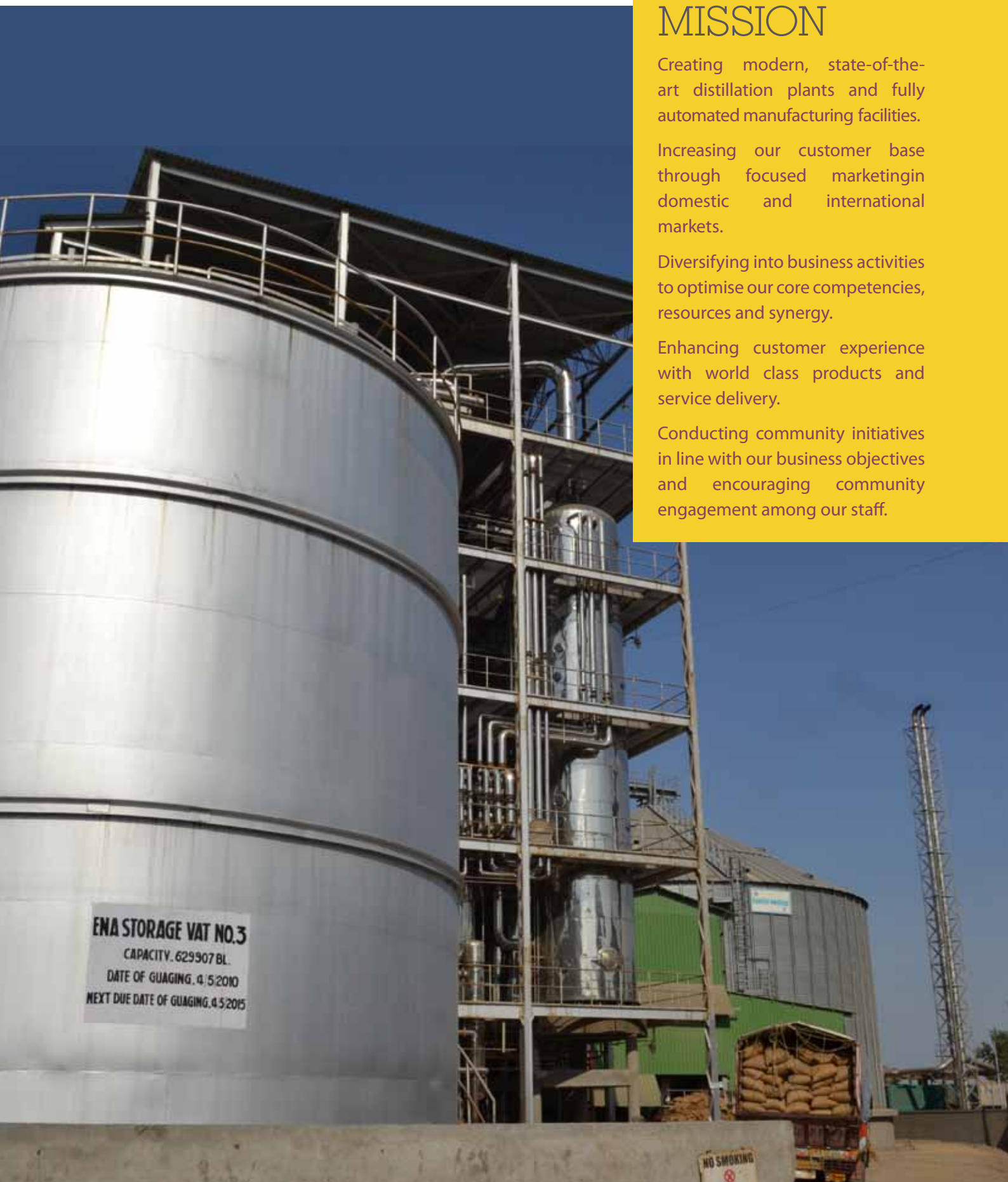
Creating modern, state-of-the-art distillation plants and fully automated manufacturing facilities.

Increasing our customer base through focused marketing in domestic and international markets.

Diversifying into business activities to optimise our core competencies, resources and synergy.

Enhancing customer experience with world class products and service delivery.

Conducting community initiatives in line with our business objectives and encouraging community engagement among our staff.

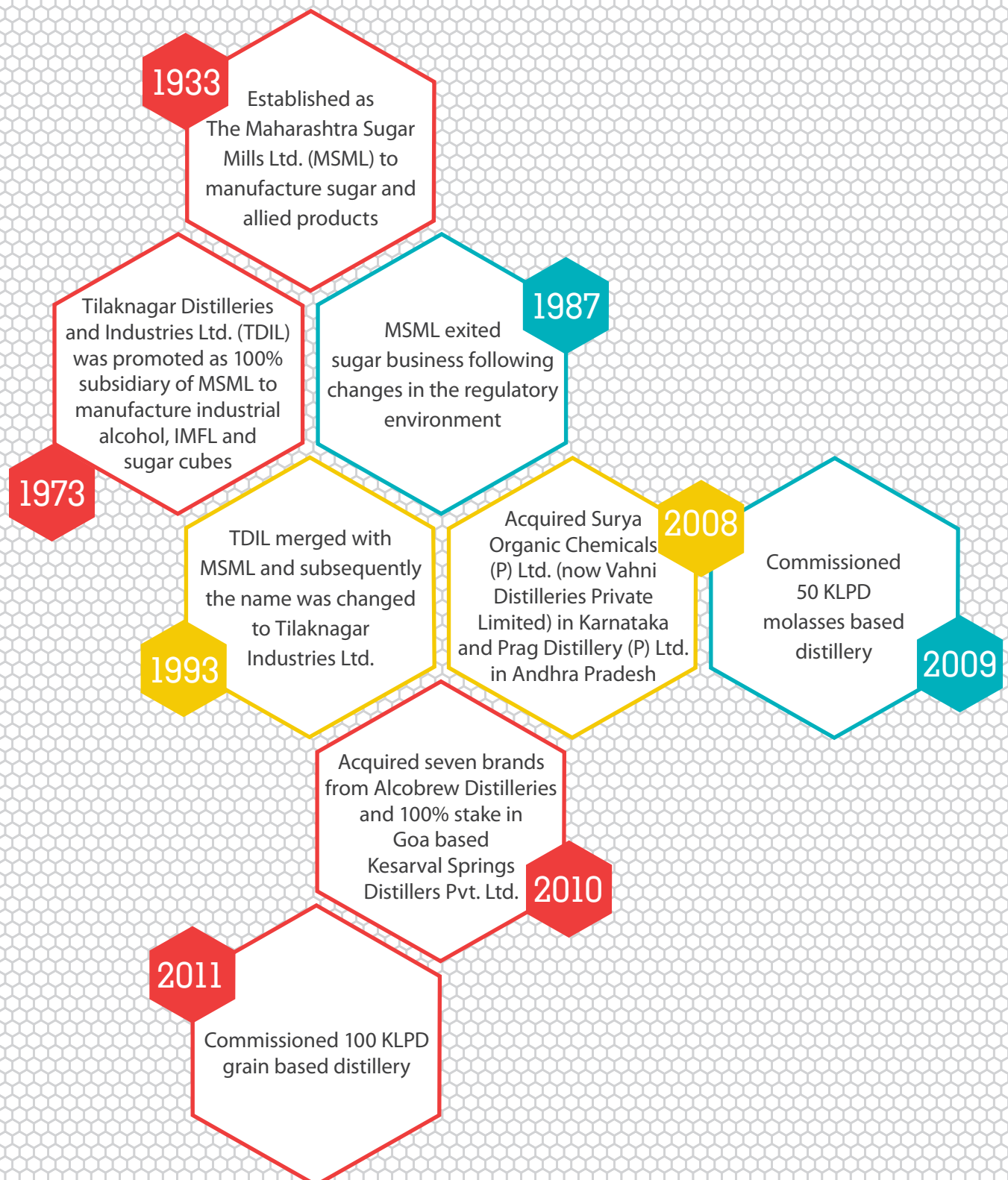


ENA STORAGE VAT NO.3
CAPACITY. 629907 BL.
DATE OF GUAGING. 4/5/2010
NEXT DUE DATE OF GUAGING. 4/5/2015

NO SMOKING



MILESTONES, AWARDS AND ACCREDITATIONS





COMPANY OVERVIEW	STRATEGIC REVIEW	BOARD AND MANAGEMENT REPORTS	FINANCIAL STATEMENTS
MILESTONES, AWARDS AND ACCREDITATIONS			

Accredited with the ISO 14001:2004 Environmental Management System certificate

Recognised as the Best Business Partner of CSD in liquor category in 2009-10

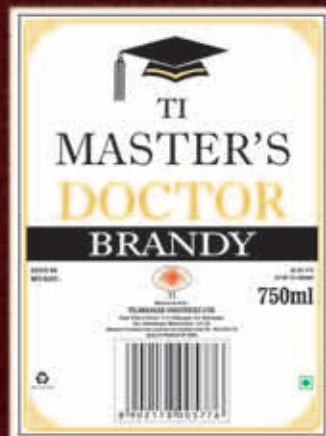
Acknowledged as 'The Emerging Company of the Year' by the Confederation of Indian Alcoholic Beverage Companies in 2010

Conferred the 'Brandy of the Year' award at INDSPIRIT 2009 for Mansion House Brandy

Received Gold Award for the annual report 2008-09, titled 'Happy Hours' at the 4th National Print Awards



A FINE BLEND OF BRANDS AND RELATIONSHIPS



WE HAVE ESTABLISHED A DISTINCT IDENTITY IN THE IMFL SEGMENT THROUGH OUR PORTFOLIO OF SUPERIOR LIQUOR BRANDS (OFFERED AT VARIOUS PRICE POINTS) FOR CONSUMERS AT VARIED CROSS-SECTIONS.

We have built a strong portfolio of alcoholic beverages. Besides, the acquisition of brands registered with CSD has further strengthened our product offerings.

During the year, TI launched new brands and variants of existing brands in different states, enriching relationships with multiple customers and varied cultures.



Crown Prince
Brandy in
Tamil Nadu

BLACPOWER
Whisky in
**Andhra
Pradesh and
Maharashtra**

MH VSOP Brandy
in **Puducherry
and Kerala**

Duchess Brandy
in **Andhra
Pradesh**

Madiraa
Premium
Dark XXX
Rum in **Goa,
Maharashtra
and Assam**



Millionaire brands-
Madira Rum and Mansion House
Brandy had been ranked at No.1
and No.3 positions respectively
for the fastest growing domestic
brands in Millionaires 2010
Supplement from Drinks
International, researched by
Euromonitor International



CHAMPIONING MULTIPLE BRANDS FOR CONNOISSEURS

WHISKY

BLACPOWER Whisky

A combination of rare grain spirits and expert blending brings out the most authentic whisky experience. With a distinctive taste and a lingering finish, this spirit unleashes the power of supremacy and perfection.



Senate Royale Whisky

A special blend created by experts, by careful selection and amalgamation of finest Indian Grain Spirits with imported Scotch.

Classic Whisky

A blend of rare Indian malt spirits.

Royal Choice Whisky

A marriage of matured barley and select Indian malt that gives this blend a rich, strong flavor.

Bachelor Whisky

Made from matured barley and select Indian malt, resulting in a beautiful dark gold tint and rich strong flavour.

Golden Chariot Whisky

A fine blend made with an essence of barley that creates a light sensation and glides down smoothly, creating an unforgettable experience.

White House Premium Whisky

A blend of imported scotch malts and finest Indian grain spirits.

Shot Whisky

Rich taste of Indian whisky available in the regular range to suit the Indian palate.



COMPANY OVERVIEW	STRATEGIC REVIEW	BOARD AND MANAGEMENT REPORTS	FINANCIAL STATEMENTS
	CHAMPIONING MULTIPLE BRANDS FOR CONNOISSEURS		

RUM

Bonking Rum

A smooth matured XXX rum with an intense flavour appealing to the palate.

Black Colt Matured XXX Rum

A unique blend prepared out of molasses spirit, blended and married to perfection for rum connoisseurs.

Madiraa Premium Dark XXX Rum

A blend made from first generation sugarcane juice spirit and matured to a product with notable flavour and a smooth taste.

TI Nigro He-Mans XXX Matured Rum

A Strong rum with an intense flavour.





CHAMPIONING MULTIPLE BRANDS FOR CONNOISSEURS

BRANDY

Mansion House French Brandy

A rare blend created by experts using traditional matured grape brandies obtained from special Cognac pot stills to gain a vibrant aroma and bold characteristic with a bright golden tint.

Courrier Napoleon Finest Pure Grape French Brandy

A beautiful blend made from carefully selected grape spirit distilled in Cognac pot stills of France. The brandy is matured in special wooden casks, giving it a distinctive and unique character and a golden tint with a hint of honey and vanilla.



White House Brandy

Classic blend of rich grape spirit with traditional attributes of pure and traditional brandy.

Duchess V.S.O.P. Brandy

A unique blend of finest grape spirits with smooth aroma and well-balanced traditional brandy taste.

MH VSOP Brandy

A blend that truly defines the smooth and well balanced taste of the finest grape spirit, created by expert blenders to give it a pleasant taste.

Master's Doctor Brandy

A beautiful golden yellow blend with a rich fruity flavour and a typical brandy aroma that is obtained from the finest distillation process.

Crown Prince Brandy

Classic blend of grape and neutral spirit with traditional attributes of rich brandy - a true crown amongst the brandy in its range.





COMPANY OVERVIEW	STRATEGIC REVIEW	BOARD AND MANAGEMENT REPORTS	FINANCIAL STATEMENTS
	CHAMPIONING MULTIPLE BRANDS FOR CONNOISSEURS		

GIN

Savoy Club Gin & Fresh Lime

Crafted from the finest botanicals, fruits and spices, picked at the peak of their freshness.

Royal Choice Duet Gin

An invigorating essence distilled with a tinge of herbs and fruity notes created by expert blenders for a pleasant taste.

VODKA

Castle Club Triple Distilled Vodka

Crisp, superior and triple-distilled, in an attractive family-shaped, tall bottle.

Classic Vodka

A blend of finest triple distilled alcohol and natural ingredients available in attractive frosted bottle.

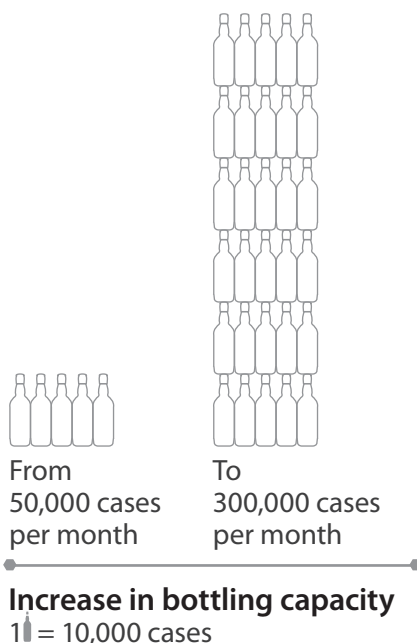




A THIRST FOR VOLUMES AND VISIBILITY

Our robust volumes are achieved on the strength of our capacities.

Over the preceding four years there has been a significant addition to TI's distillation capacities by way of organic and inorganic growth. The organisation has incurred a capex of ₹ 2,320 million and commissioned a 50 KLPD molasses-based ENA plant and 100 KLPD grain-based ENA plant. Besides, we are also enhancing our bottling capacity from 50,000 cases per month to 300,000 cases per month.



4×

Capacity expansion over the preceding four years

=

8×

Growth in sales volume over the last four years

TI's leading brand Mansion House is now the official 'Cheers' partner of Chennai Super Kings (CSK), the IPL 2011 Champions. We also increased promotional activities for our new brands through innovative marketing concepts like hosting parties in the local neighbourhoods during the festive season.






TI's multi-feed capacities would mitigate itself against the increasing cost pressures arising out of volatile molasses prices, thus strengthening gross margins



A BONAFIDE PLEDGE TO CREATE VALUE

We are committed to maximise stakeholder value and our extensive products range is anchored on our conviction to grow profitably.





Our strategic endeavours are visible through an encouraging 5-year CAGR growth in profitability.

↑99.9%
PROFITABILITY

↑75.4%
EBITDA

↑45.1%
REVENUES

↑48.9%
VOLUMES



FROM THE CMD'S DESK



Amit Dahanukar

Chairman & Managing Director

Dear Shareholders,

The time is ripe for bigger and better things.

India's macro-economic fundamentals are conducive for business profitability and sustainability. There might be a difference of opinion about the challenges India still has to overcome in order to leverage its full potential across a wide spectrum of socio-economic parameters. I think post-recession the world is shifting to a slower, but more sustainable growth, with India and China contributing towards almost half of the global growth.

On some parameters like sound democratic governance and building a transparent and powerful civil society, India even scores over China, and closely follows the western model.

We have been consistent in maximising shareholder value through unsurpassed growth in volumes, visibility and financial vigour. Our strong market position in the IMFL space, focused strategies to expand capacities, multi-geographic footprint and a rich product portfolio represent the foundation for sustainable growth.



COMPANY OVERVIEW	STRATEGIC REVIEW	BOARD AND MANAGEMENT REPORTS	FINANCIAL STATEMENTS
	FROM THE CMD'S DESK		

TI introduced the family-shaped packaging concept for Mansion House Brandy, which has received an overwhelming response from all quarters.



We have continued to expand capacities through the inorganic route. We acquired Kesarval Springs Distillers Pvt.Ltd., Goa based wine and bottling unit, which will accrue dual benefits: first, it will provide an access to markets in Goa and Puducherry; second, it will enable us to commence a fairly niche port wine business with extensive export opportunities. We also commissioned a 100 KLPD grain-based ENA plant at Shrirampur, enabling us to launch new premium products domestically and internationally. It will also provide a natural hedge against any volatility in raw material costs. We also commissioned 5 MW power plant through back-pressure steam technology, which will meet the captive requirements of the Shrirampur unit.

Over the last ten years, the IMFL industry has evolved considerably. The consumer now drives the market and makes well-informed purchase decisions. With more young people in the workforce, enhanced disposable income, qualitative difference in lifestyles and aspirations, and an increasing acceptance of responsible drinking across all social circles, the IMFL sector is poised to grow attractively. The challenge now is to cater to the discerning consumers with more premiumisation and promising brands.

During the year, we launched new products and variants of existing products across various markets in India. These brands have been well received in the market for their rich blend and packaging finesse, and are expected to generate higher revenues in the coming fiscal. Besides, our association with the reigning superstars (Chennai Super Kings) of the IPL circuit will reinforce our corporate identity as a pan-national entity.

We owe a lot to the communities in which we operate, and we are committed to widen our intervention for social uplift. Environment sustainability will also remain a part of our focused endeavours. I am grateful to my entire team at TI, as without their support, commitment and dedication we would not be what we are today.

Impelled by a motivated workforce and focused strategies, we will continue to reward stakeholders with more competence in corporate governance and brand up-scaling, greater capacities for national and global markets and a shared commitment towards profitability and sustainability.

Best Regards,
Amit Dahanukar



PROFILE OF THE BOARD OF DIRECTORS





COMPANY OVERVIEW	STRATEGIC REVIEW	BOARD AND MANAGEMENT REPORTS	FINANCIAL STATEMENTS
	PROFILE OF THE BOARD OF DIRECTORS		

Seated (left to right):

Mr. V.B. Haribhakti,
Mr. Amit Dahanukar,
Mrs. Shivani Amit Dahanukar

Standing (left to right):

Mr. C.V. Bijlani, Mr. Madan
Goyal, Dr. Vishnu Kanhere,
Dr. Ravindra Bapat

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 is responsible for spearheading the future initiative of TI.

Mrs. Shivani Amit Dahanukar

Mrs. Shivani Amit Dahanukar is a Masters in Business Administration from the University of San Francisco; she also graduated in Law from the Government Law College, University of Mumbai. She oversees TI's daily operations.

Mr. V.B. Haribhakti

Mr. V.B. Haribhakti is a Chartered Accountant and in practice for the past several years. A gold medalist in the final Chartered Accountants Examination, Mr. Haribhakti was the President of Institute of Chartered Accountants of India in the year 1967-68. He was also the member of the Council of the Institute of Chartered Accountants of India from 1961-73. With considerable experience in the field of accountancy and management, Mr. V.B. Haribhakti is TI's Non-Executive and Independent

Director and is associated with the Company since March, 1977.

Dr. Vishnu Kanhere

Dr. Vishnu Kanhere is a practicing Chartered Accountant and a qualified Cost 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 Emeritus Professor, Department of Surgical Gastroenterology at the Seth G. S. Medical College and K.E.M Hospital, Parel, Mumbai. He is a member of the Governing Council of Tata Memorial Centre and Trustee of Yashwantrao Chavan Pratishthan, Ayurvedya Vardhini & Sanyog Trust, Mumbai. He is also the Chairman of Haffkine Bio-pharmaceutical Corporation Ltd.

Mr. C.V. Bijlani

Mr. C.V. Bijlani, who started his career as Lecturer in Economics, is a banker with over 4 decades' experience in the field of banking and finance e.g. 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, General Administration etc. He has held very senior positions with public and private sector banks.

Mr. Madan Goyal

Mr. Madan Goyal is a management graduate and the Fellow of Chartered Institute of Bankers, United Kingdom, with experience of more than 45 years in commercial banking, investment banking and human resource management. He has been associated with the State Bank of India, SBI Capital Markets and SBI Mutual Fund for a period of 25 years, holding senior positions. Currently, he is the Chairman & Managing Director of Primeview (India) Infin Pvt. Ltd.



SENIOR MANAGEMENT PROFILE



1 DR. KESHAB NANDY

Chief Legal Officer & Chief Vigilance Officer

Dr. Keshab Nandy is a multiple graduate & post-graduate degree holder with Distinction in English, HRD, Law, Management, with a Ph.D in Management. He oversees the legal functions of the Company.

2 DR. SUKHBIR PURI

Sr. Vice President - Operations

Dr. Sukhbir Puri, who is a Ph. D. in Chemistry, has over 37 years of extensive experience, comprising 5 years in marketing and more than 32 years in manufacturing/operations. He is presiding the Indian Chamber of Commerce & Industry Committee on Environmental Concerns.

3 MR. LALIT SETHI

Chief Financial Officer

Mr. Lalit Sethi is a Chartered Accountant, with over 21 years of experience, in the field of finance and accounts across various sectors. He oversees the financial functions of the Company.

4 MR. PRAKASH LAGHATE

Sr. Vice President – HR

Mr. Prakash Laghate is a Mechanical Engineer and has experience of over 40 years in multifunctional areas in large global and Indian multinational organisations.

5 MR. GAURAV THAKUR

Company Secretary

Mr. Gaurav Thakur, a post-graduate in Commerce and a qualified Cost Accountant and Company Secretary, has over 11 years of experience in the areas of secretarial and legal functions across various sectors.

6 MR. NARESH AGNIHOTRI

Vice President – Works

Mr. Naresh Agnihotri is a graduate in Bachelors of Science (chemistry) and has over 40 years of experience in Distillery/Liquor Industry.

7 MR. C R RAMESH

General Manager - Liquor

Mr. C R Ramesh is a chemistry graduate with over 27 years exposure in the liquor industry. He is fully conversant with all the aspects of liquor manufacturing and oversees the manufacturing operations of the Company.

8 MR. K. KUMARASAMY

General Manager - Manufacturing

Mr. K. Kumarasamy is a graduate in Chemistry having 21 years experience, of which 18 years is in the liquor industry, in the areas of Blending & Quality Assurance, Production of IMFL, Spirits & Wine and Commercial.

9 MR. C. D. NAGESHWAR RAO

VP - Sales (Andhra Pradesh)

Mr. C. D. Nageshwar Rao, a high performing marketing professional, is a commerce graduate with diploma in Business Management. He possesses a rich 29 years of experience in sales, of which 27 years is in the liquor industry.

10 MR. ASHISH CHOUDHURY

General Manager-Sales (Karnataka)

Mr. Ashish Choudhury is a humanities graduate from the Bangalore University, having 31 years experience in sales in Karnataka, Andhra Pradesh, Maharashtra and Madhya Pradesh with leading IMFL companies.



COMPANY OVERVIEW	STRATEGIC REVIEW	BOARD AND MANAGEMENT REPORTS	FINANCIAL STATEMENTS
	SENIOR MANAGEMENT PROFILE		



11 MR. S. S. BALAJE

DGM - Sales (Tamil Nadu & Puducherry)

Mr. S. S. Balaje, a graduate in Corporate Secretaryship, has over 26 years experience in the areas of consumer research/innovations, sales and marketing of liquor, packages and tinned food. He oversees operations of Tamil Nadu, Puducherry and Andaman.

12 MR. RAJESH AGRAWAL

DGM - Sales (Maharashtra & Daman)

Mr. Rajesh Agrawal is a graduate in Arts and has over 26 years of experience in IMFL industry. He possesses an in-depth knowledge of sales and distribution in the liquor industry.

13 MR. SHIV SANKAR CHAND

AGM - Sales (Orissa, Assam, West Bengal, Sikkim and Tripura)

Mr. Shiv Sankar Chand, a graduate in Arts from Utkal University, Orissa, has over 15 years experience in sales and marketing of alcohol in Orissa, Chennai and Kerala.

14 MR. MAXY GEORGE POOVATTIL

Manager - Sales (Kerala)

Mr. Maxy George Poovattil, a graduate in Arts from Manonmaniam Sundarnar University, Tamil Nadu, has over 16 years of experience in sales and FMCG in Kerala and UAE market.

15 MR. ANAND KADAM

DGM - Purchase

Mr. Anand Kadam is a graduate in Engineering (B.E. Production-Hons.) from the Mumbai University and post-graduate in Materials Management having more than 19 years of experience in areas of materials management.

16 MR. G. S. KRISHNAN

DGM - Finance

Mr. G. S. Krishnan, a science graduate and C.A.I.I.B. (Indian Institute of Bankers), has over 29 years experience with nationalised and private sector banks in the area of financial services. He is responsible for the day-to-day working capital requirement and financial matters of the Company.

17 MR. PURUSHOTTAM L. GUPTA

DGM - Finance

Mr. Purushottam L. Gupta, a Post Graduate in Economics and a Certified Associate of Indian Institute of Bankers with over 37 years of experience in Banking.

18 MR. PRITHWIS DUTTA

DGM - Corporate Finance

Mr. Prithwis Dutta is a Chemical Engineer from IIT Kharagpur. He is a Certified Associate of the Indian Institute of Bankers, with over 35 years of experience in International Banking, Industrial loans & Project Finance.

19 MR. MANOJ MIMANI

DGM - Accounts

Mr. Manoj Mimani is a graduate in Commerce and Company Secretary with an experience of more than 16 years in the areas of accounts, finance, taxation and secretarial functions across various sectors. He is responsible for the accounts and taxation of the Company.

20 MS. SAVIANA PHULSUNGHE

AGM - HR

Ms. Saviana Phulsunghe, a post-graduate in Human Resource with a rich experience of over 15 years, is in the areas of human resource, handling a generalist profile.

CORPORATE SOCIAL RESPONSIBILITY

In September 2000, building upon a decade of major United Nations conferences and summits, world leaders came together at United Nations Headquarters in New York to adopt the United Nations Millennium Declaration, committing their nations to a new global partnership to reduce extreme poverty and setting out a series of time-bound targets (within a deadline of 2015) –known as the Millennium Development Goals.



The eight Millennium Development Goals (MDGs) – which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015 – form a blueprint agreed to by all the world's countries and the entire world's leading development institutions. They have galvanised unprecedented efforts to meet the needs of the worlds poorest.



COMPANY OVERVIEW	STRATEGIC REVIEW	BOARD AND MANAGEMENT REPORTS	FINANCIAL STATEMENTS
	CORPORATE SOCIAL RESPONSIBILITY		

Tilaknagar Industries Ltd. understands that growth of the Company must be inclusive and benefit the communities involved as much as the stakeholders. To this effect the Company has adopted 51 localities/wadis adjoining its mother plant at Shrirampur over the past 3 years and is striving to positively influence the populace of about 1 lakh people. Embracing the 8 Millennium development goals set by UN, TI has aligned its CSR activities with about 189 countries globally.



