

BATLIBOI & PUROHIT

Chartered Accountants

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NATIONAL INSURANCE BUILDING
204, DADABHOY NAOROJI ROAD
FORT, MUMBAI - 400 001.

REVIEW REPORT TO THE BOARD OF DIRECTORS OF

TILAKNAGAR INDUSTRIES LTD.

We have reviewed the accompanying statement of unaudited Consolidated Financial Results of **Tilaknagar Industries Ltd.** ("the Group") for the quarter ended 30 September, 2012 except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding" which have been traced from disclosures made by the management and have not been reviewed by us, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information performed by the independent Auditor of the entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

In respect of unaudited consolidated financial results, we did not review the statement of unaudited quarterly financial results of nine subsidiaries, which reflect total revenue of Rs 3,676 lacs for the quarter ended 30 September, 2012 and total assets of Rs.19,345 lacs as at 30 September, 2012. The financial information for these subsidiaries have been reviewed by the other auditor whose reports have been furnished to us, and our opinion on the quarterly financial results is based solely on the reports of the other auditor.

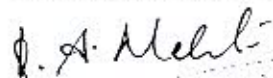
We report that the statement of unaudited consolidated quarterly financial results have been prepared by the management of Tilaknagar Industries Ltd. in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 Interim Financial Reporting [notified pursuant to the Companies (Accounting Standards) Rules, 2006] and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For BATLIBOI & PUROHIT

Chartered Accountants

Firm Reg No. 101048W



Kaushal Mehta

Partner

M.No. 111749

Place : Mumbai

Date: 3 November, 2012

TILAKNAGAR INDUSTRIES LTD.
Regd. Office : P.O. TILAKNAGAR, TAL. SHRIRAMPUR, DIST. AHMEDNAGAR, MAHARASHTRA- 413720

PART I						(Rs in lacs)
Statement of Consolidated Unaudited Financial Results for the Quarter & Half Year ended September 30, 2012						
	Particulars	Quarter Ended			Half Year ended	
		30.09.2012 Unaudited	30.06.2012 Unaudited	30.09.2011 Unaudited	30.09.2012 Unaudited	30.09.2011 Unaudited
						Previous Year Ended 31.03.2012 (Audited)
1	Income from operations					
	(a) Net sales / income from operations (Net of excise duty)	17,574.66	14,137.44	14,367.44	31,712.10	25,044.91
	(b) Other operating income	41.07	1,203.88	23.22	1,244.95	37.33
	Total Income from operations (net)	17,615.73	15,341.32	14,390.66	32,957.05	25,082.24
2	Expenses					
	(a) Cost of materials consumed	7,310.26	6,237.77	5,423.10	13,548.03	9,723.19
	(b) Purchases of stock-in-trade	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25.39	433.76	218.74	459.15	(1,190.16)
	(d) Employee benefits Expense	745.22	646.14	731.22	1,391.36	1,532.80
	(e) Depreciation and amortization expense	600.22	590.23	538.53	1,190.45	1,061.03
	(f) Other expenses	4,990.81	4,280.70	3,874.35	9,271.51	8,665.62
	Total expenses	13,671.90	12,188.60	10,785.94	25,860.50	19,792.48
3	Profit from operations before other income, finance costs and exceptional items (1-2)	3,943.83	3,152.72	3,604.72	7,096.55	5,289.76
4	Other income	22.18	79.40	63.45	101.58	83.53
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	3,966.01	3,232.12	3,668.17	7,198.13	5,373.29
6	Finance costs	1,655.52	1,588.88	1,457.47	3,244.40	2,766.28
7	Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	2,310.49	1,643.24	2,210.70	3,953.73	2,607.01
8	Exceptional items	-	-	-	-	-
9	Profit from ordinary activities before tax (7 - 8)	2,310.49	1,643.24	2,210.70	3,953.73	2,607.01
10	Tax expense	724.00	550.15	645.00	1,274.15	801.00
11	Net Profit from ordinary activities after tax (9 - 10)	1,586.49	1,093.09	1,565.70	2,679.58	1,806.01
12	Extraordinary items (net of tax expenses Rs. _____ Lacs)	-	-	-	-	-
13	Net Profit for the period (11-12)	1,586.49	1,093.09	1,565.70	2,679.58	1,806.01
14	Share of Profit of associates	-	-	-	-	-
15	Minority interest	-	-	-	-	0.62
16	Net Profit after taxes, minority interest and share of profit of associates (13-14-15)	1,586.49	1,093.09	1,565.70	2,679.58	1,806.01
17	(a) Paid-up equity share capital(Face value of the share Rs.10/- each)	12,043.36	12,020.19	11,538.30	12,043.36	11,538.30
	(b) Convertible Warrant	-	-	781.87	-	781.87
18	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-
						28,468.70



