

Review Report to
The Board of Directors
Tilaknagar Industries Ltd.

1. We have reviewed the accompanying statement of unaudited stand alone financial results of Tilaknagar Industries Ltd. (the 'Company') for the quarter ended September 30, 2017 and year to date from April 01, 2017 to September 30, 2017 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No.CIR/CFD/FAC/62/2016 dated July 5, 2016.

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 read with SEBI Circular No.CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements (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 procedure 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.
3. A. The company has not impaired one of the ENA plant as required by Indian Accounting Standard (Ind AS) 36 – 'Impairment of Assets', though there is an indication of impairment. Reference is invited to Note No. 9 of the statement.
B. The company has not made impairment of advances given to the certain parties amounting to Rs 7,874.08 lakhs as required by Indian Accounting Standard (Ind AS) 36 – 'Impairment of Assets'. Reference is invited to Note No. 10 of the statement.
C. The company has not impaired an investment and loan given amounting to Rs. 1543.35 lakhs and Rs. 6159.96 lakhs respectively in subsidiary Prag Distilleries Private Limited as it is referred to NCLT. Reference is invited to Note No. 12 of the statement.



A/114, Super Shopping Complex, Bajaj Cross Road, Kandivli (West), Mumbai - 400 067.

Tel.: 2805 1018 • Telefax : 2864 0281 • Email : pankaj2703@yahoo.co.in • mmparikh1978@yahoo.in

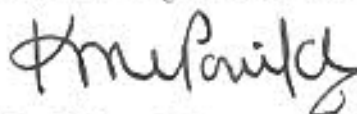
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized 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, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The comparative financial information of the Company for the immediately preceding quarter ended June 30, 2017 corresponding quarter and half year ended September 30, 2016 were reviewed by the predecessor auditor who expressed an unmodified conclusion on that financial information on September 14, 2017 and November 11, 2016 respectively.
6. We draw attention to note no.11 of the statement stating that the accounts have been prepared on going concern.
7. Attention is drawn to the fact that the figures for the corresponding quarter and the half year ended on September 30, 2016, including the reconciliation of profit of the aforesaid quarter and half year as per Ind AS with profit reported under previous GAAP, as reported in these unaudited financial results have been approved by the Company's Board of Directors but have not been subjected to our review.

Our conclusion is not modified in respect of matters described in paragraph 5, 6 and 7 above.

For M. M. Parikh & Co.

Chartered Accountants

ICAI Firm registration No.107557W



Mr. Kishor M Parikh

Partner

Membership No.031110



Place: Mumbai

Date: February 27, 2018

TILAKNAGAR INDUSTRIES LTD. (CIN: L15420PN1933PLC133303)

Corporate Office: 3rd Floor, Industrial Assurance Building, Churchgate, Mumbai, Maharashtra - 400 020

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

Email: investor@tilind.com; Website: www.tilind.com; Phone: +91 22 22831716/18; Fax: +91 22 22046904

