

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 December 31, 2017 and year to date from April 01, 2017 to December 31, 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 7874.08 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. 6257.65 lakhs respectively in subsidiary Prag Distilleries Private Limited as it is referred to NCLT. Reference is invited to Note No. 12 of the statement.



4. Based on our review conducted as above, except for effects of matter described in paragraph 3 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 there under 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 corresponding quarter and nine months ended December 31, 2016 were reviewed by the predecessor auditor who expressed a modified conclusion on that financial information on 13<sup>th</sup> February, 2017.
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 nine months ended on December 31, 2016 including the reconciliation of profit of the aforesaid quarter and nine months 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)

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(Rs in lacs)					
Statement of Standalone Unaudited Financial Results for the Quarter & Nine months ended December 31, 2017					
Particulars	Quarter ended			Nine Months ended	
	31.12.2017 Unaudited	30.09.2017 Unaudited	31.12.2016 Unaudited	31.12.2017 Unaudited	31.12.2016 Unaudited
I Revenue from operations (inclusive of Excise Duty)	6,738.73	9,880.59	16,887.54	21,517.98	42,076.39
II Other Income	159.89	36.22	8.30	270.46	176.97
III Total Income (I + II)	6,898.63	9,916.81	16,895.84	21,788.44	42,253.36
IV Expenses					
(a) Cost of materials consumed	2,989.97	2,261.89	6,022.53	7,957.59	15,848.37
(b) Purchases of stock-in-trade	-	-	-	-	-
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	42.63	143.35	(831.00)	50.67	(118.36)
(d) Excise Duty	253.25	172.18	6,377.90	584.40	15,359.57
(e) Employee benefits expense	418.20	548.41	555.07	1,466.24	1,722.63
(f) Finance costs	3,404.38	3,380.86	3,274.38	10,186.01	9,991.67
(g) Depreciation and amortization expense	896.48	899.22	917.13	2,688.20	2,751.02
(h) Other expenses	1,903.75	2,572.13	5,617.93	8,078.74	13,424.21
Total expenses	9,998.66	9,978.05	21,934.54	31,031.84	58,979.16
V Profit/(Loss) before exceptional items and tax (III-IV)	(3,100.03)	(61.24)	(5,038.70)	(9,243.41)	(16,725.80)
VI Exceptional items	-	-	-	-	-
VII Profit/(Loss) before tax (V-VI)	(3,100.03)	(61.24)	(5,038.70)	(9,243.41)	(16,725.80)
VIII Tax Expense:					
(a) Current tax	-	-	-	-	-
(b) Deferred tax	(3.57)	(9.02)	(5.63)	(12.59)	(19.45)
Total Tax Expense	(3.57)	(9.02)	(5.63)	(12.59)	(19.45)
IX Profit/(Loss) for the period (VII-VIII)	(3,096.47)	(52.22)	(5,033.07)	(9,230.82)	(16,706.35)
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)	(44.13)	(42.03)
(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)	(44.13)	(42.03)
XI Total Comprehensive Income/(Loss) for the period (IX+X)	(3,111.17)	(66.93)	(5,047.08)	(9,274.95)	(16,748.38)
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.)	(2.48)	(0.04)	(4.04)	(7.40)	(13.39)
(b) Diluted (Rs.)	(2.48)	(0.04)	(4.04)	(7.40)	(13.39)



## 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, 2016. The financial results for the quarter and nine months ended December 31, 2017 and quarter 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, 2016 and figures for the corresponding quarter and nine months ended December 31, 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 nine months ended December 31, 2017 have been subjected to a limited review by the Statutory Auditors. The IND-AS compliant figures of the corresponding quarter and nine months ended December 31, 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 nine months ended December 31, 2016 is as under:

Particulars	(Rs. in lacs)	
	Quarter ended December 31, 2016	Nine months ended December 31, 2016
	(Unaudited)	(Unaudited)
Net Profit/(Loss) as reported under Previous GAAP	(5,034.50)	(16,704.89)
Actuarial gain/(loss) in respect of defined benefit plan reclassified to Other Comprehensive Income	14.01	42.00
Financial liabilities measured at amortised cost	(20.33)	(66.16)
Exchange fluctuation on financial liabilities	-	1.10
Deferred Tax (Liability)/Asset due to Financial liabilities measured at amortised cost	5.63	19.45
Net Profit/(Loss) as per Ind-AS	(6,033.07)	(16,706.35)

- 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			Nine Months ended	
	31.12.2017 (Unaudited)	30.09.2017 (Unaudited)	31.12.2016 (Unaudited)	31.12.2017 (Unaudited)	31.12.2016 (Unaudited)
Gross turnover in respect of tie-up arrangements	3,248.72	2,384.46	18,338.44	9,337.28	47,296.93

- 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.

By Order of the Board  
For Tilaknagar Industries Ltd.



C.V. Bijlani  
Director

Place: Mumbai  
Date : February 27, 2018

