



HARSHIL SHAH & COMPANY

Chartered Accountants

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Independent Auditors' Report

To the Board of Directors of Tilaknagar Industries Limited

Report on the Audit of the Consolidated Annual Financial Results

Qualified Opinion

We have audited the accompanying consolidated annual financial results of **Tilaknagar Industries Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and an associate for the year ended March 31, 2022, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in basis for qualified opinion paragraph below, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the following subsidiaries and associate:

	Holding Company
1	Tilaknagar Industries Ltd
Subsidiaries:	
2	Prag Distillery (P) Ltd
3	Vahni Distilleries Pvt. Ltd
4	Kesarval Spring Distillers Pvt. Ltd
5	Punjab Expo Breweries Pvt. Ltd
6	Mykingdom Ventures Pvt. Ltd
7	Studd Projects P Ltd
8	Srirampur Grains Pvt. Ltd
9	Shivprabha Sugars Ltd
Associate:	
10	Mason & Summers Marketing Services Pvt. Ltd

- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other





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comprehensive income and other financial information of the Group for the year ended March 31, 2022.

Basis for Qualified Opinion

- a. The Holding Company has not carried out impairment assessment 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. 6 of the consolidated annual financial results.
- b. The following paragraph in respect of Basis for Qualified Opinion was included in the audit report dated May 28, 2022 issued on the Financial Statements of Prag Distillery (P) Ltd ("Prag"), a subsidiary company of the Holding Company issued by an Independent Firm of Chartered Accountants, is reproduced as under:
 - We draw attention to note no. 34 of the Statement which states that the Company has incurred capital expenditure of Rs. 10,021.69 lakhs as at March 31, 2022 on expansion project (the Project) grouped under the head capital work in progress. Work on the said project has been suspended and has not been completed since many years. Further the Building, Plant & Equipment of the Company has remained idle due to Plant shutdown. The Company has not tested the said Project, Building, Plant and equipment (Tangible Assets) for impairment loss as per Indian Accounting Standard (Ind AS 36) 'Impairment of Assets'. In absence of sufficient appropriate audit evidence, we were unable to determine the amount of impairment in the value of project and Tangible assets.
 - We draw attention to note no. 35 of the statement which states that there are unsecured overdue trade receivables of Rs. 586.55 lakhs and deposits of Rs. 182.05 from Andhra Pradesh Beverage Corporation Ltd and unsecured advances given to suppliers of Rs. 210.99 lakhs which are long overdue and doubtful of recovery. The management has not considered any provision for allowance on doubtful trade receivables, deposits and advances though it is long overdue. In absence of sufficient appropriate audit evidence and balance confirmations, we are unable to verify the recoverability amount of the trade receivables deposits and advances.

Note no. 34 and 35 of Prag as described above is reproduced as note no. 8 and 9 to the consolidated financial results respectively.





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We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated annual financial results.

Material uncertainty related to going concern in respect of subsidiaries:

- a. The following paragraph in respect of material uncertainty related to going concern was included in the audit report dated May 28, 2022 issued on the financial statements of PunjabExpo Breweries Pvt Ltd ("Punjabexpo"), a subsidiary company of the Holding Company issued by an Independent firm of Chartered Accountants, is reproduced as under:

We draw attention to Note no. 33 of the financial statements which indicates that the Company has incurred a net loss of Rs. 1,017.15 lakhs during the current year. The Company has accumulated losses of Rs. 2,098.66 lakhs and its net worth has been fully eroded as at March 31, 2022. These conditions indicate that a material uncertainty exists that may cast a significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of this matter.

Note no. 33 of Punjabexpo as described above is reproduced as note no. 7 to the consolidated financial results.

- b. The following paragraph in respect of Material uncertainty related to going concern was included in the audit report dated May 28, 2022 issued on the Financial statements of Prag Distillery (P) Ltd ("Prag"), a subsidiary company of the Holding Company issued by an Independent firm of Chartered Accountants, is reproduced as under :





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We draw attention to Note no. 34 the statement which states that the Company has been referred to National Company Law Tribunal for Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency and Bankruptcy Code 2016 (the Code) and the Board of Directors of the Company have been suspended. Further the Company's net worth has been fully eroded as at March 31, 2022 and as of that date the business has ceased completely. The uncertainty of the outcome of the NCLT proceedings and other events as mentioned above, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.

Note no. 34 of Prag as described above is reproduced as note no. 8 to the consolidated financial results.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.





