



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 Standalone Annual Financial Results

Qualified Opinion

We have audited the accompanying standalone annual financial results of **Tilaknagar Industries Limited** (hereinafter referred to as the "Company") for the year ended March 31, 2022, attached herewith, being submitted by the 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 matter described in basis for qualified opinion paragraph below the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. 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 the net profit and other comprehensive income and other financial information for the year ended March 31, 2022.

Basis for Qualified Opinion

1. 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 annual financial results.
2. 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. 1,543.35 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 annual financial results.
3. PunjabExpo Breweries Private Limited ("PunjabExpo") wholly owned subsidiary of the Company, has incurred loss during the quarter and due to accumulated losses, the





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net worth is negative. Despite adverse financial condition, the Management has not recognised provision for impairment in equity investment of Rs. 2,680.40 lakhs and loans & advances given of Rs. 3,611.76 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 annual financial results.

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 Standalone Annual Financial Results section of our report. We are independent of the Company, 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 we have obtained, is sufficient and appropriate to provide a basis for our qualified opinion on the Standalone annual financial results.

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

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

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net loss and other comprehensive income and other financial information 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the 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 standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.





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The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone 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 standalone 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone 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 standalone 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual





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financial results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the Standalone annual financial results of the Company to express an opinion on the standalone annual financial results.

Materiality is the magnitude of misstatements in the standalone annual financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone annual financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone annual financial results.

We communicate with those charged with governance 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.

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.

Other Matters

The standalone 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.

For **Harshil Shah & Company**

Chartered Accountants

ICAI Firm Reg. No. 141179W

Harshil Shah

Partner

Membership No. 124146



Place: Mumbai

Date: May 30, 2022

ICAI UDIN: 22124146AJXUQV1165

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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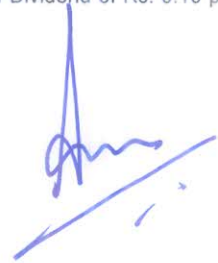
(Rs. in Lacs except EPS)						
Statement of Standalone Audited Financial Results for the Quarter & Year ended March 31, 2022						
	Particulars	Quarter ended			Year ended	
		31.03.2022 Audited	31.12.2021 Unaudited	31.03.2021 Audited	31.03.2022 Audited	31.03.2021 Audited
I	Revenue from Operations	52,090.80	50,166.59	44,179.16	1,79,205.87	1,41,836.42
II	Other Income	796.89	17.18	743.56	959.59	1,170.00
III	Total Income (I + II)	52,887.69	50,183.77	44,922.72	1,80,165.46	1,43,006.42
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)	399.66	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	756.06	461.51	218.85	2,078.99	1,554.84
	(f) Finance costs	1,439.44	1,434.47	1,780.37	5,776.41	6,540.05
	(g) Depreciation and amortization expense	769.56	782.06	772.76	3,116.72	3,141.28
	(h) Other expenses	8,950.86	7,430.88	7,781.70	27,576.13	19,995.75
	Total Expenses	52,245.81	49,358.78	46,189.58	1,77,658.13	1,45,931.59
V	Profit/(Loss) Before Exceptional Items And Tax (III-IV)	641.88	824.99	(1,266.86)	2,507.33	(2,925.17)
VI	Exceptional Items	-	-	-	-	-
VII	Profit/(Loss) Before Tax (V+/-VI)	641.88	824.99	(1,266.86)	2,507.33	(2,925.17)
	Tax Expense					
	(a) Current tax	-	-	-	-	-
	(b) Taxes for Earlier Years	-	(48.03)	(47.29)	(399.69)	(45.96)
	(c) Deferred tax	-	-	-	-	-
	Total Tax Expense	-	(48.03)	(47.29)	(399.69)	(45.96)
IX	Profit/(Loss) For The Period (VII-VIII)	641.88	873.02	(1,219.57)	2,907.02	(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	(19.16)	(5.79)	(12.59)	(36.53)	(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)]	(19.16)	(5.79)	(12.59)	(36.53)	(23.16)
XI	Total Comprehensive Income/(Loss) For The Period (IX+X)	622.72	867.23	(1,232.16)	2,870.49	(2,902.37)
XII	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
XIII	Other Equity as per Balance Sheet				(3,784.56)	(17,780.24)
XIV	Earnings Per Equity Share of Rs. 10 /- Each (not annualized)					
	(a) Basic (Rs.)	0.41	0.61	(0.97)	2.03	(2.30)
	(b) Diluted (Rs.)	0.40	0.60	(0.97)	1.98	(2.30)

