



# HARSHIL SHAH & COMPANY

Chartered Accountants

Phone :- 022 401 39 401

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## **Independent Auditor's Review Report on Unaudited Standalone 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 standalone financial results of **Tilaknagar Industries Limited** ("the Company") for the quarter ended September 30, 2022 and the year to date results for the period April 01, 2022 to September 30, 2022 ("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. 4 of the 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





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Standard (Ind AS 36) 'Impairment of Assets'. Reference is invited to note no. 5 of the statement.

- c) 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. 3782.97 lakhs to Punjabexpo as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets'. Reference is invited to note no. 6 of the statement.

The above matters were also qualified in our report on the audited financial results for the quarter and year ended March 31, 2022.

5. Based on our review conducted and procedures performed as stated above, except for the possible effects for the matters described in paragraph 4 above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other recognised accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Harshil Shah & Company**

Chartered Accountants

ICAI Firm Reg. No. 141179W

**Harshil Shah**

Partner

Membership No. 124146



Place: Mumbai

Date: November 10, 2022

ICAI UDIN: 22124146BCSNZC1975

**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 Unaudited Financial Results for the Quarter & Half year ended September 30, 2022							
	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2022 Unaudited	30.06.2022 Unaudited	30.09.2021 Unaudited	30.09.2022 Unaudited	30.09.2021 Unaudited	31.03.2022 Audited
<b>I</b>	<b>Revenue from Operations</b>	59,560.43	48,051.93	44,534.64	1,07,612.36	76,948.48	1,79,205.87
<b>II</b>	<b>Other Income</b>	9.64	76.89	128.92	86.53	145.52	959.59
<b>III</b>	<b>Total Income (I + II)</b>	<b>59,570.07</b>	<b>48,128.82</b>	<b>44,663.56</b>	<b>1,07,698.89</b>	<b>77,094.00</b>	<b>1,80,165.46</b>
<b>IV</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	14,718.27	12,143.13	9,436.10	26,861.40	15,815.86	37,798.42
	(b) Purchases of stock-in-trade	-	-	-	-	-	-
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(794.36)	463.42	851.72	(330.94)	407.44	442.84
	(d) Excise duty	32,155.36	25,097.15	24,423.45	57,252.51	43,306.83	1,00,868.62
	(e) Employee benefits expense	850.32	693.77	406.09	1,544.09	861.42	2,078.99
	(f) Finance costs	1,018.97	1,302.32	1,479.35	2,321.29	2,902.50	5,776.41
	(g) Depreciation and amortization expense	784.35	766.37	785.20	1,550.72	1,565.10	3,116.72
	(h) Other expenses	9,487.82	7,594.64	6,655.75	17,082.46	11,194.39	27,576.13
	<b>Total Expenses</b>	<b>58,220.73</b>	<b>48,060.80</b>	<b>44,037.66</b>	<b>1,06,281.53</b>	<b>76,053.54</b>	<b>1,77,658.13</b>
<b>V</b>	<b>Profit/(Loss) Before Exceptional Items And Tax (III-IV)</b>	1,349.34	68.02	625.90	1,417.36	1,040.46	2,507.33
<b>VI</b>	<b>Exceptional Items</b>	-	-	-	-	-	-
<b>VII</b>	<b>Profit/(Loss) Before Tax (V+/-VI)</b>	<b>1,349.34</b>	<b>68.02</b>	<b>625.90</b>	<b>1,417.36</b>	<b>1,040.46</b>	<b>2,507.33</b>
<b>VIII</b>	<b>Tax Expense</b>						
	(a) Current tax	-	-	-	-	-	-
	(b) Taxes for Earlier Years	-	-	(351.66)	-	(351.66)	(399.69)
	(c) Deferred tax	-	-	-	-	-	-
	<b>Total Tax Expense</b>	-	-	<b>(351.66)</b>	-	<b>(351.66)</b>	<b>(399.69)</b>
<b>IX</b>	<b>Profit/(Loss) For The Period (VII-VIII)</b>	<b>1,349.34</b>	<b>68.02</b>	<b>977.56</b>	<b>1,417.36</b>	<b>1,392.12</b>	<b>2,907.02</b>
<b>X</b>	<b>Other Comprehensive Income/(Loss)</b>						
	(a) Items that will not be reclassified to Profit & Loss						
	(i) Remeasurement gain /(loss) in respect of the defined benefit plans	(9.14)	(9.13)	(5.79)	(18.27)	(11.58)	(36.53)
	(ii) Tax on remeasurement gain /(loss) in respect of defined benefit plans	-	-	-	-	-	-
	(b) Items that will be reclassified to Profit & Loss	-	-	-	-	-	-
	<b>Total Other Comprehensive Income/(Loss) For The Period [(a) +(b)]</b>	<b>(9.14)</b>	<b>(9.13)</b>	<b>(5.79)</b>	<b>(18.27)</b>	<b>(11.58)</b>	<b>(36.53)</b>
<b>XI</b>	<b>Total Comprehensive Income/(Loss) For The Period (IX+X)</b>	<b>1,340.20</b>	<b>58.89</b>	<b>971.77</b>	<b>1,399.09</b>	<b>1,380.54</b>	<b>2,870.49</b>
<b>XII</b>	<b>Paid-up Equity Share Capital (Face value of Rs. 10/- per Share)</b>	16,591.22	15,876.19	14,027.76	16,591.22	14,027.76	15,862.18
<b>XIII</b>	<b>Other Equity as per Balance Sheet</b>						(3,784.56)
<b>XIV</b>	<b>Earnings Per Equity Share of Rs. 10/- Each (not annualized)</b>						
	(a) Basic (Rs.)	0.82	0.04	0.70	0.87	1.01	2.03
	(b) Diluted (Rs.)	0.79	0.04	0.69	0.85	0.99	1.98