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In preparing the consolidated annual financial results, the Management and the respective Board of Directors of the companies included in the Group are responsible for assessing the

ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.





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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report, to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entity included in the consolidated annual financial results, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.





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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMDI/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

- a. The consolidated annual financial results include the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.
- b. We did not audit the financial statements / information of 8 subsidiaries included in the consolidated financial results whose Ind AS financial statements include total assets of Rs. 16,606.09 lakhs as at March 31, 2022 and total revenue of Rs. 563.95 lakhs and total loss of Rs. 336.72 lakhs including other comprehensive income for the year ended March 31, 2022 as considered in the consolidated annual financial results. These Financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the Consolidated Ind AS financial results insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of section 143 (3) of the Act insofar as it relates to the aforesaid subsidiaries is based solely on the reports of such auditors. Our opinion on the consolidated Ind As financial results is not modified in respect of the above matter with respect to our reliance on the work done and the reports of other auditors.
- c. The Consolidated financial results also include Group's share of loss / profit Rs Nil for the year ended March 31, 2022 as considered in the Consolidated financial results in respect of 1 Associate whose financial statements have not been audited by us. The Financial Statements/ information of the Associate is not available and the Group has provided its share of loss to the extent of the Investment. In our opinion and according





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to the information and explanation given to us by the management this financial statements / information are not material to the Group.

Our opinion is not modified in respect of the above matter.

For **Harshil Shah & Company**

Chartered Accountants

ICAI Firm Reg. No. 141179W

Harshil Shah



Harshil Shah

Partner

Membership No. 124146

Place: Mumbai

Date: May 30, 2022

ICAI UDIN: 22124146AJXUUV9506

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

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(Rs. in Lacs except EPS)					
Statement of Consolidated Audited Financial Results for the Quarter & year ended March 31, 2022					
Particulars	Quarter ended			Year ended	
	31.03.2022 Audited	31.12.2021 Unaudited	31.03.2021 Audited	31.03.2022 Audited	31.03.2021 Audited
I Revenue from operations	52,090.80	50,166.59	44,179.16	1,79,205.87	1,41,836.42
II Other Income	782.76	111.75	734.27	1,046.79	1,141.95
III Total Income (I + II)	52,873.56	50,278.34	44,913.43	1,80,252.66	1,42,978.37
IV Expenses					
(a) Cost of materials consumed	12,059.12	9,923.44	10,291.11	37,798.42	29,132.08
(b) Purchases of stock-in-trade	-	-	-	-	-
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	286.01	(250.61)	399.65	442.84	(1,393.75)
(d) Excise duty	27,984.76	29,577.03	24,945.13	1,00,868.62	86,961.34
(e) Employee benefits expense	1,172.66	693.60	441.32	3,208.53	2,515.56
(f) Finance costs	1,549.92	1,553.39	1,870.79	6,186.88	7,096.50
(g) Depreciation and amortization expense	808.21	821.81	810.47	3,274.25	3,312.43
(h) Other expenses	8,009.62	6,980.95	7,078.07	25,675.43	19,212.09
Total expenses	51,870.30	49,299.61	45,836.54	1,77,454.97	1,46,836.25
V Profit/(Loss) before exceptional items and tax (III-IV)	1,003.26	978.73	(923.11)	2,797.69	(3,857.88)
VI Exceptional items	1,321.51	-	-	1,321.51	-
VII Profit/(Loss) Before Tax (V+/-VI)	2,324.77	978.73	(923.11)	4,119.20	(3,857.88)
VIII Tax Expense					
(a) Current tax	-	-	-	-	-
(b) Taxes for Earlier Years	-	(47.86)	(20.79)	(399.52)	(17.58)
(c) Deferred tax	-	-	-	-	-
Total tax expense	-	(47.86)	(20.79)	(399.52)	(17.58)
IX Profit/(Loss) for the period before share of Profit/(Loss) of associate (VII-VIII)	2,324.77	1,026.59	(902.32)	4,518.72	(3,840.30)
X Share of Profit/(Loss) of associate	-	-	-	-	-
XI Profit/(Loss) for the period (IX+X)	2,324.77	1,026.59	(902.32)	4,518.72	(3,840.30)
XII 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	(13.50)	(8.63)	(26.08)	(39.38)	(34.50)
(ii) Tax on above	-	-	-	-	-
(b) Items that will be reclassified to Profit & Loss	-	-	-	-	-
Total Other Comprehensive Income/(Loss) for the period [(a) +(b)]	(13.50)	(8.63)	(26.08)	(39.38)	(34.50)
XIII Total Comprehensive Income/(Loss) for the period (XI+XII)	2,311.27	1,017.96	(928.40)	4,479.34	(3,874.80)
XIV Profit/Loss for the period attributable to					
(a) Owners of the Company	2,324.77	1,026.59	(902.32)	4,518.72	(3,840.30)
(b) Non-Controlling Interests	-	-	-	-	-
XV Other Comprehensive Income/(Loss) for the period attributable to					
(a) Owners of the Company	(13.50)	(8.63)	(26.08)	(39.38)	(34.50)
(b) Non-Controlling Interests	-	-	-	-	-
XVI Total Comprehensive Income/(Loss) for the period attributable to					
(a) Owners of the Company	2,311.27	1,017.96	(928.40)	4,479.34	(3,874.80)
(b) Non-Controlling Interests	-	-	-	-	-
XVII Paid-up equity share capital (Face value of Rs. 10/- per Share)	15,862.18	15,501.39	12,543.46	15,862.18	12,543.46
XVIII Other Equity as per Balance Sheet				(2,510.77)	(18,115.30)
XIX Earnings Per Equity Share of Rs. 10 /- each (not annualized)					
(a) Basic (Rs.)	1.49	0.72	(0.72)	3.15	(3.07)
(b) Diluted (Rs.)	1.44	0.70	(0.72)	3.08	(3.07)

