

# BATLIBOI & PUROHIT

## Chartered Accountants

### INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

#### TO THE BOARD OF DIRECTORS OF TILAKANAGAR INDUSTRIES LIMITED

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **Tilaknagar Industries Limited** ("the Company") and its subsidiaries (together referred to as "the Group") for the quarter and nine months ended December 31, 2015 ('the Statement'), being submitted by the Company pursuant to Regulation 33 of the SEBI (Listing and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Report (AS 25), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. 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 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. In respect of unaudited consolidated financial results, we did not review the statement of unaudited quarterly financial results of eight subsidiaries, which reflect gross revenue and net loss of Rs.11,308.38 lacs and Rs. 476.46 lacs, respectively, as considered in the unaudited consolidated financial results. The financial information/results for these subsidiaries have been reviewed by the other auditors whose reports have been furnished to us by management and our review report on the statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries.
4. Based on our review conducted as stated above and based on consideration of report of other auditors on the unaudited separate quarterly financial results referred to in paragraph 3 above, and based on the other financial information of the components certified by Management referred to in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated financial results prepared in accordance with Accounting Standards specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. Without qualifying we draw attention to Note no.5 of the statement in respect of outstanding MVAT and CST incentive receivable of Rs 6,142.87 lacs from the State Government for the years 2012-2013 and 2013-2014.

Place : Mumbai  
Dated : February 12, 2016



**For BATLIBOI & PUROHIT**  
Chartered Accountants

Firm Reg No. 101048W

*K. A. Mehta*

**KAUSHAL MEHTA**

Partner

Membership No. 111749

**TILAKNAGAR INDUSTRIES LTD. (CIN: L15420PN1933PLC133303)**  
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(Rs in lacs)							
Statement of Consolidated Unaudited Financial Results for the Quarter & Nine months ended December 31, 2015							
	Particulars	Quarter ended			Nine months ended		Previous Year Ended
		31.12.2015 Unaudited	30.09.2015 Unaudited	31.12.2014 Unaudited	31.12.2015 Unaudited	31.12.2014 Unaudited	31.03.2015 (Audited)
<b>1</b>	<b>Income from operations</b>						
	(a) Net sales / income from operations (Net of excise duty)	12,401.41	9,796.78	17,894.48	31,106.56	50,344.54	62,768.95
	(b) Other operating Income (Refer Note 5)	102.67	104.48	2,333.80	2,927.67	9,412.84	12,053.51
	<b>Total Income from operations (net)</b>	<b>12,504.08</b>	<b>9,901.26</b>	<b>20,228.28</b>	<b>34,034.23</b>	<b>59,757.38</b>	<b>74,822.46</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	7,058.20	5,741.23	7,419.65	17,732.38	24,992.12	33,049.78
	(b) Purchases of stock-in-trade	412.71	900.94	4,427.01	1,463.15	4,427.01	4,427.01
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,148.31	74.83	327.29	2,160.96	(228.82)	(383.80)
	(d) Employee benefits Expense	941.22	1,054.49	800.28	2,462.12	2,407.10	2,127.43
	(e) Depreciation and amortisation expense	960.24	971.87	851.29	2,888.07	2,554.86	2,767.86
	(f) Other expenses	4,763.14	4,702.91	4,096.86	15,212.73	15,213.91	26,109.01
	<b>Total expenses</b>	<b>15,283.82</b>	<b>13,446.27</b>	<b>17,922.38</b>	<b>41,919.41</b>	<b>49,366.18</b>	<b>68,097.29</b>
<b>3</b>	<b>Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>(2,779.74)</b>	<b>(3,545.01)</b>	<b>2,305.90</b>	<b>(7,885.18)</b>	<b>10,391.20</b>	<b>6,725.17</b>
<b>4</b>	<b>Other Income</b>	<b>17.59</b>	<b>(13.55)</b>	<b>81.50</b>	<b>78.50</b>	<b>189.05</b>	<b>236.47</b>
<b>5</b>	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items (3 + 4)</b>	<b>(2,762.15)</b>	<b>(3,558.56)</b>	<b>2,387.40</b>	<b>(7,806.68)</b>	<b>10,580.25</b>	<b>6,961.64</b>
<b>6</b>	<b>Finance Costs</b>	<b>3,211.03</b>	<b>3,363.42</b>	<b>2,269.14</b>	<b>9,584.70</b>	<b>6,445.11</b>	<b>9,745.51</b>
<b>7</b>	<b>Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)</b>	<b>(5,973.18)</b>	<b>(6,921.98)</b>	<b>118.26</b>	<b>(17,391.38)</b>	<b>4,135.14</b>	<b>(2,783.87)</b>
<b>8</b>	<b>Exceptional Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9</b>	<b>Profit/(Loss) from ordinary activities before tax (7 - 8)</b>	<b>(5,973.18)</b>	<b>(6,921.98)</b>	<b>118.26</b>	<b>(17,391.38)</b>	<b>4,135.14</b>	<b>(2,783.87)</b>
<b>10</b>	<b>Tax expense</b>	<b>-</b>	<b>-</b>	<b>217.70</b>	<b>-</b>	<b>1,089.87</b>	<b>1,232.45</b>
<b>11</b>	<b>Net Profit/(Loss) from ordinary activities after tax (9 - 10)</b>	<b>(5,973.18)</b>	<b>(6,921.98)</b>	<b>(99.44)</b>	<b>(17,391.38)</b>	<b>3,045.27</b>	<b>(4,016.32)</b>
<b>12</b>	<b>Extraordinary items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>13</b>	<b>Net Profit/(Loss) for the period (11-12)</b>	<b>(5,973.18)</b>	<b>(6,921.98)</b>	<b>(99.44)</b>	<b>(17,391.38)</b>	<b>3,045.27</b>	<b>(4,016.32)</b>
<b>14</b>	<b>Share of Profit/(Loss) of associates</b>	<b>-</b>	<b>(169.00)</b>	<b>-</b>	<b>(169.00)</b>	<b>-</b>	<b>-</b>
<b>15</b>	<b>Minority Interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.37)</b>
<b>16</b>	<b>Net Profit/(Loss) after taxes, minority interest and share of profit/(loss) of associates (13+14-15)</b>	<b>(5,973.18)</b>	<b>(7,090.98)</b>	<b>(99.44)</b>	<b>(17,560.38)</b>	<b>3,045.27</b>	<b>(4,015.95)</b>
<b>17</b>	<b>Paid-up equity share capital (Face Value: Rs.10/- per share)</b>	<b>12,475.61</b>	<b>12,475.61</b>	<b>12,467.30</b>	<b>12,475.61</b>	<b>12,467.30</b>	<b>12,475.61</b>
<b>18</b>	<b>Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year</b>						<b>35,322.41</b>
<b>19(i)</b>	<b>Earnings Per Share (before extraordinary items) (of Rs. 10 /- each) (not annualised):</b>						
	(a) Basic (Rs.)	(4.79)	(5.55)	(0.08)	(13.94)	2.45	(3.23)
	(b) Diluted (Rs.)	(4.79)	(5.55)	(0.08)	(13.94)	2.44	(3.22)
<b>19(ii)</b>	<b>Earnings Per Share (after extraordinary items) (of Rs. 10 /- each) (not annualised):</b>						
	(a) Basic (Rs.)	(4.79)	(5.55)	(0.08)	(13.94)	2.45	(3.23)
	(b) Diluted (Rs.)	(4.79)	(5.55)	(0.08)	(13.94)	2.44	(3.22)