19(i)	Earnings per share of Rs. 10/- each(EPS) before extra-ordinary items (Rs.) (not annualised)						
	(a) Basic	1.32	0.91	1.36	2.23	1.57	4.08
	(b) Diluted	1.28	0.89	1.33	2.17	1.54	4.02
19(ii)	Earnings per share of Rs. 10/- each (EPS) after extra-ordinary items (Rs.) (not annualised)						
	(a) Basic	1.32	0.91	1.36	2.23	1.57	4.08
	(b) Diluted	1.28	0.89	1.33	2.17	1.54	4.02

PART II

Select Information for the Quarter & Half Year ended September 30, 2012

A	PARTICULARS OF SHAREHOLDING						
1	Public Shareholding						
	- Number of shares	52,150,219	52,123,841	52,782,765	52,150,219	52,782,765	52,342,197
	- Percentage of Shareholding	43.30%	43.36%	45.75%	43.30%	45.75%	43.62%
2	Promoters and Promoter Group Shareholding						
	(a) Pledged/ Encumbered						
	- Number of Shares	37,374,009	34,112,080	-	37,374,009	-	23,091,944
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	54.73%	50.11%	-	54.73%	-	34.13%
	- Percentage of shares (as a % of the total share capital of the Company)	31.03%	28.38%	-	31.03%	-	19.24%
	(b) Non encumbered						
	- Number of Shares	30,909,326	33,965,995	62,600,239	30,909,326	62,600,239	44,567,631
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	45.27%	49.89%	100%	45.27%	100%	65.87%
	- Percentage of shares (as a % of the total share capital of the Company)	25.67%	28.26%	54.25%	25.67%	54.25%	37.14%

	Particulars	Quarter ended September 30, 2012
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	16
	Disposed of during the quarter	16
	Remaining unresolved at the end of the quarter	Nil



The Company in compliance with the provisions of Clause 41 of the Listing Agreement, has opted to publish the consolidated financial results. The standalone financial results will, however, be made available to the Stock Exchanges where the Company's securities are listed and will also be posted on the Company's website i.e. www.tilind.com.

- 2 The above unaudited Consolidated Financial Results reviewed by the Audit Committee have been approved and taken on record by the Board of Directors at its meeting held on November 03, 2012.
- 3 The consolidated financial results are prepared in accordance with the principles and procedures set out in Accounting Standard (AS-21) on "Consolidated Financial Statements" issued by the ICAI.
- 4 The Company is predominantly engaged in the business of manufacture and sale of Indian Made Foreign Liquor (IMFL) and its related products, which constitute a single business segment and therefore, disclosure under Accounting Standard (AS-17) on "Segment Reporting" issued by the ICAI is not applicable.

5 **Standalone Information**

(Rs. in lacs)

	Particulars	Quarter Ended			Half Year ended		Previous year ended
		30.09.2012 Unaudited	30.06.2012 Unaudited	30.09.2011 Unaudited	30.09.2012 Unaudited	30.09.2011 Unaudited	31.03.2012 Audited
1	Net sales/ income from operations	14,325.90	10,872.81	11,955.68	25,198.71	21,090.81	45,285.44
2	Profit before tax	1,770.96	1,565.97	1,567.19	3,336.93	2,005.02	5,806.35
3	Profit after tax	1,186.96	1,057.81	1,049.19	2,244.77	1,343.02	3,875.37

- 6 The Company has franchisee arrangements in some states and in respect of such arrangements the turnover of Rs. 12,376.86 lacs (Rs.18,355.79 lacs) during the quarter ended September 30, 2012 and Rs.19,502.70 lacs (Rs.37,110.92 lacs) during the half year ended September 30, 2012 has not been treated as 'Sales'. However the surplus generated out of these arrangements is included in the 'Sales/Income from Operations'.
- 7 The statutory auditors have carried out a "Limited Review" of the consolidated unaudited financial results of the Company for the quarter and half year ended September 30, 2012.