Consolidated Audited Statement of Assets and Liabilities as at March 31, 2022

Particulars	(Rs. in lacs)	
	As at	As at
	31.03.2022	31.03.2021
	(Audited)	(Audited)
A ASSETS		
NON-CURRENT ASSETS		
(a) Property, Plant and Equipment	43,876.18	46,776.75
(b) Capital Work-in-Progress	10,021.69	10,010.02
(c) Right of Use Assets	17.74	44.39
(e) Other Intangible Assets	33.74	36.00
(f) Financial Assets		
(i) Investments	3.77	3.77
(ii) Loans	-	-
(iii) Other Financial Assets	4,144.50	2,901.95
(g) Deferred Tax Assets (Net)	-	-
(h) Other Non-Current Assets	915.08	6,976.08
(i) Non-Current Tax Assets (Net)	312.52	380.09
Total Non-Current Assets	59,325.22	67,129.05
CURRENT ASSETS		
(a) Inventories	7,231.90	7,207.61
(b) Financial Assets		
(i) Investments	-	-
(ii) Trade Receivables	23,676.60	18,110.18
(iii) Cash and Cash Equivalents	4,274.01	4,486.40
(iv) Bank Balance other than (iii) above	2,788.47	324.49
(v) Loans	-	0.47
(vi) Other Financial Assets	1,699.76	24.85
(c) Other Current Assets	2,332.13	3,868.92
Total Current Assets	42,002.87	34,022.92
TOTAL ASSETS	1,01,328.09	1,01,151.97
B EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	15,862.18	12,543.46
(b) Other Equity		
(i) Equity Attributable to Owners of the Company	(2,510.77)	(18,115.30)
(ii) Non-Controlling Interests	-	-
Total Equity	13,351.41	(5,571.84)
LIABILITIES		
NON-CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	38,099.47	45,895.06
(ii) Lease Liabilities	7.37	10.56
(iii) Other Financial Liabilities	4,018.06	6,021.50
(b) Provisions	474.03	433.00
(c) Deferred Tax Liabilities (Net)	-	-
(d) Other Non-Current Liabilities	1,452.50	3,053.22
Total Non-Current Liabilities	44,051.43	55,413.34
CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	20,398.02	24,294.43
(ii) Lease Liabilities	13.04	45.50
(iii) Trade Payables		
Total outstanding dues of micro, small enterprises	2,372.01	2,540.36
Total outstanding dues of creditors other than micro enterprises and small enterprises	14,758.61	12,264.01
(iv) Other Financial Liabilities	1,774.68	7,335.01
(b) Provisions	2,628.98	2,901.79
(c) Current Tax Liabilities (Net)	-	0.62
(d) Other Current Liabilities	1,979.91	1,928.75
Total Current Liabilities	43,925.25	51,310.47
TOTAL EQUITY AND LIABILITIES	1,01,328.09	1,01,151.97

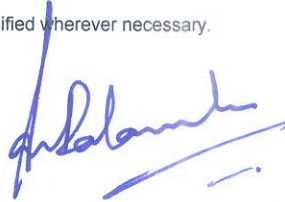
Notes :