**Notes :**

- The above Results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 12, 2016 and have been subjected to a Limited Review by the Statutory Auditors of the Company.
- The above 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.
- 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. The Company does not have any geographical segment.
- The Company has tie-up arrangements in some States and in respect of such arrangements the turnover as given below has not been treated as 'Sales'. However, the surplus generated out of these arrangements is included in the 'Sales/Income from Operations'.

Particulars	Quarter ended			Nine Months ended		Previous Year ended
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
Gross turnover in respect of tie-up arrangements	1,895.12	1,500.30	3,356.65	4,284.50	15,137.37	21,256.42

(Rs. in lacs)

Particulars	Quarter ended			Nine Months ended		Previous Year ended*
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
Amount included in operating income on account of entitlement of MVAT and CST refund	-	-	2,228.69	2,589.18	9,049.50	11,529.05

(Rs. in lacs)

\*for the year 2013-14 and 2014-15

The Company is awaiting disbursement of the sanctioned amount of MVAT and CST refund for the year 2012-13 onwards. In view of the pending claims, it has been considered prudent to recognize MVAT and CST incentives on disbursement from the quarter ended September 2015 onwards. The Company will review the outstanding MVAT and CST receivables from the State Government at the year end.

- The Standalone and Consolidated Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2015 are available on the Company's website ([www.tilind.com](http://www.tilind.com)) and on the website of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)). Key Standalone Financial information is given below:

Particulars	Quarter ended			Nine Months ended		Previous Year ended
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Net sales/ income from operations	10,299.14	8,323.30	13,226.81	25,556.50	34,968.86	43,473.29
2 Profit before tax	(5,496.65)	(6,860.58)	(553.18)	(16,205.23)	3,276.22	(2,318.83)
3 Profit after tax	(5,496.65)	(6,860.58)	(553.18)	(16,205.23)	2,467.04	(3,450.29)

(Rs. in lacs)

- Kesarval Springs Distillers Pvt. Ltd., the wholly owned subsidiary of the Company had entered into an Asset Purchase Agreement with Indospirit Beverages Pvt. Ltd. on October 01, 2015 to sell, lease/sub-lease or dispose of all its assets together with its rights, title and interest in the movable assets situated at Goa.
- Employee benefits expense includes the provisions for Employee Retirement Benefits on pro-rata basis.
- The previous period figures have been regrouped and reclassified wherever necessary.

Place: Mumbai  
Date : February 12, 2016



By Order of the Board  
For Tilaknagar Industries Ltd.

*Amit Dahanukar*  
Amit Dahanukar  
Chairman & Managing Director