

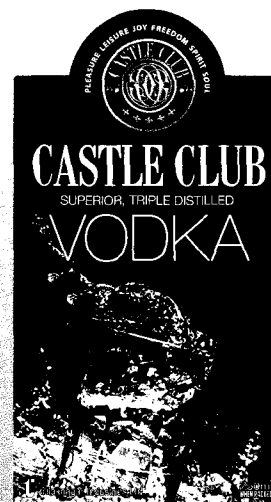
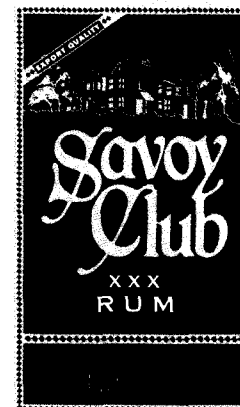
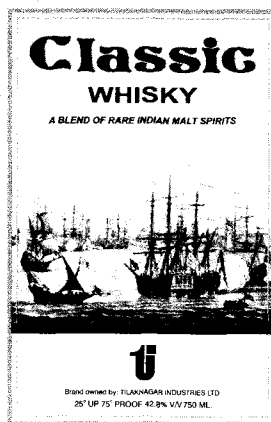
# 71st ANNUAL REPORT 2005-06



**TILAKNAGAR INDUSTRIES LTD.**

ISO 9001-2000 CERTIFIED

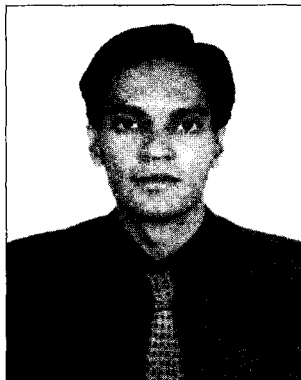




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## Chairman's Note



### Dear Fellow-Shareholders

The world is looking at India with new found respect, and there are undisputable signs that the hitherto unimaginable double-digit GDP growth is fast becoming a reality. To my mind, the changing demographic age profile with the majority of our earning population falling in the 25-45 age group, is the surest sign of explosive consumption driven growth ahead.

Recognizing this opportunity, and with the objective of enhancing our production capabilities, we made a well received rights issue in the year under review at a price that we believe was attractive and in sync with our objective of shareholder wealth enhancement. The proceeds were used to set up a wash to ENA plant which gives us a technological cutting edge.

We have signed a Memorandum of Understanding (MoU) with Angostura, a prominent West Indies based alcohol manufacturing company whereby we are proposing to enter into a joint-venture to introduce new brands into the Indian market, leveraging on our strong and efficient distribution network.

In addition to opening a franchise bottling arrangement in Andhra Pradesh and a franchise unit in Goa to manufacture liquor in pouches exclusively targeted at the export market, I am pleased to inform you that we also received a certificate for zero discharge from the Maharashtra State Pollution Control Board at our manufacturing unit, indicating compliance with all environmental Government regulations.

With exciting opportunities beckoning in our segment, we have embarked on introducing a new range of products while simultaneously upgrading our existing products. We have also embarked on a massive effort to spread and further strengthen our distribution capabilities. We propose to expand our geographies by entering into franchise agreements across key states like Uttar Pradesh, West Bengal, Kerala in addition to others.

Notwithstanding the need to conserve resources to drive all these growth plans, I am pleased to inform you that it was unanimously decided to reward shareholders to the same extent as last year in aggregate terms ( Rs.45 lakh ) in the form of a 8% dividend payout.

I conclude, with a vote of thanks for the faith you have reposed in the Board and me and assure you of the untiring efforts of every member of the staff of Tilaknagar Industries, including myself, to enhance shareholder wealth through improved performances.

Sincerely

*Amit Dahanukar*

20th June 2006





## Our Key Products

### **MANSION HOUSE**

*Premium Whisky*

A premium whisky blended with the finest Scottish malts and positioned in the premium segment.