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on May 30, 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 above results have been prepared by the Company in accordance with IND-AS 110: Consolidated Financial Statements and IND-AS 28: Accounting for Investments in Associate in Consolidated Financial Statements prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies.
- 4 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.
- 5 During the year, after the requisite Board and shareholders' approval, the Holding Company has allotted 3,12,11,350 equity shares of face value of Rs 10/- each to entities including promoters / promoter group on preferential basis at an issue price of Rs 53/- per equity share including a premium of Rs 43/- per share. Further, 92,45,283 warrants issued to promoter groups on a preferential basis at an issue price of Rs 53/- per warrant including a premium of Rs 43/- per warrant are outstanding as on March 31, 2022.
- 6 The Company expects to restart the grain distillery plant during the financial year 2022-23 and has also received the permission for operating the fermentation section till March 31, 2024. 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.
- 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, during the year, TI has subscribed to rights issue of 1,60,00,000 shares of Rs 10 each 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 accounts of PunjabExpo have been prepared on a going concern basis.
- 8 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 and DCB Bank have been settled and no dues certificates have also been received. Hence, the accounts of Prag have been prepared on a going concern basis. The impairment, if any, of the capex project undertaken by Prag in earlier years of Rs 10,021.69 lacs and of the existing Building, Plant and Equipment of Prag will be considered on outcome of the liquidation process as the case may be, as the recoverable value is not currently ascertainable. 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.
- 9 Trade Receivables of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company ("Prag"), include Rs 586.55 lacs (P.Y. Rs 586.55 lacs) receivable from Andhra Pradesh Beverage Corporation Ltd. towards sale of IMFL made by Prag in FY 2018-2019 and FY 2019-2020. Prag, through the Liquidator has obtained approval from National Company Law Tribunal to initiate legal action against Andhra Pradesh Beverage Corporation Ltd. for recovery of the same. The Management believes that no provision for doubtful debts is required to be made against this receivable as the amount is expected to be received. The Earnest Money Deposit of Rs 182.05 lacs (P.Y. Rs 182.05 lacs) and the advances to suppliers of Rs 210.99 lacs (P.Y. Rs 210.99 lacs) are mainly given for the expansion of Prag capacity and the same would be capitalised as soon as the entire licence fees are paid and the plant become operational at expanded capacity.
- 10 Consequent to the full and final payment to Standard Chartered Bank and DCB Bank, Prag Distillery (P) Ltd, a wholly owned subsidiary of the Company, has written back Rs 96.10 lacs and Rs 1,225.41 lacs respectively being the difference between the settlement amount and the total dues including interest accrued in the books of accounts. The same is accounted under exceptional items.
- 11 The Board of Directors of Tilaknagar Industries Limited ("TI" or the Transferee Company") at their Board Meeting held on May 30, 2022, have inter alia, approved the Composite Scheme of Amalgamation ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with relevant rules & regulations framed thereunder.

The Scheme, inter alia, provides for amalgamation by way of absorption and vesting of four wholly-owned subsidiaries of the Company, viz. (i) Kesarval Spring Distillers Private Limited ("KSDPL"); (ii) Mykingdom Ventures Private Limited ("MVPL"); (iii) Shrirampur Grains Private Limited ("SGPL"); and (iv) Studd Projects Private Limited ("SPPL") [hereinafter collectively referred to as the "Transferor Companies" and individually referred to as the "Transferor Company"] with and into TI.

The "appointed date" as per the scheme is the 1st day of April, 2022 or such other date as may be approved by the Honourable National Company Law Tribunal(s), for the purposes of this Scheme. The Scheme as aforesaid shall be subject to necessary approvals by the Shareholders, Creditors, Jurisdictional Bench of National Company Law Tribunal ("NCLT") and such other statutory and regulatory approvals as may be required.

- 12 Subject to the approval of the shareholders at the Annual General Meeting, the Board recommended payment of Dividend of Rs. 0.10 per equity share of Rs. 10/- each for the financial year ended March 31, 2022.
- 13 The Standalone and Consolidated audited financial results of the Company for the quarter and year ended March 31, 2022 are available on the Company's website (www.tilind.com) and on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).
- 14 Figures for the quarters ended March 31, 2022 and March 31, 2021, are the balancing figures between audited figures in respect of the respective full financial years and the published year-to-date figures up to the third quarter of the respective financial years, as adjusted for certain regroupings/ reclassifications.
- 15 The previous period figures have been regrouped and reclassified wherever necessary.