8 **Statement of Outstanding Stock Options :**

Particulars	ESOP Scheme 2008	ESOP Scheme 2010	ESOP Scheme 2012
1 Outstanding Stock Options as on July 01, 2012	3,196,649	4,456,629	3,000,000
2 Stock Options Granted during the quarter	-	-	-
3 Stock Options Exercised during the quarter	208,018	23,620	-
4 Stock Options Cancelled/Lapsed during the quarter	81,000	66,870	-
5 Outstanding Stock Options as on September 30, 2012	2,907,631	4,366,139	3,000,000

- 9 During the quarter, the Company has allotted 231,638 equity shares to option grantees against exercise of vested stock options.
- 0 Employee benefits expense includes the provisions for Employee Retirement Benefits on pro-rata basis.
- 1 Other Operating income for the quarter ended June 30, 2012 includes Rs 1,098.39 lacs on account of entitlement of MVAT and CST refund for the previous year 2011-2012 pursuant to the grant of Mega Project Status under Package Scheme of Incentives 2007 by the Government of Maharashtra vide its eligibility certificate dated April 11, 2012.
- 2 The figures for the current quarter, half year and the previous year ended March 31, 2012 are not comparable with the quarter & half year ended September 30, 2011 because of acquisitions made since then.
- 3 The previous period's figures have been regrouped wherever necessary.



Consolidated Statement of Assets and Liabilities

(Rs. in Lacs)

Particulars		As at Half Year ended 30.09.2012 (Unaudited)	As at Previous Year ended 31.03.2012 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	a) Share capital	12,043.36	12,000.18
	b) Reserves & Surplus	38,082.85	35,494.17
	c) Money received against share warrants		
	Sub-total - Shareholders' funds	50,126.21	47,494.35
2	Share application money pending allotment		16.75
3	Minority interest	0.30	0.30
4	Non-current liabilities		
	a) Long term borrowings	9,427.89	11,455.45
	b) Deferred tax liabilities (net)	3,034.66	2,807.96
	c) Other long term liabilities	4,520.56	3,218.91
	d) Long term provisions	138.47	82.33
	Sub-total- Non-Current liabilities	17,121.58	17,564.65
5	Current liabilities		
	a) Short term borrowings	41,929.07	36,708.42
	b) Trade payables	5,080.19	4,915.79
	c) Other current liabilities	5,970.36	5,353.18
	d) Short-term provisions	1,501.44	3,290.69
	Sub-total-Current liabilities	54,481.06	50,268.08
	TOTAL - EQUITY AND LIABILITIES	121,729.15	115,344.13
B	ASSETS		
1	Non-current assets		
	a) Fixed Assets	52,536.11	51,490.68
	b) Goodwill on consolidation	2,542.78	2,542.78
	c) Non-Current investment	3.77	3.77
	d) Deferred Tax assets (net)	-	-
	e) Long-term loans and advances	1,753.39	630.16
	f) Other non-current assets	-	-
	Sub-total- Non-current assets	56,836.05	54,667.39
2	Current assets		
	a) Current Investments	-	25.00
	b) Inventories	12,871.78	13,029.26
	c) Trade receivables	11,978.54	12,913.43
	d) Cash and cash equivalents	1,521.58	1,980.60
	e) Short term loans and advances	38,515.99	32,715.99
	f) Other current assets	5.21	12.46
	Sub-total- Current Assets	64,893.10	60,676.74
	TOTAL - ASSETS	121,729.15	115,344.13

By Order of the Board
For TILAKNAGAR INDUSTRIES LTD.

(Signature)
AMIT DAHANUKAR
CHAIRMAN & MANAGING DIRECTOR



Place: Mumbai

Date : November 03, 2012