#### **Geographies :**

Maharashtra, Chattisgarh, Daman, Diu, Silvassa, Karnataka, Pondicherry, Mahe, Karaikal, Andhra Pradesh and Orissa.

### **COURRIER NAPOLEON**

*French Brandy*

A superb blend made from high-end grape spirit which is distilled in Cognac pot stills of France and positioned in the premium segment.

#### **Geographies :**

Andhra Pradesh, Karnataka, Pondicherry, Mahe, Karaikal, Yanam, Maharashtra, Assam, Meghalaya, West Bengal, Sikkim, Daman, Goa, Diu, Silvassa and BSF.

### **MANSION HOUSE**

*French Brandy*

A premium blend distilled in Cognac pot stills of France and produced from finest grape spirit under technology from France.

#### **Geographies :**

Andhra Pradesh, Karnataka, Kerala, Pondicherry, Mahe, Karaikal, Yanam, Maharashtra, Assam, Meghalaya, West Bengal, Orissa, Sikkim, Daman, Goa, Diu and

Registered with Canteen Stores Department (CSD) and growing in popularity.

### **SENATE ROYALE**

*Whisky*

A premier blend of imported Scotch Whisky from Spey and Highland regions of Scotland with superior Indian spirits.

Positioned in the Prestige segment and promises to be a force to reckon with in the coming year.

#### **Geographies :**

Being re-launched across India, Senate Whisky is currently available in Maharashtra, Daman, Diu, Silvassa, Goa, Chattisgarh, Karnataka, Pondicherry, Mahe, West Bengal, Yanam, Assam, Meghalaya, Orissa, Chattisgarh, Delhi, Andhra Pradesh.

## Our Key Products

### **SENATE**

*Brandy & Rum*

A brand extension of the popular Senate Whisky into two other volume flavours of Brandy and Rum.

#### **Geographies :**

These are initially for the Karnataka market and has been positioned in the prestige range

### **CLASSIC**

*Whisky*

A Scotch blend made with finest Indian spirit, available in a classic tall bottle because of which the product stands tall over other brands.

#### **Geographies :**

A preferred brand in Maharashtra, Daman, Diu, Silvassa, Goa, Chattisgarh, and Delhi.

### **CASTLE CLUB**

*Whisky, Vodka & Rum*

The Castle Club range of whisky, vodka and rum is an aggressive entry in the fast-growing regular-plus segment.

The contemporary packaging is complemented with a distinctive flavour in each product category and is slated for an August launch. It will be supported by innovative marketing inputs.

