



# HARSHIL SHAH & COMPANY

Chartered Accountants

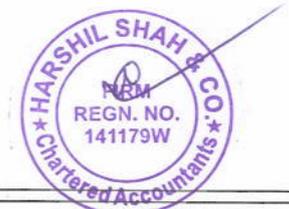
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## Independent Auditor's Review Report on Unaudited Standalone Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

### 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 and nine months ended December 31, 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. 3820.81 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*



**Harshil Shah**  
Partner  
Membership No. 124146

Place: Mumbai  
Date: February 07, 2023  
ICAI UDIN: 23124146BGWXDS5891

**TILAKNAGAR INDUSTRIES LTD. (CIN: L15420PN1933PLC133303)**

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(Rs. in Lacs except EPS)							
Statement of Standalone Unaudited Financial Results for the Quarter & Nine Months ended December 31, 2022							
	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2022 Unaudited	30.09.2022 Unaudited	31.12.2021 Unaudited	31.12.2022 Unaudited	31.12.2021 Unaudited	31.03.2022 Audited
<b>I</b>	<b>Revenue from Operations</b>	67,588.61	59,560.43	50,166.59	1,75,200.97	1,27,115.07	1,79,205.87
<b>II</b>	<b>Other Income</b>	77.69	9.64	17.18	164.22	162.70	959.59
<b>III</b>	<b>Total Income (I + II)</b>	<b>67,666.30</b>	<b>59,570.07</b>	<b>50,183.77</b>	<b>1,75,365.19</b>	<b>1,27,277.77</b>	<b>1,80,165.46</b>
<b>IV</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	17,513.53	14,718.27	9,923.44	44,374.93	25,739.30	37,798.42
	(b) Purchases of stock-in-trade	-	-	-	-	-	-
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(2,181.13)	(794.36)	(250.61)	(2,512.07)	156.83	442.84
	(d) Excise duty	37,259.40	32,155.36	29,577.03	94,511.91	72,883.86	1,00,868.62
	(e) Employee benefits expense	1,003.09	850.32	461.51	2,547.18	1,322.93	2,078.99
	(f) Finance costs	902.31	1,018.97	1,434.47	3,223.60	4,336.97	5,776.41
	(g) Depreciation and amortization expense	777.81	784.35	782.06	2,328.53	2,347.16	3,116.72
	(h) Other expenses	9,963.55	9,487.82	7,430.88	27,046.01	18,625.27	27,576.13
	<b>Total Expenses</b>	<b>65,238.56</b>	<b>58,220.73</b>	<b>49,358.78</b>	<b>1,71,520.09</b>	<b>1,25,412.32</b>	<b>1,77,658.13</b>
<b>V</b>	<b>Profit/(Loss) Before Exceptional Items And Tax (III-IV)</b>	2,427.74	1,349.34	824.99	3,845.10	1,865.45	2,507.33
<b>VI</b>	<b>Exceptional Items</b>	5,132.93	-	-	5,132.93	-	-
<b>VII</b>	<b>Profit/(Loss) Before Tax (V+/-VI)</b>	<b>7,560.67</b>	<b>1,349.34</b>	<b>824.99</b>	<b>8,978.03</b>	<b>1,865.45</b>	<b>2,507.33</b>
<b>VIII</b>	<b>Tax Expense</b>						
	(a) Current tax	-	-	-	-	-	-
	(b) Taxes for Earlier Years	-	-	(48.03)	-	(399.69)	(399.69)
	(c) Deferred tax	-	-	-	-	-	-
	<b>Total Tax Expense</b>	-	-	<b>(48.03)</b>	-	<b>(399.69)</b>	<b>(399.69)</b>
<b>IX</b>	<b>Profit/(Loss) For The Period (VII-VIII)</b>	<b>7,560.67</b>	<b>1,349.34</b>	<b>873.02</b>	<b>8,978.03</b>	<b>2,265.14</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	(9.13)	(9.14)	(5.79)	(27.40)	(17.37)	(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>(9.13)</b>	<b>(9.14)</b>	<b>(5.79)</b>	<b>(27.40)</b>	<b>(17.37)</b>	<b>(36.53)</b>
<b>XI</b>	<b>Total Comprehensive Income/(Loss) For The Period (IX+X)</b>	<b>7,551.54</b>	<b>1,340.20</b>	<b>867.23</b>	<b>8,950.63</b>	<b>2,247.77</b>	<b>2,870.49</b>
<b>XII</b>	<b>Paid-up Equity Share Capital (Face value of Rs. 10/- per Share)</b>	18,183.41	16,591.22	15,501.39	18,183.41	15,501.39	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.)	4.36	0.82	0.61	5.41	1.62	2.03
	(b) Diluted (Rs.)	4.29	0.79	0.60	5.27	1.59	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 February 07, 2023. 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 next 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, 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, 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 Board of Directors for management of the operations of Prag. The order from NCLT- Mumbai is awaited. Meanwhile, Prag has entered into a lease agreement with the Holding Company and the bottling operations at Prag have restarted. The impairment, if any, of the equity investment in Prag will be considered on outcome of the NCLT order.
- 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. 925 lacs on October 13, 2022 to its supplier, Cargill International SA, against credit balance outstanding of Rs 6,057.93 lacs (equivalent USD 74,28,300) as on September 30, 2022 on receipt of the statutory approval from Reserve Bank of India dated 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. 925 lacs. Consequent to the full and final payment, the Company has written back Rs 5,132.93 lacs being the difference between the settlement amount and the total dues outstanding in the books of accounts. The same is disclosed under exceptional items in the quarter and nine months ended December 31, 2022.
- 8 During the quarter ended December 31, 2022, the Company has allotted 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.
- 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. Pending such approvals, the Results have been prepared without giving any effect to the said Scheme.
- 10 The previous period figures have been regrouped and reclassified wherever necessary.

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

**Amit Dahanukar**

**Chairman & Managing Director  
DIN: 00305636**

**Place: Mumbai  
Date : February 07, 2023**