Annakshetra at Tilaknagar

While doing so, your company understands the importance of health, not only of the working population, but also of those mothers who bear the future generations in them. Fully realising the dream of an able community around its factories, TI nurtures the adolescent kids to build a healthy and able thinking generation.

Addressing their educational needs, your company conducts timely medical and awareness

camps against the ailments plaguing the society.

The society is only as strong as its weakest link. Even so, TI is concentrating its efforts to empower the Women Self Groups to make them entrepreneurial and self sufficient towards a better economy.

Lastly, TI's environmental commitment grows stronger each year as we venture into more sustainable projects and

processes trying to minimise our environmental impact as much as possible. We achieved this through the largest tree plantation and distribution drives conducted by the Company this year and proudly contribute to the UN's "Billion Tree Campaign" conducted across 100 plus countries globally.

As on today, TI is addressing the following seven out of the eight Millennium development goals set by the United Nations:



CORPORATE SOCIAL RESPONSIBILITY



Annakshetra



TI Supported Schools



Goal 1 Eradicate extreme poverty and hunger

- TI's Maa Ananteshwaridevi annakshetra, at various places in India, has been functional for many years. It is an initiative to feed the starving and poor of India. Over 4,500 men, women and children are given free food daily at the annakshetra pandal set up for the purpose in Tilaknagar and Company's other business centers across the country.
- Free food is also distributed at some of the villages which cannot avail of aid due to distance and terrain. Much of the groceries for the annakshetra are sourced from the consumer stores that are fully funded by TI.
- Vegetables used in the annakshetra kitchen are grown on the campus; the fuel comes from near the Gobar gas plant,

whereas the food and liquid wastes generated are recycled via city composting and reed bed systems.



Goal 2 Achieve universal primary education

- Your Company runs an English medium school and supports Marathi medium school for children at Tilaknagar, Shrirampur.
- TheDahanukarEnglishMedium High School was started in 1975. The school has a current strength of 621 students and 42 faculty members that includes teachers and staff.
- The Marathi medium school is also well equipped with amenities and facilities. It was built in 1945, and currently has about 22 staff and teachers tending to 530 students.

- Last year, on account of Children's Day (14th November), a 'Know-your – Environment' program was conducted for the school kids from these two schools as well as the kids from Anand Vihar orphanage. The program conducted by SPROUTS – An Environmental NGO based in Mumbai included the following:

- A nature trail around school campus to identify and familiarise with the native flora and fauna.
- Screening of the film Avatar for the school kids.
- Paper Mache workshop – the kids learnt to make different artefacts from used paper.
- Poster painting competition on Environmental themes.



COMPANY OVERVIEW	STRATEGIC REVIEW	BOARD AND MANAGEMENT REPORTS	FINANCIAL STATEMENTS
	CORPORATE SOCIAL RESPONSIBILITY		



Women Empowerment Program



Goal 3 Promote gender equality and empower women

- TI is an equal opportunity employer and promotes the inclusion of Women equally in technical and Non-technical jobs.
- Not only within its various factories, but in areas surrounding its plant at Shrirampur, your company has conducted various livelihood development workshops last year with a view to train Women Self Help Groups towards becoming entrepreneurial via training agencies in Pune.



Child Health Care



Goal 4 Reduce child mortality

- TI follows the Anganwadi model and seeks the help of the Anganwadi sevikas to gauge the health of the adolescent population in its adopted wadis in Shrirampur.
- The children identified as undernourished are put through an intensive one month health and nutrition program in the annakshetra area, where the kids are specifically assessed on the health shortcomings and supplemented through diet and hygienic foods.



Tree Plantation Drive on World Environment Day



Goal 5 Improve maternal health

- TI organises specialised camps for diagnosis of pregnancy by UPT test followed by health and nutrition guidance to pregnant women.
- The medical staff at TI dispensaries not only guides the women on Antenatal care but also gives timely dosage of health supplements, multivitamin tablets as well as Iron and Calcium supplements for the proper growth of fetus.



Goal 6 Combat HIV/AIDS, malaria, and other diseases

- Support to Swayamprerit Vikas Sansthan (AIDS patient): Your Company supports the trust based in Sangamner district of Maharashtra for its regular medicines and other basic needs. The trust looks after 17 children suffering from AIDS.
- The medical staff of TI continuously conducts AIDS awareness camps in the schools supported by the Company and in the nearby wadis to educate the higher secondary school kids.
- Awareness of AIDS and other critical illnesses such as Hepatitis, Malaria and their prevention is an integral part of the fortnightly medical camps conducted in the villages surrounding the factory premises in Shrirampur.



Goal 7 Ensure environmental sustainability

Last year, your company conducted one of the largest tree plantation and tree distribution drive in Maharashtra as a part of the month long World Environment Day celebration. This year the canvas for the event would be much larger, spread across the country. The staff of the company as well as its subsidiaries will come forward and plant saplings of over 15,000 forest and fruit trees to green their campuses.

Preparations for the same are in full swing in the central nursery at Tilaknagar and Umerkhed, where over 100,000 saplings are being nurtured and grown for planting and free distribution to the nearby villages and communities.



COMPANY OVERVIEW	STRATEGIC REVIEW	BOARD AND MANAGEMENT REPORTS	FINANCIAL STATEMENTS
	CORPORATE SOCIAL RESPONSIBILITY		



Gobar Gas Plant

Nursery set-up in Umerkhed

- Villages in Umerkhed district were adopted last year by the Company for various Environmental initiatives. They too are enthused with the green spirit for World Environment Day celebrations as your company has set up a new nursery in Manyali village in Umerkhed. Spread over an area of 6,000 sq. ft. this shade net covered nursery is currently being used to ready 25,000 saplings for the plantation and distribution in these villages.
- After the tree plantation the nursery would be used by the self help groups in nearby villages to grow vegetable seedlings and sell them to the neighbouring farmers.

Gobar gas plant

- As a sustainability measure and as an example for the local cattle rearers TI has set up a Gobar gas plant of 120 cubic meter capacity, putting to use the dung generated from its Goshala.
- The Goshala generates about 3 tons of dung daily out of which 50% is used in the Gobar gas plant to produce 50 cubic meter of Methane gas everyday, which is supplied to the annakshetra kitchen, entailing a net daily saving of ₹ 1,400, equivalent to one 19 kg commercial gas cylinder. The resultant slurry from the Gobar gas plant and remaining quantity of cow dung produces 200 metric tons of vermicompost annually, via linear beds and heap-composting.



Vermicomposting

Vermicomposting

TI practices Vermicomposting in Linear Beds in an area of 10,000 sq.ft. where dung from the goshala along with farm waste, biomass is fed to the earthworms that produce fine quality vermicompost. 200 MT of vermicompost produced annually is used for organic cultivation of vegetables and fodder in TI's farms as well as for the in-house nursery.



Reed Bed System for Waste Water Recycling



Organic Formulation



City Composting

Heap composting

The excess dung remaining after feeding the Gobar gas and Vermicomposting beds is decomposed using heap composting method. Dung along with biomass is decomposed over a period of 3 months with the use of bacterial cultures to accelerate the process. This compost is used as a starting material for Vermicomposting or for direct application in the fields.

City composting

The biodegradable kitchen waste from annakshetra kitchen and food waste from distribution centres of about 30-35 kg is being recycled using city/bin composting. HDPE barrels of 200 litres each are layered with food wastes and dung, acting as starting material

for earthworms to generate valuable composts, to be used in gardens. Urban dwellers are using these composting bins as planters to grow vegetables through the holes punctured in the bins.

Organic formulations

About 1,000 litres of cattle urine collected daily from the Goshala, which is used to prepare various organic formulations such as beejamrut, jeevamrut, dashaparni arka, neemarka, panchgavya, amrut pani, etc. These organic formulations involve the use of various other ingredients such as ghee, milk, besan (chickpea flour), neem, various medicinal plant leaves, and fermenting them for a period of 2 to 4 weeks. These serve various functions ranging from seed treatment to pest

repellent, bactericide, fungicide and growth promoters for fodder and vegetable crops.

Reed bed system

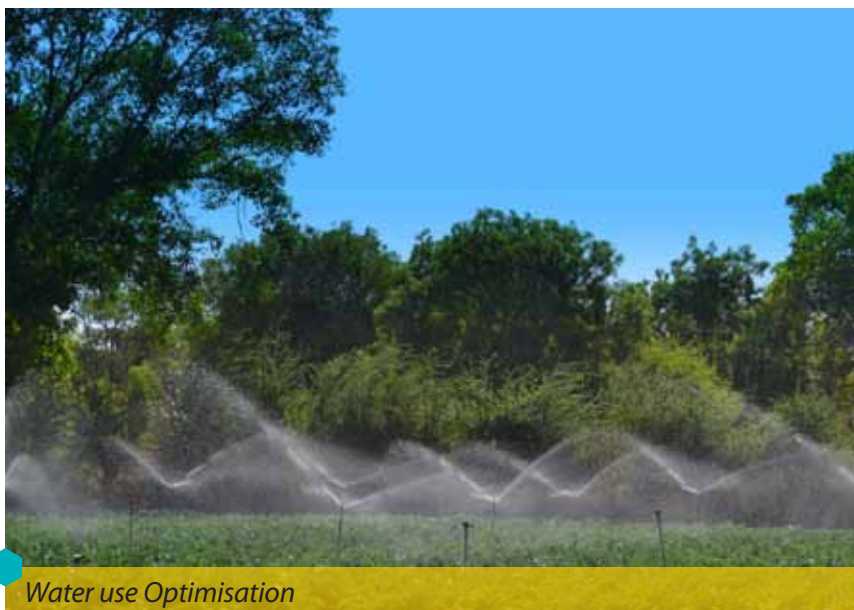
About 15,000-20,000 litres of grey water generated daily from utensil and vegetable washing as well as water from the washing of cows in the goshala, is recycled using reed-bed/artificial wetland system. Semi-aquatic and edible plants such as Colocassia are grown on a bed of vermicompost, wherein, the solid waste is digested by the earthworms and the water is absorbed by the plants, thus making this a sustainable effluent/waste water treatment set-up. The excess water is an enriched liquid fertiliser used for fodder cultivation.

Rainwater harvesting

Water is turning out to be one of the world's scarcest resources. Located in the rain-shadow region of Marathwada in the Ahmednagar District, Tilakanagar receives less than 400-450mm



COMPANY OVERVIEW	STRATEGIC REVIEW	BOARD AND MANAGEMENT REPORTS	FINANCIAL STATEMENTS
	CORPORATE SOCIAL RESPONSIBILITY		



Water use Optimisation

rainfall annually. Though this is the norm, the last 5 years have seen significant fluctuations in the precipitation levels, causing more damage to the crops than benefitting them. Not just that, the ground water table has depleted considerably in the last decade due to over pumping of the ground water reserves and very less or no recharging of the water bodies. Though TI today has sufficient water for its operations, in anticipation of future water shortages, TI has taken up installation of rainwater harvesting structures on a large scale.

This year your company had undertaken the construction of two LDPE lined water storage ponds for its needs of goshala and the cultivation of vegetables for annakshetra. These two ponds having capacity of 600 cu.mt. and 300 cu.mt. In the annakshetra area and school area respectively cater to the various agricultural and dairy operations. The ponds not

only serve as water catchment/ holding ponds but also as a central source for the various micro-irrigation measures undertaken in all the cultivated lands of the campus.

Water use optimisation

In its constant endeavour to achieve optimal resource utilisation, your company this year undertook the task of converting all manual irrigation/watering to micro irrigation methods. This has yielded results within the first year, wherein there is a 60% reduction in the water utilisation due to intelligent design and adoption of species that have a better response to frequent irrigation in low quantities.

Solar energy

While the adjoining areas are struggling for basic amenities like electricity and water, TI has realised that the short falls of power expected in the near future can be easily alleviated by the installation of solar powered

set ups. TI has installed over 120 solar street lamps have been distributed in the 51 adopted wadis. Your company continues to identify such wadis that face difficulties due to insufficient lighting of village roads and take up installation of solar lamps in them.

Conservation of natural resources

TI undertook a complete renovation of the water reservoir in the Umrana village. The reservoir which is spread over an area of almost 80 acres was heavily silted from the monsoons in the past few years.

TI undertook the de-siltation of the reservoir over an area of 20 acres, thus increasing the total catchment area by over 20%. The results of this are evident this year not only with higher water availability from the reservoir, but also more water in the surrounding wells and bore wells.



Solar Street Lights



RO water purification system



Eye Camp

Apart from addressing the Millennium Development Goals, TI also undertook various other community development activities during the last year to benefit the people in the adopted wadis:

- i) TI runs two Dispensaries at Tilaknagar with strength of two qualified doctors, nurses and the supporting staff – one for its employees and the other one – which is a charitable dispensary for the villagers of Tilaknagar, and the surrounding villages. Approximately 100 patients from the poor and down-trodden families around Tilaknagar get free medical check-up and treatment at the charitable dispensary.
- ii) TI also conducts medical camps at 51 inhabitations / wadis around Shirampur so as to ensure that the suffering mankind gets proper medical attention and treatment. Nearly 70 Patients get free

treatment at these camps every day on the basis of these camps.

- iii) Permanent ailments – On the basis of the diagnosis in the charitable dispensary as also in the medical camps, TI is also providing permanent medicines to 68 patients, who are suffering from chronic diseases such as diabetic, blood pressure, psychological ailments, tuberculosis, etc., on a regular basis.

Bone densitometry camp

Bone density camp was conducted on June 15th, 2010. In this camp, 205 patients were checked and the required medicines were provided to the patients in this camp.

Eye camp

Eye Check-up camps are being conducted since June 2, 2009 on a regular basis. On the basis of these camps, TI sponsors 5 to 10 patients for cataract surgery every

month. Till date, TI has sponsored 137 patients for surgery of cataract and has conducted 12 eye camps till date.

Anti rabies vaccination

Depending on requirement, TI has provided vaccine to 370 patients in the adopted villages. In view of repeated incidents of dog bites, TI also organised a vaccination camp for the dogs as the precautionary measure – in which 70 dogs were vaccinated.

Supply of pure drinking water

Depending upon the requirement, TI has installed two RO Plants (capacity 6000 lit per hr) and is providing pure drinking water to the adopted villages deploying a tanker and installing the required number of water tanks at various locations within the villages so as to ensure adequate supply of pure drinking water to the villagers.



COMPANY OVERVIEW	STRATEGIC REVIEW	BOARD AND MANAGEMENT REPORTS	FINANCIAL STATEMENTS
	CORPORATE SOCIAL RESPONSIBILITY		

Community development

Places of worship

TI supports renovation and up-keep of the temples and places of worship. During the last one year, TI organised renovation of Kate Swami Ashram at village Vadala, Shri Sai Baba Temple at Shrirampur, Buddha Vihar at Tilaknagar and renovation of Idgah in village Eklahere, Construction of house for the Moulana of the Masjid at Eklahere, House and Prayer hall for Bethel Church at Dattanagar.

Community marriages

TI regularly organises community marriages for the poor at Tilaknagar, free of cost for the benefit of the trodden poor people in this area. 21 couples of

various communities / religions got married in the community marriage held on 23-1-2011. Next community marriage is scheduled for 29-5-2011 – for which about 20 couples have registered so far. Entire cost of the marriage is borne by TI, the couple are also provided all the necessary items i.e. house-hold furniture, kitchen-ware, etc., free of cost, to settle themselves in life. Till date, TI has held 2 community sponsored marriages for 42 couples.

Blanket distribution

10000 blankets were distributed amongst the poorest of the poor people in this area during the winter season.



Blanket Distribution

Pension and medical relief

TI gives funds for surgery and treatment of patients who are poor. TI also gives pension to 90 senior citizens & the physically challenged in 51 wadis adopted by the Company.

Sports club

TI club offers memberships and variety of sports facilities and equipments free of cost at TI Gymkhana.

Sponsorships and grants

Academics and sports

Since December, 2008, Company decided to start TI Sports (table tennis, badminton, volleyball, cricket, tennis, chess, carom, taekwondo). 120 children falling under various age groups avail the facilities of the gymkhana. At TI Sports, your Company provides all the equipments required for



Community Marriage



TI Sports Club



Goshala

all the games available. Within the period of a year, your Company has three International players and national and state level players in various games.

Name of the player	Represented at level	Game
Bharatsingh Nandlal Pardesi	International	Cricket
Parth Suresh Doshi	All India Inter-University (Gold Medalist)	Volleyball
Akshay Sudhakar Sase	State	Badminton
Madhur Naklakha	State	Badminton
Vinit Kunkulol	State	Badminton
Volleyball Team	State level & All India Level	Volleyball

TI is also sponsoring 7 swimmers at the state and national level championships by giving them monthly considerations.

Name of the Swimmer	Represented at level
Mr. Aaron D'souza	International
Miss Purva Shetye	International
Miss Jyotsana Pansare	International
Miss Rujuta Bhatt	National
Miss Avantika Chavan	National
Miss Ashwathy Nair	National
Miss Lekha Kamath	National

Pension and medical relief

TI gives funds for surgery and treatment of patients who are poor. TI also gives pension to 90 senior citizens & the physically challenged in 51 wadis adopted by the Company.

Goshala

TI has been running a goshala since the last 4 years and currently has around 200 cattle in its sheds, which includes some animals rescued from slaughter houses, and some strays abandoned by farmers. The goshala is a shelter/haven for aged, unproductive cows as well as bulls. About 420 litres of milk is generated everyday, which is used in the annakshetra and distributed to the 1200 odd-students of the TI Schools in the Tilaknagar Campus, while excess is sold to the employees at subsidised rates.

The noble cause of Go – Paalan (rearing of cows) taken up by TI is well known to the nearby villages and as such we have received 3 bulls and 4 cows from Galnimbh village of Shirampur Taluka, who are being looked after by our expert animal husbandry team.

BOARD AND MANAGEMENT REPORTS

Management Discussion and Analysis **38**

Directors' Report **44**

Corporate Governance Report **56**

Secretarial Audit Report **73**

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

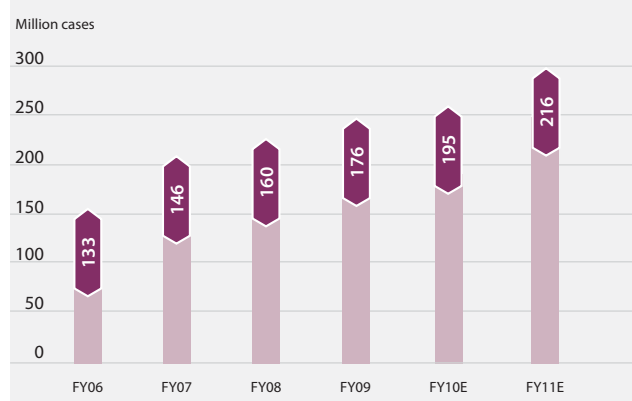
Alcoholic Beverages industry consists of branded liquor which is sold across relatively at higher multiple price points and the country liquor which is sold at lower price point in the market. Branded liquor consists of locally produced liquor [commonly known as Indian Made Foreign Liquor (IMFL)], beer and wine.

The global spirits industry is estimated at over 2 billion cases per annum with India accounting for about 12% at 236 million cases per annum without considering 300 million of country liquor.

The Indian IMFL industry is predominantly a brown spirits market with brandy, whisky and rum being the prominent flavours and white spirits (gin and vodka) having only 5% market share. However the International trends are opposite where white spirits enjoys prominent presence.

IMFL comprises one third of the total liquor consumption in India and has been growing at a CAGR of more than 10% over the last five years. Brandy, which comprises 20% of the IMFL market share in India, has been growing at a CAGR of 15% over the last three years in terms of volume whereas whisky which comprises 50% of the IMFL market share in India, has grown at a subdued CAGR of 7.9% during the same period.

Growth in IMFL volumes

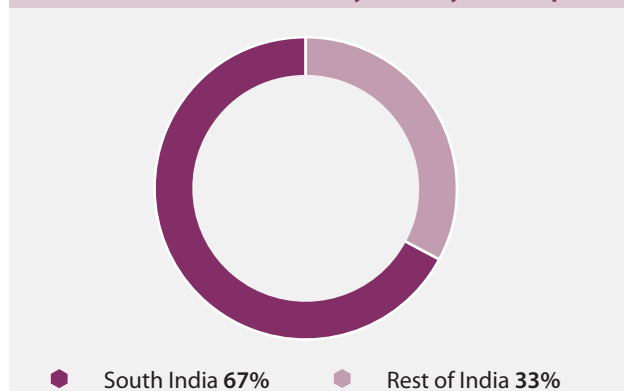


● IMFL sales volume (LHS)

Source: Tower Research, Company

Southern region of India, constituting 67% of brandy sales is the key growth driver of brandy sales volume, as it constitutes 27% of total consumption of IMFL in South, which is the highest proportion in India.

South India dominates country's brandy consumption

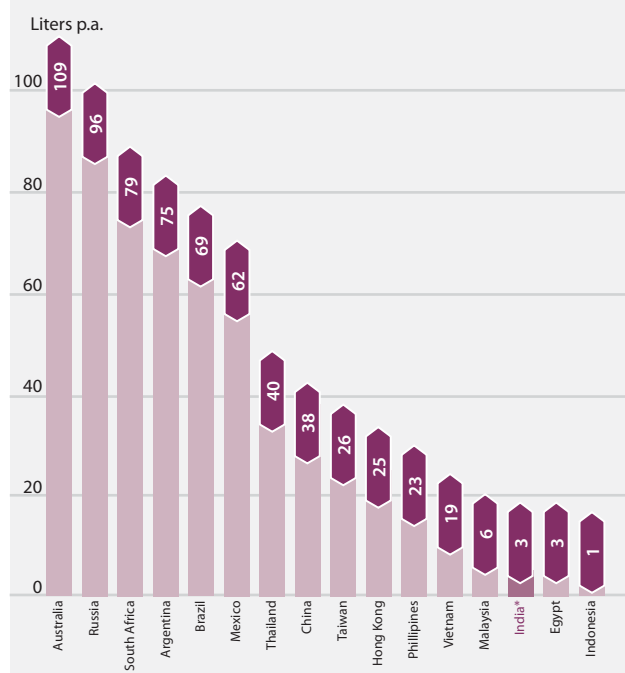


Key growth drivers

Low per capita consumption (PCC) offers significant growth opportunity

- India's PCC of alcoholic beverages is amongst the lowest in the world at 3 liters p.a. (excluding country liquor), and is significantly lower as compared to other asian countries like China, Thailand, Taiwan and Philippines with similar economic profile.

PCC of alcohol in India



Source: Euromonitor, * does not include Country Liquor

- Given the large population base in India in the age group of 15-59 years (60% of population), a small increase in PCC is likely to enhance Industry size.

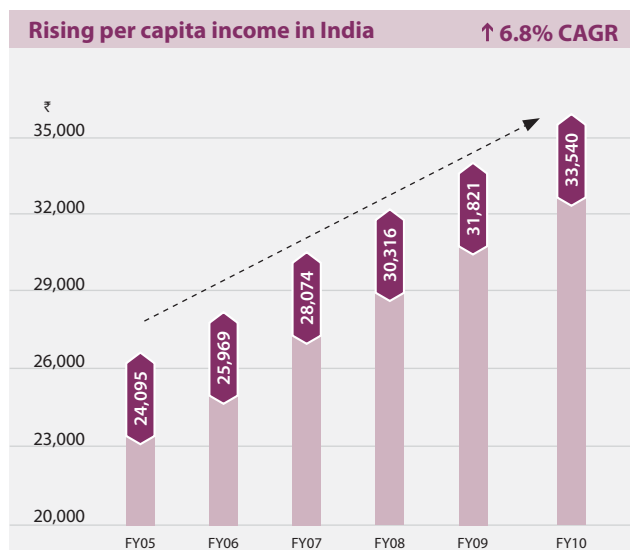
Shift from country liquor (CL) to IMFL

- Health hazards posed by CL, combined with greater aspiration and higher spending power is reducing the share of CL in India from 70% few years back to 60% at present.
- Ban on CL by various State Government particularly in Northern India, is likely to boost sales of entry-level IMFL brands in those states.

The IMFL industry in India is well poised to capitalise on the opportunity offered by the low per capita consumption (PCC) of alcohol and the shift from Country liquor (CL) to IMFL.

Rising demand for discretionary spending per capita consumption offers significant growth opportunity

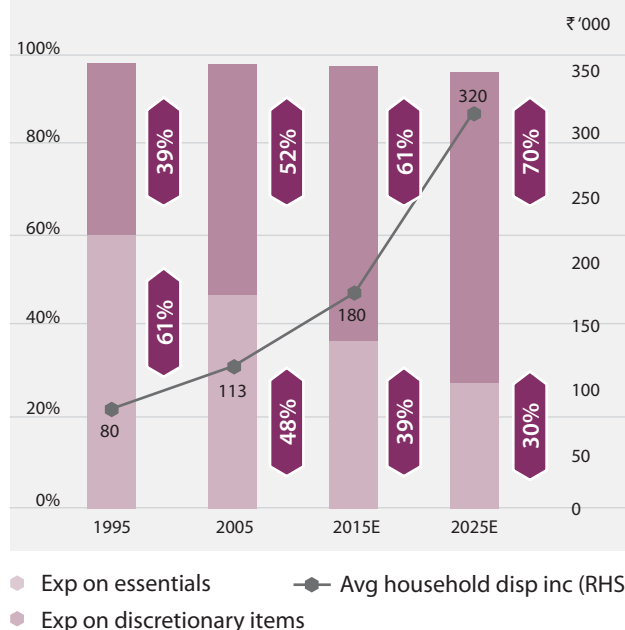
- India's per capita income has increased at a CAGR of 6.8% from ₹ 24,095 in 2005 to ₹ 33,540 in 2010.



Source: Central Statistical Organisation, Tower Research

- Growth in per capita income is driving discretionary income growth at much higher pace than the GDP growth.
- Average expenditure on essentials as percentage of total household expenditure decreased from 61% in 1995 to 48% in 2005 and is further expected to fall to 39% by 2015.

Household spent on discretionary items



Source: McKinsey report, Tower Research

- Higher discretionary spend is likely to boost demand for lifestyle products including alcoholic beverages

With rapid growth in the middle class segment, increasing consumerism, rising disposable income level, rising standard of living and increase in the number of liquor brands, demand for alcoholic beverages is set to increase in India.

Supermarkets/hypermarkets

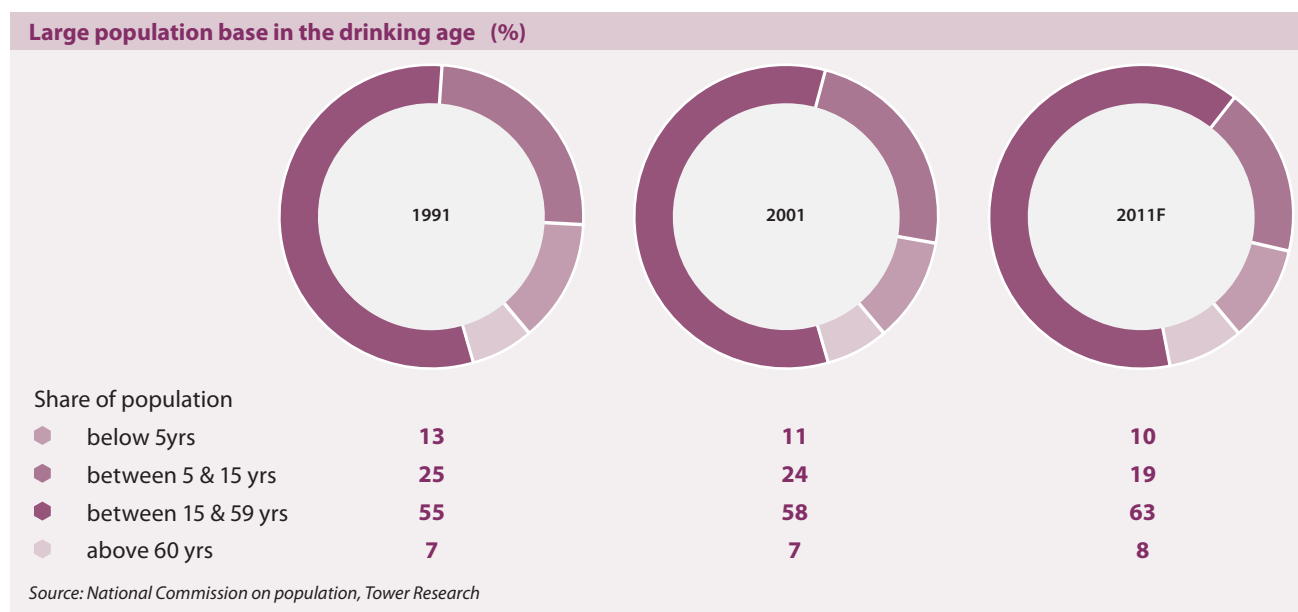
- Effective channel of distribution.
- Strong momentum towards Supermarkets/hypermarkets concept.

