



HARSHIL SHAH & COMPANY

Chartered Accountants

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Independent Auditor's Review Report on Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Tilaknagar Industries Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Tilaknagar Industries Limited** ("the Company") for the quarter ended September 30, 2021 and the year to date results for the period April 01, 2021 to September 30, 2021 ("the Statement"), being submitted by the company pursuant to the requirement of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared 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, as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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 an 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.
4. a. The Company has not carried out impairment analysis of one of the ENA plants 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. 5 of the standalone statement.
b. The National Company Law Tribunal ("NCLT") has ordered for liquidation of Prag Distillery (P) Ltd ("Prag") wholly owned subsidiary of the Company, vide its order No. MA 309/2018 in CPI067/ 2017 dated July 26, 2018. However, the Company has not made impairment provision for equity investment of Rs. 1543.35 lakhs in Prag as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets'. Reference is invited to note no. 6 of the standalone statement.



c. PunjabExpoBreweries Private Limited ("Punjabexpo") wholly owned subsidiary of the Company, has incurred loss during the quarter and due to accumulated losses, the net worth is negative. Despite adverse financial condition, the Management has not recognised provision for impairment in equity investment of Rs. 2680.24 lakhs and loans & advances given of Rs.3164.90 lakhs to Punjabexpo as required by Indian Accounting Standard (Ind AS 36), 'Impairment of Assets'. Reference is invited to note no. 7 of the standalone statement.

The above matters were also qualified in our report on the audited financial results for the quarter and year ended March 31, 2021.

5. Based on our review conducted and procedures performed as stated above, except for the possible effects for the matters described in paragraph 4 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 aforesaid Indian Accounting Standard and other recognised accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Harshil Shah & Company
Chartered Accountants
ICAI Firm Reg. No. 141179W



Harshil Shah

Partner

Membership No. 124146



Place: Mumbai

Date: November 12, 2021

ICAI UDIN: 21124146AAAADB3560

TILAKNAGAR INDUSTRIES LTD. (CIN: L15420PN1933PLC133303)

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

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(Rs. in Lacs except EPS)							
Statement of Standalone Unaudited Financial Results for the Quarter & Half Year ended September 30, 2021							
	Particulars	Quarter ended			Half Year ended		Previous Year
		30.09.2021 Unaudited	30.06.2021 Unaudited	30.09.2020 Unaudited	30.09.2021 Unaudited	30.09.2020 Unaudited	31.03.2021 Audited
I	Revenue from Operations	44,534.64	32,413.84	35,987.81	76,948.48	54,530.56	1,41,836.42
II	Other Income	128.92	16.60	299.59	145.52	327.02	1,170.00
III	Total Income (I + II)	44,663.56	32,430.44	36,287.40	77,094.00	54,857.58	1,43,006.42
IV	Expenses						
	(a) Cost of materials consumed	9,436.10	6,379.76	6,753.85	15,815.86	10,079.18	29,132.08
	(b) Purchases of stock-in-trade	-	-	-	-	-	-
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	851.72	(444.28)	(451.49)	407.44	(1,328.38)	(1,393.75)
	(d) Excise duty	24,423.45	18,883.38	22,747.28	43,306.83	35,651.84	86,961.34
	(e) Employee benefits expense	406.09	455.33	487.87	861.42	932.94	1,554.84
	(f) Finance costs	1,479.35	1,423.15	1,551.65	2,902.50	3,172.98	6,540.05
	(g) Depreciation and amortization expense	785.20	779.90	790.67	1,565.10	1,577.53	3,141.28
	(h) Other expenses	6,655.75	4,538.64	4,256.57	11,194.39	6,517.99	19,995.75
	Total Expenses	44,037.66	32,015.88	36,136.40	76,053.54	56,604.08	1,45,931.59
V	Profit/(Loss) Before Exceptional Items And Tax (III-IV)	625.90	414.56	151.00	1,040.46	(1,746.50)	(2,925.17)
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit/(Loss) Before Tax (V+/-VI)	625.90	414.56	151.00	1,040.46	(1,746.50)	(2,925.17)
VIII	Tax Expense						
	(a) Current tax	-	-	-	-	-	-
	(b) Taxes for Earlier Years	(351.66)	-	-	(351.66)	1.33	(45.96)
	(c) Deferred tax	-	-	-	-	-	-
	Total Tax Expense	(351.66)	-	-	(351.66)	1.33	(45.96)
IX	Profit/(Loss) For The Period (VII-VIII)	977.56	414.56	151.00	1,392.12	(1,747.83)	(2,879.21)
X	Other Comprehensive Income/(Loss)						
	(a) Items that will not be reclassified to Profit & Loss						
	(i) Remeasurement gain /(loss) in respect of the defined benefit plans	(5.79)	(5.79)	(3.52)	(11.58)	(7.04)	(23.16)
	(ii) Deferred tax on remeasurement gain /(loss) in respect of defined benefit plans	-	-	-	-	-	-
	(b) Items that will be reclassified to Profit & Loss	-	-	-	-	-	-
	Total Other Comprehensive Income/(Loss) For The Period [(a) +(b)]	(5.79)	(5.79)	(3.52)	(11.58)	(7.04)	(23.16)
XI	Total Comprehensive Income/(Loss) For The Period (IX+X)	971.77	408.77	147.48	1,380.54	(1,754.87)	(2,902.37)
XII	Paid-up Equity Share Capital (Face value of Rs. 10/- per Share)	14,027.76	13,933.84	12,513.38	14,027.76	12,513.38	12,543.46
XIII	Reserves as per Balance Sheet						(17,780.24)
XIV	Earnings Per Equity Share of Rs. 10 /- Each (not annualized)						
	(a) Basic (Rs.)	0.70	0.31	0.12	1.01	(1.40)	(2.30)
	(b) Diluted (Rs.)	0.69	0.30	0.12	0.99	(1.40)	(2.30)