Standalone 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	42,174.66	44,923.99
(b) Right of Use Assets	17.74	44.39
(c) Other Intangible Assets	33.19	35.45
(d) Financial Assets		
(i) Investments	6,363.85	4,763.85
(ii) Loans	-	-
(iii) Other Financial Assets	3,826.91	2,604.45
(f) Deferred Tax Assets (Net)	-	-
(g) Other Non-Current Assets	730.45	6,865.84
(h) Non-Current Tax Assets (Net)	250.01	363.31
Total Non-Current Assets	53,396.81	59,601.28
CURRENT ASSETS		
(a) Inventories	7,164.04	7,139.76
(b) Financial Assets		
(i) Trade Receivables	23,051.93	17,485.50
(ii) Cash and Cash Equivalents	3,544.70	1,288.95
(iii) Bank Balance other than (ii) above	2,748.19	186.02
(iv) Loans	640.40	868.10
(v) Other Financial Assets	5,950.52	5,624.22
(c) Other Current Assets	1,753.30	3,283.03
Total Current Assets	44,853.08	35,875.58
TOTAL ASSETS	98,249.89	95,476.86
B EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	15,862.18	12,543.46
(b) Other Equity	(3,784.56)	(17,780.24)
Total Equity	12,077.62	(5,236.78)
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	320.08	293.27
(c) Deferred Tax Liabilities (net)	-	-
(d) Other Non-Current Liabilities	1,452.50	3,053.22
Total Non-Current Liabilities	43,897.48	55,273.61
CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	20,284.02	20,390.54
(ii) Lease Liabilities	13.04	45.50
(iii) Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	2,107.08	2,220.71
Total outstanding dues of creditors other than micro enterprises and small enterprises	14,051.26	11,058.95
(iv) Other Financial Liabilities	1,270.48	6,970.70
(b) Provisions	2,619.38	2,892.70
(c) Other Current Liabilities	1,929.53	1,860.93
Total Current Liabilities	42,274.79	45,440.03
TOTAL EQUITY AND LIABILITIES	98,249.89	95,476.86

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 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 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.
- 5 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.
- 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 and DCB Bank have been settled and no dues certificates have also been received. 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 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, 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 management believes that no provision for impairment in equity investment and loans & advances given is required.
- 8 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.
- 9 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.
- 10 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.
- 11 The previous period figures have been regrouped and reclassified wherever necessary.