Supermarkets/hypermarkets are currently witnessing a strong momentum in consumption of alcoholic beverages and the growing strength of these markets helping mega retailers, establish themselves as the major channel of distribution which will be a big volume booster for IMFL.

Favorable demographics for alcohol consumption

- More than 60% of India's population is in the age group of 15-59 years.

- About 600 million Indians are currently of legal drinking age and 100 million would get added to that age group over the next 3-4 years.



With alcohol no longer considered a taboo in India and the upwardly young population with prosperity to spend getting socially active, the volumes of IMFL are likely to surge.

Government policies and regulations having edge to IMFL segment

- State Governments have realised the importance of the organised liquor industry and has eased regulation on IMFL by opening more channels of distribution.
- The Government's flexibility towards granting expansion licenses in various markets for the existing capacity has also improved over the years.

IMFL brings a healthier alternative to country liquor and higher source of revenue for State Governments. If regulations and policies have been framed by more States, which provide for ban on country liquor and expansion of distribution channels for IMFL, will result in increase in IMFL consumption.

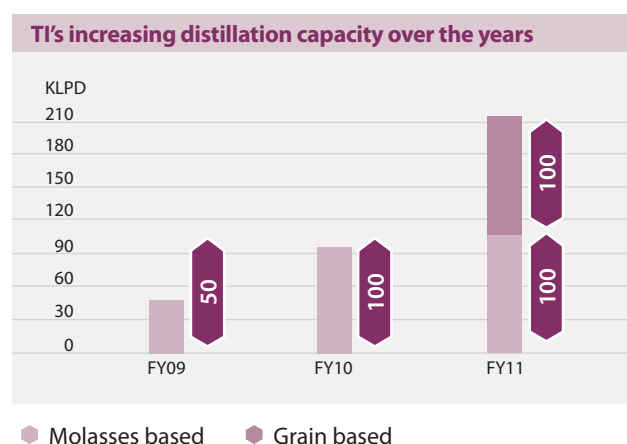
COMPANY OVERVIEW

Tilaknagar Industries Ltd. (TI) is a fast growing player in IMFL market in India with leading presence in the Southern India and Canteen Stores Department (CSD) and steadily increasing its PAN India presence. TI is having portfolio of over 40 brands at various price points.

TI is able to set new benchmarks in respect of production efficiency as well as in the market due to its superior quality of products and brand equity. TI's core strength lies in its

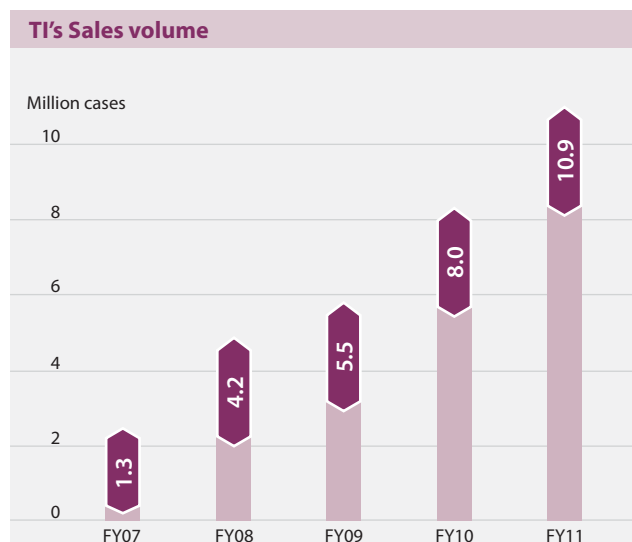
diversified brand & product portfolio, distribution network and manufacturing facilities.

TI has 32 strategic manufacturing facilities across the Country. TI has commissioned a grain based ENA distillery with a capacity of 100 KLPD with the cogeneration facility of 5MW to ensure sufficient availability of alcohol and power for its growing IMFL business. With the addition of the 100 KLPD grain distillery, the distillation capacity of the TI has become 200 KLPD.



TI's sales volume have grown 8 fold over a period of last five years at 10.9 million cases in financial year 2010-11 at a CAGR of more than 60% which exceeds industry trend of over 10% growth. TI continues to leverage on its dominant presence in South India with availability of manufacturing capacity, brand presence and existing distribution network for tapping the

large South India brandy market. TI Commanding a second position in brandy segment in India with the market share of 14% and its millionaire brand Mansion House Brandy enjoys second highest volume in brandy segment and is the largest selling brandy in the CSD.



OPERATIONAL REVIEW

Operational Highlights 2010-11

- Registered 36% growth in sales volume from 8.00 million cases in 2009-10 to 10.86 million cases in 2010-11.
- Achieved more than three-fold growth over the previous year in the CSD segment.
- Mansion House Brandy, our flagship brand, continued to outpace the industry growth with sales of 5.44 million cases in 2010-11, a growth of 20% over the previous year.
- Launched BLACPOWER Whisky in Maharashtra and Andhra Pradesh and Crown Prince Brandy in Tamil Nadu.
- Introduced family-shaped packaging concept for its flagship brand Mansion House Brandy which has been extremely well received by the trade and consumers alike.
- Associated as the official 'Cheers' partner with Chennai Super Kings to promote its flagship brand Mansion House for three years.
- Launched premium version of Madira Rum namely Madiraa Premium Dark XXX Rum in the new markets of Maharashtra, Goa and Assam. Madira is another millionaire brand in TI's brand portfolio

TI undertook the initiative of promoting its flagship brand, Mansion House, by associating the brand as the official 'Cheers' partner of the Chennai Super Kings for three years.

- Acquired Kesarval Springs Distillers Pvt. Ltd. having bottling unit in the State of Goa.

Manufacturing review

TI's manufacturing facilities comprise of one owned facility, 3 subsidiaries, 7 leased arrangements and 21 tie-up arrangements. The Primary manufacturing facility is located in Shirampur (Maharashtra) with an installed capacity of 200 KLPD. It also includes a new 50 KLPD molasses based distillation plant, commissioned in October 2009. The Company has recently commenced the commercial production at its new grain based distillery of 100 KLPD. The new facility shall reduce the dependence on molasses as feedstock and make TI self sufficient in alcohol requirement subject to state export/import tariffs. All the facilities are stringently monitored to ensure product consistency and produce superior quality alcohol.

Acquisition

TI acquired Kesarval Spring Distillers Pvt. Ltd. which has a bottling unit in Goa, at a cost of ₹ 15 million. The acquisition shall enable TI to cater the markets of Goa and Puducherry. The Company also has a niche port wine business which shall enable TI to explore export opportunities.

Marketing and distribution

A portfolio of more than 40 successful brands makes TI a name with difference in the IMFL industry. One of the millionaire brand Mansion House outperform industry in its segment. TI markets its brands through a nationwide distribution network covering more than 15 states of the country.

TI is committed to reach more number of consumers with new launches, superior quality products and better brand experience. It stays proactive through time-to-time updates and acts as per the market trends. It carries out promotional activities to increase the awareness levels among the target consumers and convert them into TI's loyal consumers.

TI undertook the initiative of promoting its flagship brand, Mansion House, by associating the brand as the official 'Cheers' partner of the Chennai Super Kings for three years.

TI continues to leverage on its dominant presence in South India with availability of manufacturing capacity, brand presence and existing distribution network for tapping the large South India brandy market

Environmentally sustainable practices

TI is engaged in sustainable initiatives which lead to a better and greener surrounding. These initiatives include:

- **Tree plantation:** TI intends to Cover 33% of its 257 acre campus with multi-purpose tree species (MPTS) that have medicinal and edible values by conducting tree plantation drives every year.
- **Gobar gas plant:** Set up a gobar gas plant (120 cu mtrs capacity) that utilises the dung generated from the Goshala to produce methane gas. This gas is utilised in the annakshetra kitchen, thus reducing the cost of using the commercial gas cylinder and reduce dependence on wood as alternate fuel.
- **Water conservation:** Installed dynamic and innovative water treatment and recycling plant such as reed bed system that results in reduction of water consumption. Near about 20,000 litres of waste water from annakshetra kitchen is recycled by using reed bed system and is used for fodder production.
- **Roof top rain water harvesting:** Initiated roof top water harvesting covering 4 lakh square feet of area, harvesting over 25 million litres of rainwater annually to recharge the 22 bore wells in the campus.
- **Solar Energy:** Installed 122 solar powered street lamps in the campus and adjoining 51 Wadis adopted by the Company.
- **Composting and garbage management:** The biomass generated on campus is composted by using Vermi-composting and Heap-composting methods, where as kitchen waste is composted by City composting method.

RISK & CONCERNS, OPPORTUNITIES AND THREATS

IMFL industry is working in environment backed with favourable demography situation, increasing social acceptance, increasing prosperity & disposable income, favourable bias towards spirits, change in attitude towards liquor and consistent growth in Indian GDP. All these factors indicate strong and sustained demand for the next 4-5 years.

TI has witnessed a double digit growth and this trend is likely to continue.

The liquor industry is regulated by multiplicity of laws and regulations of different State Governments and is highly taxed at different points of supply chain. Since liquor is a State subject, it is subjected to State laws and regulations which are prone to rapid changes.

More than 50% of the retail sale price of IMFL goes to the State and local Governments by way of taxes and duties. Such high level of taxation, continues to impact the industry profitability despite continuing growth in demand for IMFL.

Molasses being one of the primary raw materials for IMFL. Its availability and price is depended upon the sugarcane cultivation & output and support price fixed by the local Government. Any increase in support price of sugarcane or un-availability thereof may significantly impact the cost of molasses. The runaway inflation and increase in fuel & petroleum product cost may impact both spirit and other packaging material. However with successful commissioning of 100 KLPD grain based distillery, dependence on Molasses shall be reduced to a great extent.

Sugarcane production in India is cyclic in nature. While we have seen a good crop last year, it will start on its decline cycle. However, increase in sugar production in India should result in availability of molasses at normal prices and deficiency, if any, can be met with grain plant, subject to economics..

TI has launched 'family shaped bottles' which facilitates in easier re-procurement of market bottles at a relatively lower price resulting into optimising the cost of bottles consumed and will help mitigate the increase in glass prices to some extent.

More than 80% of the revenue of TI is coming from the Southern India, which could go against the Company in the event of any unfavourable regulatory changes or shift of consumer preferences in any of the States of Southern India.

TI has launched various brands in other geographies and has increased its presence in export and CSD Segment and hopeful to increase its share in other markets with continuous growth in Southern States.



Human resources

TI is putting continuous efforts to employ and retain professionally qualified, dedicated and committed personnel. At present human capital at TI is more than 700 personnel who are committed towards growth of the Company. The Human resource department of the Company is always geared to provide necessary training and support at different levels. To create a sense of participation in the growth of the Company, TI has successfully implemented ESOP Schemes 2008 and 2010 and granted stock options to the eligible employees to recognise their contribution towards the growth of the Company.

Internal Control System

TI has effective and efficient systems of internal control which has been incorporated in the organisation through SAP system. Internal and statutory auditor of the Company review the adequacy of the internal control on regular basis.

The Audit Committee of the Board of Directors meets periodically to review the findings of Internal and statutory auditors' action taken reports and advise the management with the corrective policies and controls to be adopted by the Company, if necessary.

Outlook

The Company has well-defined business strategy to expand its product portfolio by introducing premium products and growing geographically backed by acquisitions and expansions. The Company is positive about its operating and financial performance going forward with continues investments in marketing, distribution and promotion of its brands. TI is favourably poised to attract a positive mind share amongst the consumers and to enhance its leadership position.

A substantial portion of TI's sales are to State owned Corporations and therefore any price increases, even to negate inflation, is difficult to come by. However, TI continues its efforts to increase profitability through a judicious blend of price increases, premiumisation of brands and optimum utilisation of resources.



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Seventy Sixth Annual Report along with the Audited Statement of Accounts of your Company for the financial year ended March 31, 2011.

FINANCIAL HIGHLIGHTS

The financial performance of your Company for the financial year ended March 31, 2011 is summarised below:

Particulars	Consolidated		Standalone	
	Year ended 31 st March, 2011	Year ended 31 st March, 2010	Year ended 31 st March, 2011	Year ended 31 st March, 2010
Total Income	4709.52	3889.76	3517.77	3544.31
Profit before depreciation and tax	773.96	609.80	693.09	567.01
Profit before tax	643.30	538.53	566.80	499.60
Profit after tax	395.74	348.89	349.01	331.23
Surplus brought from last year	538.93	327.27	581.77	387.78
Profit available for appropriations	934.67	676.16	930.78	719.00
Transfer to general reserves	355.00	33.50	355.00	33.50
Proposed dividend and tax thereon	107.52	103.73	107.52	103.73
Balance carried to balance sheet	472.15	538.93	468.26	581.77

OPERATIONAL REVIEW

The core business segment of the Company is manufacturing, sales and distribution of Indian Made Foreign Liquor (IMFL). The financial year 2010-11 was the year of growth and also of challenges. While the sales volume showed a very healthy growth of 36%, there were certain challenges in terms of inflationary pressures.

During the year, your Company has delivered stellar performance by achieving sales of over 10 million cases.

On consolidated basis, your Company achieved the sales of 10.86 million cases in the financial year 2010-11 against 8.00 million cases in the last financial year achieving 36% increase in volume. The Gross Sales of the Company's brands has increased by 32% to ₹ 13,154 million in financial year 2010-11 against ₹ 9,983 million in the last financial year.

The growth in sales is contributed by increasing penetration in existing markets of Southern States, Canteen Stores Department (CSD), Export, Eastern and Western regions as follows:

- CSD sales have grown over three fold
- Sales in the Western region have grown by 65%
- Export Sales have grown by 57%

- Sales in the Eastern region have grown by 35%
- Sales in the existing markets of Southern States have increased by 23%

During the year under review, Rum, Whisky and Brandy sales have grown by 69%, 32% and 30% respectively as compared to the last financial year.

During the year, sales of two of your millionaire brands i.e. Mansion House Brandy and Madira Rum have grown from 4.53 million and 1.05 million cases to 5.44 million and 1.25 million cases respectively resulting in growth of 20% in Mansion House Brandy and 19% in Madira Rum.

Mansion House, the leading brand of the Company, is now the official 'Cheers' partner of Chennai Super Kings (CSK). This engagement with CSK is for a period of 3 years. CSK is a franchise cricket team based in Chennai that plays in the Indian Premier League. The team is captained by Mahendra Singh Dhoni and they are the current holders of the IPL trophy, having won the 2011 Indian Premier League. This engagement will entitle the Company to leverage the brand 'Mansion House' and further consolidate its position as a leading premium brand. The Company will also be able to leverage all of CSK's brand

communications into its marketing initiatives during this period of association as part of the engagement.

During the year under review, your Company has successfully launched new brands and variants of existing brands in various markets as detailed below:

BLACPOWER Whisky	: Andhra Pradesh and Maharashtra
Crown Prince Brandy	: Tamil Nadu
MH VSOP Brandy	: Puducherry and Kerala
Duchess Brandy	: Andhra Pradesh
Madiraa Premium	
Dark XXX Rum	: Goa, Maharashtra and Assam

All these brands have been well received in the market for their blend as well as packaging and your Company expects good growth in these brands in current financial year.

CAPITAL

During the year under review, the authorised share capital of the Company was increased from ₹ 584.6 million to 1,500 million to enable the Company to meet the capital requirements.

● Issue of Bonus Shares:

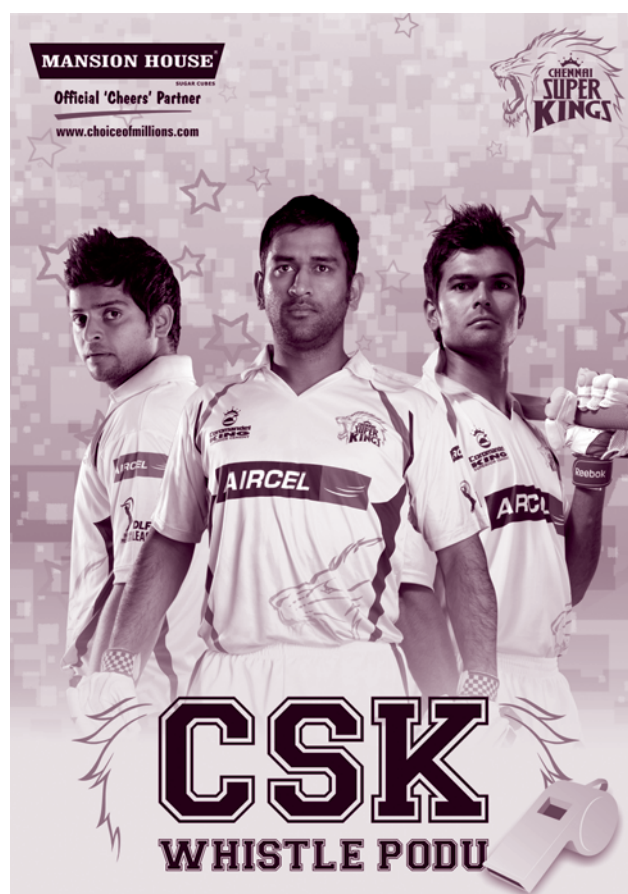
During the year under review, your Company has issued 64.64 million equity shares of ₹ 10/- each fully paid up, as bonus shares in the ratio of two equity shares for every one equity share by capitalising the free reserves of the Company.

● Qualified Institutional Placement:

During the year under review, your Company has raised an amount of ₹ 1,350 million, by issue of 14.21 million equity shares of ₹ 10/- each fully paid up at an issue price of ₹ 95/- per share to the Qualified Institution Buyers by way of Qualified Institutional Placement. The amount raised was primarily used for reducing the debt and for meeting commitment for capital expenditures.

● Promoters' Contribution

During the year under review, your Company has allotted 4.02 million equity shares of ₹ 10/- each fully paid up, to the promoters against conversion of equivalent number of convertible warrants at an exercise price of ₹ 73/- per share amounting to ₹ 293.33 million.



In addition to above, promoters have also infused an amount of ₹ 78.19 million towards application money for subscription of 4.28 million convertible warrants having exercise price of ₹ 73/- each (₹ 18.25 paid up), convertible into equivalent number of equity shares at an exercise price of ₹ 73/- per equity share.

● Issue of equity shares to employees against options granted

During the year under review, your Company has allotted 0.08 million equity shares to employees pursuant to exercise by them of vested stock options. Thus, the paid up share capital of the Company has increased from 32.31



million equity shares of ₹ 10/- each to 115.26 million equity shares of ₹ 10/- each during the year under review as per statement given below

Date	Particulars	Cumulative No. of Shares (in million)
April 01, 2010	Paid up equity shares at the beginning of the year	32.31
August 07, 2010	Allotment of 8,100 equity shares pursuant to exercise of stock options	32.32
September 30, 2010	Allotment of 64,636,200 bonus shares in the ratio of 2 equity shares for every 1 share held	96.95
November 30, 2010	Allotment of 14,210,500 equity shares at issue price of ₹ 95/- per share to Qualified Institutional Buyers	111.16
December 20, 2010	Allotment of 36,000 equity shares pursuant to exercise of stock options	111.20
March 04, 2011	Allotment of 37,640 equity shares pursuant to exercise of stock options	111.24
March 31, 2011	Allotment of 4,018,264 equity shares to Promoter of the Company on conversion of equivalent number of convertible warrants at an exercise price of ₹ 73/- per share	115.26

As on March 31, 2011, Promoter Group holds 4.28 million warrants convertible into equity shares at an exercise price of ₹ 73/- per share.

DIVIDEND

Your Directors are pleased to propose a final dividend of ₹ 0.80 per equity share (8%), including on equity shares allotted during the year, out of the net available profit after provision for taxation. The dividend, if declared, will involve an outflow of ₹ 107.52 million (inclusive of dividend distribution tax of ₹ 15.32 million).

PROJECT AND ACQUISITION

Commissioning of 100,000 Litres (100 KLPD) ENA Plant

Your Company is pleased to inform you that it has successfully installed and commissioned a new 100 KLPD grain based Extra Neutral Alcohol (ENA) plant at Shrirampur. This will provide the right base for your

Company to launch premium products in both domestic and international markets. The grain facility will also provide a natural hedge against the fluctuations in molasses price. The increase in distillation capacity shall enable your Company to produce ENA in house to meet the growing demand of its IMFL products.

Power Plant

Along with 100 KLPD grain distillery, your Company has also commissioned 5 MW power plant through back pressure steam technology which will meet the energys requirements of the Company's Shrirampur unit.

Acquisition

During the year under review, your Company has acquired Kesarval Springs Distillers Pvt. Ltd., which has a bottling unit in Goa, at a cost of ₹ 15 million. This acquisition shall not only enable your Company to cater the markets of Goa and Puducherry but also enable it to diversify into wine business and explore export opportunities.

FUTURE STRATEGY AND GROWTH

Indian Made Foreign Liquor (IMFL) industry is growing steadily over the last decade at a CAGR of more than 10% due to improved demography, increasing social acceptance, favourable bias towards spirits and consistent growth in GDP.

Future growth will be driven by increased penetration of current brands in the existing territories being serviced by your Company and also by introduction of present and new brands at strategic price points in various markets.

While the focus will be to concentrate on brands with better realisation, your Company is also making efforts towards cost rationalisation. Introduction of the family shaped bottles for its flagship brand Mansion House was one such measure which facilitates an easier re-procurement system for these bottles at a lower price. Your Company intends to strengthen its position in its existing markets of Kerala, Andhra Pradesh, Karnataka, Puducherry, Tamil Nadu, Maharashtra, Orissa, Assam, and CSD segment where it enjoys a dominant position in its various brand segments. Your Company has already launched new brands in some of these markets and is in process of launching more brands/variants. Initial response for brands launched is encouraging.

Your Company plans to develop and strengthen its footprint in Northern and Eastern regions by building its manufacturing and distribution infrastructure. Efforts in this regards are already underway.

Your Company is expanding the bottling capacity of its wholly owned subsidiary Prag Distillery (P) Ltd. from 50,000 cases per month to 300,000 cases per month. This will further rationalise its manufacturing infrastructure in the State of Andhra Pradesh which is a main and growing market for your Company.

Further, your Company plans to strategically increase production capacity in its other subsidiary companies viz. Vahni Distilleries Private Limited and Kesarval Springs Distillers Pvt. Ltd.

Acquisition of Kesarval Springs Distillers Pvt. Ltd. gave an opportunity to your Company to add another segment i.e. wine in its portfolio which has a great potential in domestic and international trade.

SUBSIDIARIES

With the acquisition of 100% stake in Kesarval Springs Distillers Pvt. Ltd. on November 21, 2010, the Company has, now, three wholly owned subsidiaries viz. Prag Distillery (P) Ltd. having its Plant in the State of Andhra Pradesh, Vahni Distilleries Private Limited having its Plant in the State of Karnataka and Kesarval Springs Distillers Pvt. Ltd. having its Plant in the State of Goa. None of the above subsidiaries is a Material Non-Listed Subsidiary in terms of the Clause 49 of the Listing Agreement.

In accordance with the general circular no. 2/2011 dated February 08, 2011 issued by the Ministry of Corporate Affairs, the annual accounts of these subsidiary companies are not being attached with the balance sheet of the Company. The Company will make available the annual accounts of the subsidiary companies and related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the registered office of the Company and that of the respective subsidiary companies. The consolidated financial statements presented by the Company include the financial results of its subsidiary companies.



CONSOLIDATED FINANCIAL STATEMENTS

As stipulated under Clause 32 of the Listing Agreement and in accordance with the requirements of Accounting Standard AS-21 prescribed by the Institute of Chartered Accountants of India, the consolidated financial statements of the Company together with Auditors' Report thereon are annexed to the Annual Report.

EMPLOYEE STOCK OPTIONS

Being committed towards building a high performing growth oriented organisation, your Company has been taking steps from time to time to reward and retain the employees who are high performing, dedicated and committed towards growth of the Company.

In order to enable the Company to achieve this goal on a sustained basis and to give an opportunity to employees to participate in the growth of Company, the Company had introduced and implemented ESOP Scheme 2010 during the year under review after the successful implementation of ESOP Scheme 2008.

The Compensation Committee granted 52,200 and 286,821 stock options on June 25, 2010 and August 07, 2010 respectively under the ESOP Scheme 2008 and 1,615,500 stock options on January 15, 2011 under ESOP scheme 2010 to the eligible employees. These stock options shall vest with the concerned employees during the next four years from the date of respective grants.

The particulars of the stock options as required by SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are attached and forms integral part of this report.

DIRECTORS

During the year under review, Mr. S.V. Muzumdar had resigned from the Directorship of the Company w.e.f. February 09, 2011 on health grounds. The Board places on record its high appreciation for the valuable advice and guidance rendered by him during his tenure as the Director of the Company.

Dr. Ravindra Bapat and Mr. C. V. Bijlani, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

A brief profile of the Directors seeking re-appointment covering the nature of their expertise in specific functional areas, the names of the companies in which they hold directorship and membership of committees of the board is furnished as a part of the Corporate Governance Report. Your Board has recommended their re-appointment.

QUALITY INITIATIVES, SAFETY AND ENVIRONMENT

Your Company is an ISO 9001:2008 and 14001:2004 Company committed to high levels of consistent quality and compliance of specified environmental standards and providing healthy work environment for its employees.

During the year under review, your Company has issued and implemented an improved version of standard operating procedures (SOPs) and brand manual to be followed by the contract bottling units (CBUs) to ensure uniform quality and standard of the IMFL products produced by such CBUs on behalf the Company.

Your Company plans to have a centralised technical centre at Shrirampur to further strengthen development work for new blends and to help in monitoring the existing blends. It will be in addition to its current R & D centre for chemical analysis. During the year, your Company has developed the blends for its brand BLACPOWER Whisky and Crown Prince Brandy.

In line with the international trade practices and to have better brand presentation, your Company has initiated the process to go for sticker labels instead of glue labels for all its fast moving brands.

ZERO DISCHARGE

Your Company has initiated the efforts to establish zero discharge concept without any environment pollution for its 50 KLPD molasses based and 100 KLPD grain based ENA plant at Shrirampur.

This will make your Company amongst few in the country to establish truly zero discharge concept without any environment pollution for molasses based ENA plant.

Your Company shall be amongst few in the country to completely go for zero discharge for grain based ENA Plant. Currently, we are producing DWGS (Distillers Wet Grain Spent) which is being sold. DWGS is used for cattle feed and is in demand due to its protein value. We will shortly be starting to dry it and will give us added value addition as DDGS (Distillers Dried Grain Spent).

FIXED DEPOSIT

The Company has not accepted any deposit within the scope of Section 58A of the Companies Act, 1956 during the year under review.

At the end of the year under review, there were 3 matured deposits aggregating to ₹ 16,000/- (Rupees Sixteen Thousand only), which have not been claimed by the depositors upto the date of this report. There were no deposits during the year, which were claimed but not paid by the Company.



There are no unclaimed deposits/interest on deposits lying with the Company for more than seven years which are to be transferred to Investor Education and Protection Fund as per sub section 2(c) of Section 205C of the Companies Act, 1956.