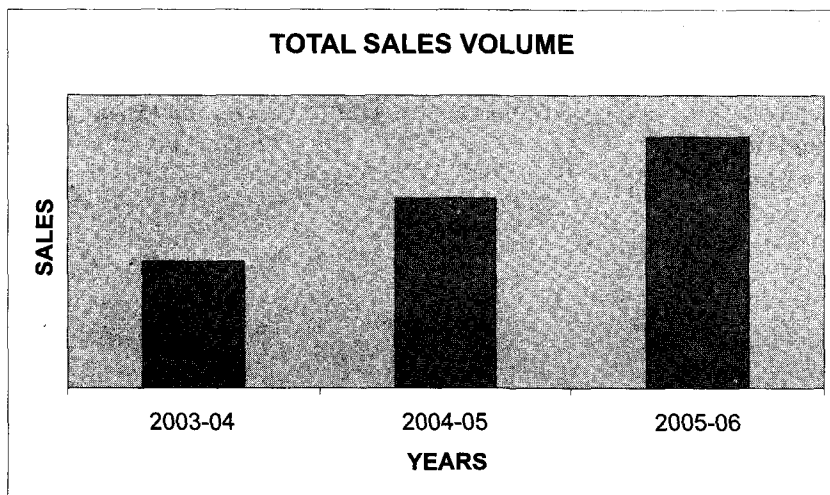
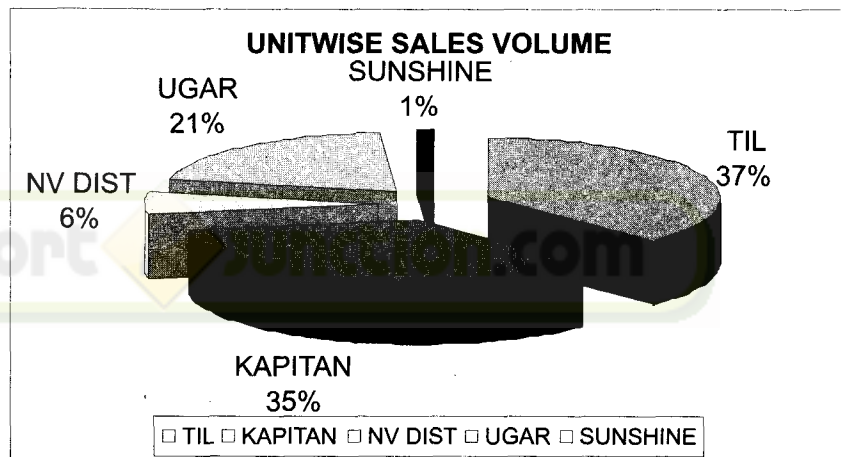
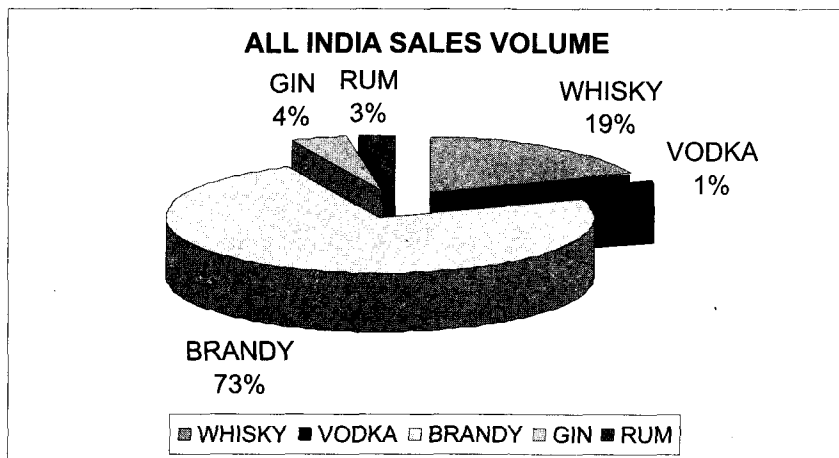
### **CLASSIC**

*Vodka*

A fine blend of triple distilled extra neutral alcohol and natural ingredients. It has a very clean and crisp taste.

#### **Geographies :**

Maharashtra, Daman & Diu, Silvassa.