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		2,507.33		(2,925.17)
Adjustment for:				
Depreciation / Amortisation	3,116.72		3,141.28	
Loss / (Profit) on sale of assets	(1.12)		9.66	
Loss / (Profit) on sale of Investment	(32.50)		-	
Excess provision written back	(417.37)		(650.34)	
Gain on write back of loans under restructuring	-		-	
Allowance for doubtful advances/ deposits	2,609.63		831.88	
Provision for non-moving and obsolete inventories	296.55		983.94	
Advances written off	36.26		29.38	
Sundry balance written back	(75.79)		(251.83)	
Expected Credit Loss / (Write back)	(242.60)		358.62	
Unrealised Foreign Exchange Fluctuation (Gain) / Loss	170.93		(136.46)	
Employee stock option expenses	364.91		-	
Finance costs	5,776.41		6,540.04	
Interest income	(181.13)	11,420.90	(87.43)	10,768.74
Operating Profit before working capital changes		13,928.23		7,843.57
Adjustment for:				
(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	(5,101.47)		(1,299.81)	
(Increase)/ Decrease in financial assets, loans and advances and other assets	4,115.53		(3,196.34)	
(Increase)/ Decrease in inventories	(320.84)		(2,181.92)	
(Increase)/ Decrease in trade receivables	(5,323.82)	(6,630.60)	5,851.24	(826.83)
Direct taxes (net) refund / (paid)		476.45		138.38
Net Cash from Operating activities		7,774.08		7,155.12
B) Cash Flow from Investing activities				
Purchase of property, plant and equipment	(328.63)		(7.66)	
Sale of property, plant and equipment	2.54		1.95	
Investment in Subsidiaries	(1,600.00)		-	
Prurchase of Investments	(6,999.65)		-	
Sale of investments	7,032.15		-	
(Increase) / Decrease in other bank balances	(2,562.17)		(74.99)	
Interest received	181.13		46.32	
Net Cash from Investing Activities		(4,274.63)		(34.38)
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	(12,368.11)		(4,765.32)	
Payment of unclaimed dividend	(11.85)		(10.39)	
Principal payment of lease liabilities	(51.84)		(51.23)	
Finance costs paid	(5,660.39)		(5,482.23)	
Net Cash from Financing Activities		(1,243.70)		(6,931.35)
Net increase in Cash & Cash equivalents (A+B+C)		2,255.75		189.39
Opening cash & cash equivalents		1,288.95		1,099.56
Closing cash & cash equivalents		3,544.70		1,288.95

Notes :

- (a) Cash and cash equivalents comprises of
- | | As at
March 31, 2021 | As at
March 31, 2022 |
|------------------------------|-------------------------|-------------------------|
| i) Balances with Banks | | |
| In Current Accounts | 3,513.11 | 1,274.23 |
| ii) Short-Term Bank Deposits | 23.06 | 7.49 |
| (Maturity within 3 months) | | |
| iii) Cash on Hand | 8.53 | 7.23 |
| | 3,544.70 | 1,288.95 |
- (b) The above standalone 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
alongwith Annual Audited Financial Results (Standalone)**

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	1,80,165.46	1,80,165.46
	2	Total Expenditure	1,77,658.13	1,85,375.71
	3	Net Profit/(Loss) after tax	2,507.33	(5,210.25)
	4	Earnings Per Share (In Rs.)	1.75	(3.63)
	5	Total Assets	98,249.89	90,532.31
	6	Total Liabilities	98,249.89	90,532.31
	7	Net Worth	12,077.62	4,360.04
	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 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 annual financial results.</p> <p>(ii) 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</p>	

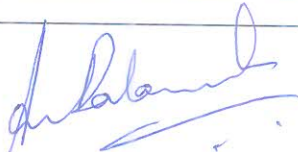







		<p>annual financial annual financial results.</p> <p>(iii) PunjabExpo Breweries Private Limited ("Punjabexpo") wholly owned subsidiary of the Company, has incurred loss during the quarter and due to accumulated losses, the net worth is negative. Despite adverse financial condition, the Management has not recognised provision for impairment in equity investment of Rs. 2680.40 lakhs and loans & advances given of Rs. 3611.76 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 annual financial results</p>
b.	Type of Audit Qualification:	Qualified Opinion
c.	Frequency of qualification:	<p>Point (i) - Appearing seventh time</p> <p>Point (ii) - Appearing fifth time</p> <p>Point (iii) - Appearing for third time</p>
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> <p>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. 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 as the case may be.</p>

		<p><u>Response to Point (II)(a)(iii)</u></p> <p>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 management believes that no provision for impairment in equity investment and loans & advances given is required.</p>
e.	<p>For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of audit qualification:</p> <p>(ii) If management is unable to estimate the impact, reasons for the same:</p>	<p>Nil for the reasons given at para 2(e)(ii) below</p> <p><u>Response to Point (II)(a)</u></p> <p>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,</p>

		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.
	(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	