AUDITORS AND AUDITORS' REPORT

M/s. Batliboi & Purohit, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. The Board of Directors recommends their re-appointment as Statutory Auditors.

The notes on accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

SECRETARIAL AUDIT REPORT

The Board of Directors had entrusted the responsibility of conducting secretarial audit of records and documents of the Company to M/s Ragini Chokshi & Company, Practising Company Secretaries. The secretarial audit report for the financial year ended March 31, 2011 is annexed hereto and forms part of the report.

COST AUDITORS

M/s. P. D. Phadke & Associates, Cost Accountants, Mumbai have been re-appointed as the Cost Auditors to conduct the audit of the cost accounts maintained by the Company for the financial year 2011-12.

CORPORATE GOVERNANCE

The Report on Corporate Governance alongwith the Auditors' Certificate regarding compliance of the conditions of Corporate Governance pursuant to Clause 49 of the Listing Agreement is annexed hereto and form part of the annual report.

In terms of sub-clause (v) of Clause 49 of the Listing Agreement, a certificate from CMD and CFO of the Company, inter-alia, confirming the correctness of the financial statements, adequacy of internal control measures and reporting of matters to the Audit Committee in terms of the said clause, is also enclosed as part of the annual report.

Management Discussion and Analysis Report outlining the key events of the year, industry scenario and risks and outlook is also annexed hereto and forms part of the annual report.

CSR INITIATIVES

A separate section on initiatives taken by the Company to fulfill its corporate social responsibilities is included in the annual report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 217 (2AA) of the Companies Act, 1956, and on the basis of the information furnished to them by the statutory auditors and management, your Directors state that:

- a) in 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 accounting year and of the profit 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, 1956, for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities; and

- d) they have prepared annual accounts on a going concern basis.

INFORMATION TECHNOLOGY

Your Company has successfully implemented Multiprotocol Label Switching (MPLS) connectivity between plants of its subsidiary companies and the Company is using packet switch virtual private network technology. It has also implemented Virtual Mail Server through cloud computing which provides reliable and optimised virtualisation solution and also optimised cost and resource utilisation.

PARTICULARS OF EMPLOYEES, CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required to be disclosed with respect to particulars of employees in accordance with Section 217(2A) of the Companies Act, 1956 is annexed.

Details with respect to conservation of energy, technology absorption & foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is also annexed and the aforesaid annexures form part of the Directors' report.

ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation to investors, bankers, customers, suppliers, auditors for their continued support during the year. Yours Directors extend their sincere gratitude to all the regulatory authorities like SEBI, Stock Exchanges, Registrar of Companies and other Central and State Government authorities/agencies for their support.

Your Directors also place on record their appreciation and thanks to all employees for dedicated services rendered at various levels, without whose contribution, your Company could not have achieved the year's performance and looking forward to their continued support in the future as well.

For and on behalf of the Board of Directors

Place: Mumbai

Date: May 26, 2011

Amit Dahanukar

Chairman & Managing Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT

A) Conservation of Energy

Measures taken:

1. Bio-digesters are working satisfactorily. Biogas generated was utilised practically 50% each for power generation in gas engines and steam generation in boilers. The details of gas generation, consumption and equivalent coal saved during the financial year 2010-11 compared with the last financial year are as tabulated below:

Sr. No.	Particulars	Unit	Year 10-11	Year 09-10
1	Biogas generation	Lac M ³	20.11	34.81
2	Spent wash treated	Lac M ³	0.56	2.00
3	Ratio of biogas generation to spent wash treated	M ³ /M ³	35.31	34.92
4	Biogas utilisation:			
	a. for steam generation in boiler	Lac M ³	10.65	18.99
	b. for power generation in biogas engine	Lac M ³	9.06	14.53
	c. biogas flared during start up and Interruptions	Lac M ³	1.27	1.29

Biogas generation is low because one of the digesters was under shutdown for repairs and periodic cleaning work. However, the biogas to spent wash ratio has improved by 1.10% over the last year. The flaring losses of biogas have also reduced by 1.55% as compared to last year. With effect from May 01, 2011, the complete biogas is being used in the new boiler, giving better thermal efficiency. This has been done keeping in mind that for electricity, the Company has an economic option of electricity generation through turbine generation and biogas can be effectively used in new 45 Kg boiler.

2. The performance of biogas engines got affected due to maintenance work of H₂S scrubber and one of the gas engines during the current year. The performance parameters are as given below:

Sr. No.	Particulars	Unit	Year 10-11	Year 09-10
1	Biogas consumed for power generation	Lac M ³	9.06	14.53
2	Power generation	KWh	1,522,673	2,787,468
3	Ratio of power generation to biogas consumption	KWh/M ³	1.68	1.92

There was reduction in ratio of power generation to biogas consumption due to interruptions in operation of scrubber and the gas engine due to maintenance carried out during the year under review as compared to last financial year.

B) Research & Development for new brands

1. During the financial year, your Company has introduced two new IMFL brands:

a) BLACPOWER Whisky

- BLACPOWER Whisky is the latest addition to the whisky portfolio. Positioned in the regular segment, the brand was conceptualised and created in the year 2009-10 for roll out in the 2nd quarter of 2010-11. BLACPOWER has been rolled out first in the State of Andhra Pradesh followed by launch in Maharashtra.
- BLACPOWER Whisky is packaged in a unique glass bottle with embossed 'mesh' effect which is positioned in the regular segment and comes with non-refillable guala cap.
- A combination of rare grain spirits and expert blending brings out the most authentic whisky experience. With a distinctive taste and a lingering finish, this spirit unleashes the power of supremacy and perfection. BLACPOWER Whisky is available in various pack sizes starting from 90 ml to 1 litre.

b) Crown Prince Brandy

- Researched in the year 2010-11 for launch in Tamil Nadu market, where Brandy sales pre-dominate the market, this brand was launched in March, 2011. Designed in a green bottle with a special gold label with a crown at the helm, it is a great experience to the discerning consumer.
- The blend is unique in its character and the ingredients used are one of the best to give the consumer a true character of the French Brandy.

2. Progress on Brands launched in the previous year:

a) Duchess V.S.O.P Brandy

- Duchess V.S.O.P brandy was rolled out in the State of Andhra Pradesh in June 2010 and in nine months of its launch, achieved a market share of 6.2% by March 2011, It is now being considered to be launched in the other Southern States of India as well.
- A unique blend of finest grape spirits with smooth aroma and well balanced traditional brandy taste. Duchess V.S.O.P brandy has been made available in various pack sizes starting from 90 ml to 1 litre.

b) MH V.S.O.P. Brandy

- Developed to take advantage of the brand name, and going by the enthusiastic response, the brand previously launched in Tamil Nadu now has been launched in other new markets namely Puducherry and Kerala in the financial year 2010-11.

3. Revamping of Senate Royale Whisky:

Senate Royale Whisky post change of blend with grain based ENA and scotch addition has bounced back in terms of sales volume. The new converted blend to grain based spirit and scotch has enhanced its perceived taste value.

4. Revamping of Mansion House Brandy:

The flagship Mansion House brandy post revamping into family shaped bottles has been well received at the market place and in fact is envy of the competition. The changed shape also helped your Company to get back market return bottles, albeit at a concessional rate.

C) Technology Absorption/Innovation and Adoption

1. Multiple Effect Evaporator (MEE) Plant for concentration of molasses based distillery effluents after primary and secondary treatment is being operated consistently. The concentrated effluent is mixed with bagasse and burnt in boiler. The generated process condensate is re-used in the premises, thereby, reducing fresh water intake.
2. Installed and under commissioning zero based discharge system for grain based neutral spirit consisting of MEE and a dryer. The plant will deliver approx. 90 MT per day of DDGS or 250 MT per day of DWGS. None of 100 KLPD distilleries in the country has this combination and your Company is the first to go for it.
3. Installed and commissioned 45 TPH @ 45 bar pressure cogent make boiler and 5 MW Maxwatt Turbine for captive power generation. This makes your Company self sufficient for its own power requirement at a cost of ₹ 2.75 per unit. The power generated in excess of your Company's requirement will be exported to MSEB.
4. Installation and commissioning of a Condensate Processing Unit (CPU) of 2000 M³/day capacity is under way. This will help your Company in conservation of water by around 40 % of total water consumption.
5. One number sticker labeling machine was installed on one of the lines at Shrirampur plant to see its operations and thereafter, transfer of the technology to other units. Initial trials of the same are satisfactory.

FORM - A

Total energy consumption and energy consumption per unit of production

Power and Fuel consumption	Unit	Year 10-11	Year 09-10
1. Electricity purchased from MPECB	KWh	4,928,832	2,979,384
Amount	₹ in Lac	232.15	133.67
Rate per unit	₹/KWh	4.71	4.05
Electricity own generation from Biogas Engines	KWh	1,522,673	2,787,468
Amount	₹ in Lac	75.52	72.49
Rate per unit	₹/KWh	4.96	2.60
Electricity own generation from DG sets	KWh	799,958*	248,308
Amount	₹ in Lac	108.55	37.18
Rate per unit	₹/KWh	13.57	14.97
Electricity own generation from TG set	KWh	587,400	N.A.
Amount	₹ in Lac	16.15	N.A.
Rate per unit	₹/KWh	2.75	N.A.
Total Electricity used	KWh	7,838,863	6,015,160
Wtd. Avg. Unit rate	₹/KWh	6.14*	4.05
2. Steam coal for generation of steam	MT	14,002	8,850
Amount	₹ in Lac	642.54	338.58
Average rate per MT	₹/ MT	4,589	3,825.80
Bagasse for generation of steam	MT	14,520	7,379.30
Amount	₹ in Lac	315.76	202.54
Average rate per MT	₹/ MT	2,174.65	2,744.70
Fire wood for generation of steam	MT	92.08	908.20
Amount	₹ in Lac	2.94	24.41
Average rate per MT	₹/ MT	3,194	2,687.93

* DG power generation is on the higher side as it was used for 100 KLPD project work and commissioning trials when turbine was not ready for operation, thus increasing the over all rate for power. 440,663 units used for 100 KLPD project out of total 799,958 units generated i.e. 55% of the total units consumed.

Electricity Consumption per unit of product:

Name of Products	Unit	Year 10-11	Year 09-10
ENA	KWh/Ltr.	0.15	0.16
IMFL	KWh/Case	0.30**	0.22
Diethyl Oxalate	KWh/Kg	0.84***	0.25

** QPN ratio changed adversely (25%) during financial year 2010-11 when small pack sizes demand increased utilising more bottles per case, thereby, increasing electricity consumption.

*** Initially power for 100 KLPD was drawn from chemical site, thereby, increasing consumption and hence adversely impacting the ratio.

D) Foreign Exchange Earnings and Outgo

During the year, the foreign exchange outgo was ₹ 10.23 million (P.Y. ₹ 9.59 million) and foreign exchange earnings were ₹ 76.62 million (P.Y. ₹ 52.51).

ANNEXURE 'B' TO THE DIRECTORS' REPORT

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of the Directors' Report for the year ended March 31, 2011.

Sr. No.	Name	Designation	Gross Remuneration ₹/ Month	Qualifications	Age (Years)	Total Experience (Years)	Date of Commencement of Employment	Last Employment & Designation
1	Mr. Amit Dahanukar	Chairman & Managing Director	2,424,388	B.E (ELEC), M.S (U.S.A)	34	10 Years	07.11.2001	First Employment
2	Mrs. Shivani Amit Dahanukar	Executive Director	1,565,873	M.B.A, L.L.B	33	5 Years	01.06.2006	First Employment
3	Dr. Sukhbir Puri	Sr. V.P – Operations	825,000	M.Sc, Ph.D	62	37 Years	27.04.2009	Khemani Group – Group President
4	Dr. Keshab Nandy	Chief Legal Officer & Chief Vigilance Officer	525,000	B.A, M.A, M.H.R.M, PGDPM & I.R, LLB, DCM, M.Phil, Ph.D	55	32 Years	03.09.2007	UTI Technology Services Ltd.-Sr. VP – HR, IR, Legal, Quality, Admin, Facility MGT & CVO
5	Mr. Lalit Sethi	Chief Financial Officer	522,500	B.Com, FCA	45	23 Years	19.11.2007	High Polymer Labs Ltd. – Dy. General Manager

ANNEXURE 'C' TO THE DIRECTORS' REPORT

Statement as at March 31, 2011 pursuant to Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

		ESOP Scheme 2008	ESOP Scheme 2010
1	Number of stock options granted	During the year, 156,600 and 860,463 stock options were granted on June 25, 2010 and August 07, 2010 respectively to the eligible employees (post adjustment of bonus).	During the year, 16,15,500 Stock Options were granted on January 15, 2011 to the eligible employees.
2	The pricing formula	The exercise price for the aforesaid grants 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 Bombay Stock Exchange Ltd. during the 15 days preceding the date of vesting of stock options subject to minimum exercise price (ex bonus) as given below :	The exercise price for the aforesaid grant 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 Bombay Stock Exchange Ltd. during the 15 days preceding the date of vesting of stock options subject to minimum exercise price as given below :
		Date of Grant Minimum Exercise Price (₹)	Date of Grant Minimum Exercise Price (₹)
		June 25, 2010 36.67	January 15, 2011 60.00
		August 07, 2010 50.00	
3	Number of stock options vested	505,110	Nil
4	Number of stock options exercised	81,740	Nil
5	Total number of shares arising as a result of exercise of stock options	81,740	Nil
6	Number of stock options lapsed	Nil	Nil
7	Number of stock options cancelled	749,499	11,700
8	Variation in the terms of stock options	Nil	Nil
9	Money realised by exercise of stock options (₹)	1,713,371	Nil
10	Total Number of stock options in force	4,607,545	1,603,800
11	Employee-wise details of stock options granted to:		
(i)	Senior Managerial Personnel		
	Name	No. of stock options granted	
	Dr. Sukhbir Puri	Nil	12,000
	Dr. Keshab Nandy	Nil	21,000
	Mr. Lalit Sethi	Nil	30,000
(ii)	Employees who were granted, during any one year, stock options amounting to 5% or more of the stock options granted during the year.	Nil	Nil



COMPANY OVERVIEW	STRATEGIC REVIEW	BOARD AND MANAGEMENT REPORTS	FINANCIAL STATEMENTS
		DIRECTORS' REPORT	

		ESOP Scheme 2008	ESOP Scheme 2010
(iii)	Identified employees who were granted stock option, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil
12	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	Refer Note 2(vi)(e) of Schedule L of the Notes to Accounts	
13	Impact of the difference between the Intrinsic Value of the Options and the Fair Value of the Options on Profits and on EPS	Refer Note 2(vi)(e) of Schedule L of the Notes to Accounts	
14	Weighted-average exercise prices and weighted-average fair values of options, separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Refer Note 2(vi)(d) of Schedule L of the Notes to Accounts	
15	A description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted-average information (i) Risk-free interest rate (ii) Expected life (iii) Expected volatility (iv) Expected dividends (v) The price of the underlying share in market at the time of option grant	Refer Note 2(vi)(d) of Schedule L of the Notes to Accounts	

A certificate received by the Company from the Statutory Auditors of the Company i.e. M/s Batliboi & Purohit, Chartered Accountants, Mumbai to the effect that the Schemes have been implemented in accordance with the SEBI Guidelines will be placed before the Annual General Meeting and a copy of the same shall be available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays and all holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.



CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company is committed to adopting innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, maximising stakeholders' value, discharging social responsibilities and above all, aligning its business structure in the lines of transparency, integrity, professionalism and accountability at higher level. Good corporate governance practices have been fundamental to the fulfillment of this commitment. Company believes in adopting best corporate governance practices and has set its growth path on the foundation of fair business, efficient, safe and trusted financial policies and assures maintenance of highest standards of accountability and excellence in service of all stakeholders.

Your Company is already in substantial compliance of the provisions of the voluntary guidelines on corporate governance issued by Ministry of Corporate Affairs in 2009, a benchmark for the corporate sector in achieving the highest standards of corporate governance.

Your Company has complied with all the regulations as stipulated by the Securities and Exchange Board of India and the Listing Agreement entered with the stock exchanges including compliance of the provisions of Clause 49 pertaining to corporate governance.

2. BOARD OF DIRECTORS

Your Company is managed through a professional Board of Directors. The composition of the Board of Directors meets with the requirements of corporate governance prescribed in the Listing Agreement. The Board consists of eminent persons with considerable professional experience and expertise.

As on March 31, 2011, the Board of Directors consisted of seven (7) directors comprising of two (2) executive directors and five (5) non-executive directors out of which four (4) were independent directors. The Board is headed by Chairman & Managing Director.

During the financial year ended March 31, 2011, four (4) meetings of the Board of Directors were held as per details given below:

Sr. No.	Date of the Board Meetings	Sr. No.	Date of the Board Meetings
1	May 08, 2010	3	October 22, 2010
2	August 07, 2010	4	February 09, 2011

The intervening period between the Board Meetings was within the maximum time gap prescribed under the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Board periodically reviews compliance reports in respect of laws and regulations applicable to the Company. During the year, all the relevant information required to be placed before the Board, as prescribed under Clause 49 of the Listing Agreement, were placed before the Board for its consideration.

Composition of the Board and attendance records of Directors:

Name of the Directors	Position/Category	Number of Board Meetings held	Number of Board Meetings Attended	Attendance at the last AGM held on 20.09.2010
Mr. Amit Dahanukar	Chairman & Managing Director (E)	4	3	Yes
Mrs. Shivani Amit Dahanukar	Executive Director (E)	4	3	Yes
Mr. S. V. Muzumdar*	Director (NE,I)	4	1	No
Mr. V. B. Haribhakti	Director (NE,I)	4	4	Yes
Dr. Vishnu Kanhere	Director (NE,I)	4	3	Yes
Dr. Ravindra Bapat	Director (NE,I)	4	3	Yes
Mr. C.V. Bijlani	Director (NE)	4	3	Yes
Mr. Madan Goyal	Director (NE,I)	4	4	Yes

* Resigned from the Directorship of the Company w.e.f. February 09, 2011.

NE: Non-Executive, I: Independent, E: Executive.

Membership in Board of Directors and Board Committees in other public companies:

Name of the Directors	No. of Directorship in other public companies *	No. of committee positions held in other public companies**	
		Chairman	Member
Mr. Amit Dahanukar	1	Nil	Nil
Mrs. Shivani Amit Dahanukar	1	Nil	Nil
Mr. S. V. Muzumdar#	N.A.	N.A.	N.A.
Mr. V. B. Haribhakti	7	4	4
Dr. Vishnu Kanhere	2	2	Nil
Dr. Ravindra Bapat	2	Nil	Nil
Mr. C.V. Bijlani	1	Nil	Nil
Mr. Madan Goyal	Nil	Nil	Nil

* Private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956 are excluded for the above purpose.

** The committees considered for the purpose are those prescribed in the Listing Agreement i.e. Audit Committee and the Shareholders/Investors Grievance Committee.

Resigned from the Directorship of the Company w.e.f. February 09, 2011.

None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 committees across all public limited companies as specified in Clause 49 of the Listing Agreement.

3. AUDIT COMMITTEE

The Audit Committee, amongst the areas mentioned in the Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, covered the following areas during the year under review:

- a) overseeing the Company's financial reporting process and disclosure of financial information of the Company to ensure authentic and credible financial information;
- b) recommending to the Board, the appointment, re-appointment of Statutory Auditors, fixation of audit fees and approving payments for any other services;
- c) reviewing with the management, the annual and quarterly financial statements 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 Sub-Section (2AA) of Section 217 of the Companies Act, 1956;
 - 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;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions; and
 - qualifications in the draft audit report.
- d) reviewing with the management, performance of Statutory and Internal Auditors and adequacy of internal control systems;
- e) reviewing the adequacy of internal audit function;
- f) discussing with Internal Auditors of any significant findings and follow-ups thereon;

- g) reviewing the findings of any internal investigations by the Internal Auditors;
- h) reviewing the following information:
 - management discussion and analysis of financial conditions and results of operations;
 - statement of significant related party transactions;
 - management letters/letters of internal control weaknesses issued by the Statutory Auditors;
 - internal audit reports relating to internal control weaknesses;
 - the appointment, removal and remuneration of the Internal Auditors; and
 - financial statements and investments made by the unlisted subsidiary companies.

The Audit Committee is vested with the necessary powers to achieve its objectives.

During the financial year ended March 31, 2011, the Audit Committee was re-constituted by inducting Mr. Madan Goyal, Non-Executive and Independent Director as a Member of the Audit Committee in place of Mr. S. V. Muzumdar, who had resigned from the Directorship of the Company w.e.f. February 09, 2011. Mr. V.B. Haribhakti, Non-Executive and Independent Director, a profound and experienced Chartered Accountant, is the Chairman of the Audit Committee. The Executive Directors, the Chief Financial Officer, Internal Auditors and the Statutory Auditors are permanent invitees to the Meetings. The Cost Auditors are also invited to attend the Audit Committee Meetings, as and when required.

During the year under review, four (4) meetings of the Audit Committee were held as per details given below:

Sr. No.	Date of the Meetings
1	May 08, 2010
2	August 07, 2010
3	October 22, 2010
4	February 09, 2011

Composition of the Audit Committee and attendance records of Members:

Name of the Directors	Position/Category	Qualification/ Profession	Meeting details	
			Held during the Year	Attended
Mr. V. B. Haribhakti	Chairman (NE,I)	Chartered Accountant	4	4
Mr. S. V. Muzumdar*	Member (NE,I)	Bachelor of Law	4	1
Dr. Vishnu Kanhere	Member (NE,I)	Chartered Accountant and Cost Accountant	4	3
Mr. C.V. Bijlani	Member (NE)	M.A., C.A.I.I.B.	4	3
Mr. Madan Goyal**	Member (NE,I)	M.B.A., C.A.I.I.B., F.C.I.B. (U.K.)	4	Nil

* Resigned from the Directorship of the Company w.e.f. February 09, 2011.

** Inducted as Member of the Audit Committee w.e.f. February 09, 2011.

NE: Non-Executive, I: Independent.

Mr. Gaurav Thakur, Company Secretary, acts as the Secretary of the Committee.

4. REMUNERATION COMMITTEE

The terms of reference of Remuneration Committee involve determination of the Company's policy on specific remuneration packages for Executive Directors and Non-Executive Directors in consonance with the industry practices. The Remuneration Committee ensures equity, fairness and consistency and the recommendations of Remuneration Committee are considered and approved by the Board, subject to the approval of Members, wherever necessary.

During the financial year ended March 31, 2011, the Remuneration Committee was re-constituted by inducting Mr. Madan Goyal, Non-Executive and Independent Director as a Member of the Remuneration Committee in place of Mr. S. V. Muzumdar, who had resigned from the Directorship of the Company w.e.f. February 09, 2011. Mr. V.B. Haribhakti, Non-Executive and Independent Director, a profound and experienced Chartered Accountant, is the Chairman of the Remuneration Committee.

During the year under review, the Committee met once on August 07, 2010.

Composition of the Remuneration Committee and attendance records of Members:

Name of the Directors	Position/Category	Meeting details	
		Held during the Year	Attended
Mr. V. B. Haribhakti	Chairman (NE,I)	1	1
Dr. Vishnu Kanhere	Member (NE,I)	1	1
Mr. S. V. Muzumdar*	Member (NE,I)	1	Nil
Mr. C.V. Bijlani	Member (NE)	1	1
Mr. Madan Goyal**	Member (NE,I)	1	Nil

* Resigned from the Directorship of the Company w.e.f. February 09, 2011.

** Inducted as Member of the Remuneration Committee w.e.f. February 09, 2011.

NE: Non-Executive, I: Independent.

Remuneration to Directors

Remuneration of Directors is determined depending upon the performance of the Company, individual director's performance and prevailing industry norms. Remuneration and commission paid to Executive Directors are within the limits prescribed under the provisions of the Companies Act, 1956. In addition to the sitting fees, which is within the ceiling prescribed by Central Government, for attending Meetings of the Board of Directors, Audit and other Committee Meetings, the Non-Executive Directors are remunerated with commission not exceeding one percent of the net profits of the Company as computed in the manner provided by Section 198 (1) of the Companies Act, 1956. The payment of commission to Non-Executive Directors has been previously approved by the Members at the 72nd Annual General Meeting held on August 22, 2007.

Details of remuneration paid / to be paid to all Directors of the Company for the financial year 2010-11 are as follows:

Name of the Directors	Salaries & Perquisites (₹)	Contribution to SA/ PF (₹)	Sitting Fees** (₹)	Commission (₹)
Mr. Amit Dahanukar	27,249,456	1,843,200	Nil	913,661
Mrs. Shivani Amit Dahanukar	17,048,076	1,742,400	Nil	497,256
Mr. S. V. Muzumdar*	Nil	Nil	10,000	Nil
Mr. V. B. Haribhakti	Nil	Nil	60,000	1,114,323
Dr. Vishnu Kanhere	Nil	Nil	40,000	1,114,323
Dr. Ravindra Bapat	Nil	Nil	15,000	1,114,323
Mr. C.V. Bijlani	Nil	Nil	45,000	1,114,323
Mr. Madan Goyal	Nil	Nil	20,000	1,114,323

* Resigned from the Directorship of the Company w.e.f. February 09, 2011.

** Sitting fees comprises of payment to the Directors for attending Board Meetings and Committee Meetings.

5. COMPENSATION COMMITTEE

The terms of reference of Compensation Committee involve ascertaining the detailed terms and conditions for issuing ESOPs and/or Sweat Equity Shares and deciding their entitlement and granting the same to the eligible employees. The terms of reference of Compensation Committee also include administration of Employee Stock Option Schemes and exercising the powers and performing the duties as prescribed under Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Dr. Vishnu Kanhere, Non-Executive and Independent Director, is the Chairman of the Compensation Committee.

During the year under review, the Committee met once on August 07, 2010.

Composition of the Compensation Committee and attendance records of Members:

Name of the Directors	Position/Category	Meeting details	
		Held during the Year	Attended
Dr. Vishnu Kanhere	Chairman (NE,I)	1	1
Mrs. Shivani Amit Dahanukar	Member (ED)	1	1
Dr. Ravindra Bapat	Member (NE,I)	1	Nil

NE: Non-Executive, I: Independent, ED: Executive Director.

The particulars of equity shares/Employees Stock Options (ESOPs) of the Company held by the Directors as on March 31, 2011, are furnished below:

Name of the Directors	Number of equity shares held		Number of ESOPs held	
	As on March 31, 2011	As on March 31, 2010	As on March 31, 2011	As on March 31, 2010
Mr. Amit Dahanukar	17,217,223	4,799,653	Nil	Nil
Mrs. Shivani Amit Dahanukar	39,371,043	13,123,681	Nil	Nil
Mr. S. V. Muzumdar*	7,551	2,517	Nil	Nil
Mr. V. B. Haribhakti	9,000	3,000	19,998	Nil
Dr. Vishnu Kanhere	Nil	Nil	19,998	Nil
Dr. Ravindra Bapat	20,250	6,750	19,998	Nil
Mr. C.V. Bijlani	Nil	Nil	19,998	Nil
Mr. Madan Goyal	Nil	Nil	19,998	Nil

* Resigned from the Directorship of the Company w.e.f. February 09, 2011.

6. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Shareholders/Investors Grievance Committee, amongst the areas, mentioned in the Clause 49 of the Listing Agreement is ensuring expeditious redressal of shareholders' and investors' complaints like non-receipt of annual report, non-receipt of share certificates upon transfer of shares, dematerialisation/rematerialisation, transfer/transmission, split/consolidation of shares etc.

During the financial year ended March 31, 2011, the Shareholders/Investors Grievance Committee was re-constituted by inducting Mr. Madan Goyal, Non-Executive and Independent Director as a Member of the Shareholders/Investors Grievance Committee in place of Mr. S. V. Muzumdar, who had resigned from the Directorship of the Company w.e.f. February 09, 2011. Mr. C.V. Bijlani, Non-Executive Director is the Chairman of the Shareholders/Investors Grievance Committee.