A handwritten signature in blue ink, appearing to be 'S. Balaram', is written over the text of item 15. The signature is stylized and includes a horizontal line underneath.

Consolidated Statement of Cash Flow for the year ended March 31, 2022

	Year Ended March 31, 2022		Year Ended March 31, 2021	
A) Cash flow from Operating activities				
Net profit (Loss) before tax		4,119.20		(3,857.88)
Adjustment for:				
Depreciation & Amortisation	3,274.25		3,312.43	
Loss / (Profit) on sale of assets	(1.12)		10.77	
Loss / (Profit) on sale of investments	(32.50)		-	
Excess Provision written back	(466.52)		(650.34)	
Gain on write back of loans	(1,321.51)		-	
Allowance for doubtful advances/ Deposits	673.34		5.00	
Provision for non-moving and obsolete inventories	296.55		983.94	
Advances written off	37.79		-	
Sundry balances written back	(75.97)		(252.24)	
Expected Credit Loss / (Write Back)	(242.60)		376.11	
Unrealised Foreign Exchange Fluctuation (Gain) / Loss	170.93		(136.46)	
Employee stock option expenses	364.91		-	
Finance Costs	6,186.88		7,096.49	
Interest income	(175.07)	8,689.36	(58.97)	10,686.73
Operating Profit before working capital changes		12,808.56		6,828.85
Adjustment for:				
(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	(5,089.38)		(1,288.05)	
(Increase)/ Decrease in financial assets, loans and advances and other assets	3,969.59		(952.34)	
(Increase)/ Decrease in inventories	(320.84)		(2,181.92)	
(Increase)/ Decrease in trade receivables	(5,323.82)	(6,764.45)	5,851.22	1,428.91
Direct taxes (net) refund / (paid)		466.48		288.83
Net Cash from Operating activities		6,510.59		8,546.59
B) Cash Flow from Investing activities				
Purchase of property, plant and equipment	(334.92)		(8.41)	
Sale of property, plant and equipment	2.54		4.06	
Purchase of investments	(6,999.65)		-	
Sale of investments	7,032.15		-	
(Increase) / Decrease in other bank balances	(2,463.98)		(86.72)	
Interest Received	175.07		58.97	
Net Cash from Investing Activities		(2,588.79)		(32.10)
C) Cash Flow from Financing activities				
Proceeds from issue of shares including application money	9,219.02		40.25	
Proceeds from borrowings	7,629.47		3,337.57	
Repayment of borrowings including current maturities	(15,077.51)		(5,594.72)	
Principal payment of lease liabilities	(51.84)		(51.23)	
Payment of unclaimed dividend	(11.85)		(10.39)	
Finance costs paid	(5,841.48)		(5,483.14)	
Net Cash from Financing Activities		(4,134.19)		(7,761.66)
Net increase in Cash & Cash equivalents(A+B+C)		(212.39)		752.82
Opening cash & cash equivalents		4,486.40		3,733.58
Closing cash & cash equivalents		4,274.01		4,486.40

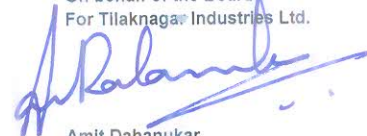
Notes :

	As at March 31, 2022	As at March 31, 2021
(a) Cash and cash equivalents comprises of		
i) Balances with Banks		
In Current Accounts	4,189.36	4,409.95
ii) Short-Term Bank Deposits (Maturity within 3 months)	73.95	68.43
iii) Cash on Hand	10.70	8.02
	4,274.01	4,486.40

(b) the above Consolidated statement of cash flow have been prepared under the "indirect method" as set out in Ind AS 7, " Statement of cash flow "

(c) Figures of previous year have been regrouped, reclassified and recast, wherever considered necessary.

On behalf of the Board
For Tilaknagar Industries Ltd.