**Notes :**

- 1 The above standalone results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on November 10, 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 Company is predominantly engaged in the business of manufacture and sale of Indian Made Foreign Liquor (IMFL) and its related products, which constitute a single business segment as per IND-AS 108: Operating Segments. Accordingly, disclosure in accordance with the provisions of Circular issued by the SEBI on July 05, 2016 is not applicable.
- 4 The Company 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.
- 5 Standard Chartered Bank (SCB), a financial creditor of Prag Distillery (P) Ltd ("Prag"), wholly owned subsidiary of the Company had filed a Company Petition under Section 7 of Insolvency & Bankruptcy Code, 2016 against Prag at National Company Law Tribunal ("NCLT") – Mumbai, in the year 2017 and later on an order dated August 09, 2018 was passed by NCLT-Mumbai for Prag to be liquidated as a "going concern". The outstanding dues of SCB have been settled in full and no dues certificate has been received. Further, the outstanding dues of Development Credit Bank (DCB) have also been settled in full and no dues certificate has been received. Following SCB's application dated October 06, 2022, for withdrawal of the application filed by them against Prag, the Liquidator of Prag, Ms. Dipti Mehta convened a stakeholders meeting on October 07, 2022 wherein 100 % of the creditors voted in favour of the withdrawal and closure of the liquidation process of Prag. Accordingly, the Liquidator of Prag, Ms. Dipti Mehta has filed an application at NCLT- Mumbai on October 08, 2022, seeking withdrawal of the Petition filed by the financial creditor SCB and closure of the liquidation process and for reinstating the erstwhile Board of Directors for management of the operations of Prag. The order from NCLT- Mumbai is awaited. Following NCLT's approval, Prag has entered into a lease agreement with the Holding Company and the operations at Prag have restarted. The impairment, if any, of the equity investment in Prag will be considered on outcome of the liquidation process.
- 6 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 has also rationalized 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. Hence, the management believes that no provision for impairment in equity investment and loans & advances given is required.
- 7 The Company has remitted USD 11,00,011.89 equivalent of Rs. 9,25,00,000 on October 13, 2022 to its supplier, Cargill International SA, against credit balance outstanding of Rs 60,57,92,722 (equivalent USD 74,28,300) as on September 30, 2022 on receipt of the statutory approval from Reserve Bank of India on October 06, 2022, towards the Settlement Agreement entered into between the Company and Cargill International SA, wherein it was mutually agreed, inter alia, that the principal outstanding amount of USD 74,28,300 would be settled in full and final at USD value equivalent of Rs. 9,25,00,000. The accounting entries for the same will be recorded in the subsequent quarter ending December 31, 2022.
- 8 The Board has considered and approved the issue of 1,05,26,315 (One Crore Five Lakhs Twenty-six Thousand Three Hundred and Fifteen) Equity Shares of face value Rs. 10/- each ("Equity Shares") for cash at a price of Rs. 95/- per equity share (including a premium of Rs. 85/- per equity share) for an amount aggregating to Rs. 99,99,99,925/- (Rupees Ninety-nine Crores Ninety-nine Lakhs Ninety-nine Thousand Nine Hundred and Twenty-five only) to Think India Opportunities Master Fund LP, a non-promoter entity on a preferential basis in accordance with the provisions of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI (ICDR) Regulations"), as amended, subject to the approval of the members and regulatory/ statutory authorities as may be applicable.
- 9 The previous period figures have been regrouped and reclassified wherever necessary.