(Rs in lacs)					
Statement of Standalone Unaudited Financial Results for the Quarter & Half Year ended September 30, 2017					
Particulars	Quarter ended			Half Year ended	
	30.09.2017 (Unaudited)	30.06.2017 (Unaudited)	30.09.2016 (Unaudited)	30.09.2017 (Unaudited)	30.09.2016 (Unaudited)
I Revenue from operations (inclusive of Excise Duty)	5,880.59	4,898.65	14,184.11	14,779.24	25,188.86
II Other Income	36.22	74.35	158.70	110.57	168.67
III Total Income (I + II)	9,916.81	4,973.00	14,342.81	14,889.81	25,357.53
IV Expenses					
(a) Cost of materials consumed	2,261.89	2,705.72	5,375.86	4,967.61	9,825.84
(b) Purchases of stock-in-trade	-	-	-	-	-
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	143.36	(125.31)	342.62	18.05	712.64
(d) Excise Duty	172.18	138.97	5,093.61	311.15	8,981.68
(e) Employee benefits expense	548.41	519.63	598.78	1,068.04	1,167.01
(f) Finance costs	3,380.86	3,320.77	3,489.36	6,701.63	6,717.30
(g) Depreciation and amortization expense	899.22	892.49	920.45	1,791.71	1,833.89
(h) Other expenses	2,572.13	3,602.86	4,135.26	6,174.99	7,806.28
Total expenses	9,978.05	11,055.13	19,956.14	21,033.18	37,044.64
V Profit/(Loss) before exceptional items and tax (III-IV)	(61.24)	(6,082.13)	(5,613.33)	(6,143.37)	(11,687.11)
VI Exceptional items	-	-	-	-	-
VII Profit/(Loss) before tax (V-VI)	(61.24)	(6,082.13)	(5,613.33)	(6,143.37)	(11,687.11)
VIII Tax Expense:					
(a) Current tax	-	-	-	-	-
(b) Deferred tax	(9.02)	-	(13.82)	(9.02)	(13.82)
Total Tax Expense	(9.02)	-	(13.82)	(9.02)	(13.82)
IX Profit/(Loss) for the period (VII-VIII)	(52.22)	(6,082.13)	(5,599.51)	(6,134.35)	(11,673.29)
X Other Comprehensive Income/(Loss)					
(a) Items that will not be reclassified to profit & loss					
(i) Remeasurement of the defined benefit gain / (losses)	(14.71)	(14.71)	(14.01)	(29.42)	(28.02)
(ii) Deferred tax on remeasurement of defined benefit gain / (losses)	-	-	-	-	-
(b) Items that will be reclassified to profit & loss	-	-	-	-	-
Total Other Comprehensive Income/(Loss) for the period ((a) + (b))	(14.71)	(14.71)	(14.01)	(29.42)	(28.02)
XI Total Comprehensive Income/(Loss) for the period (IX+X)	(66.93)	(6,096.84)	(5,613.52)	(6,163.77)	(11,701.31)
XII Paid-up equity share capital (Face value of Rs. 10/- per Share)	12,475.61	12,475.61	12,475.61	12,475.61	12,475.61
XIII Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year					
XIV Earnings Per Equity Share of Rs. 10/- each (not annualized)					
(a) Basic (Rs.)	(0.04)	(4.88)	(4.49)	(4.92)	(9.35)
(b) Diluted (Rs.)	(0.04)	(4.88)	(4.49)	(4.92)	(9.35)



Notes :

- The above Results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on February 27, 2018.
- The Company has adopted Indian Accounting Standards ("IND-AS") with effect from April 01, 2017 with a transition date of April 01, 2018. The financial results for the quarter and half year ended September 30, 2017 have been prepared in accordance with recognition and measurement principles laid down in the IND-AS 34 - Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Accordingly, the impact of transition has been provided in the opening equity as on April 01, 2018 and figures for the corresponding quarter and half year ended September 30, 2016 have been prepared to comply with IND-AS. The financial results for the previous year ended March 31, 2017 are not IND-AS compliant as furnishing of the same is not mandatory in accordance with the provisions of Circular issued by the SEBI on July 05, 2016.
- The IND-AS compliant financial results for the quarter and half year ended September 30, 2017 have been subjected to a limited review by the Statutory Auditors. The IND-AS compliant figures of the corresponding quarter and half year ended September 30, 2016 have not been subjected to a limited review by the Statutory Auditors. However, the management has exercised necessary due diligence to ensure that such financial results provide a true and fair view.
- There is a possibility that these quarterly financial results may require adjustment before constituting the final IND-AS financial statements as of and for the year ending March 31, 2018 due to changes in financial reporting requirements arising from changes in the use of one or more optional exemptions from full retrospective application of certain IND-AS as permitted under IND-AS 101.
- 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 as per IND-AS 108 - Operating Segments. Accordingly, disclosure in accordance with the provisions of Circular issued by the SEBI on July 05, 2016 is not applicable.
- Reconciliation between financial results as previously reported (referred to as 'Previous GAAP') and IND-AS for the quarter and half year ended September 30, 2016 is as under:

Particulars	(Rs. in lacs)	
	Quarter ended September 30, 2016	Half Year ended September 30, 2016
	(Unaudited)	(Unaudited)
Net Profit/(Loss) as reported under Previous GAAP	(5,604.01)	(11,670.39)
Actual gain/(loss) in respect of defined benefit plan reclassified to Other Comprehensive Income	14.01	28.02
Financial liabilities measured at amortised cost	(21.91)	(45.84)
Exchange fluctuation on financial liabilities	(1.42)	1.10
Deferred Tax (Liability)/Asset due to Financial liabilities measured at amortised cost	13.82	13.82
Net Profit/(Loss) as per Ind-AS	(6,599.51)	(11,673.29)

- The previous period figures have been regrouped and reclassified wherever necessary.
- 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 'Revenue from operations'.