During the year under review, four (4) meetings of the Shareholders/Investors Grievance Committee were held as per details given below:

Sr. No.	Date of the Meetings	Sr. No.	Date of the Meetings
1	May 08, 2010	3	October 22, 2010
2	August 07, 2010	4	February 09, 2011

Composition of the Shareholders/Investors Grievance Committee and attendance records of Members:

Name of the Directors	Position/Category	Meeting details	
		Held during the Year	Attended
Mr. C.V. Bijlani	Chairman (NE)	4	3
Mr. Amit Dahanukar	Member (E)	4	3
Mr. V.B. Haribhakti	Member (NE,I)	4	4
Mr. S.V. Mazumdar*	Member (NE,I)	4	1
Mr. Madan Goyal**	Member (NE,I)	4	Nil

* Resigned from the Directorship of the Company w.e.f. February 09, 2011.

** Inducted as Member of the Shareholders/Investors Grievance Committee w.e.f. February 09, 2011.

NE: Non-Executive, I: Independent.

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

Statement of various complaints received and resolved during the financial year 2010-2011

Nature of Complaints	Opening	Received	Resolved	Pending
Non receipt of shares certificates lodged for transfer	Nil	7	7	Nil
Non receipt of dividend warrants	Nil	14	14	Nil
Non receipt of annual reports	Nil	3	3	Nil
Non receipt of demat rejected share certificates	Nil	Nil	Nil	Nil
Non receipt of demat credit	Nil	1	1	Nil
Non receipt of bonus shares	Nil	3	3	Nil
SEBI	Nil	2	2	Nil
TOTAL	Nil	30	30	Nil

7. SHARE TRANSFER COMMITTEE

The terms of reference of the Share Transfer Committee involve ensuring timely processing of requests for share transfer/transmission, issue of duplicate share certificates, dematerialisation/rematerialisation, split/consolidation of shares etc.

Mr. Amit Dahanukar, Chairman & Managing Director of the Company, is the Chairman of the Share Transfer Committee and Mrs. Shivani Amit Dahanukar, Executive Director and Mr. Gaurav Thakur, Company Secretary are the other Members of the Committee.

The Share Transfer Committee meets on a weekly basis to ensure timely resolution and processing of requests for share transfer/transmission, issue of duplicate share certificates, dematerialisation/rematerialisation, split/consolidation of shares etc.

8. ISSUE COMMITTEE:

The Issue Committee was constituted on October 22, 2010 for dealing in all matters relating to raising of funds by way of issue of equity shares or other securities to Qualified Institutional Buyers under Chapter VIII of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 and allied matters.

During the year under review, four (4) meetings of the Issue Committee were held as per details given below:

Sr. No.	Date of the Meetings	Sr. No.	Date of the Meetings
1	October 27, 2010 (10:00 a.m.)	3	October 29, 2010 (5:00 p.m.)
2	October 27, 2010 (3:30 p.m.)	4	November 03, 2010 (3:30 p.m.)

Composition of the Issue Committee and attendance records of Members:

Name of the Directors	Position/Category	Meeting details	
		Held during the Year	Attended
Mr. Amit Dahanukar	Chairman (E)	4	4
Mrs. Shivani Amit Dahanukar	Member (E)	4	4
Mr. C.V. Bijlani	Member (NE)	4	4
Mr. Madan Goyal	Member (NE, I)	4	4

9. SUBSIDIARY COMPANIES

The Company has three wholly owned subsidiaries viz. (1) Prag Distillery (P) Ltd., (2) Vahni Distilleries Private Limited and (3) Kesarval Springs Distillers Pvt. Ltd. However, these subsidiaries do not fall under the category of "material non-listed Indian subsidiaries" i.e. whose turnover or net worth exceeds 20% of the consolidated turnover or networth respectively, of the Company and its subsidiaries in the immediately preceding financial year in terms of Clause 49 (III) of the Listing Agreement.

The Minutes of the Board Meetings of subsidiary companies are tabled at the subsequent Board Meetings of the Company.

10. CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT

The Company has formulated and implemented a Code of Conduct for all its Directors and Senior Management of the Company in compliance with Clause 49(I)(D) of the Listing Agreement. All the Board Members and Senior Management of the Company have affirmed compliance with the said Code of Conduct for the financial year ended March 31, 2011. A declaration to this effect signed by Mr. Amit Dahanukar, Chairman & Managing Director of the Company, forms part of this Report.

11. DISCLOSURE PRACTICES FOR PREVENTION OF INSIDER TRADING

As required by the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Company has adopted the policy for Corporate Disclosure Practices for Prevention of Insider Trading with effect from December 1, 2002. The Policy is applicable to all the Directors and Designated Employees of the Company, who are exposed to or expected to be exposed to unpublished price sensitive information about the Company.

12. CMD/CFO CERTIFICATION

In accordance with the requirements of Clause 49(V) of Listing Agreement, a certificate from Mr. Amit Dahanukar, Chairman & Managing Director and Mr. Lalit Sethi, Chief Financial Officer of the Company, on the financial statements of the Company was placed before the Board in the Meeting held on May 26, 2011 and the same is annexed to this report.

13. GENERAL BODY MEETINGS

The venue, time and particulars of special resolutions passed at the last three Annual General Meetings of the Members of the Company are as follows:

Year	Meeting Day, Date & Time	Venue	Special resolutions passed
2009-10	Monday, September 20, 2010 at 11.00 a.m.	P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720	<ol style="list-style-type: none"> 1. Issue of further securities 2. Re-classification of the Authorised Share Capital 3. Increase in the Authorised Share Capital 4. Amendment in the Articles of Association 5. Authorisation for ESOPs 6. Revision in remuneration payable to Mr. Amit Dahanukar, Chairman & Managing Director 7. Revision in remuneration payable to Mrs. Shivani Amit Dahanukar, Executive Director 8. Issue of bonus shares 9. Increase in FII Limits 10. Issue of Convertible Warrants

Year	Meeting Day, Date & Time	Venue	Special resolutions passed
2008-09	Saturday, August 01, 2009 at 11.00 a.m.	P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720.	<ol style="list-style-type: none"> 1. Revision in remuneration payable to Mr. Amit Dahanukar, Chairman & Managing Director 2. Revision in remuneration payable to Mrs. Shivani Amit Dahanukar, Executive Director 3. Re-appointment of Mr. Amit Dahanukar as Chairman & Managing Director 4. Re-appointment of Mrs. Shivani Amit Dahanukar as Executive Director
2007-08	Wednesday August 06, 2008 at 11.00 a.m.	Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce & Industry, K. Dubhash Marg, Mumbai – 400 001	<ol style="list-style-type: none"> 1. (a) Authorisation for ESOPs for employees of the Company (b) Authorisation for ESOPs for employees of subsidiaries of the Company 2. Revision in remuneration payable to Mr. Amit Dahanukar, Chairman & Managing Director 3. Revision in remuneration payable to Mrs. Shivani Amit Dahanukar, Executive Director 4. Issuance of Foreign Currency Convertible Bonds and/or Global Depository Receipts

All special resolutions set out in the Notices for the Annual General Meetings were passed by the Members at the respective meetings with requisite majority.

Passing of Resolution by Postal Ballot

During the financial year ended March 31, 2011, a special resolution was passed on September 20, 2010 by way of Postal Ballot conducted under the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 for inserting new sub-clause 17 (iv) (a) after the existing sub-clause 17(iv) of the Clause III of the Memorandum of Association of the Company to enable the Company to furnish corporate guarantee(s), from time to time, to various banks, financial institutions, finance companies for securing credit facilities for the Company, its subsidiaries and business associates.

Mr. R.T. RajGuroo, Practising Company Secretary, Mumbai was appointed by the Board of Directors on August 07, 2010 as Scrutiniser for conducting the postal ballot process in a fair and transparent manner. The last date for receipt of the postal ballot form duly completed was fixed as September 17, 2010.

The result of the Postal Ballot as submitted by the scrutiniser is reproduced herein below:

Sr. No.	Particulars	Postal Ballots	Votes/Shares	% of total valid shares/ votes
1.	Total Postal Ballot Received	201	20,498,917	Nil
2.	Postal Ballot - Invalid	12	3,816	Nil
3.	Postal Ballot - Valid	189	20,495,101	100.000
4.	Valid Postal Ballot in favor of the resolution	187	20,494,934	99.999
5.	Valid Postal Ballot against the resolution	2	167	0.001

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

14. DISCLOSURES

A) Disclosure on materially significant related party transactions having potential conflict with the interest of the Company at large

The particulars of related party transactions have been given in the Notes to Accounts. However, these transactions were carried out on an arms-length basis and are not likely to have any potential conflict with the interests of the Company.

B) Risk Management Frame Work

The Company has identified the major risk areas and regularly reviews the risk assessment and control process in the Company and the risk minimisation procedures are periodically reviewed by the Board.

C) Details of non-compliance by the Company, penalties, stricture 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

The Company has complied with all the provisions of Listing Agreement with Stock Exchanges and regulations and guidelines of SEBI, as applicable from time to time. There were no instances of non-compliance of any matter related to the capital markets during the last three years.

D) Compliance with non-mandatory requirements of Clause 49 of the Listing Agreement

The Company has complied with the following non-mandatory requirements in terms of Clause 49 of the Listing Agreement:

i) The Board

The Company has an Executive Chairman and his office, with required facilities, is provided and maintained by the Company. No policy has been fixed for tenure of appointment of Independent Directors.

ii) Remuneration Committee

Details already given under the caption 'Remuneration Committee' in the earlier part of the Report.

iii) Shareholders Rights

In addition to publishing in leading English and Marathi newspaper having wide circulation, the Company publishes its quarterly and annual financial results on its website www.tilind.com.

iv) Audit qualifications

For the financial year 2010-11, there were no audit qualifications to the Company's financial statements. The Company continues to adopt best practices to ensure unqualified financial statements.

v) Training to Board Members

Considering the experience of the Members of the Board in their respective areas of specialisation, no specific training programme is considered necessary for the Board Members. However, the Board, at its various meetings is apprised of the business strategy, operations, changes in the technology, regulatory changes and various corporate actions which facilitates the Board Members to stay abreast with the changes in the business environment. An individual joining the Board is presented with a brief background of the Company and is informed of Company's important policies including the Code of Conduct for the Directors and Senior Management of the Company.

vi) Mechanism for evaluating performance of Non-Executive Board Members

The Company does not have a formal mechanism for evaluation of performance of the Non-Executive Board Members. The Board, at its discretion, may consider such requirement in future.

vii) Whistle Blower Policy

The Management has always encouraged the employees of the Company to raise their concerns relating to fraud, malpractice or any other activity or event which is against the Company's interest. Every employee who observes unethical behavior can bring to the attention of the immediate reporting officer who is required to report the same to the Chairman & Managing Director/Audit Committee. Apart from that, any employee may report directly to the Chairman & Managing Director/Audit Committee, any matter requiring immediate redressal.

15. MEANS OF COMMUNICATION

- i) The quarterly/half yearly/annual results are regularly submitted to the Stock Exchanges in accordance with the provisions of the Listing Agreement and regulations issued by Securities and Exchange Board

of India and are published in newspapers like The Free Press Journal, Navshakti and Punyanagri. These are not sent individually to the Shareholders.

Any official news released or presentation made to institutional investors and analysts by the Company is submitted to the Stock Exchanges where the shares of the Company are listed for dissemination to the public at large.

- ii) Management Discussion and Analysis Report forms part of the Annual Report.

16. GENERAL SHAREHOLDERS INFORMATION:

I	Annual General Meeting	
	Day, Date and Time	Thursday, September 08, 2011 at 11.00 a.m.
	Venue	P.O. Tilaknagar, Tal. Shirampur, Dist. Ahmednagar, Maharashtra – 413 720
II	Financial Calendar	
	Financial Year	April 1, 2011 to March 31, 2012
	Financial reporting of results	
	Quarterly unaudited results	Within forty five days from the end of the quarter.
	Annual audited results	Within sixty days from the end of the last quarter.
III	Book Closure Date	Friday, September 02, 2011 to Thursday, September 08, 2011 (both days inclusive)
IV	Dividend Payment Date	On or before September 15, 2011
V	Registrar & Share Transfer Agents	Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka Andheri (E), Mumbai – 400 072 Ph: 022 2856 0652/53, 022 4043 0200 Fax: 022 2847 5207
VI	Share Transfer System	Share transfers in physical form have to be lodged with the Registrar and Share Transfer Agents. All shares received for transfer are registered and returned within a period of thirty days from the date of lodgement, provided the documents are valid and complete in all respects. In accordance with the SEBI guidelines, the Company offers the facility of transfer-cum-demat to shareholders after share transfers are registered in physical form.
VII	Listing on Stock Exchanges	Bombay Stock Exchange Ltd. (Scrip Code: 507205) National Stock Exchange of India Ltd. (Scrip Code: TI) The Company has paid the listing fees for the year 2011-12 to Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.
VIII	Demat ISIN No. For Equity Shares	INE133E01013 The Company has paid custodian fees for the year 2011-12 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of minimum amount to be paid as per the nominal value of admitted securities.

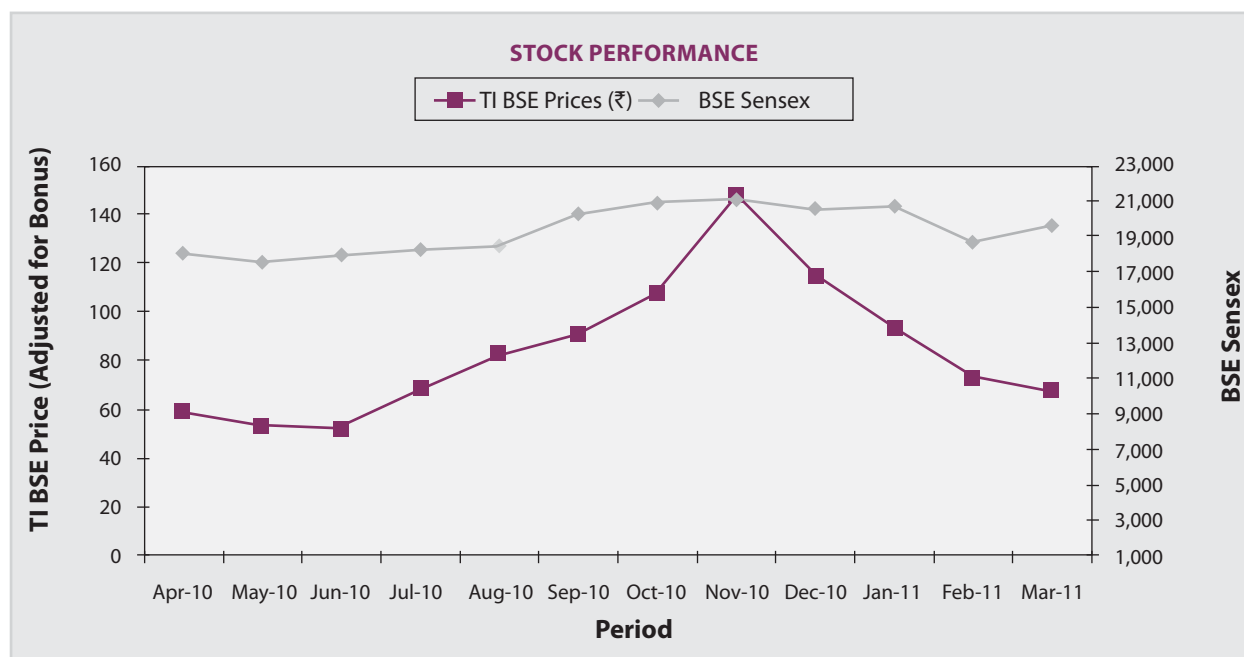
IX Market Price Data

Monthly high and low quotations of the shares of the Company traded at Bombay Stock Exchange Ltd. for the year 2010-2011 are furnished below:

Months	Month's High Price(₹)	Month's Low Price(₹)	Volume(Nos.)	BSE Sensex High	BSE Sensex Low
April, 2010	176.90	130.00	73,50,295	18,047.86	17,276.80
May, 2010	160.95	130.00	34,44,433	17,536.86	15,960.15
June, 2010	155.80	127.50	25,40,627	17,919.62	16,318.39
July, 2010	205.70	148.00	51,78,450	18,237.56	17,395.58
August, 2010	247.70	188.20	48,59,420	18,475.27	17,819.99
September, 2010	272.50	82.10*	33,78,696	20,267.98	18,027.12
October, 2010*	107.70	75.30	57,41,336	20,854.55	19,768.96
November, 2010*	147.80	91.20	69,72,512	21,108.64	18,954.82
December, 2010*	115.00	70.55	36,46,898	20,552.03	19,074.57
January, 2011*	93.40	65.35	25,15,158	20,664.80	18,038.48
February, 2011*	73.00	46.65	45,93,372	18,690.97	17,295.62
March, 2011*	67.40	52.50	26,44,422	19,575.16	17,792.17

* Post adjustment of Bonus declared by Members in the ratio of 2:1 in their Annual General Meeting held on September 20, 2010.

Stock Performance in comparison to BSE Sensex



X Shareholding Pattern as on March 31, 2011		
Category of Shareholders	No. of shares held	% of holding
Promoter Shareholding	62,339,239	54.09
Public Shareholding		
Mutual Funds/UTI	5,298,953	4.60
Financial Institutions / Banks	40,724	0.04
Foreign Institutional Investors	22,631,037	19.63
Bodies Corporate	4,690,441	4.06
Individuals	19,185,680	16.65
Clearing Members	147,584	0.13
NRI	697,056	0.60
Trusts	225,990	0.20
Total Public Shareholding	52,917,465	45.91
TOTAL SHAREHOLDING	115,256,704	100.00

XI Distribution of Shareholding as on March 31, 2011				
Share or Debenture holding of nominal value (₹)	Share/ Debenture Holders		Share/ Debenture Amount	
	Number	% to total	₹	% to total
Upto - 5,000	15917	74.54	23,262,850	2.02
5,001 -10,000	2176	10.19	17,008,960	1.48
10,001- 20,000	1474	6.90	21,657,730	1.88
20,001-30,000	606	2.84	15,311,810	1.33
30,001-40,000	267	1.25	9,231,040	0.80
40,001-50,000	228	1.07	10,376,880	0.90
50,001-1,00,000	342	1.60	24,624,170	2.13
1,00,001 and above	344	1.61	1,031,093,600	89.46
TOTAL	21354	100.00	1,152,567,040	100.00

XII Dematerialisation of Shares	Trading in equity shares of the Company is permitted only in dematerialised form. The Company's shares are held in dematerialised form to the extent of 93.60% of the total no. of issued and paid up capital as on March 31, 2011.
XIII Plant Location	<ul style="list-style-type: none"> (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



XIV	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

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 within the Code of Conduct of the Company for the financial year ended March 31, 2011, as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

For Tilaknagar Industries Ltd.

Place: Mumbai
Dated: May 26, 2011

Amit Dahanukar
Chairman & Managing Director

CMD & CFO CERTIFICATION

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

Dear Sirs,

We hereby certify that:

- (a) We have reviewed financial statements for the financial year ended March 31, 2011 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 which are fraudulent, illegal and violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of 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 in internal control during financial year ended March 31, 2011;
 - (ii) significant changes in accounting policies during financial year ended March 31, 2011; and
 - (iii) instances of significant fraud of which we have become aware.

For Tilaknagar Industries Ltd.

For Tilaknagar Industries Ltd.

Amit Dahanukar
Chairman & Managing Director

Lalit Sethi
Chief Financial Officer

Place: Mumbai

Date: May 26, 2011



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, 2011, 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 on 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
FRN 101048W

Place: Mumbai
Dated: May 26, 2011

K.A. Mehta
Partner
Membership No. 111749

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

(Pursuant to Clause 49 of the Listing Agreement)

Name of the Directors	Mr. C. V. Bijlani	Dr. Ravindra Bapat
Date of Birth	June 25, 1940	June 02, 1942
Expertise in specific functional areas	Mr. C.V. Bijlani, who started his career as Lecturer in Economics, is a banker with over 4 decades' experience in the field of banking and finance e.g. 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, General Administration, etc. He has held very senior positions with public and private sector banks.	Dr. Ravindra Bapat is Emeritus Professor, Department of Surgical Gastroenterology at the Seth G. S. Medical College and K.E.M Hospital, Parel, Mumbai. He is a member of the Governing Council of Tata Memorial Centre and Trustee of Yashwantrao Chavan Pratishthan, Ayurvedya Vardhini & Sanyog Trust, Mumbai. He is also Chairman of Haffkine Bio-pharmaceutical Corporation Ltd.
Qualifications	M.A., C.A.I.I.B.	M.S., M.B.A, F.I.S.C.
Public Companies in which Directorship is held as on March 31, 2011.	Mission Vivacare Limited	Haffkine Bio-Pharmaceutical Corporation Limited Haffkine Ajintha Pharmaceuticals Limited
Chairman of Committees formed by Board of other Listed Companies on which he is a Director as on March 31, 2011.	Nil	Nil
Member of Committees formed by Board of other Listed Companies on which he is a Director as on March 31, 2011	Nil	Nil
Shareholding in the Company (Equity)	Nil	20,250

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2011

To

The Members,
Tilaknagar Industries Ltd.

We have conducted, the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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. Based on our verification of the Tilaknagar Industries Ltd.'s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering April 01, 2010 to March 31, 2011, 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 as maintained by "Tilaknagar Industries Ltd." for April 01, 2010 to March 31, 2011 according to the provisions of:

- (i) The Companies Act, 1956 and the Rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iv) 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, 1997;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (v) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd..

We have also examined compliances made by the Company with the following applicable standards/guidelines:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India.
- (iii) Corporate Social Responsibility Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India.

Based on our examination and verification of the books, papers, minute books, forms and returns filed and other records produced to us and according to information and explanations given to us by the Company, we report that the Company has in our opinion, complied with the provisions of the Companies Act, 1956 (Act) and the Rules made thereunder, the Memorandum and Articles of Association of the Company and also applicable provisions of the aforesaid laws, standards, guidelines, agreements, etc.

We report that, during the year under review :

1. the status of the Company has been that of a Listed Public Company. The Company is listed at National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. The CIN of the Company is L15420PN1933PLC133303. The Scrip Code of the Company in National Stock Exchange is "TI" and in Bombay Stock Exchange is '507205'.
2. the Company has been holding 100% stake in the following three subsidiaries:
 - (i) Prag Distillery (P) Ltd.
 - (ii) Vahni Distilleries Private Limited,
 - (iii) Kesarval Springs Distillers Pvt. Ltd.

The Company had acquired 100% stake in Kesarval Springs Distillers Pvt. Ltd. during this period. The Company has not been a Government Company or a Finance Company.

3. the Board of Directors of the Company was 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 Companies Act, 1956. Adequate notices are given to all directors to attend the Board Meetings, agenda and detailed notes on agenda are sent well in advance, 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. Decisions are carried based on majority votes, though the dissenting member's views are captured and recorded as part of the minutes.
4. the Company has complied with the provisions of the Companies Act, 1956 and rules made under that Act in carrying out the following changes.
 - (a) particulars of holding and subsidiary companies
 - (b) directors
 - (c) managerial remuneration
 - (d) share capital (authorised, issued, subscribed, paid-up, conversion/redemption, reclassification, sweat).
 - (e) the changes in the provisions of :
 - i. The Memorandum of Association.
 - ii. The Articles of Association.
5. the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, independence and compliance with the Code of Conduct & Business Ethics for Directors and Management Personnel.
6. the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings/debenture holdings and directorships in other companies and interests in other entities.
7. the Company has given loans, guarantees and provided securities to subsidiary companies.
8. the Company has made loans and investments; or given guarantees or provided securities to other business entities.
9. the amount borrowed by the Company from its directors, members, bank(s)/financial institution(s) and others were within the borrowing limits of the Company. Such borrowings were made by the Company in compliance with applicable laws.
10. the Company has not defaulted in the repayment of public deposits, unsecured loans, debentures, facilities granted by bank(s)/financial institution(s) and non-banking finance companies.
11. the Company has created, modified or satisfied charges on the assets of the Company and complied with the applicable laws.
12. all registrations under the various state and local laws as applicable to the Company are valid as on the date of report.



COMPANY OVERVIEW	STRATEGIC REVIEW	BOARD AND MANAGEMENT REPORTS	FINANCIAL STATEMENTS
		SECRETARIAL AUDIT REPORT	

13. the Company has issued and allotted the securities to the persons entitled thereto within the stipulated time in compliance with the provisions of the Companies Act, 1956 and other relevant statutes as detailed.
14. the Company has credited and paid to the Investor Education and Protection Fund within the stipulated time, all the unpaid dividends, repayment of principal and interest on debentures, repayment of principal and interest on fixed deposits as required to be so credited to the Fund.
16. the Company has paid all its statutory dues and satisfactory arrangements have been made for arrears of any such dues.
17. the Company (being a listed entity) has complied with the provisions of the Listing Agreement.
18. the Company has provided a list of statutes in addition to the laws as mentioned above and it has been observed that there are proper systems in place to ensure compliance of all laws applicable to the Company.

We further report that :

- (a) the Company has substantially complied with the provisions of Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India;
- (b) the Company has substantially complied with the provisions of Corporate Social Responsibility Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India;
- (c) the Company has substantially followed the Secretarial Standards issued by the Institute of Company Secretaries of India;
- (d) the Company has complied with the provisions of Listing Agreements entered into with Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.;
- (e) the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 including the provisions with regard to disclosures and maintenance of records required under the Regulations.
- (f) the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations.
- (g) the Company has complied with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 with regard to grant of Stock Options and implementation of the Schemes.

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.

For Ragini Chokshi & Company
Practising Company Secretaries

Place : Mumbai
Date : May 24, 2011

Ragini Chokshi
Partner
C.P. No.: 1436

FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

Auditors' Report **77**
Balance Sheet **78**
Profit and Loss Account **79**
Schedules **80**
Notes **88**
Cash Flow Statement **100**

STANDALONE FINANCIAL STATEMENTS

Auditors' Report **101**
Balance Sheet **104**
Profit and Loss Account **105**
Schedules **106**
Notes **114**
Cash Flow Statement **128**
Balance Sheet Abstract **129**
Statement Pursuant to Section 212 **130**

AUDITORS' REPORT

Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF TILAKNAGAR INDUSTRIES LTD.