Standalone Unaudited Statement of Assets and Liabilities as at September 30, 2022

Particulars	(Rs. in lacs)	
	As at 30.09.2022	As at 31.03.2022
	(Unaudited)	(Audited)
<b>A ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
(a) Property, Plant and Equipment	40,684.30	42,174.66
(b) Capital Work-in-Progress	10.62	-
(c) Right of Use Assets	247.52	17.74
(d) Other Intangible Assets	31.85	33.19
(e) Financial Assets		
(i) Investments	6,363.85	6,363.85
(ii) Loans	-	-
(iii) Other Financial Assets	2,328.25	3,826.91
(f) Deferred Tax Assets (Net)	-	-
(g) Other Non-Current Assets	907.75	730.45
(h) Non-Current Tax Assets (Net)	614.23	250.01
<b>Total Non-Current Assets</b>	<b>51,188.37</b>	<b>53,396.81</b>
<b>CURRENT ASSETS</b>		
(a) Inventories	7,964.90	7,164.04
(b) Financial Assets		
(i) Trade Receivables	23,764.15	23,051.93
(ii) Cash and Cash Equivalents	2,955.02	3,544.70
(iii) Bank Balance other than (ii) above	3,398.45	2,748.19
(iv) Loans	776.87	640.40
(v) Other Financial Assets	6,212.09	5,950.52
(c) Other Current Assets	1,448.43	1,753.30
<b>Total Current Assets</b>	<b>46,519.91</b>	<b>44,853.08</b>
<b>TOTAL ASSETS</b>	<b>97,708.28</b>	<b>98,249.89</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity Share Capital	16,591.22	15,862.18
(b) Other Equity	4,767.47	(3,784.56)
<b>Total Equity</b>	<b>21,358.69</b>	<b>12,077.62</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
(a) Financial Liabilities		
(i) Borrowings	32,953.89	38,099.47
(ii) Lease Liabilities	201.69	7.37
(iii) Other Financial Liabilities	3,870.88	4,018.06
(b) Provisions	315.99	320.08
(c) Deferred Tax Liabilities (net)	-	-
(d) Other Non-Current Liabilities	1,367.37	1,452.50
<b>Total Non-Current Liabilities</b>	<b>38,709.82</b>	<b>43,897.48</b>
<b>CURRENT LIABILITIES</b>		
(a) Financial Liabilities		
(i) Borrowings	15,346.05	20,284.02
(ii) Lease Liabilities	55.66	13.04
(iii) Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	2,542.08	2,107.08
Total outstanding dues of creditors other than micro enterprises and small enterprises	13,181.61	14,051.26
(iv) Other Financial Liabilities	2,763.19	1,270.48
(b) Provisions	2,484.13	2,619.38
(c) Current Tax Liabilities (Net)	-	-
(d) Other Current Liabilities	1,267.05	1,929.53
<b>Total Current Liabilities</b>	<b>37,639.77</b>	<b>42,274.79</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>97,708.28</b>	<b>98,249.89</b>

TILAKNAGAR INDUSTRIES LTD.