Amit Dahanukar
Chairman & Managing Director
(DIN:00305636)

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022				
[See Regulation 33 / 52-of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	SI. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs. in lakhs	Adjusted Figures (audited figures after adjusting for qualifications) Rs. in lakhs
	1	Turnover/Total income	1,80,252.66	1,80,252.66
	2	Total Expenditure	1,77,454.96	1,89,164.69
	3	Net Profit/(Loss) after tax	4,119.21	(7,590.52)
	4	Earnings Per Share (In Rs.)	2.87	(5.29)
	5	Total Assets	1,01,328.10	89,618.37
	6	Total Liabilities	1,01,328.10	89,618.37
	7	Net Worth	13,351.42	1,641.69
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II.	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification:	<p>(i) The Holding Company has not carried out impairment assessment 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. 6 of the consolidated annual financial results.</p> <p>(ii) The following paragraph in respect of Basis for Qualified Opinion was included in the audit report dated May 28, 2022 issued on the Financial Statements of Prag Distillery (P) Ltd ("Prag"), a subsidiary</p>	

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company of the Holding Company issued by an Independent Firm of Chartered Accountants, is reproduced as under:

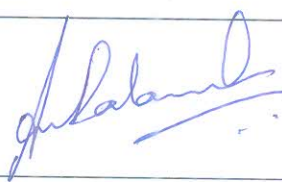


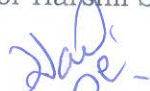
- We draw attention to note no. -- of the Statement which states that the Company has incurred capital expenditure of Rs. 10,021.69 lakhs as at March 31, 2022 on expansion project (the Project) grouped under the head capital work in progress. Work on the said project has been suspended and has not been completed since many years. Further the Building, Plant & Equipment of the Company has remained idle due to Plant shutdown. The Company has not tested the said Project, Building, Plant and equipment (Tangible Assets) for impairment loss as per Indian Accounting Standard (Ind AS 36) 'Impairment of Assets'. In absence of sufficient appropriate audit evidence, we were unable to determine the amount of impairment in the value of project and Tangible assets.
- . We draw attention to note no. -- of the statement which states that there are unsecured overdue trade receivables of Rs. 586.55 lakhs and deposits of Rs. 182.05 from Andhra Pradesh Beverage Corporation Ltd and unsecured advances given to suppliers of Rs. 210.99 lakhs which are long overdue and doubtful of recovery. The management has not considered any provision for allowance on doubtful trade receivables, deposits and advances though it is long overdue. In absence of sufficient appropriate audit evidence and balance confirmations, we are unable to verify the recoverability amount of the trade receivables deposits and advances.

Note no. -- and -- of Prag as described above



		is reproduced as note no. 8 and 9 to the consolidated financial results respectively.
b.	Type of Audit Qualification:	Qualified Opinion
c.	Frequency of qualification:	Point (i) - Appearing seventh time Point (ii) - Appearing third time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	<p><u>Response to Point (II)(a)(ii)</u></p> <ul style="list-style-type: none"> 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 and DCB Bank has been settled and no dues certificates have also been received. Hence, the accounts of Prag have been prepared on a going concern basis. The impairment, if any, of the capex project undertaken by Prag in earlier years of Rs 10,021.69 lacs and of the existing Building, Plant and Equipment of Prag will be considered on outcome of the liquidation process as the case may be, as the recoverable value is not currently ascertainable. 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. Trade Receivables of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company ("Prag"), include Rs 586.55 lacs (P.Y. Rs 586.55 lacs) receivable from Andhra Pradesh

			<p>Beverage Corporation Ltd. towards sale of IMFL made by Prag in FY 2018-2019 and FY 2019-2020. Prag, through the Liquidator has obtained approval from National Company Law Tribunal to initiate legal action against Andhra Pradesh Beverage Corporation Ltd. for recovery of the same. The Management believes that no provision for doubtful debts is required to be made against this receivable as the amount is expected to be received. The Earnest Money Deposit of Rs 182.05 lacs (P.Y.Rs 182.05 lacs) and the advances to suppliers of Rs 210.99 lacs (P.Y. Rs 210.99 lacs) are mainly given for the expansion of Prag capacity and the same would be capitalised as soon as the entire licence fees are paid and the plant become operational at expanded capacity.</p>
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:		
	(i) Management's estimation on the impact of audit qualification:	Nil for the reasons given at para 2(e)(ii) below	
	(ii) If management is unable to estimate the impact, reasons for the same:	<p><u>Response to Point (II)(a)(i)</u> The Company expects to restart the grain distillery plant during the financial year 2022-2023 and has also received the permission for operating the fermentation section till March 31, 2024. 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.</p>	
	(iii) Auditors' Comments on (i) or (ii) or(iii) above:	Refer II (a) above	

III. Signatories:	
• CEO/Managing Director	
• CFO	
• Audit Committee Chairman	
• Statutory Auditor	For Harshil Shah & Company  Partner
Place: Mumbai	
Date : May 30, 2022	