1. We have audited the attached Consolidated Balance Sheet of **Tilaknagar Industries Ltd.** ("The Company") and its subsidiaries (The Company and its subsidiaries constitute "The Group") as at March 31, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared on the basis of the separate financial statements. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets (net of current liabilities) of ₹ 1,040.75 million as at March 31, 2011, total revenue of ₹ 1,254.76 million and net cash inflows amounting to ₹ 56.81 million for the year then ended.
4. We report the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standards 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.
5. Based on our Audit and our consideration of reports of other Auditors on separate financial statements and on the other financial information, and to the best of our information and according to the explanation given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
 - (ii) in case of the Consolidated Profit and Loss Account, of the Consolidated profit of the Group for the year ended on that date and
 - (iii) in case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Kaushal Mehta
Partner
Membership No.111749

Place : Mumbai
Dated : May 26, 2011

CONSOLIDATED BALANCE SHEET

as at March 31, 2011

		(₹ in million)	
	Schedule	As at March 31, 2011	As at March 31, 2010
I SOURCES OF FUNDS			
1. Shareholders' Funds			
a. Share capital	'A'	1,152.57	323.10
b. Share Application Money	'A1'	78.39	-
c. Employee Stock Option Outstanding (Net)		19.06	2.83
d. Reserves & surplus	'B'	2,810.63	1,700.84
		4,060.65	2,026.77
2. Loan Funds			
a. Secured loans	'C'	4,309.61	2,721.17
b. Unsecured loans	'D'	23.44	1,773.23
3. Deferred Tax Liability		199.11	119.55
		8,592.81	6,640.72
II APPLICATION OF FUNDS			
1. Goodwill		85.75	38.92
2. Fixed Assets	'E'		
a. Gross block		4,326.19	2,351.37
b. Less: Depreciation		444.90	281.00
c. Net block		3,881.29	2,070.37
Add : Capital Work-In-Progress		748.39	1,637.41
		4,629.68	3,707.78
d. Less: Impairment of assets		1.70	1.70
		4,627.98	3,706.08
3. Investments	'F'	2.87	2.87
4. Current Assets, Loans & Advances	'G'	4,905.05	4,080.21
Less: Current Liabilities & Provisions	'H'	1,028.84	1,187.36
Net Current Assets		3,876.21	2,892.85
5. Miscellaneous Expenditure	'H1'	-	-
(To the extend not adjusted or written off)			
		8,592.81	6,640.72
Significant accounting policies & Notes on accounts	'L'		

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 26, 2011

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director

Dr. Vishnu Kanhere
Director

Dr. Ravindra Bapat
Director

Shivani Amit Dahanukar
Executive Director

C. V. Bijlani
Director

Gaurav Thakur
Company Secretary

V. B. Haribhakti
Director

Madan Goyal
Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended March 31, 2011

(₹ in million)

	Schedule	For the year ended March 31, 2011	For the year ended March 31, 2010
I INCOME			
Sales (Refer Annexure to Schedule L)	'I'(1)	6,495.63	5,479.95
Less: Excise duty		1,812.32	1,635.92
		4,683.31	3,844.03
Other Income	'I'(2)	26.21	45.73
		4,709.52	3,889.76
II EXPENDITURE			
(Increase) / Decrease in stock	'I'(3)	45.95	(189.41)
Cost of material	'I'(4)	1,556.80	1,700.55
Employees' remuneration and benefits	'J'	209.47	201.30
Manufacturing and other expenses	'K'	1,735.57	1,331.63
Finance Cost		387.77	235.84
Preliminary & Pre-operative Exp written off		-	0.05
Depreciation / Amortization		130.66	71.27
		4,066.22	3,351.23
Profit for the year		643.30	538.53
Less: Prior Period Adjustments		-	-
Profit before taxation		643.30	538.53
Less: Provision for taxation			
Current years'		168.00	132.45
Previous years'		-	-
Deferred Tax		79.56	57.19
		247.56	189.64
Profit after taxation		395.74	348.89
Add: Balance brought forward from previous years		538.93	327.27
Amount available for appropriations		934.67	676.16
III APPROPRIATIONS			
Transferred to General Reserve		355.00	33.50
Proposed dividend		92.20	88.66
Dividend distribution tax (including surcharge & cess)		15.32	15.07
Balance transferred to Balance Sheet		472.15	538.93
		934.67	676.16
Earnings Per Share (₹) Basic		3.85	5.74
Diluted		3.71	5.61
(Refer Note xvi of Schedule 'L')			
Significant accounting policies & Notes on accounts	'L'		

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 26, 2011

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director

Dr. Vishnu Kanhere
Director

Dr. Ravindra Bapat
Director

Shivani Amit Dahanukar
Executive Director

C. V. Bijlani
Director

Gaurav Thakur
Company Secretary

V. B. Haribhakti
Director

Madan Goyal
Director

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011

	(₹ in million)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 'A'		
Share Capital		
Authorised		
150,000,000 equity shares of ₹ 10/- each (P.Y. 50,000,000 equity shares of ₹ 10/- each)	1,500.00	500.00
900,000 Compulsorily Convertible Cumulative Preference Shares (CCPS) of ₹ 94/- each (P.Y. 900,000 CCPS of ₹ 94/- each)	-	84.60
Issued, Subscribed and Paid Up		
115,256,704 equity shares of ₹ 10/- each fully paid up (P.Y. 32,310,000 equity shares of ₹ 10/- each)	1,152.57	323.10
Of the above shares :-		
(a) 86,478,875 equity shares of ₹ 10/- each fully paid-up bonus shares by capitalisation of share premium, capital reserve and general reserve.		
(b) 1,237,500 equity shares of ₹ 10/- each were allotted as fully paid-up pursuant to a scheme of amalgamation.		
(c) 44,696 equity Shares of ₹ 10/- each were allotted for consideration other than cash.		
	1,152.57	323.10
SCHEDULE 'A1'		
Share Application Money		
Share Warrants		
4,284,236 share warrants of ₹ 73/- each - 25% paid up (P.Y. Nil)	78.19	-
Application Money against Employee Stock Options	0.20	-
	78.39	-
SCHEDULE 'B'		
Reserves & Surplus		
1. Share Premium Account		
As per last Balance Sheet	220.99	20.96
Add : Additions during the year	1,498.01	415.43
Less : Utilised for issue of bonus shares	221.23	215.40
	1,497.77	220.99

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011 (contd.)

	(₹ in million)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 'B' (contd.)		
2. General Reserve		
As per last Balance Sheet	105.66	72.16
Add : Transfer from Profit and Loss Account	355.00	33.50
Less : Utilised for issue of bonus shares	354.48	-
	106.18	105.66
3. Capital Reserve		
As per last Balance Sheet	72.55	72.55
Less : Utilised for issue of bonus shares	70.65	-
	1.90	72.55
4. Revaluation Reserve		
As per last Balance Sheet	762.71	792.79
Less : Amortised	30.08	30.08
	732.63	762.71
5. Profit and Loss Account	472.15	538.93
	2,810.63	1,700.84
SCHEDULE 'C'		
Secured Loans		
1. Long Term Loans		
Term Loans		
From Banks	1,378.00	1,466.26
(Against first charge on the land, building, plant & machinery of the Company situated at Shrirampur, Dist. Ahmednagar and second charge on stock and debtors)		
2. Short Term Loans		
Cash Credit (including working capital demand loan)	2,918.40	1,238.26
(Against hypothecation of stock of raw materials, work-in-process, finished goods, stores, chemicals & book debts and second charge on the fixed assets of the Company situated at Shrirampur, Dist. Ahmednagar)		
Hire purchase car loan (with Banker's lien on cars)	13.21	16.65
	4,309.61	2,721.17
SCHEDULE 'D'		
Unsecured Loans		
From Banks	-	1,623.23
From Promoters & Others	23.44	150.00
	23.44	1,773.23

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011 (contd.)

SCHEDULE 'E'											
Fixed Assets											
(₹ in million)											
	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK		
	As at April 01, 2010	Kesarval Springs Distillers Pvt. Ltd.	Additions	Deductions	Revaluation	As at March 31, 2011	As at April 01, 2010	Kesarval Springs Distillers Pvt. Ltd.	For the year	On Revaluation	As at March 31, 2011
Tangible Assets											
Land	540.52	1.55	-	-	-	542.07	-	-	-	-	542.07
Buildings	257.29	6.35	66.79	19.78	-	310.65	55.61	2.92	0.92	10.48	234.74
Plant & Machinery	1,390.41	5.19	1,734.89	-	-	3,130.49	164.08	3.26	-	19.60	2,883.90
Furniture & Fixtures	42.31	0.37	9.99	20.03	-	32.64	12.21	0.22	2.66	-	19.40
Computers	47.92	0.12	66.75	-	-	114.79	20.15	0.11	-	-	68.55
Electrical Installation & Fittings	6.93	-	8.26	0.18	-	15.01	2.54	-	0.01	-	11.19
Motor Car and Transport Vehicles	45.84	0.43	4.99	-	-	51.26	15.05	0.24	-	-	27.77
Roads & Bridges	2.70	-	-	-	-	2.70	0.89	-	-	-	4.39
Library Books	0.03	-	-	-	-	0.03	0.03	-	-	-	0.03
Live Stock	0.03	-	-	-	-	0.03	-	-	-	-	0.03
Intangible Assets											
Product Development	17.39	-	-	-	-	17.39	10.44	-	-	-	6.95
Brands	-	-	109.13	-	-	109.13	-	-	-	-	-
	2,351.37	14.01	2,000.80	39.99	-	4,326.19	281.00	6.75	3.59	30.08	3,881.29
											2,070.37
Capital WIP (Net)	1,637.41	0.11	-	889.13	-	748.39	-	-	-	-	1,637.41
Grand Total	3,988.78	14.12	2,000.80	929.12	-	5,074.58	281.00	6.75	3.59	30.08	4,629.68
Previous Year	1,940.12	-	2,050.78	2.12	-	3,988.78	181.08	-	1.43	30.08	3,707.78

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011 (contd.)

		(₹ in million)	
	Shares/ Units	As at March 31, 2011	As at March 31, 2010
SCHEDULE 'F'			
Investments			
Long Term			
1. Government Securities (Unquoted)			
7 Year National Savings Certificates of face value of ₹ 51,400/- (Certificates worth ₹ 44,000/- deposited with Government authorities)		0.05	0.05
6 Year National Savings Certificates (Deposited with Government authorities)		-	-
		0.05	0.05
2. Shares in Joint Stock Companies, etc. (Unquoted)			
Mula Pravara Electric Co-operative Society Ltd. (P.Y. 2,462 shares)	2,462	0.25	0.25
Shree Suvarna Sahakari Bank Ltd. (P.Y. 20 shares)	20	-	-
Maharashtra State Financial Corporation (P.Y. 115 shares)	115	0.01	0.01
Rupee Co-op Bank Ltd. (P.Y. 1,000 shares)	1,000	0.03	0.03
Shamrao Vithal Co-operative Bank Ltd. (P.Y. 3,000 shares)	3,000	0.03	0.03
		0.32	0.32
Current			
Investment in mutual funds (Unquoted)			
Monthly Income Plan	Units	122,880.32	2.50
Net asset value as on March 31, 2011 is ₹ 2.61 million (P.Y. ₹ 2.52 million)			
		2.87	2.87
Aggregate of quoted investments			
		-	-
Aggregate of unquoted investments (at cost)			
		2.87	2.87

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011 (contd.)

	(₹ in million)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 'G'		
Current Assets, Loans & Advances		
Current Assets		
Inventory (at cost)		
Raw materials	159.67	218.39
Stores and spares	269.14	194.41
Work-in-process	311.51	230.79
Finished goods	73.00	199.67
	813.32	843.26
Sundry debtors (unsecured)		
(a) Debtors outstanding exceeding six months		
Considered good	8.41	-
Considered doubtful	13.33	13.33
Less: Provision for doubtful debts	4.14	-
	17.60	13.33
(b) Other debts	948.76	806.62
	966.36	819.95
Cash and bank balances		
Cash and cheques in hand	12.98	166.57
In Current Accounts with Scheduled Banks	69.67	18.44
In Fixed Deposits with Scheduled Banks	83.83	80.67
	166.48	265.68
Loans & Advances		
(Unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received	940.83	697.68
Advance with Tie-up Units	1,786.47	1,196.87
Balance with Excise Authorities	17.71	12.80
Deposits with Court	19.57	39.68
Other Deposits	194.31	204.29
	2,958.89	2,151.32
	4,905.05	4,080.21

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011 (contd.)

	(₹ in million)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 'H'		
Current Liabilities & Provisions		
Current Liabilities		
Acceptances	42.42	40.29
Sundry Creditors :-		
Micro & Small Enterprises (Refer Note xv)	-	-
Others	327.77	467.56
Unclaimed Dividend	1.47	0.97
Unclaimed Deposits	0.02	0.02
Trade Deposits (Unsecured, interest free)	366.28	394.66
Other Liabilities	58.72	24.19
	796.68	927.69
Provisions		
Provision for Taxation (Net of Advance Tax)	78.44	71.22
Proposed Dividend	92.20	88.66
Dividend Distribution Tax	15.32	15.07
Provision for Gratuity	19.31	2.80
Provision for Leave Encashment	10.78	8.90
Provision for Excise Duty on Finished Goods	16.11	73.02
	232.16	259.67
	1,028.84	1,187.36
SCHEDULE 'H1'		
Miscellaneous Expenditure		
Deferred Revenue Expenditure		
As per last Balance Sheet	-	0.05
Less: Written off during the year	-	(0.05)
	-	-

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011 (contd.)

	(₹ in million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE 'I' (1)		
Sales		
Sales of products	4,845.62	4,416.58
Income from tie-up units	1,650.01	1,063.37
	6,495.63	5,479.95
SCHEDULE 'I' (2)		
Other Income		
Duty drawback on exports	2.55	4.29
Miscellaneous receipts	11.15	16.46
Sundry balance written back	5.19	22.09
Interest income	4.66	2.89
Profit on sale of assets	2.66	-
	26.21	45.73
SCHEDULE 'I' (3)		
(Increase) / Decrease in Stock		
Opening Stock		
(i) Work-in-process	230.79	34.94
(ii) Finished goods	199.67	206.11
	430.46	241.05
Less : Closing Stock		
(i) Work-in-process	311.51	230.79
(ii) Finished goods	73.00	199.67
	384.51	430.46
(Increase)/Decrease in Stock	45.95	(189.41)
SCHEDULE 'I' (4)		
Cost of Material		
(i) Raw Material Consumption		
Opening Stock	218.39	84.01
Add: Purchases	663.33	850.61
Less: Closing Stock	159.67	218.39
	722.05	716.23
(ii) Packing Material & Consumables	834.75	984.32
	1,556.80	1,700.55

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011 (contd.)

	(₹ in million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE 'J'		
Employees' Remuneration & Benefits		
Salary and wages	131.20	156.11
Employee Stock Option Expenses	16.68	2.83
Contribution to provident fund and family pension fund	12.35	13.50
Labour and staff welfare expenses	28.71	26.06
Gratuity	20.53	2.80
	209.47	201.30
SCHEDULE 'K'		
Manufacturing and Other Expenses		
Power and fuel	38.65	22.73
Provision for Excise Duty on finished goods (Refer Note xii)	(56.91)	(6.13)
Repairs & maintenance		
(i) Plant & Machinery	5.90	7.00
(ii) Buildings	1.28	2.92
(iii) Others	17.28	20.06
Insurance	7.03	7.20
Rent	21.18	60.14
Conversion cost	502.67	329.97
Legal and professional charges	72.86	35.04
Auditors Remuneration	0.50	0.55
Rates and taxes	77.08	52.19
Sales tax	60.32	35.82
Freight, transport charges & other expenses	102.80	68.59
Selling expenses [Discounts, Sales Promotion & Advertising etc.]	613.00	487.79
Travelling and conveyance expenses	16.76	20.31
Printing and stationery	6.10	5.60
Communication expenses	14.80	12.91
Vehicle running expenses	5.61	3.83
Loss on exchange fluctuation	8.78	1.54
Loss on sale of assets	-	0.12
Director sitting fees	0.19	0.28
Bad Debts / Provision for doubtful debts	4.14	4.86
Goodwill written off	3.84	-
Commission to Independent Directors	5.57	4.79
Corporate Social Responsibility	21.32	4.02
Miscellaneous expenses	184.82	149.50
	1,735.57	1,331.63

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011 (contd.)

SCHEDULE 'L' SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1. Principles of Consolidation

- (i) The Consolidated Financial Statements relate to Tilaknagar Industries Ltd. (The Company) and its wholly owned subsidiary companies viz ; Prag Distillery (P) Ltd., Vahni Distilleries Private Limited (formerly known as Surya Organic Chemicals (P) Ltd.) and Kesarval Springs Distillers Pvt. Ltd. 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 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, 2011 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.
- (ii) Investments other than in subsidiaries have been accounted as per Accounting Standard (AS-13) on “Accounting for Investments” notified Companies (Accounting Standards) Rules 2006.

2. Significant Accounting Policies

(i) Basis of Preparation of Financial Statements:

The financial Statements have been prepared using historical cost convention and on the basis of going concern in accordance with generally accepted accounting principles in India, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and other relevant provisions of the Companies Act, 1956.

(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 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 & Components and Work-in-Process are valued at cost.
- (b) Finished goods 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 is added to the cost.

(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.

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011 (contd.)

- (c) Expenditure incurred during construction/erection period (Including finance cost relating to borrowed funds for construction or acquisition of fixed assets and other direct expenditure) 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) Intangible assets other than Goodwill 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:

Depreciation is provided on the "Written Down Value Method" or "Straight Line Method" in the manner and at the rates specified in schedule XIV of the Companies Act, 1956 as specified in the accounting policies of the respective Company's standalone financial statements.

(vii) Impairment of Assets:

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 (non-trade, unquoted) are stated 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 shown at cost / fair value whichever is lower.

(ix) Foreign Currency Conversion:

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency denominated monetary items as at the Balance Sheet date are translated at the rate prevailing on the date of Balance Sheet. Exchange rate difference arising on the settlement of monetary items including year end translations are recognized in the Profit and Loss Account.

(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 obligation. A disclosure on contingent liability is made when there is a possible obligation or present obligation that probably will not require an out flow 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) Research and Development:

Revenue expenditure on research and development is charged to the Profit and Loss Account of the year in which it is incurred.

Expenditure incurred on development / acquisition of new product / brand is amortised over a period of five years taking into consideration its anticipated future benefits.

(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 Profit and Loss Account in the year in which these are incurred.

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011 (contd.)

(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 considered as defined contribution plan and the same is charged to the Profit and Loss Account of the year when the contribution to the respective funds are due.

(b) Defined Benefit Plan

Retirement benefits in the form of gratuity etc. 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 Profit and Loss Account.

(c) Leave Encashment

Liability on account of the un-availed earned leave has been provided at the year-end on actual basis.

(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 amortised 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 by 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.

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011 (contd.)

3. Notes on Accounts

(i) Contingent liability not provided for:

	(₹ in million)	
	As at March 31, 2011	As at March 31, 2010
(a) Corporate guarantees issued to banks on behalf of Subsidiary Company	1,395.00	250.00
(b) Bank guarantees issued on behalf of the Company	43.92	51.77
(c) In respect of disputed Income tax matters, pending before the appropriate Income tax authorities, contested by the Company		
For A.Y. 2009-10	6.13	Nil
For A.Y. 2007-08	86.07	86.07
For A.Y. 2004-05	22.27	22.27
(d) In respect of disputed Sales tax matters, pending before the appropriate tax authorities, contested by the Company		
For F.Y. 2003-04 (Bombay Sales Tax)	6.28	Nil
For F.Y. 2003-04 (Central Sales Tax)	4.83	Nil
For F.Y. 2004-05 (Bombay Sales Tax)	4.67	Nil
For F.Y. 2004-05 (Central Sales Tax)	2.03	Nil
(e) In respect of disputed service tax matter, pending before the appropriate Central Excise authorities, contested by the Company	2.02	2.02
(f) Disputed matters under arbitration pending disposal	Nil	20.14

(ii) Estimated amount of contracts remaining to be executed on capital accounts and not provided for is approx ₹ 348.90 million (net of advances) (P.Y. ₹ 607.87 million)

(iii) Finance cost comprises of:

	(₹ in million)	
Particulars	2010-11	2009-10
(a) Interest on term loans	188.54	78.43
(b) Interest on Cash Credits / Working Capital Demand Loan	158.06	122.23
(c) Others	41.17	35.18
	387.77	235.84

(iv) Operating Lease:

The Company has taken Bottling units on operating lease at various locations and during the financial year ₹ 25.19 million (P.Y. ₹ 20.97 million) paid towards lease rentals has been charged to Profit and Loss Account.

(v) The disclosure of Accounting Standard 15 "Employee Benefits" is as follows:

Defined Contribution Plan

The Company has charged in the Profit and Loss Account during the financial year an amount of ₹ 12.35 million (P.Y. ₹ 13.50 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.

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011 (contd.)

The net value of the defined commitment is detailed below:

		(₹ in million)
	Funded Gratuity	Non Funded Leave
Present Value of Commitments	28.04	
Fair Value of Plans	8.73	
Net Liability in the Balance Sheet	19.31	10.74
Defined benefit Commitments		
Opening balance as at April 01, 2010	10.87	
Current service cost	3.96	
Interest expenses	0.90	
Paid benefits	1.35	
Actuarial (gain)/loss	10.96	
Transfer received	-	
Closing balance as at March 31, 2011	28.04	
Plan Assets		
Opening balance as at April 01, 2010	8.07	
Expected return on scheme assets	0.65	
Contributions by the Company	-	
Paid Funds	-	
Actuarial gain/(loss)	0.01	
Transfer Received	-	
Closing balance as at March 31, 2011	8.73	
Return on plan Assets		
Expected return on plan assets	0.65	
Actuarial gain/(loss)	0.01	
Actual Return on plan Assets	0.66	
Expenses on defined benefit plan		
Current service costs	3.96	
Past service cost	1.35	
Interest expense	0.90	
Expected return on investment	(0.65)	
Net actuarial(gain)/loss	10.95	
Expenses charged to Profit and Loss Account	16.51	
Investments Details	%	
	Invested	
	as at	
	March 31, 2011	
Funds Managed by Insurer	100	
Public Sector Unit Bonds	-	
State/Central Guaranteed securities	-	
Special deposit schemes	-	
Other (excluding bank balances)	-	
	100	

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011 (contd.)

	(₹ in million)
	Funded Gratuity
Actuarial assumptions	Gratuity (funded)
Mortality (LIC)	1994-96 Ultimate
Discount rate (per annum)	8.25%
Expected rate of return on plan assets (per annum)	8.00%
Rate of escalation in salary (per annum)	5.00%
Attrition rate (per annum)	2.00%

(vi) 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.
- (b) During the financial year ended March 31, 2011, the following schemes were in operation:

	Employee Stock Option Scheme 2008				Employee Stock Option Scheme 2010
Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 1
Date of Grant	02-07-2009	28-01-2010	25-06-2010	07-08-2010	15-01-2011
Date of the Board Approval	02-07-2009	28-01-2010	25-06-2010	07-08-2010	15-01-2011
Date of the Shareholders Approval	06-08-2008	06-08-2008	06-08-2008	06-08-2008	20-09-2010
Number of options granted till March 31, 2011*	730,400	3,730,521	154,200	843,663	1,615,500
Number of Option Cancelled till March 31, 2011	139,100	551,901	1,200	77,298	11,700
Number of options exercised till March 31, 2011	46,800	34,940	Nil	Nil	Nil
Net Options Outstanding	544,500	3,143,680	153,000	766,365	1,603,800
Vesting period from the date of grant	4 years	4 years	4 years	4 years	4 years
Exercise period from the date of vesting	2 years	2 years	2 years	2 years	2 years

* All Options are post adjustment of Bonus shares.

- (c) The details of the options as on March 31, 2011 are as under:

	ESOP Scheme 2010		ESOP Scheme 2008	
Particulars	2010-2011	2009-2010	2010-2011	2009-2010
Options outstanding at the beginning of the year	Nil	N.A.	1,717,521	Nil
Options granted till September 03, 2009	N.A.	N.A.	N.A.	111,000
Options cancelled till September 03, 2009	N.A.	N.A.	N.A.	20,000
Bonus options granted on September 03, 2009	N.A.	N.A.	N.A.	182,000
Total Options outstanding on September 03, 2009 (Post Bonus)	N.A.	N.A.	N.A.	273,000
Options granted till March 31, 2010	N.A.	N.A.	N.A.	1,444,521
Options Cancelled from April 01, 2010 to September 30, 2010	N.A.	N.A.	357,321	N.A.

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011 (contd.)

Particulars	ESOP Scheme 2010		ESOP Scheme 2008	
	2010-2011	2009-2010	2010-2011	2009-2010
Options Exercised from April 01, 2010 to September 30, 2010	N.A.	N.A.	8,100	N.A.
Options granted from April 01, 2010 to September 30, 2010	N.A.	N.A.	339,021	N.A.
Bonus Options granted on September 30, 2010	N.A.	N.A.	3,382,242	N.A.
Options outstanding post bonus	N.A.	N.A.	5,073,363	N.A.
Options granted from October 01, 2010 to March 31, 2011	1,615,500	N.A.	Nil	N.A.
Options cancelled till March 31, 2011	11,700	N.A.	392,178	N.A.
Options exercised from October 01, 2010 to March 31, 2011	Nil	N.A.	73,640	N.A.
Options outstanding at the year end	1,603,800	N.A.	4,607,545	1,717,521

- (d) The weighted average fair value of stock options granted during the financial year was ₹ 33.70 million (P.Y. ₹ 5.57 million). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	Employee Stock Option Scheme 2008				Employee Stock Option Scheme 2010
	Grant 1	Grant 2	Grant 3	Grant 4	Grant 1
Dates of Grant	02-07-2009	28-01-2010	25-06-2010	07-08-2010	15-01-2011
Market Price (₹ per share) on the dates of grant	143.45	99.45	145.75	199.65	83.00
Volatility	71.49%	68.41%	66.51%	66.11%	66.24%
Risk free rate	6.24%	6.76%	7.10%	7.59%	66.24%
Exercise price					
*pre all bonuses	120	75	110	150	60
Time to maturity (years)	4	4	4	4	4
Dividend yield	2%	2%	2.24%	2.24%	2.24%
Option fair value (₹ per share)	66.80	49.11	71.37	98.71	41.89

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011 (contd.)

- (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)	
	As at March 31, 2011	As at March 31, 2010
Net Profit as Reported available to Equity Share holders	395.74	339.67
Add: Employee stock compensation under intrinsic value	16.68	2.83
Less: Employee stock compensation under fair value method	33.70	5.57
Adjusted Net Profit	378.72	336.93
Earnings per share		
Basic:		
- As reported	3.85	5.74
- Adjusted	3.68	5.70
Diluted:		
- As reported	3.71	5.61
- Adjusted	3.55	5.57

(vii) 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.

(viii) 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 Related parties and relationship

Sr. No.	Name of the related party	Relationship
1.	Prag Distillery (P) Ltd.	Subsidiary Company
2.	Vahni Distilleries Private Limited (formerly known as Surya Organic Chemicals (P) Ltd.)	Subsidiary Company
3.	Kesarval Springs Distillers Pvt. Ltd.	Subsidiary Company
4.	Mr. Amit Dahanukar	Key Managerial Personnel (Chairman & Managing Director)
5.	Mrs. Shivani Amit Dahanukar	Key Managerial Personnel (Executive Director)
6.	M. L. Dahanukar & Co. Pvt. Ltd.	Company in which Key Managerial Personnel has substantial interest
7.	Arunoday Investments Pvt. Ltd.	Company in which Key Managerial Personnel has substantial interest
8.	Dr. Priyadarshini A. Dahanukar	Relative of Key Managerial Personnel

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011 (contd.)

(b) Transactions during the financial year with related parties:

(₹ in million)				
Sr. No	Nature of Transaction	Key Managerial personnel	Company with substantial Interest	Relatives of Key Managerial Personnel
1.	Payment to Key Managerial Personnel	54.31	-	-
2.	Loans taken	42.50	52.50	-
3.	Repayment of Loan	42.50	52.50	-
4.	Rent	2.45	0.72	0.69

(ix) The break-up of deferred tax as at March 31, 2011 is as under:

(₹ in million)			
Particulars	Deferred Tax liability as at April 01, 2010	(Assets)/ Liabilities During the year	Deferred Tax liability as at March 31, 2011
Deferred Tax Liability :			
(a) On depreciation differences	122.44	86.25	208.69
(b) Product Development cost	2.36	(0.58)	1.78
(c) Retirement Benefit & Items u/s. 43B	(5.25)	(6.11)	(11.36)
	119.55	79.56	199.11

(x) Managerial Remuneration:

Details of the Managerial Remuneration paid or provided during the financial year ended on March 31, 2011.

(₹ in million)		
	2010-11	2009-10
Remuneration to Managing Director and Whole-time Directors		
- Salaries and Contribution to funds	54.31	31.75
- Commission	1.41	16.13
	55.72	47.88
Remuneration to Non-executive and Independent Directors		
- Commission	5.57	4.79

Note: The above amount to do not include contribution to Gratuity Fund, as separate amount is not available for Managing Director and Whole-time Directors.

(xi) Auditor's remuneration charged to accounts:

(₹ in million)		
	2010-11	2009-10
(a) Audit Fees	0.47	0.45
(b) Auditors remuneration in other capacity	0.03	0.10
	0.50	0.55

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011 (contd.)

- (xii) Provision for excise duty on finished goods manufactured but yet to be cleared from the factory as at March 31, 2011 estimated at ₹ 16.11 million (P.Y. ₹ 73.02 million) has been provided in the books and also considered in valuation of closing stock of finished goods. Provision for excise duty on finished goods charged in the Profit and Loss Account for the financial year is as follows :-

	(₹ in million)	
	2010-11	2009-10
Provision for excise duty on finished goods at the beginning of the year	73.02	79.15
Provision for excise duty on finished goods at the end of the year	16.11	73.02
Provision for excise duty on finished goods charged in the Profit and Loss Account	(56.91)	(6.13)

- (xiii) 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.
- (xiv) The amount of secured loans from banks outstanding at the end of the financial year has been guaranteed by the personal guarantee of Chairman & Managing Director of the Company.
- (xv) The Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to Micro, Small and Medium Enterprises have not been made.