Standalone Unaudited Statement of Cash Flow for the half year ended September 30, 2022

(₹ in lacs)

	Half Year Ended September 30, 2022 (Unaudited)		Half Year Ended September 30, 2021 (Unaudited)	
<b>A) Cash flow from Operating activities</b>				
Net profit (Loss) before tax		1,417.36		1,040.46
Adjustment for:				
Depreciation / Amortisation	1,550.72		1,565.10	
Loss / (Profit) on sale of assets	(0.28)		-	
Excess provision written back	(4.80)		-	
Allowance for doubtful advances/ deposits	502.13		684.31	
Provision for non-moving and obsolete inventories	-		103.69	
Advances written off	0.31		0.14	
Sundry balance written back	-		(4.05)	
Expected Credit Loss on trade receivables	49.40		-	
Unrealised Foreign Exchange Fluctuation (Gain) / Loss	448.82		69.85	
Employee stock option expenses	176.30		29.11	
Finance costs	2,321.28		2,902.49	
Interest income	(73.78)	4,970.10	(135.18)	5,215.46
<b>Operating Profit before working capital changes</b>		<b>6,387.46</b>		<b>6,255.92</b>
Adjustment for:				
(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	(311.64)		(4,211.18)	
(Increase)/ Decrease in financial assets, loans and advances and other assets	1,227.88		7,267.88	
(Increase)/ Decrease in inventories	(800.85)		703.59	
(Increase)/ Decrease in trade receivables	(761.61)	(646.22)	(2,988.94)	771.35
Direct taxes (net) refund / (paid)		(364.22)		456.00
<b>Net Cash from Operating activities</b>		<b>5,377.02</b>		<b>7,483.27</b>
<b>B) Cash Flow from Investing activities</b>				
Purchase of property, plant and equipment	(45.20)		(1.05)	
Sale of property, plant and equipment	1.10		-	
Purchase of Investments	-		(1,599.84)	
(Increase) / Decrease in other bank balances	(650.26)		29.01	
Interest received	73.78		135.18	
<b>Net Cash from Investing Activities</b>		<b>(620.58)</b>		<b>(1,436.70)</b>
<b>C) Cash Flow from Financing activities</b>				
Issue of share capital	4,918.31		134.05	
Proceeds from share warrants / Share application money	2,952.72		1.05	
Proceeds from borrowings	4,150.00		331.31	
Repayment of borrowings including current maturities	(14,764.31)		(4,081.05)	
Principal payment of lease liabilities	(26.44)		(24.97)	
Payment of Dividend	(165.36)		-	
Finance costs paid	(2,411.04)		(2,777.68)	
<b>Net Cash from Financing Activities</b>		<b>(5,346.12)</b>		<b>(6,417.29)</b>
<b>Net increase in Cash &amp; Cash equivalents ( A+B+C)</b>		<b>(589.68)</b>		<b>(370.72)</b>
Opening cash & cash equivalents		3,544.70		1,288.95
Closing cash & cash equivalents		<b>2,955.02</b>		<b>918.23</b>

Notes :

(₹ in lacs)

(a) Cash and cash equivalents comprises of	As at Sept 30, 2022	As at Sept 30, 2021
i) Balances with Banks		
In Current Accounts	2,888.50	909.98
ii) Short-Term Bank Deposits (Maturity within 3 months)	54.01	1.75
iii) Cash on Hand	12.51	6.50
	<b>2,955.02</b>	<b>918.23</b>

(c) 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 "

(d) 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

Place : Mumbai  
Date : November 10, 2022