



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 December 31, 2021 and the year to date results for the period April 01, 2021 to December 31, 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. Attention is invited to the following:
 - 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 CP1067/ 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.3463.74 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

H Sharma

Himmat Sharma

Partner

Membership No. 156501



Place: Mumbai

Date: February 9, 2022

ICAI UDIN: 22156501ABAUDR1689

TILAKNAGAR INDUSTRIES LTD. (CIN: L15420PN1933PLC133303)

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(Rs. in Lacs except EPS)							
Statement of Standalone Unaudited Financial Results for the Quarter & Nine Months ended December 31, 2021							
	Particulars	Quarter ended			Nine Months ended		Previous Year
		31.12.2021 Unaudited	30.09.2021 Unaudited	31.12.2020 Unaudited	31.12.2021 Unaudited	31.12.2020 Unaudited	31.03.2021 Audited
I	Revenue from Operations	50,166.59	44,534.64	43,126.70	1,27,115.07	97,657.26	1,41,836.42
II	Other Income	17.18	128.92	99.42	162.70	426.44	1,170.00
III	Total Income (I + II)	50,183.77	44,663.56	43,226.12	1,27,277.77	98,083.70	1,43,006.42
IV	Expenses						
	(a) Cost of materials consumed	9,923.44	9,436.10	8,762.02	25,739.30	18,841.20	29,132.08
	(b) Purchases of stock-in-trade	-	-	-	-	-	-
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(250.61)	851.72	(465.26)	156.83	(1,793.64)	(1,393.75)
	(d) Excise duty	29,577.03	24,423.45	26,364.37	72,883.86	62,016.21	86,961.34
	(e) Employee benefits expense	461.51	406.09	403.05	1,322.93	1,335.99	1,554.84
	(f) Finance costs	1,434.47	1,479.35	1,586.70	4,336.97	4,759.68	6,540.05
	(g) Depreciation and amortization expense	782.06	785.20	790.99	2,347.16	2,368.52	3,141.28
	(h) Other expenses	7,430.88	6,655.75	5,696.06	18,625.27	12,214.05	19,995.75
	Total Expenses	49,358.78	44,037.66	43,137.93	1,25,412.32	99,742.01	1,45,931.59
V	Profit/(Loss) Before Exceptional Items And Tax (III-IV)	824.99	625.90	88.19	1,865.45	(1,658.31)	(2,925.17)
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit/(Loss) Before Tax (V+/-VI)	824.99	625.90	88.19	1,865.45	(1,658.31)	(2,925.17)
VIII	Tax Expense						
	(a) Current tax	-	-	-	-	-	-
	(b) Taxes for Earlier Years	(48.03)	(351.66)	-	(399.69)	1.33	(45.96)
	(c) Deferred tax	-	-	-	-	-	-
	Total Tax Expense	(48.03)	(351.66)	-	(399.69)	1.33	(45.96)
IX	Profit/(Loss) For The Period (VII-VIII)	873.02	977.56	88.19	2,265.14	(1,659.64)	(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)	(3.53)	(17.37)	(10.57)	(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)	(3.53)	(17.37)	(10.57)	(23.16)
XI	Total Comprehensive Income/(Loss) For The Period (IX+X)	867.23	971.77	84.66	2,247.77	(1,670.21)	(2,902.37)
XII	Paid-up Equity Share Capital (Face value of Rs. 10/- per Share)	15,501.39	14,027.76	12,528.36	15,501.39	12,528.36	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.)	0.61	0.70	0.07	1.62	(1.33)	(2.30)
	(b) Diluted (Rs.)	0.60	0.69	0.07	1.59	(1.33)	(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 February 09, 2022. 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 Board of Directors of the Company, through circular resolutions passed on December 19, 2021 considered and approved the following:
 - 1) Issue of 1,18,86,792 Equity Shares at Rs 53/- per equity share to Barclays Wealth Trustees (India) Pvt Ltd ("Barclays") acting as a Trustee of Lotus Family Trust, Non-Promoter, for cash;
 - 2) Issue of 59,43,396 Convertible Warrants at Rs 53/- per warrant each to Arunoday Investments Private Limited and to M L Dahanukar And Co. Pvt.(Promoter Group Company) for cash and;
 - 3) Issue of 27,79,297 Equity Shares at Rs 53/- per equity share to M/s. Edelweiss Asset Reconstruction Company Limited ("EARC") acting as Trustee of EARC Trust SC233, EARC Trust SC241 and EARC Trust SC269 towards conversion of part of debt from outstanding balance debt owed to it by the Company.
- 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") had ordered for liquidation of Prag Distillery (P) Ltd. ("Prag"), wholly owned subsidiary of the Company, as a going concern in 2018-2019. A liquidator had been appointed to manage the affairs of Prag. The outstanding dues of Standard Chartered Bank, a financial lender has been settled in full for USD 22,50,000 and no due certificate has also been received. The other financial lender DCB Bank has agreed to accept a sum of Rs.2,252.78 lacs towards full and final settlement of its dues. Following NCLT's approval, Prag has entered into a lease agreement with the Holding Company and the operations are expected to restart soon after completion of the necessary statutory formalities. The impairment, if any, of the equity investment in Prag will be considered on outcome 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:

Based on the COVID-19 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 has made assessment of recoverability and carrying value of its assets comprising of tangible assets, inventories and other current assets as at December 31, 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.

**On behalf of the Board
For Tilaknagar Industries Ltd.**

Place : Mumbai

Date : February 09, 2022

**Amit Dahanukar
Chairman & Managing Director
(DIN: 00305636)**