(xvi) **Earnings per share:**

	(₹ in million)	
	2010-11	2009-10
Profit After Tax	395.74	348.89
Less : Dividend on Preference Shares & Tax thereon	Nil	9.22
Profit after Tax and after Preference Dividend	395.74	339.67
Weighted average number of shares	102.78	59.15
Basic Earnings Per Share	3.85	5.74
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	106.61	60.51
Diluted Earnings Per Share	3.71	5.61
Face Value per Equity Share	10	10

(xvii) **Other Significant notes:**

- (a) The Company's glass manufacturing unit was given to Ramnath Glass Containers Pvt. Ltd. (RG CPL) 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 RG CPL / Mehta Brothers. The Company has initiated the legal action against the RG CPL / Mehta Brothers (for recovery of amount paid together with interest and damages amounting to ₹ 76.2 million).
- (b) The Company's distributor Ding Dong Liquors has filed a winding up petition on the Company in the High Court of Judicature of Bombay for recovery of Security Deposit of ₹ 25 million. The Company withheld the Security Deposit on the grounds that Ding Dong Liquors had failed to deliver the 'C' Forms and did not pay the Company ₹ 12.30 million for goods purchased from the Company. The Hon'ble High Court vide its Order directed the Company to deposit a sum of ₹ 12.70 million out of the total amount claimed by Ding Dong Liquors. The Company has deposited the above sum with the Court and filed an appeal against the said Order.

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011 (contd.)

Further, the Company has filed a separate suit for recovery of dues of ₹ 39 million and C-forms against Ding Dong Liquors which has been upheld by the Bombay High court by dismissing the winding up petition and directed Ding Dong Liquors to avail remedy from the Hon'ble Court for recovery of the amount failing which the Company will be entitled to an amount of ₹ 12.70 million deposited with the Court.

- (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 22.12.2007 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 for hearing.
- (d) Anupama Wine Distributor has filed a company petition against the Company before Bombay High Court and against that the Hon'ble Bombay High Court has vide order dated March 16, 2009 directed to the Company to Deposit a security worth ₹ 42.10 million. The Company has deposited a Bank Guarantee worth the said amount with the High Court, Mumbai and has filed an appeal against the said Order which has been upheld the Hon'ble Bombay High Court by dismissing the winding up petition and the Company will be entitled to discharge the Bank Guarantee after the time limit available to Anupama Wine Distributor if they fail to do so.
- (e) An amount of ₹ 20.14 million disclosed under Deposits with Court as contingent liability has been charged off in terms of out of court settlement with Rairu Distilleries Limited by filing consent terms and included in finance charges.
- (xviii) During the year, the Company has allotted 8.30 million warrants of ₹ 73/- each (₹ 18.25 /- paid up) to the Promoter Groups which are convertible into one equity share at a price of ₹ 73/- per equity share and out of the said warrants, 4.02 million warrants have been converted into equity shares by the promoters and balance 4.28 million warrants is lying outstanding as on March 31, 2011.
- (xix) During the year, the Company has acquired 100% stake in Kesarval Springs Distillers Pvt. Ltd. (KSDPL) and KSDPL has become a 100% subsidiary of the Company with effect from November 21, 2010.
- (xx) Additional information pursuant to the provisions of paragraph 3, 4 (c) & (d) of part II of Schedule VI of Companies Act, 1956, is annexed hereto.
- (xxi) The Ministry of Corporate affairs, Government of India, vide General Circular No 2 and 3 dated 08-02-2011 and 21-02-2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The company has satisfied the conditions stipulated in the circular and is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.
- (xxii) 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 26, 2011

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director

Dr. Vishnu Kanhere
Director

Dr. Ravindra Bapat
Director

Shivani Amit Dahanukar
Executive Director

C. V. Bijlani
Director

Gaurav Thakur
Company Secretary

V. B. Haribhakti
Director

Madan Goyal
Director

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

of the Company and its Subsidiaries for the year ended March 31, 2011 (contd.)

ANNEXURE TO SCHEDULE 'L'

- 1.** 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.

Quantitative information and Income from operations through other distilleries / bottling units reflects the gross contribution made by these units and is detailed as under :

	UOM	2010-2011		2009-2010	
		Units million	₹ in million	Units million	₹ in million
Gross Sales	B.L.	53.72	8,308.30	34.66	5,566.39
Net Sales			3,914.86		2,470.32
The Total Income reported in Schedule 'I' (1) is detailed as follows					
			2010-2011		2009-2010
Gross Sales of Company's brands and other sales including sales made by Tie-up arrangement			13,153.92		9,982.97 *
Less : Excise Duty			6,205.76		4,731.99
Net Sales of Company's Brands and other sales			6,948.16		5,250.98
Less : Net Sales made by Tie up units			3,914.86		2,470.32
Add : Net income from Tie up arrangement			1,650.01		1,063.37
TOTAL INCOME			4,683.31		3,844.03 *
* Gross sales and total income in 2009-2010 are regrouped for freight recovery of ₹ 18.04 million which is netted off against freight, transport charges and other expenses.					
2. Earnings in Foreign Exchange			76.62		52.51
3. Expenditure in Foreign Exchange			10.23		9.59

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2011

(₹ in million)

	2010-2011	2009-2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax & extraordinary items	643.30	538.53
Adjustment for:		
Depreciation	130.66	71.27
(Surplus) / Loss on sale of assets	(2.66)	0.12
Goodwill written off	3.84	-
Employee stock option expenses	16.23	2.83
Miscellaneous expenses written off	-	0.05
Interest (net)	383.11	232.95
	531.18	307.22
Operating Profit before working capital changes		
Adjustment for:		
(Increase) / Decrease in inventory	30.07	(251.75)
(Increase) / Decrease in trade receivables	(145.92)	(165.94)
(Increase) / Decrease in loans and advances	(805.07)	(1,527.96)
(Decrease) / Increase in trade payable and provisions	(160.51)	172.36
	(1,081.43)	(1,773.29)
Proceeds from short term borrowings	56.91	1,353.69
Tax provision	(168.00)	(132.45)
Net Cash from Operating Activities	(18.04)	293.70
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,110.50)	(2,050.79)
Sale of fixed assets	39.07	0.57
Increase in investments	(14.72)	(2.53)
Interest received	4.66	2.89
Net Cash from Investing Activities	(1,081.49)	(2,049.86)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital including premium	1,723.88	383.64
Proceeds from borrowings (net)	(228.26)	1,929.71
Interest paid	(387.77)	(235.84)
Dividend and tax thereon	(107.52)	(103.73)
Net Cash from Financing Activities	1,000.33	1,973.78
Net Increase in Cash & Cash Equivalents	(99.20)	217.62
Opening cash & cash equivalents	265.68	48.06
Closing cash & cash equivalents	166.48	265.68

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 26, 2011

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director

Dr. Vishnu Kanhere
Director

Dr. Ravindra Bapat
Director

Shivani Amit Dahanukar
Executive Director

C. V. Bijlani
Director

Gaurav Thakur
Company Secretary

V. B. Haribhakti
Director

Madan Goyal
Director

AUDITORS' REPORT

To the Members of

TILAKNAGAR INDUSTRIES LTD.

1. We have audited the attached Balance Sheet of **Tilaknagar Industries Ltd.** ('The Company') as at March 31, 2011, and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors as on March 31, 2011, and taken on record by the Board of directors, we report that none of the directors is disqualified as on March 31, 2011, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Kaushal Mehta
Partner
Membership No.111749

Place : Mumbai
Dated : May 26, 2011

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph (4) 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) All fixed assets have been physically verified by the management during the year. As informed, no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) As per the information furnished, the inventories have been physically verified by the management during the year. In our opinion, having regard to the nature and location of stocks, the physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, 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. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) (a) As per the information furnished, the Company has granted loans and advances, to its three wholly owned subsidiaries, covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 906.80 million and the year-end balance of loans granted to such parties was ₹ 684.81 million.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) The loans granted are re-payable on demand. As informed, the Company has not demanded repayment of any such loan during the year. The loans given to its two subsidiaries is interest free and for the other subsidiary payment of interest payment is regular.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company has taken loan from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 150 million and the year-end balance of loans taken from such parties was ₹ Nil.
- (f) In our opinion and according to the information and explanations given to us, the terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (g) The loans taken have been repaid during the year and the loan taken was interest free.
- (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 with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees Five lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regards.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) According to the information and explanations given to us and based on the books as produced and examined, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it, except for slight delays in depositing tax deducted at source.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees state insurance income tax, wealth tax, service tax, sales tax, customs duty and excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us and based on the books produced and examined, the dues of Income tax, Wealth tax, Service tax, Sales tax, Excise duty and cess which have not been deposited on account of any dispute are as follows :

(₹ in million)			
Name of the statute	Nature of dues	Amount	Forum where the Dispute is pending
Income Tax Act			
A.Y. 2009-10	Tax deducted at Source on salary	6.13	Commissioner of Income Tax (Appeals)
A.Y. 2007-08	Income Tax	86.07	Commissioner of Income tax (Appeals)
A.Y. 2004-05	Income Tax	22.27	Commissioner of Income tax (Appeals)
Central Excise Act	Service Tax	2.02	Central Excise Service Tax Appellate Tribunal
Bombay Sales Tax Act			
F.Y. 2003-04	Bombay Sales Tax	6.28	Joint commissioner of sales Tax (Appeals)
F.Y. 2004-05	Bombay Sales Tax	4.67	Joint commissioner of sales Tax (Appeals)
Central Sales Tax Act			
F.Y. 2003-04	Central Sales Tax	4.83	Joint commissioner of sales Tax (Appeals)
F.Y. 2004-05	Central Sales Tax	2.03	Joint commissioner of sales Tax (Appeals)

- (x) 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.
- (xi) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued any Debentures.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by the Subsidiary Company from bank, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short term basis have been used for long term investment.
- (xviii) The Company has made preferential allotment of convertible warrants / shares to parties covered in the register maintained u/s. 301 of the Companies Act, 1956. In our opinion the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by way of public issues during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud of material significance on or by the Company has been noticed or reported during the course of our audit.

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

Place : Mumbai
Dated : May 26, 2011

Kaushal Mehta
Partner
Membership No.111749

BALANCE SHEET

as at March 31, 2011

		(₹ in million)	
	Schedule	As at March 31, 2011	As at March 31, 2010
I SOURCES OF FUNDS			
1. Shareholders' Funds			
a. Share capital	'A'	1,152.57	323.10
b. Share Application Money	'A'(1)	78.39	-
c. Employee Stock Option Outstanding (Net)		19.06	2.83
d. Reserves & surplus	'B'	2,769.21	1,741.78
		4,019.23	2,067.71
2. Loan Funds			
a. Secured loans	'C'	4,006.86	2,648.75
b. Unsecured loans	'D'	13.44	1,773.23
3. Deferred Tax Liability		191.03	113.24
		8,230.56	6,602.93
II APPLICATION OF FUNDS			
1. Goodwill		-	3.84
2. Fixed Assets	'E'		
a. Gross block		4,183.40	2,228.24
b. Less: Depreciation		411.79	259.00
c. Net block		3,771.61	1,969.24
Add : Capital Work-In-Progress		236.34	1,495.28
		4,007.95	3,464.52
d. Less: Impairment of assets		1.70	1.70
		4,006.25	3,462.82
3. Investments	'F'	258.47	65.34
4. Current Assets, Loans & Advances	'G'	4,875.12	4,141.24
Less: Current Liabilities & Provisions	'H'	909.28	1,070.31
Net Current Assets		3,965.84	3,070.93
		8,230.56	6,602.93
Significant accounting policies & Notes on accounts	'L'		

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 26, 2011

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director

Dr. Vishnu Kanhere
Director

Dr. Ravindra Bapat
Director

Shivani Amit Dahanukar
Executive Director

C. V. Bijlani
Director

Gaurav Thakur
Company Secretary

V. B. Haribhakti
Director

Madan Goyal
Director

PROFIT AND LOSS ACCOUNT

for the year ended March 31, 2011

		(₹ in million)	
	Schedule	For the year ended March 31, 2011	For the year ended March 31, 2010
I INCOME			
Sales (Refer Annexure to Schedule L)	'I'(1)	4,103.32	4,844.08
Less: Excise duty		609.34	1,344.84
		3,493.98	3,499.24
Other Income	'I'(2)	23.79	45.07
		3,517.77	3,544.31
II EXPENDITURE			
(Increase) / Decrease in stock	'I'(3)	48.44	(98.70)
Cost of material	'I'(4)	933.59	1,512.44
Employees' remuneration and benefits	'J'	197.43	195.63
Manufacturing and other expenses	'K'	1,302.14	1,138.35
Finance cost		343.08	229.58
Depreciation / Amortization		126.29	67.41
		2,950.97	3,044.71
Profit before taxation		566.80	499.60
Less: Provision for taxation			
Current years'		140.00	112.50
Deferred Tax		77.79	55.88
		217.79	168.38
Profit after taxation		349.01	331.22
Add: Balance brought forward from previous years		581.77	387.78
Amount available for appropriations		930.78	719.00
III APPROPRIATIONS			
Transferred to General Reserve		355.00	33.50
Proposed dividend		92.20	88.66
Dividend distribution tax (including surcharge & cess)		15.32	15.07
Balance transferred to Balance Sheet		468.26	581.77
		930.78	719.00
Earnings Per Share (₹) Basic		3.40	5.44
Diluted		3.27	5.32
(Refer Note (xvi) of Schedule 'L')			
Significant accounting policies & Notes on accounts	'L'		

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 26, 2011

For and on behalf of the Board

Amit Dahanukar
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Company Secretary

V. B. Haribhakti
Director

Madan Goyal
Director

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011

	(₹ in million)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 'A'		
Share Capital		
Authorised		
150,000,000 equity shares of ₹ 10/- each (P.Y. 50,000,000 equity shares of ₹ 10/- each)	1,500.00	500.00
900,000 Compulsorily Convertible Cumulative Preference Shares (CCPS) of ₹ 94/- each (P.Y. 900,000 CCPS of ₹ 94/- each)	-	84.60
Issued, Subscribed and Paid Up		
115,256,704 equity shares of ₹ 10/- each fully paid up (P.Y. 32,310,000 equity shares of ₹ 10/- each)	1,152.57	323.10
Of the above shares :-		
(a) 86,478,875 equity shares of ₹ 10/- each fully paid-up bonus shares by capitalisation of share premium, capital reserve and general reserve.		
(b) 1,237,500 equity shares of ₹ 10/- each were allotted as fully paid-up pursuant to a scheme of amalgamation.		
(c) 44,696 equity Shares of ₹ 10/- each were allotted for consideration other than cash.		
	1,152.57	323.10
SCHEDULE 'A'(1)		
Share Application Money		
Share Warrants		
4,284,236 share warrants of ₹ 73/- each - 25% paid up (P.Y. Nil)	78.19	-
Application money against Employee Stock Options	0.20	-
	78.39	-
SCHEDULE 'B'		
Reserves & Surplus		
1. Share Premium Account		
As per last Balance Sheet	220.99	20.96
Add : Additions during the year	1,462.38	415.43
Less : Utilised for issue of bonus shares	221.23	215.40
	1,462.14	220.99

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

	(₹ in million)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 'B' (contd.)		
2. General Reserve		
As per last Balance Sheet	105.66	72.16
Add : Transfer from Profit and Loss Account	355.00	33.50
Less : Utilised for issue of bonus shares	354.48	-
	106.18	105.66
3. Capital Reserve		
As per last Balance Sheet	70.65	70.65
Less : Utilised for issue of bonus shares	70.65	-
	-	70.65
4. Revaluation Reserve		
As per last Balance Sheet	762.71	792.79
Less : Amortised	30.08	30.08
	732.63	762.71
5. Profit and Loss Account	468.26	581.77
	2,769.21	1,741.78
SCHEDULE 'C'		
Secured Loans		
1. Long Term Loans		
Term Loans		
From Banks	1,270.56	1,466.26
(Against first charge on the land, building, plant & machinery of the Company situated at Shrirampur, Dist. Ahmednagar and second charge on stock and debtors)		
2. Short Term Loans		
Cash Credit (including Working Capital Demand Loan)	2,723.09	1,165.84
(Against hypothecation of stock of raw materials, work-in-process, finished goods, stores, chemicals & book debts and second charge on the fixed assets of the Company situated at Shrirampur, Dist. Ahmednagar)		
Hire purchase car loan (with Banker's lien on cars)	13.21	16.65
	4,006.86	2,648.75
SCHEDULE 'D'		
Unsecured Loans		
From Banks	-	1,623.23
From Promoters & Others	13.44	150.00
	13.44	1,773.23

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

SCHEDULE 'E'										
Fixed Assets										
(₹ in million)										
	GROSS BLOCK			DEPRECIATION / AMORTIZATION				NET BLOCK		
	As at April 01, 2010	Additions	Deductions	Revaluation	As at March 31, 2011	As at April 01, 2010	Deductions For the year	On Revaluation	As at March 31, 2011	As at March 31, 2010
Tangible Assets										
Land	522.89	-	-	-	522.89	-	-	-	522.89	522.89
Buildings	181.03	66.80	19.78	-	228.05	44.16	0.92	5.19	169.14	136.87
Plant & Machinery	1,362.58	1,732.17	-	-	3,094.75	153.87	-	58.23	2,863.05	1,208.71
Furniture & Fixtures	41.57	9.96	20.03	-	31.50	12.00	2.65	3.42	18.73	29.57
Computers	47.89	64.16	-	-	112.05	20.14	-	25.81	66.10	27.75
Electrical Installation & Fittings	6.34	7.99	0.18	-	14.15	2.44	0.01	1.23	10.49	3.90
Motor Car and Transport Vehicles	45.79	4.94	-	-	50.73	15.03	-	8.66	27.04	30.76
Roads & Bridges	2.70	-	-	-	2.70	0.89	-	0.18	1.63	1.81
Library Books	0.03	-	-	-	0.03	0.03	-	-	-	-
Live Stock	0.03	-	-	-	0.03	-	-	-	0.03	0.03
Intangible Assets										
Product Development	17.39	-	-	-	17.39	10.44	-	1.74	5.21	6.95
Brands	-	109.13	-	-	109.13	-	-	21.83	87.30	-
	2,228.24	1,995.15	39.99	-	4,183.40	259.00	3.58	126.29	4,111.79	1,969.24
Capital WIP (Net)	1,495.28	-	1,258.94	-	236.34	-	-	-	236.34	1,495.28
Grand Total	3,723.52	1,995.15	1,298.93	-	4,419.74	259.00	3.58	126.29	4,007.95	3,464.52
Previous Year	1,816.98	1,908.66	2.12	-	3,723.52	162.93	1.42	67.41	259.00	3,464.52

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

		(₹ in million)	
	Shares/ Units	As at March 31, 2011	As at March 31, 2010
SCHEDULE 'F'			
Investments			
Long Term			
1. Government Securities (Unquoted)			
7 Year National Savings Certificates of face value of ₹ 51,400/- (Certificates worth ₹ 44,000/- deposited with Government authorities)		0.05	0.05
6 Year National Savings Certificates (Deposited with Government authorities)		-	-
		0.05	0.05
2. Investment in subsidiary (Unquoted)			
Vahni Distilleries Private Limited (formerly known as Surya Organic Chemicals (P) Ltd.)		186.49	8.36
1,498,050 shares of ₹ 100/- each (P.Y. 73,050 shares)			
Prag Distillery (P) Ltd.		54.14	54.14
2,011,000 shares of ₹ 10/- each (P.Y. 2,011,000 shares)			
Kesarval Springs Distillers Pvt. Ltd.		15.00	-
30,000 shares of ₹ 100/-each (P.Y. Nil)			
3. Other than Trade Investments (Unquoted)			
Mula Pravara Electric Co-operative Society Ltd.	2,462	0.25	0.25
(P.Y. 2,462 shares)			
Shree Suvarna Sahakari Bank Ltd.	20	-	-
(P.Y. 20 shares)			
Maharashtra State Financial Corporation	115	0.01	0.01
(P.Y. 115 shares)			
Rupree Co-op Bank Ltd.	1,000	0.03	0.03
(P.Y. 1,000 shares)			
		0.29	0.29
Current			
Investment in mutual funds (Unquoted)			
Monthly Income Plan	Units	122,880.32	2.50
Net asset value as on March 31, 2011 is ₹ 2.61 million (P.Y. ₹ 2.52 million)			
		258.47	65.34
Aggregate of quoted investments			
		-	-
Aggregate of unquoted investments (at cost)			
		258.47	65.34

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

	(₹ in million)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 'G'		
Current Assets, Loans & Advances		
Current Assets		
Inventory (at cost)		
Raw materials	158.61	218.28
Stores and spares	175.09	165.55
Work-in-process	246.90	199.39
Finished goods	39.13	135.08
	619.73	718.30
Sundry debtors (unsecured)		
(a) Debtors outstanding exceeding six months		
Considered good	8.41	-
Considered doubtful	13.33	13.33
Less: Provision for doubtful debts	4.14	-
	17.60	13.33
(b) Other debts	684.12	674.76
	701.72	688.09
Cash and bank balances		
Cash and cheques in hand	8.37	165.95
In Current Accounts with Scheduled Banks	15.41	13.33
In Fixed Deposits with Scheduled Banks	74.71	77.38
	98.49	256.66
Loans & Advances		
(Unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received	788.24	691.64
Advances to Subsidiary Companies	684.81	345.15
Advance with Tie-up Units	1,786.47	1,196.87
Balance with Excise Authorities	17.62	12.80
Deposits with Court	19.57	39.68
Other Deposits	158.47	192.05
	3,455.18	2,478.19
	4,875.12	4,141.24

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

	(₹ in million)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 'H'		
Current Liabilities & Provisions		
Current Liabilities		
Acceptances	42.42	40.29
Sundry Creditors :-		
Micro & Small Enterprises (Refer Note xv)	-	-
Others	254.16	387.87
Unclaimed Dividend	1.47	0.97
Unclaimed Deposits	0.02	0.02
Trade Deposits (Unsecured, interest free)	366.28	394.66
Other Liabilities	46.57	41.82
	710.92	865.63
Provisions		
Provision for Taxation (Net of Advance Tax)	60.26	52.17
Proposed Dividend	92.20	88.66
Dividend Distribution Tax	15.32	15.07
Provision for Gratuity	19.31	2.80
Provision for Leave Encashment	10.74	8.85
Provision for Excise Duty on Finished Goods	0.53	37.13
	198.36	204.68
	909.28	1,070.31

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

	(₹ in million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE 'I' (1)		
Sales		
Sales of products	2,453.31	3,780.71
Income from tie-up units	1,650.01	1,063.37
	4,103.32	4,844.08
SCHEDULE 'I' (2)		
Other Income		
Duty drawback on exports	2.55	4.29
Miscellaneous receipts	8.91	16.23
Sundry balance written back	5.19	21.76
Interest income	4.48	2.79
Profit on sale of assets	2.66	-
	23.79	45.07
SCHEDULE 'I' (3)		
(Increase) / Decrease in Stock		
Opening Stock		
(i) Work-in-process	199.39	34.94
(ii) Finished goods	135.08	200.83
	334.47	235.77
Less : Closing Stock		
(i) Work-in-process	246.90	199.39
(ii) Finished goods	39.13	135.08
	286.03	334.47
(Increase)/Decrease in Stock	48.44	(98.70)
SCHEDULE 'I' (4)		
Cost of Material		
(i) Raw Material Consumption		
Opening Stock	218.28	60.25
Add: Purchases	369.76	765.63
Less: Closing Stock	158.61	218.28
	429.43	607.60
(ii) Packing Material & Consumables	504.16	904.84
	933.59	1,512.44

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

	(₹ in million)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE 'J'		
Employees' Remuneration & Benefits		
Salary and wages	120.67	151.57
Employee Stock Option Expenses	16.68	2.83
Contribution to provident fund and family pension fund	11.99	13.24
Staff welfare expenses	27.56	25.19
Gratuity	20.53	2.80
	197.43	195.63
SCHEDULE 'K'		
Manufacturing and Other Expenses		
Power and fuel	36.50	21.56
Provision for Excise Duty on finished goods (Refer Note xii)	(36.60)	(42.02)
Repairs & maintenance		
(i) Plant & Machinery	4.10	6.67
(ii) Buildings	1.28	2.47
(iii) Others	15.61	16.89
Insurance	6.87	7.16
Rent	22.21	60.12
Conversion cost	406.10	329.25
Legal and professional charges	72.16	34.43
Auditors Remuneration	0.36	0.40
Rates and taxes	50.48	30.83
Sales tax	57.05	35.13
Freight, transport charges & other expenses	59.67	59.28
Selling expenses [Discounts, Sales Promotion & Advertising etc.]	469.88	429.03
Travelling and conveyance expenses	11.85	19.94
Printing and stationery	5.74	5.44
Communication expenses	14.49	12.71
Vehicle running expenses	5.50	3.78
Loss on exchange fluctuation	8.78	1.54
Loss on sale of assets	-	0.12
Director sitting fees	0.19	0.28
Bad Debts / Provision for doubtful debts	4.14	4.86
Goodwill written off	3.84	-
Commission to Independent Directors	5.57	4.79
Corporate Social Responsibility	16.78	3.51
Miscellaneous expenses	59.59	90.18
	1,302.14	1,138.35

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011

SCHEDULE 'L' SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1. Significant Accounting Policies

(i) Basis of Preparation of Financial Statements:

The financial statements have been prepared using historical cost convention and on the basis of going concern in accordance with generally accepted accounting principles in India, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and other relevant provisions of the Companies Act, 1956.

(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 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 & Components and Work-in-Process are valued at cost.
- (b) Finished goods 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 is added to the cost.

(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) Expenditure incurred during construction/erection period (Including finance cost relating to borrowed funds for construction or acquisition of fixed assets and other direct expenditure) 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) Intangible assets other than Goodwill are stated at cost of acquisition less accumulated amortization.

(vi) Depreciation and Amortization:

- (a) Depreciation is provided on the "Written Down Value Method" in the manner and at the rates specified in schedule XIV of the Companies Act, 1956:
 - (i) On all assets acquired prior to September 30, 1968.
 - (ii) On all assets acquired under amalgamation from erstwhile Tilaknagar Distilleries & Industries Ltd., prior to April 01, 1980 and all assets other than plant & machinery acquired after April 01, 1980.
- (b) Depreciation is provided on the "Straight Line Method" in the manner and at the rates specified in schedule XIV of the Companies Act, 1956 on all other assets other than those stated herein above.
- (c) Depreciation is provided on assets acquired during the year from the date on which assets were put to use.

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

(vii) Impairment of Assets:

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 Account 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 (non-trade, unquoted) are stated 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 shown at cost / fair value whichever is lower.

(ix) Foreign Currency Conversion:

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency denominated monetary items as at the Balance Sheet date are translated at the rate prevailing on the date of Balance Sheet. Exchange rate difference arising on the settlement of monetary items including year end translations are recognized in the Profit and Loss Account.

(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 obligation. A disclosure on contingent liability is made when there is a possible obligation or present obligation that probably will not require an out flow 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) Research and Development:

Revenue expenditure on research and development is charged to the Profit and Loss Account of the year in which it is incurred.

Expenditure incurred on development/acquisition of new product / brand is amortised over a period of five years taking into consideration its anticipated future benefits.

(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 Profit and Loss Account 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 considered as defined contribution plan and the same is charged to the Profit and Loss Account of the year when the contribution to the respective funds are due.

(b) Defined Benefit Plan

Retirement benefits in the form of gratuity etc. 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 Profit and Loss Account.

(c) Leave Encashment

Liability on account of the un-availed earned leave has been provided at the year-end on actual basis.

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

(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 amortised 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 by 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.