Notes :

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on November 12, 2021. The Statutory Auditors have expressed qualified audit opinion.
- 2 The above results have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 3 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.
- 4 The Company has in its Board Meeting held on November 01, 2021 considered and approved the following matters: 1. Issuance of upto 1,18,86,792 Equity Shares of face value Rs. 10/- each ("Equity Shares") for cash at a price of Rs. 53/- per share (including a premium of Rs. 43/- per share) for an amount upto Rs. 62,99,99,976/- to Barclays Wealth Trustee (India) Pvt Ltd ("Barclays") acting as a Trustee of Lotus Family Trust , non-promoter, on a preferential basis ("Preferential Issue") in accordance with the provisions of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI (ICDR) Regulations"), as amended, subject to the approval of the Members of the Company and such regulatory/ statutory authorities as may be applicable. 2. Issuance of upto 1,18,86,792 (One Crore Eighteen Lacs Eighty Six Thousand Seven Hundred and Ninety Two) Convertible Warrants ("Warrants") for cash at a price of Rs. 53/- per warrant for an amount upto to Rs. 62,99,99,976/- (Rupees Sixty Two Crores Ninety Nine Lacs Ninety Nine Thousand Nine Hundred and Seventy Six only) to "Arunoday Investments Private Limited" and "M L Dahanukar & Co. Pvt. Ltd." Promoter Group, on a preferential basis ("Preferential Issue") in accordance with the provisions of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI (ICDR) Regulations"), as amended, subject to the approval of the Members of the Company and such regulatory/ statutory authorities as may be applicable. 3. Issuance of upto 27,79,297 (Twenty Seven Lacs Seventy Nine Thousand Two Hundred and Ninety Seven) Equity Shares having face value of Rs. 10/ each to Edelweiss Asset Reconstruction Company Limited ("EARC"), acting as Trustee of EARC Trust SC233, EARC Trust SC241 and EARC Trust SC269 (non-promoter) at a price of Rs. 53/- per share (including a premium of Rs. 43/- per share), fully paid-up towards restructuring of debt by way of conversion of part of the debt owed to it by the Company amounting to Rs. 14,73,02,741/- (Rupees Fourteen Crores Seventy Three Lacs Two Thousand Seven Hundred Forty One only) into Equity Shares of the Company on preferential basis ("Preferential Issue"), in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI (ICDR) Regulations"), as amended, subject to the approval of the Members of the Company and such regulatory/ statutory authorities as may be applicable.
- 5 The Company had applied to the State government authorities for dual feed permission for manufacture of ENA through molasses as well as grain at one of its ENA Plants. Permission has been received for operating the fermentation section till March 03, 2022. It is expected that permission for operating the distillation section also will be received soon. In view of this, the management believes that there is no impairment in value of its ENA Plant and hence the recoverable amount of the ENA Plant is not required to be estimated.
- 6 The National Company Law Tribunal ("NCLT") has ordered for liquidation of Prag Distillery (P) Ltd. ("Prag"), wholly owned subsidiary of the Company, vide its order passed in MA bearing no. 309/2018 in CP1067/ 2017 on July 26, 2018, as a going concern. A liquidator has been appointed to manage the affairs of Prag and complete the liquidation process. The Holding Company has submitted a formal proposal to the two financial lenders for full and final settlement of all their claims. The settlement agreement with Standard Chartered Bank, one of the financial lenders for USD 22,50,000 has been entered and a sum of USD 17,60,000 has been paid to them. The agreement with DCB Bank has also been entered in the month of July 2021 wherein DCB Bank has agreed to accept a sum of Rs.2,252.78 lacs towards full and final settlement of its dues. The impairment, if any, of the equity investment in Prag will be considered on completion of the liquidation process/ final settlement as the case may be.
- 7 The net worth of PunjabExpo Breweries Private Limited ("PunjabExpo"), a subsidiary of TI, has been eroded and has incurred net loss during the current quarter. However, the parent company is actively exploring the possibility of entering into northern markets where PunjabExpo will be one of the major sources of supply. It is also in talks with other brand owners to enter into bottling arrangements for the said brand owners. This would significantly improve the capacity utilisation and have favourable impact on the profitability of PunjabExpo. Moreover, PunjabExpo is also in the process of rationalization of its administrative overheads. In order to repose faith in Punjabexpo, TI has subscribed to rights issue of 69,99,300 shares of Rs 10 each in the month of April 2021 and 89,99,100 shares of Rs 10 each in the month of June 2021 of Punjabexpo thereby further improving the net worth of the company. The Board of Directors have assessed the above conditions and indicators and have come to the conclusion that no material uncertainty exists that may cast significant doubt on the PunjabExpo's ability to continue as a going concern taking into account the plans management has put in place and the other mitigating factors described above. Hence, the management believes that no provision for impairment in equity investment and loans & advances given is required.
- 8 Impact of COVID-19:
The COVID-19 pandemic has brought economies, businesses and lives around the world to a standstill, and our country is no exception. Based on the directives and advisories issued by central and state governments and other relevant authorities, our operations at the units and in the states were normal. Considering the unprecedented and ever evolving situation, the Company had made assessment of recoverability and carrying value of its assets comprising of tangible assets, inventories and other current assets as at September 30, 2021 and made appropriate provisions as necessary. However, the impact assessment of COVID-19 is a continuous process, given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.
- 9 The previous period figures have been regrouped and reclassified wherever necessary.

