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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial 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 consolidated financial results of **Tilaknagar Industries Limited** (hereinafter referred to as the "Holding Company") and its Subsidiaries and Associate (collectively referred to as "the Group") for the quarter ended June 30, 2022 ("Consolidated Statement"), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Consolidated Statement, which is the responsibility of the Holding Company's management and approved by the Holding 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, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Consolidated Statement based on our review.
3. We conducted our review of the Consolidated 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 financial statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations to the extent applicable.

4. This Consolidated Statement includes the results of Holding Company and its 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

5. Attention is invited to the following:

- 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 statement.
- b. The following paragraph was included in the review report issued on the unaudited financial results 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. 8 of the Statement which states that the Company has incurred capital expenditure of Rs. 10,021.69 lakhs as at June 30, 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. 9 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.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of the other auditors referred to in paragraph 9 below and except for the possible effects of the matters described in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Consolidated Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles 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.

7. The following paragraph in respect of material uncertainty related to going concern was included in the review report issued on the unaudited financial results 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. 7 of the statement which states that the Company has incurred a loss during the quarter and the business operations have been scaled down significantly. The Company has accumulated losses of Rs. 3073.78 lakhs and its net worth has been fully eroded as at June 30, 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 conclusion is not modified in respect of this matter.

8. The following paragraph in respect of Material uncertainty related to going concern was included in the review report issued on the unaudited financial results 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. 8 of 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 has accumulated losses as at the quarter ended June 30 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.

9. a. We did not review the interim financial statements/ information of 8 subsidiaries included in the consolidated whose Ind AS financial statements include total revenue of Rs. 120.13 lakhs and total loss of Rs. 276.93 lakhs including other comprehensive income for the quarter ended June 30, 2022 as considered in the consolidated annual financial results. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the Management, and our conclusion on the Consolidated statement insofar as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors and the procedure performed by us as stated above. Our conclusion is not modified in respect of the above matter.
- b. The Consolidated statement also include Group's share of loss/ profit Rs. Nil for the quarter ended June 30, 2022 as considered in the Consolidated statement in respect of 1 Associate whose financial results have not been audited by us. The Financial information of the Associate is not available and the Group has provided its share of loss to the extent of the Investment. According to the information and explanation given to us by the management this financial information is not material to the Group. Our conclusion is not modified in respect of the above matter.

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



Harshil Shah
Partner
Membership No. 124146

Place: Mumbai
Date: August 11, 2022
ICAI UDIN: 22124146AOVAAW6808

TILAKNAGAR INDUSTRIES LTD. (CIN: L15420PN1933PLC133303)

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(Rs. in Lacs except EPS)					
Statement of Consolidated Unaudited Financial Results for the Quarter ended June 30, 2022					
	Particulars	Quarter ended			Year ended
		30.06.2022 Unaudited	31.03.2022 Audited	30.06.2021 Unaudited	31.03.2022 Audited
I	Revenue from operations	48,051.93	52,090.80	32,413.84	1,79,205.87
II	Other Income	66.83	782.76	19.70	1,046.79
III	Total Income (I + II)	48,118.76	52,873.56	32,433.54	1,80,252.66
IV	Expenses				
	(a) Cost of materials consumed	12,143.13	12,059.12	6,379.76	37,798.42
	(b) Purchases of stock-in-trade	-	-	-	-
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	463.42	286.01	(444.28)	442.84
	(d) Excise duty	25,097.15	27,984.76	18,883.38	1,00,868.62
	(e) Employee benefits expense	848.91	1,172.66	713.34	3,208.53
	(f) Finance costs	1,330.19	1,549.92	1,500.79	6,186.88
	(g) Depreciation and amortization expense	804.72	808.21	819.27	3,274.25
	(h) Other expenses	7,327.65	8,009.62	4,544.20	25,675.43
	Total expenses	48,015.17	51,870.30	32,396.46	1,77,454.97
V	Profit/(Loss) before exceptional items and tax (III-IV)	103.59	1,003.26	37.08	2,797.69
VI	Exceptional items	-	1,321.51	-	1,321.51
VII	Profit/(Loss) Before Tax (V+/-VI)	103.59	2,324.77	37.08	4,119.20
VIII	Tax Expense				
	(a) Current tax	-	-	-	-
	(b) Taxes for Earlier Years	-	-	-	(399.52)
	(c) Deferred tax	-	-	-	-
	Total tax expense	-	-	-	(399.52)
IX	Profit/(Loss) for the period before share of Profit/(Loss) of associate (VII-VIII)	103.59	2,324.77	37.08	4,518.72
X	Share of Profit/(Loss) of associate	-	-	-	-
XI	Profit/(Loss) for the period (IX+X)	103.59	2,324.77	37.08	4,518.72
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	(9.84)	(13.50)	(8.63)	(39.38)
	(ii) Tax on above	-	-	-	-
	(b) Items that will be reclassified to Profit & Loss	-	-	-	-
	Total Other Comprehensive Income/(Loss) for the period [(a) +(b)]	(9.84)	(13.50)	(8.63)	(39.38)
XIII	Total Comprehensive Income/(Loss) for the period (XI+XII)	93.75	2,311.27	28.45	4,479.34
XIV	Profit/Loss for the period attributable to				
	(a) Owners of the Company	103.59	2,324.77	37.08	4,518.72
	(b) Non-Controlling Interests	-	-	-	-
XV	Other Comprehensive Income/(Loss) for the period attributable to				
	(a) Owners of the Company	(9.84)	(13.50)	(8.63)	(39.38)
	(b) Non-Controlling Interests	-	-	-	-
XVI	Total Comprehensive Income/(Loss) for the period attributable to				
	(a) Owners of the Company	93.75	2,311.27	28.45	4,479.34
	(b) Non-Controlling Interests	-	-	-	-
XVII	Paid-up Equity Share Capital (Face value of Rs. 10/- per Share)	15,876.19	15,862.18	13,933.84	15,862.18
XVIII	Other Equity as per Balance Sheet				(2,510.77)
XIX	Earnings Per Equity Share of Rs. 10 /- each (not annualized)				
	(a) Basic (Rs.)	0.07	1.49	0.03	3.15
	(b) Diluted (Rs.)	0.06	1.44	0.03	3.08

Notes :

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on August 11, 2022. The Statutory Auditors have expressed qualified audit conclusion.
- 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 quarter ended June 2022, after the requisite Board and shareholders' approval, the Company has considered and issued a) 65,97,221 equity shares of face value of Rs. 10/- each to non-promoter entities on a preferential basis at an issue price of Rs. 72/- per equity share including a premium of Rs. 62/- per share and b) Issue of 52,08,333 convertible warrants to non-promoter entities on a preferential basis at an issue price of Rs. 72/- per warrant. The aforesaid shares and warrants have been allotted on July 01, 2022.
- 6 The Company expects to restart the grain distillery plant during the current financial year 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"), wholly owned subsidiary of the Company, has been eroded and PunjabExpo 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. 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. wholly owned subsidiary of the Company ("Prag"), as a going concern in F.Y. 2018-2019. A liquidator had been appointed to manage the affairs of Prag. During the financial year 2021-2022, 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 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, 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 The Standalone and Consolidated unaudited financial results of the Company for the quarter ended June 30, 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).
- 11 Figures for the quarter ended March 31, 2022, are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to the third quarter of the previous financial year, as adjusted for certain regroupings/ reclassifications.
- 12 The previous period figures have been regrouped and reclassified wherever necessary.

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

**Place: Mumbai
Date : August 11, 2022**

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