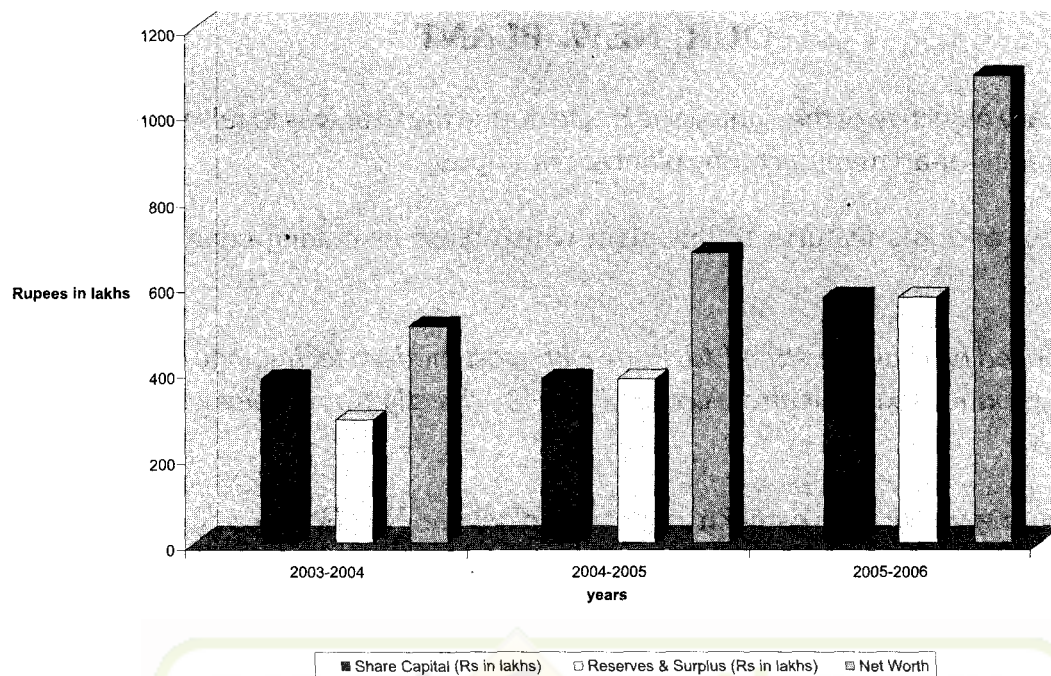
## OUR NEW PLANT

The primary objective of the rights issue made during the year was to raise funds to set up a new state-of-art manufacturing plant at Srirampur.

The details and key features of this plant which gives us cutting edge technology include :

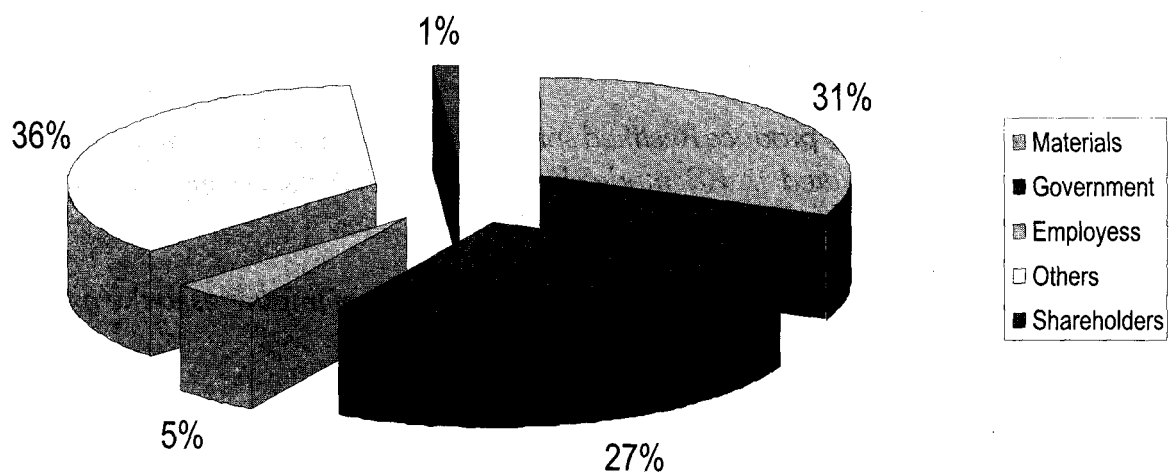
- *Supplied by Praj Industries Ltd. Pune with most modern technology whereby we can produce Extra Neutral Alcohol ( ENA ) directly from Molasses fermented wash.*
- *Impure spirit cut from earlier two separate plants i.e. RS ( Rectified Spirit ) plant & ENA plant was 26%, but from this wash to ENA plant, it is only 6%.*
- *7 Columns working under Vacuum and Pressure i.e. Multi-pressure plant thereby reducing steam consumption. In Old plants Steam consumption was 6.5 kg/ltr of ENA, whereas in this new plant it is only 3.2 kg/ltrs. of ENA. Therefore, energy consumption stands reduced by 50%*
- *Spent wash generation has reduced in this plant from earlier 14-15 ltrs/ ltr. of spirit to 10-12 ltrs/ltrs. of spirit; thereby reducing load of Effluent treatment.*
- *This plant is fully automatic, working on Programmable Logic Control ( PLC ) based technology, controlled by Computer called "SCADA" System Supervisory Control and Data Acquisition. This has reduced manpower.*
- *This plant can also produce Rectified spirit or Industrial alcohol for chemical plant i.e. can be operated in RS mode/ Industrial alcohol mode and ENA mode. Flexibility is available.*
- *Export quality ENA due to automation and removal of impurities to the greatest extent possible.*