Particulars		(Rs. in lacs)	
		As at	As at
		30.09.2021	31.03.2021
		(Unaudited)	(Audited)
A	ASSETS		
	NON-CURRENT ASSETS		
	(a) Property, Plant and Equipment	43,379.96	44,923.99
	(b) Right of Use Assets	25.37	44.39
	(c) Other Intangible Assets	33.72	35.45
	(d) Financial Assets		
	(i) Investments	6,363.69	4,763.85
	(ii) Loans	-	-
	(iii) Other Financial Assets	2,538.65	2,604.45
	(f) Deferred Tax Assets (Net)	-	-
	(g) Other Non-Current Assets	905.49	6,975.94
	(h) Non-Current Tax Assets (Net)	258.96	363.31
	Total Non-Current Assets	53,505.84	59,711.38
	CURRENT ASSETS		
	(a) Inventories	6,332.47	7,139.76
	(b) Financial Assets		
	(i) Trade Receivables	20,474.45	17,485.50
	(ii) Cash and Cash Equivalents	918.23	1,288.95
	(iii) Bank Balance other than (ii) above	157.01	186.02
	(iv) Loans	264.00	868.10
	(v) Other Financial Assets	4,759.34	5,624.22
	(c) Other Current Assets	2,825.83	3,172.93
	Total Current Assets	35,731.33	35,765.48
	TOTAL ASSETS	89,237.17	95,476.86
B	EQUITY AND LIABILITIES		
	EQUITY		
	(a) Equity Share Capital	14,027.76	12,543.46
	(b) Other Equity	(14,332.82)	(17,780.24)
	Total Equity	(305.06)	(5,236.78)
	LIABILITIES		
	NON-CURRENT LIABILITIES		
	(a) Financial Liabilities		
	(i) Borrowings	40,758.78	45,895.06
	(ii) Lease Liabilities	-	10.56
	(iii) Other Financial Liabilities	20,160.74	18,166.47
	(b) Provisions	293.27	293.27
	(c) Deferred Tax Liabilities (net)	-	-
	(d) Other Non-Current Liabilities	2,354.30	3,053.22
	Total Non-Current Liabilities	63,567.09	67,418.58
	CURRENT LIABILITIES		
	(a) Financial Liabilities		
	(i) Borrowings	7,003.20	8,245.57
	(ii) Lease Liabilities	33.62	45.50
	(iii) Trade Payables		
	Total outstanding dues of micro enterprises and small enterprises	1,644.35	2,220.71
	Total outstanding dues of creditors other than micro enterprises and small enterprises	11,911.61	11,058.95
	(iv) Other Financial Liabilities	1,426.86	6,970.70
	(b) Provisions	2,229.42	2,892.70
	(c) Other Current Liabilities	1,726.08	1,860.93
	Total Current Liabilities	25,975.14	33,295.06
	TOTAL EQUITY AND LIABILITIES	89,237.17	95,476.86