Particulars	(Rs. in lacs)				
	Quarter ended			Half Year ended	
	30.09.2017 (Unaudited)	30.06.2017 (Unaudited)	30.09.2016 (Unaudited)	30.09.2017 (Unaudited)	30.09.2016 (Unaudited)
Gross turnover in respect of tie-up arrangements	2,384.46	3,704.10	16,198.80	6,088.56	28,958.49

- The Company has applied to the state government authorities for dual feed permission for manufacture of ENA through molasses as well as grain at one of its unit and permission is expected soon. In view of this, the management believes that there is no impairment in value of its unit and hence, the recoverable amount of the unit is not required to be estimated.
- In lieu of advances given to certain parties amounting to Rs. 7,874.08 lacs, immovable properties have been offered and hence, no provision is considered necessary in the books of accounts.
- The Company's net worth has eroded, however, there is an improvement in operational performance of the liquor business in terms of higher sales, market share and margins in the southern states. The Company is also in active discussion with the lenders on debt restructuring. Hence, the accounts are prepared on going concern basis.
- Prag Distillery, wholly owned subsidiary of the Company had been referred to National Company Law Tribunal ("NCLT") for Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") and accordingly a Resolution Professional (RP) has been appointed. The RP has invited bids for resolution in respect of the same. As the resolution process is pending no provision has been made in the books of accounts for the loans granted and diminution in the value of investments in Prag Distillery (P) Ltd. Necessary provisions, if required, will be made as and when the resolution process is completed under the IBC code.



Particulars	(Rs. In lacs)
	As at Half
	Year ended
	30.09.2017
	(Unaudited)
A ASSETS	
NON-CURRENT ASSETS	
(a) Property, Plant and Equipment	46,910.39
(b) Capital Work-in-Progress	1,495.07
(c) Other Intangible Assets	685.96
(d) Financial Assets	
(i) Investments	4,763.85
(ii) Loans	553.33
(iii) Other Financial Assets	
(e) Income Tax Assets (net)	92.84
(f) Deferred Tax Assets	194.33
(g) Other Non-Current Assets	4.96
Total Non-Current Assets	54,701.72
CURRENT ASSETS	
(a) Inventories	6,306.95
(b) Financial Assets	
(i) Investments	-
(ii) Trade Receivable	4,310.13
(iii) Cash and Cash Equivalents	263.58
(iv) Bank Balance other than (iii) above	31.50
(v) Loans	42,139.72
(vi) Other Financial Assets	4,759.49
(c) Income Tax Assets (net)	
(d) Other Current Assets	401.61
Total Current Assets	58,212.97
TOTAL ASSETS	112,914.69
B EQUITY AND LIABILITIES	
EQUITY	
(a) Equity Share Capital	12,475.61
(b) Other Equity	(21,468.67)
Total Equity	(8,993.06)
LIABILITIES	
NON-CURRENT LIABILITIES	
(a) Financial Liabilities	
(i) Borrowings	-
(ii) Other Financial Liabilities	1,614.77
(b) Provisions	228.31
(c) Deferred Tax Liabilities (net)	4,294.51
(d) Other Non-Current Liabilities	-
Total Non-Current Liabilities	6,137.59
CURRENT LIABILITIES	
(a) Financial Liabilities	
(i) Borrowings	80,105.80
(ii) Trade Payables	10,348.20
(iii) Other Financial Liabilities	24,660.29
(b) Provisions	263.15
(c) Income Tax Liabilities (net)	265.30
(d) Other Current Liabilities	127.42
Total Current Liabilities	115,770.16
TOTAL EQUITY AND LIABILITIES	112,914.69

By Order of the Board
For Tilkarnagar Industries Ltd.



C.V. Bijlani
Director

Place: Mumbai
Date : February 27, 2018