### SHARE CAPITAL, RESERVES & NETWORTH



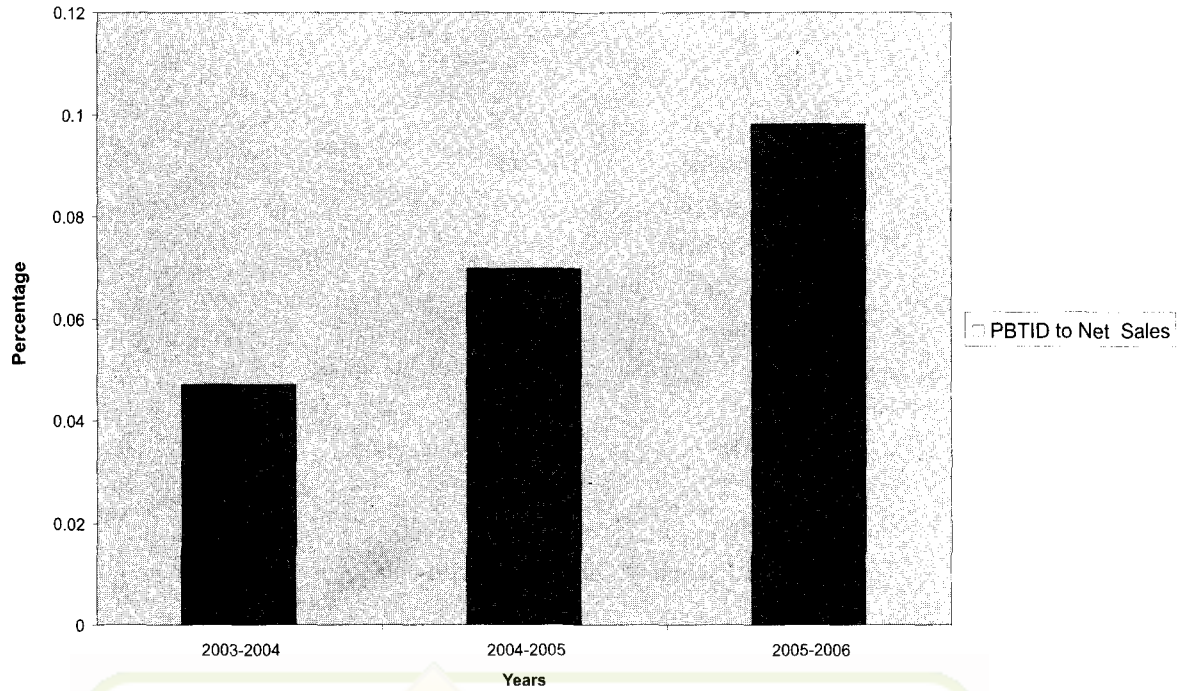
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### HOW THE RUPEE WAS SPENT