TILAKNAGAR INDUSTRIES LTD.

11 Standalone Unaudited Statement of Cash Flow for the Half year ended September 30, 2021

(Rs. in lacs)

	Half year ended September 30, 2021 (unaudited)		Half year ended September 30, 2020 (unaudited)	
A) Cash flow from Operating activities				
Net profit (Loss) before tax		1,040.46		(1,746.50)
Adjustment for:				
Depreciation & Amortisation	1,565.10		1,577.53	
Loss / (Profit) on sale of assets	-		-	
Allowance for doubtful advances/ deposits	684.31		60.69	
Advances written off	0.14		0.06	
Provision for non-moving and obsolete inventories	103.69		-	
Sundry balance written back	(4.05)		(200.00)	
Excess provision written back	-		-	
Expected Credit Loss / (Write back)	-		108.69	
Unrealised Foreign Exchange Fluctuation (Gain) / Loss	69.85		(104.94)	
Employee stock option expenses	29.11		35.71	
Finance costs	2,902.49		3,172.98	
Interest income	(135.18)	5,215.46	(12.73)	4,637.99
Operating Profit before working capital changes		6,255.92		2,891.49
Adjustment for:				
(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	(4,211.18)		(2,652.53)	
(Increase) / Decrease in loans and advances and other assets	7,267.88		(842.02)	
(Increase) / Decrease in inventories	703.59		(1,167.37)	
(Increase) / Decrease in trade receivables	(2,988.94)	771.35	5,652.88	990.96
Direct taxes (net) refund / (paid)		456.00		200.08
Net Cash from Operating activities		7,483.27		4,082.53
B) Cash Flow from Investing activities				
Purchase of property, plant and equipment	(1.05)		(2.37)	
Sale of property, plant and equipment	-		-	
(Increase) / Decrease in other bank balances	29.01		-	
Purchase of investments	(1,599.84)		-	
(Investment in) / withdrawal from other bank balances	-		4.28	
Interest received	135.18		12.73	
Net Cash from Investing Activities		(1,436.70)		14.64
C) Cash Flow from Financing activities				
Issue of share capital	134.05		-	
Proceeds from share application money	1.05		-	
Proceeds from borrowings	331.31		285.00	
Repayment of borrowings including current maturities	(4,081.05)		(2,497.00)	
Payment of unclaimed dividend	-		-	
Principal payment of lease liabilities	(24.97)		(24.87)	
Finance costs paid	(2,777.68)		(2,343.19)	
Net Cash from Financing Activities		(6,417.29)		(4,580.06)
Net increase in Cash & Cash equivalents (A+B+C)		(370.72)		(482.89)
Opening cash & cash equivalents		1,288.95		1,099.56
Closing cash & cash equivalents		918.23		616.67

(0.00) (0.00)

Notes :

(Rs. in lacs)

(a) Cash and cash equivalents comprises of	As at September 30, 2021	As at September 30, 2020
i) Balances with Banks		
In Current Accounts	909.98	610.10
ii) Short-Term Bank Deposits	1.75	-
(Maturity within 3 months)	-	-
iii) Cash on Hand	6.50	6.57
	918.23	616.67

By Order of the Board
For Tilaknagar Industries Ltd.

Place: Mumbai

Amit Dahanukar

Date : November 12, 2021

Chairman & Managing Director