2. Notes on Accounts

(i) Contingent liability not provided for:

	(₹ in million)	
	As at March 31, 2011	As at March 31, 2010
(a) Corporate guarantees issued to banks on behalf of Subsidiary Company	1,395.00	250.00
(b) Bank guarantees issued on behalf of the Company	43.92	51.77
(c) In respect of disputed Income tax matters, pending before the appropriate Income tax authorities, contested by the Company		
For A.Y. 2009-10	6.13	Nil
For A.Y. 2007-08	86.07	86.07
For A.Y. 2004-05	22.27	22.27
(d) In respect of disputed Sales tax matters, pending before the appropriate tax authorities, contested by the Company		
For F.Y. 2003-04 (Bombay Sales Tax)	6.28	Nil
For F.Y. 2003-04 (Central Sales Tax)	4.83	Nil
For F.Y. 2004-05 (Bombay Sales Tax)	4.67	Nil
For F.Y. 2004-05 (Central Sales Tax)	2.03	Nil
(e) In respect of disputed Service Tax matter, pending before the appropriate Central Excise authorities, contested by the Company	2.02	2.02
(f) Disputed matters under arbitration pending disposal	Nil	20.14

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

- (ii) Estimated amount of contracts remaining to be executed on capital accounts and not provided for is approx ₹ 55 million (net of advances) (P.Y. ₹ Nil)

(iii) **Finance cost comprises of:**

Particulars	(₹ in million)	
	2010-11	2009-10
(a) Interest on term loans	188.54	78.43
(b) Interest on Cash Credits / Working Capital Demand Loan	143.76	115.97
(c) Others	10.78	35.18
	343.08	229.58

(iv) **Operating Lease:**

The Company has taken Bottling units on operating lease at various locations and during the financial year ₹ 3.61 million (P.Y. ₹ 20.97 million) paid towards lease rentals has been charged to Profit and Loss Account.

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.

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.

(v) **The disclosure of Accounting Standard 15 "Employee Benefits" is as follows:**

Defined Contribution Plan

The Company has charged in the Profit and Loss Account during the financial year an amount of ₹ 11.99 million (P.Y. ₹ 13.24 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.

The net value of the defined commitment is detailed below:

	(₹ in million)	
	Funded Gratuity	Non Funded Leave
Present Value of Commitments	28.04	
Fair Value of Plans	8.73	
Net Liability in the Balance Sheet	19.31	10.74
Defined Benefit Commitments		
Opening balance as at April 01, 2010	10.87	
Current service cost	3.96	
Interest expenses	0.90	
Past service cost	1.35	
Actuarial (gain)/loss	10.96	
Transfer received	-	
Closing balance as at March 31, 2011	28.04	

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

		(₹ in million)
	Funded Gratuity	Non Funded Leave
Plan Assets		
Opening balance as at April 01, 2010	8.07	
Expected return on scheme assets	0.65	
Contributions by the Company	-	
Paid Funds	-	
Actuarial gain/(loss)	0.01	
Transfer Received	-	
Closing balance as at March 31, 2011	8.73	
Return on Plan Assets		
Expected return on plan assets	0.65	
Actuarial gain/(loss)	0.01	
Actual Return on Plan Assets	0.66	
Expenses on defined benefit plan		
Current service costs	3.96	
Past service cost	1.35	
Interest expense	0.90	
Expected return on investment	(0.65)	
Net actuarial (gain)/loss	10.95	
Expenses charged to the Profit and Loss Account	16.51	
Investments Details	%	
	Invested	
	as at	
	March 31, 2011	
Funds Managed by Insurer	100	
Public Sector Unit Bonds	-	
State/Central Guaranteed securities	-	
Special deposit schemes	-	
Other (excluding bank balances)	-	
	100	
Actuarial assumptions	Gratuity (funded)	
Mortality (LIC)	1994-96 Ultimate	
Discount rate (per annum)	8.25%	
Expected rate of return on plan assets (per annum)	8.00%	
Rate of escalation in salary (per annum)	5.00%	
Attrition rate (per annum)	2.00%	

(vi) 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.

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

(b) During the financial year ended March 31, 2011, the following schemes were in operation:

Particulars	Employee Stock Option Scheme 2008				Employee Stock Option Scheme 2010
	Grant 1	Grant 2	Grant 3	Grant 4	Grant 1
Date of Grant	02-07-2009	28-01-2010	25-06-2010	07-08-2010	15-01-2011
Date of the Board Approval	02-07-2009	28-01-2010	25-06-2010	07-08-2010	15-01-2011
Date of the Shareholders Approval	06-08-2008	06-08-2008	06-08-2008	06-08-2008	20-09-2010
Number of options granted till March 31, 2011*	730,400	3,730,521	154,200	843,663	1,615,500
Number of Option Cancelled till March 31, 2011	139,100	551,901	1,200	77,298	11,700
Number of options exercised till March 31, 2011	46,800	34,940	Nil	Nil	Nil
Net Options Outstanding	544,500	3,143,680	153,000	766,365	1,603,800
Vesting period from the date of grant	4 years	4 years	4 years	4 years	4 years
Exercise period from the date of vesting	2 years	2 years	2 years	2 years	2 years

* All Options are post adjustment of Bonus shares.

(c) The details of the options as on March 31, 2011 are as under:

Particulars	ESOP Scheme 2010		ESOP Scheme 2008	
	2010-2011	2009-2010	2010-2011	2009-2010
Options outstanding at the beginning of the year	Nil	N.A.	1,717,521	Nil
Options granted till September 03, 2009	N.A.	N.A.	N.A.	111,000
Options cancelled till September 03, 2009	N.A.	N.A.	N.A.	20,000
Bonus options granted on September 03, 2009	N.A.	N.A.	N.A.	182,000
Total Options outstanding on September 03, 2009 (Post Bonus)	N.A.	N.A.	N.A.	273,000
Options granted till March 31, 2010	N.A.	N.A.	N.A.	1,444,521
Options Cancelled from April 01, 2010 to September 30, 2010	N.A.	N.A.	357,321	N.A.
Options Exercised from April 01, 2010 to September 30, 2010	N.A.	N.A.	8,100	N.A.
Options granted from April 01, 2010 to September 30, 2010	N.A.	N.A.	339,021	N.A.
Bonus Options granted on September 30, 2010	N.A.	N.A.	3,382,242	N.A.
Options outstanding post bonus	N.A.	N.A.	5,073,363	N.A.
Options granted from October 01, 2010 to March 31, 2011	1,615,500	N.A.	Nil	N.A.
Options cancelled till March 31, 2011	11,700	N.A.	392,178	N.A.
Options exercised from October 01 2010 to March 31, 2011	Nil	N.A.	73,640	N.A.
Options outstanding at the year end	1,603,800	N.A.	4,607,545	1,717,521

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

- (d) The weighted average fair value of stock options granted during the financial year was ₹ 33.70 million (P.Y. ₹ 5.57 million). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	Employee Stock Option Scheme 2008				Employee Stock Option Scheme 2010
	Grant 1	Grant 2	Grant 3	Grant 4	Grant 1
Dates of Grant	02-07-2009	28-01-2010	25-06-2010	07-08-2010	15-01-2011
Market Price (₹ per share) on the dates of grant	143.45	99.45	145.75	199.65	83.00
Volatility	71.49%	68.41%	66.51%	66.11%	66.24%
Risk free rate	6.24%	6.76%	7.10%	7.59%	66.24%
Exercise price					
*pre all bonuses	120	75	110	150	60
Time to maturity (years)	4	4	4	4	4
Dividend yield	2%	2%	2.24%	2.24%	2.24%
Option fair value (₹ per share)	66.80	49.11	71.37	98.71	41.89

- (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)	
	As at March 31, 2011	As at March 31, 2010
Net Profit as Reported available to Equity Share holders	349.01	322.00
Add: Employee stock compensation under intrinsic value	16.68	2.83
Less: Employee stock compensation under fair value method	33.70	5.57
Adjusted Net Profit	331.99	319.26
Earnings per share		
Basic:		
- As reported	3.40	5.44
- Adjusted	3.23	5.40
Diluted:		
- As reported	3.27	5.32
- Adjusted	3.11	5.28

(vii) 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.

(viii) 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:

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

(a) List of Related parties and relationship

Sr. No.	Name of the related party	Relationship
1.	Prag Distillery (P) Ltd.	Subsidiary Company
2.	Vahni Distilleries Private Limited (formerly known as Surya Organic Chemicals (P) Ltd.)	Subsidiary Company
3.	Kesarval Springs Distillers Pvt. Ltd.	Subsidiary Company
4.	Mr. Amit Dahanukar	Key Managerial Personnel (Chairman & Managing Director)
5.	Mrs. Shivani Amit Dahanukar	Key Managerial Personnel (Executive Director)
6.	M.L. Dahanukar & Co. Pvt. Ltd.	Company in which Key Managerial Personnel has substantial interest
7.	Arunoday Investments Pvt. Ltd.	Company in which Key Managerial Personnel has substantial interest
8.	Dr. Priyadarshini A. Dahanukar	Relative of Key Managerial Personnel

(b) Transactions during the financial year with related parties:

(₹ in million)					
Sr. No	Nature of Transaction	Subsidiary Companies	Key Managerial personnel	Company with substantial Interest	Relatives of Key Managerial Personnel
1.	Sales	65.32	-	-	-
2.	Purchases	1.90	-	-	-
3.	Expenses	2.13	-	-	-
4.	Interest Income	41.15	-	-	-
5.	Payment to Key Managerial Personnel	-	54.31	-	-
6.	Net Loans & Advances given	339.66	-	-	-
7.	Loans taken	-	42.50	52.50	-
8.	Repayment of Loan	-	42.50	52.50	-
9.	Rent	-	2.45	0.72	0.69
10	Outstanding:				
	Receivable	684.81	-	-	-
	Payable	-	-	-	-

(ix) The break-up of deferred tax as at March 31, 2011 is as under:

(₹ in million)			
Particulars	Deferred Tax liability as at April 01, 2010	(Assets)/ Liabilities During the year	Deferred Tax liability as at March 31, 2011
Deferred Tax Liability :			
(a) On depreciation differences	116.13	84.48	200.61
(b) Product Development cost	2.36	(0.58)	1.78
(c) Retirement Benefit & Items u/s. 43B	(5.25)	(6.11)	(11.36)
	113.24	77.79	191.03

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

(x) Managerial Remuneration:

(a) Details of the Managerial Remuneration paid or provided during the financial year ended on March 31, 2011

	(₹ in million)	
	2010-11	2009-10
Remuneration to Managing Director and Whole-time Directors		
- Salaries and Contribution to funds	54.31	31.75
- Commission	1.41	16.13
	55.72	47.88
Remuneration to Non-executive and Independent Directors		
- Commission	5.57	4.79

Note: The above amounts do not include contribution to Gratuity Fund, as separate amount is not available for Managing Director and Whole-time Directors.

(b) Computation of Profit u/s 198 (read with section 349) of the Companies Act, 1956 for the purpose of Managerial remuneration for the financial year ended March 31, 2011.

	(₹ in million)	
	2010-11	2009-10
Profit as per Profit and Loss Account	349.01	331.22
Add: Managerial Remuneration	61.29	52.67
Depreciation and Amortization	126.29	67.41
Loss/(profit) on sale of assets	Nil	0.12
Provisions for Taxation (Including Deferred Tax)	217.79	168.38
	754.38	619.80
Less: Depreciation u/s 350 of the Companies Act, 1956	126.29	67.41
Profit on sale of assets	(2.66)	-
Net Profit as per Section 198 (read with Section 349) of the Companies Act, 1956,	625.43	552.39
Maximum amount of Remuneration permissible to the Managing and Whole-time Directors in terms of section 309 of the Companies Act, 1956, (10% of profit as computed above)	62.54	55.24
Maximum amount of Commission permissible to Non-executive and Independent Directors in terms of section 309 of the Companies Act, 1956, (1% of profit as computed above)	6.25	5.52

(xi) Auditor's remuneration charged to accounts:

	(₹ in million)	
	2010-11	2009-10
(a) Audit Fees	0.33	0.33
(b) Tax Audit Fees	Nil	0.03
(c) Auditors remuneration in other capacity	0.03	0.04
	0.36	0.40

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

- (xii) Provision of excise duty on finished goods manufactured but yet to be cleared from the factory as at March 31, 2011 estimated at ₹ 0.53 million (P.Y. ₹ 37.13 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 Profit and Loss Account for the financial year is as follows :

	(₹ in million)	
	2010-11	2009-10
Provision for excise duty on finished goods at the beginning of the year	37.13	79.15
Provision for excise duty on finished goods at the end of the year	0.53	37.13
Provision for excise duty on finished goods charged in the Profit and Loss Account	(36.60)	(42.02)

- (xiii) 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.
- (xiv) The amount of 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.
- (xv) The Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to Micro, Small and Medium Enterprises have not been made.

(xvi) **Earnings per share:**

	(₹ in million)	
	2010-11	2009-10
Profit After Tax	349.01	331.22
Less : Dividend on Preference Shares & Tax thereon	Nil	9.22
Profit after Tax and after Preference Dividend	349.01	322.00
Weighted average number of shares	102.78	59.15
Basic Earnings Per Share	3.40	5.44
Weighted average number of shares (adjusted for the effects of dilutive potential equity shares)	106.64	60.51
Diluted Earnings Per Share	3.27	5.32
Face Value per Equity Share	10	10

(xvii) **Other Significant notes:**

- (a) The Company's glass manufacturing unit was given to Ramnath Glass Containers Pvt. Ltd. (RG CPL) 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 RG CPL / Mehta Brothers. The Company has initiated the legal action against the RG CPL / Mehta Brothers for recovery of amount paid together with interest and damages amounting to ₹ 76.2 million.
- (b) The Company's distributor Ding Dong Liquors has filed a winding up petition on the Company in the High Court of Judicature of Bombay for recovery of Security Deposit of ₹ 25 million. The Company withheld the Security Deposit on the grounds that Ding Dong Liquors had failed to deliver the 'C' Forms and other amounts due to the Company. The Hon'ble High Court vide its Order directed the Company to deposit a sum of ₹ 12.70 million out of the total amount claimed by Ding Dong Liquors. The Company has deposited the above sum with the Court and filed an appeal against the said Order.

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

Further, the Company has filed a separate suit for recovery of dues of ₹ 39 million and C-forms against Ding Dong Liquors which has been upheld by the Bombay High court by dismissing the winding up petition and directed Ding Dong Liquors to avail remedy from the Hon'ble Court for recovery of the amount failing which the Company will be entitled to an amount of ₹ 12.70 million deposited with the Court.

- (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 22.12.2007 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.
 - (d) Anupama Wine Distributor has filed a company petition against the Company before Bombay High Court and against that the Hon'ble Bombay High Court has vide order dated March 16, 2009 directed to the Company to Deposit a security worth ₹ 42.10 million. The Company has deposited a Bank Guarantee worth the said amount with the High Court, Mumbai and has filed an appeal against the said Order which has been upheld the Hon'ble Bombay High Court by dismissing the winding up petition and the Company will be entitled to discharge the Bank Guarantee after the time limit available to Anupama Wine Distributor if they fail to do so.
 - (e) An amount of ₹ 20.14 million disclosed under Deposits with Court as contingent liability has been charged off in terms of out of court settlement with Rairu Distilleries Limited by filing consent terms and included in finance charges.
- (xviii) During the year, the Company has allotted 8.30 million warrants of ₹ 73/- each (₹ 18.25 /- paid up) to the Promoter Groups which are convertible into one equity share at a price of ₹ 73/- per equity share and out of the said warrants, 4.02 million warrants have been converted into equity shares by the promoters and balance 4.28 million warrants is lying outstanding as on March 31, 2011.
- (xix) During the year, the Company has acquired 100% stake in Kesarval Springs Distillers Pvt. Ltd. (KSDPL) and KSDPL has become a 100% subsidiary of the Company with effect from November 21, 2010.
- (xx) Additional information pursuant to the provisions of paragraph 3, 4 (c) & (d) of part II of Schedule VI of Companies Act, 1956, is annexed hereto.
- (xxi) The Ministry of Corporate affairs, Government of India, vide General Circular No 2 and 3 dated 08-02-2011 and 21-02-2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The company has satisfied the conditions stipulated in the circular and is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.
- (xxii) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

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

V. B. Haribhakti
Director

Kaushal Mehta
Partner
Membership No. 111749

Dr. Vishnu Kanhere
Director

C. V. Bijlani
Director

Madan Goyal
Director

Place : Mumbai
Date : May 26, 2011

Dr. Ravindra Bapat
Director

Gaurav Thakur
Company Secretary

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

			2010-2011		2009-2010	
UOM			Units million	₹ in million	Units million	₹ in million
ANNEXURE TO SCHEDULE 'L'						
(1) Sales & Services						
Product						
(i) Sales						
(a)	Indian Made Foreign Liquor - own unit	B.L.	6.40	687.91	5.71	693.41
(b)	Industrial Alcohol & Other Spirits	B.L.	5.00	179.79	3.40	145.37
(c)	Diethyl Oxalate/ Chemicals	Kgs	0.03	2.66	0.61	45.42
(d)	Indian Made Foreign Liquor - Lease units	B.L.	15.93	1,582.95	26.23	2,896.51
				2,453.31		3,780.71
(ii) Income from Tie-up Units				1,650.01		1,063.37
				4,103.32		4,844.08
(iii) 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.						
Quantitative information and Income from operations through other distilleries / bottling units reflects the gross contribution made by these units and is detailed as under :						

	UOM	2010-2011		2009-2010	
		Units million	₹ in million	Units million	₹ in million
Gross Sales	B.L.	53.72	8,308.30	34.66	5,566.39
Net Sales			3,914.86		2,470.32
The total income reported in Schedule 'I' (1) is detailed as follows					
			2010-2011		2009-2010
Gross Sales of Companys' brands and other sales including sales made by Tie-up arrangement			10,761.61		9,347.11 *
Less : Excise Duty			5,002.78		4,440.92
Net Sales of Companys' brands and other sales			5,758.83		4,906.19
Less : Net Sales made by tie up units			3,914.86		2,470.32
Add : Net income from tie up arrangement			1,650.01		1,063.37
TOTAL INCOME			3,493.98		3,499.24 *

* Gross sales and total income in 2009-2010 are regrouped for freight recovery of ₹ 18.04 million which is netted off against freight, transport charges and other expenses.

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

		2010-2011		2009-2010	
	UOM	Units million	₹ in million	Units million	₹ in million
ANNEXURE TO SCHEDULE 'L' (contd.)					
(2) Stock of Finished Goods					
(i) Opening Stock					
Products					
(a) Indian Made Foreign Liquor - own unit	B.L.	0.31	23.81	0.41	35.37
(b) Industrial Alcohol & Other Spirits	B.L.	0.42	15.03	0.75	50.42
(c) Diethyl Oxalate/ Chemicals	Kgs	0.05	3.19	0.01	0.77
(d) Indian Made Foreign Liquor - Lease units	B.L.	0.61	93.05	0.63	114.27
			135.08		200.83
(ii) Closing Stock					
Products					
(a) Indian Made Foreign Liquor - own unit	B.L.	0.27	18.56	0.31	23.81
(b) Industrial Alcohol & Other Spirits	B.L.	0.48	14.21	0.42	15.03
(c) Diethyl Oxalate/ Chemicals	Kgs	0.02	1.57	0.05	3.19
(d) Indian Made Foreign Liquor - Lease units	B.L.	0.12	4.79	0.61	93.05
			39.13		135.08
(3) Particulars of goods Manufactured					
	UOM	Licensed Capacity per annum	Installed Capacity per annum	Quantity 2010-11	Quantity 2009-10
(a) Indian Made Foreign Liquor - own unit	B.L.	9.00	9.00	6.36	5.61
(b) Industrial Alcohol & Other Spirits	B.L.	24.25	24.25	13.88	11.97
(c) Grain based Industrial Alcohol	B.L.	1.70	1.70	0.17	-
(d) Diethyl Oxalate/ Chemicals	Kgs	2.40	2.40	0.01	0.65
(e) Indian Made Foreign Liquor - Lease units	B.L.	21.12	21.12	15.44	26.21
(4) Raw Material Consumed					
	UOM	Units million	₹ in million	Units million	₹ in million
(a) Molasses	M.T.	0.05	273.73	0.05	273.22
(b) Industrial Alcohol & Other Spirits	B.L.	7.77	151.32	15.52	309.17
(c) Oxalic Acid/ Chemicals	Kgs	0.01	0.44	0.73	25.21
(d) Grains	M.T.	-	3.94	-	-
			429.43		607.60

SCHEDULES FORMING PART OF ACCOUNTS

for the year ended March 31, 2011 (contd.)

(5) Value of Imported & Indigenous Raw Materials consumed	2010-2011		2009-2010	
	₹ in million	%	₹ in million	%
(i) Imported	1.53	1	-	-
(ii) Indigenous	427.90	99	607.60	100
	429.43		607.60	
(6) CIF Value of Imports	5.40		-	
(7) Earnings in Foreign Exchange	76.62		52.51	
(8) Expenditure in Foreign Exchange	10.23		9.59	

CASH FLOW STATEMENT

for the year ended March 31, 2011

(₹ in million)

	2010-2011	2009-2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax & extraordinary items	566.80	499.60
Adjustment for:		
Depreciation	126.29	67.41
(Surplus) / Loss on sale of assets	(2.66)	0.12
Goodwill written off	3.84	-
Employee stock option expenses	16.23	2.83
Interest (net)	338.60	226.79
	482.30	297.15
Operating Profit before working capital changes		
Adjustment for:		
(Increase) / Decrease in inventory	98.58	(161.13)
(Increase) / Decrease in trade receivables	(13.63)	(82.07)
(Increase) / Decrease in loans and advances	(977.00)	(1,672.00)
(Decrease) / Increase in trade payable and provisions	(161.03)	90.99
	(1,053.08)	(1,824.21)
Proceeds from short term borrowings	(65.99)	1,281.26
Tax provision	(140.00)	(112.50)
Net Cash from Operating Activities	(209.97)	141.30
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(736.20)	(1,908.67)
Sale of fixed assets	39.07	0.57
Increase in investments	(193.13)	(2.50)
Interest received	4.48	2.79
Net Cash from Investing Activities	(885.78)	(1,907.81)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital including premium	1,723.88	383.64
Proceeds from borrowings (net)	(335.70)	1,929.71
Interest paid	(343.08)	(229.58)
Dividend and tax thereon	(107.52)	(103.73)
Net Cash from Financing Activities	937.58	1,980.04
Net Increase in Cash & Cash Equivalents	(158.17)	213.53
Opening cash & cash equivalents	256.66	43.13
Closing cash & cash equivalents	98.49	256.66

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 26, 2011

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director

Dr. Vishnu Kanhere
Director

Dr. Ravindra Bapat
Director

Shivani Amit Dahanukar
Executive Director

C. V. Bijlani
Director

Gaurav Thakur
Company Secretary

V. B. Haribhakti
Director

Madan Goyal
Director

BALANCE SHEET ABSTRACT

Company's General Business Profile

I REGISTRATION DETAILS

Registration No. State Code

Balance Sheet Date

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN ₹ MILLION)

Public Issue Right Issue

Bonus Issue Private Placement (Equity Shares)

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ₹ MILLION)

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Reserves and Surplus

Employee Stock Option Outstanding Share Application Money

Secured Loans Unsecured Loans

Deferred Tax Liability Current Liabilities

Application of Funds

Net Fixed Assets Investment

Current Assets Miscellaneous Expenditure

Accumulated Losses

IV PERFORMANCE OF COMPANY (AMOUNT IN ₹ MILLION) * (INCLUDES OTHER INCOME)

Turnover* Total Expenditure

Profit/(Loss) Before Tax ☒ Profit/(Loss) After Tax ☒

Earning per share (In ₹) (Basic) ☒ Dividend Rate (%)

Earning per share (In ₹) (Diluted) ☒

V GENERIC NAMES OF TWO PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No (ITC Code)

Product Description

Item Code No. (ITC Code)

Product Description

As per our Report of even date annexed.

For and on behalf of the Board

Amit Dahanukar
Chairman & Managing Director

Shivani Amit Dahanukar
Executive Director

V. B. Haribhakti
Director

Dr. Vishnu Kanhere
Director

C. V. Bijlani
Director

Madan Goyal
Director

Place : Mumbai
Date : May 26, 2011

Dr. Ravindra Bapat
Director

Gaurav Thakur
Company Secretary

STATEMENT PURSUANT TO SECTION 212

of the Companies Act, 1956, relating to Subsidiary Companies

Name of the Subsidiary	(₹ in million)			
	Prag Distillery (P) Ltd.	Vahni Distilleries Private Limited (formerly known as Surya Organic Chemicals (P) Ltd.)	Kesarval Springs Distillers Pvt. Ltd. (Subsidiary with effect from November 21, 2010)	
Financial year / period of the Subsidiary ended on	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011
(1) Holding Company's Interest	100%	100%	100%	100%
Equity Share Capital	2,011,000 equity shares of ₹ 10/- each full paid up	1,498,050 equity shares of ₹ 100/- each fully paid up	30,000 equity shares of ₹ 100/- each fully paid up	
(2) Net aggregate amounts of the profits/(losses) of the subsidiary so far as it concerns the members of the holding company and is not dealt with in accounts of the holding company				
- For the financial year of the subsidiary	56.10	(8.68)		(0.69)
- For the previous financial years of the subsidiary since it became its subsidiary	91.85	(82.36)		NA
(3) Net aggregate amounts of the profits/(losses) of the subsidiary so far as it concerns the members of the holding company and is dealt with in accounts of the holding company				
- For the financial year of the subsidiary	Nil	Nil		Nil
- For the previous financial years of the subsidiary since it became its subsidiary	Nil	Nil		Nil
(4) Capital	20.11	149.81		3.00
(5) Reserves	96.34	37.52		Nil
(6) Total Assets	1,021.47	230.19		181.18
(7) Total Liabilities	905.02	42.86		178.18
(8) Details of Investments (Except Investment in Subsidiary)	0.03	Nil		Nil
(9) Gross Turnover (including other income)	2,077.72	380.13		5.70
(10) Profit Before Taxation	85.87	(8.68)		(0.01)
(11) Provision for Taxation	29.76	-		-
(12) Profit After Taxation	56.10	(8.68)		(0.01)
(13) Proposed Dividend	Nil	Nil		Nil

For and on behalf of the Board

Amit Dahanukar Chairman & Managing Director	Shivani Amit Dahanukar Executive Director	V. B. Haribhakti Director
Dr. Vishnu Kanhere Director	C. V. Bijlani Director	Madan Goyal Director
Dr. Ravindra Bapat Director	Gaurav Thakur Company Secretary	

Place : Mumbai
Date : May 26, 2011



BOARD OF DIRECTORS

Executive Directors

Mr. Amit Dahanukar,
Chairman & Managing Director
Mrs. Shivani Amit Dahanukar,
Executive Director

Non- Executive Directors

Mr. V. B. Haribhakti
Dr. Vishnu Kanhere
Dr. Ravindra Bapat
Mr. C. V. Bijlani
Mr. Madan Goyal

COMPANY SECRETARY

Mr. Gaurav Thakur

AUDITORS

M/s. Batliboi & Purohit,
Chartered Accountants

INTERNAL AUDITORS

M/s. Devdhar Joglekar &
Srinivasan,
Chartered Accountants

SOLICITORS

M/s. W. S. Kane & Co.
M/s. Holla & Holla
M/s. L.J. Law & Co.
M/s. Parekh & Co.

BANKERS

Punjab National Bank
State Bank of India
Bank of India
HDFC Bank Ltd.
State Bank of Hyderabad
The Federal Bank Ltd.
Standard Chartered Bank
Union Bank of India
State Bank of Mauritius Ltd.
Karur Vysya Bank Ltd.
Punjab & Sind Bank

REGISTERED OFFICE & WORKS

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

CORPORATE OFFICE

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tiliquor@tilind.com
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SHARES LISTED AT

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National Stock Exchange of
India Ltd. (NSE)

REGISTRAR & SHARE TRANSFER AGENTS

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NOTES

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