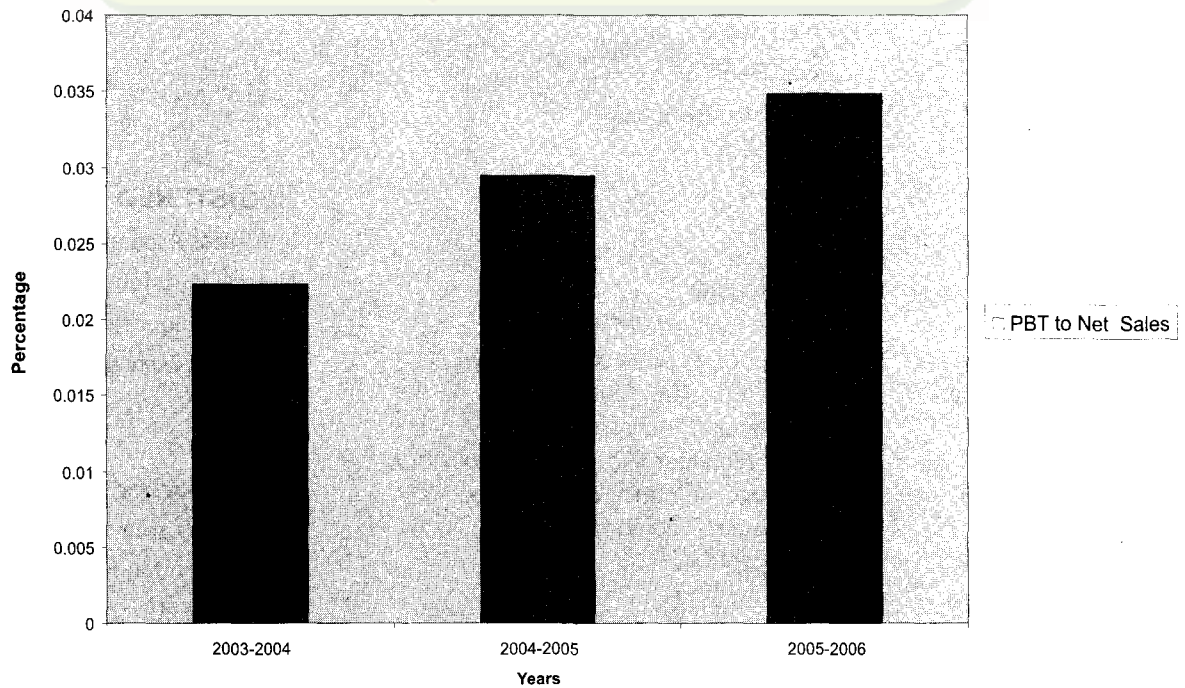


**PBTID to Net Sales**



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### Board of Directors

Amit Dahanukar : *Chairman & Managing Director*  
(w.e.f. June 1<sup>st</sup> 2006)

S. V. Muzumdar	}	<i>Directors</i>
V. B. Haribhakti		
S. H. Junnarkar		
Mrs. Pallavi S. Jha		
Dr. V. K. Kanhere		

P.M. Salaskar : *Managing Director*  
(up to January 11<sup>th</sup> 2006)

S. D. Bhurke : *Company Secretary*

### AUDITORS

Batilboi & Purohit, *Chartered Accountants*

### SOLICITORS

Kanga & Co.

Junnarkar & Associates

### BANKERS

Canara Bank

Indian Overseas Bank

### KEY EXECUTIVES

#### HEAD OFFICE :

Anand P. Nair	: President
Shivani A. Dahanukar	: Vice-President
Abhijit Daasgupta	: President (Sales & Marketing)
Gaurav Prakash	: Vice-President (Sales & Marketing)
Narayan Gaitonde	: General Manager (Materials)
Gev Bharucha	: Sr. Manager (Purchase)
Pawan Poddar	: General Manager (Accounts & Taxation)
C. R. Mahadevan	: Sr. Manager (Finance & Accounts)
Ajit Nene	: Sr. Manager (Secretarial)

#### FACTORY :

Iqbal Kagdi	: General Manager (Technical)
Sandeep Velde	: General Manager (Liquor)
Vilas Bhosle	: Sr. Manager (Production)

### REGISTERED OFFICE

Industrial Assurance Building,  
Churchgate, Mumbai 400 020.  
e-mail : [tiliquor@eth.net](mailto:tiliquor@eth.net)  
Website : [www.tilind.com](http://www.tilind.com)

### WORKS

P. O. Tilaknagar  
Station Belapur (C.Rly.)  
Dist. Ahmednagar, Maharashtra  
PIN 413 720