



# HARSHIL SHAH & COMPANY

Chartered Accountants

Phone :- 022 401 39 401

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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 and nine months ended December 31, 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:





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	<b>Holding Company</b>
1	Tilaknagar Industries Ltd
	<b>Subsidiaries:</b>
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
	<b>Associate:</b>
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. 5 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. 7 of the Statement which states that the Company has incurred capital expenditure of Rs. 10,021.69 lakhs as at December 31, 2022 on expansion project (the Project) grouped under the head capital work in progress.





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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. 8 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. 6 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. 3141.67 lakhs and its net worth has been fully eroded as at December 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





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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. 7 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 nine months ended December 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.

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. 723.08 lakhs and total loss of Rs. 345.67 lakhs including other comprehensive income for the quarter and nine months ended December 31, 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 and nine months ended December 31, 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





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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: February 07, 2023  
ICAI UDIN: 23124146BGWXDR2568

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

Corporate Office: 3rd Floor, Industrial Assurance Building, Churchgate, Mumbai, Maharashtra - 400 020

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(Rs. in Lacs except EPS)							
Statement of Consolidated 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
I	Revenue from operations	67,546.04	59,605.33	50,166.59	1,75,203.30	1,27,115.07	1,79,205.87
II	Other Income	116.72	58.74	111.75	242.29	264.03	1,046.79
III	<b>Total Income (I + II)</b>	<b>67,662.76</b>	<b>59,664.07</b>	<b>50,278.34</b>	<b>1,75,445.59</b>	<b>1,27,379.10</b>	<b>1,80,252.66</b>
IV	<b>Expenses</b>						
	(a) Cost of materials consumed	17,468.69	14,750.87	9,923.44	44,362.69	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)	(782.65)	(250.61)	(2,500.36)	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	1,072.08	898.18	693.60	2,819.17	2,035.87	3,208.53
	(f) Finance costs	902.27	991.10	1,553.39	3,223.56	4,636.96	6,186.88
	(g) Depreciation and amortization expense	815.50	822.05	821.81	2,442.27	2,466.04	3,274.25
	(h) Other expenses	9,870.68	9,440.67	6,980.95	26,639.00	17,665.81	25,675.43
	<b>Total expenses</b>	<b>65,207.49</b>	<b>58,275.58</b>	<b>49,299.61</b>	<b>1,71,498.24</b>	<b>1,25,584.67</b>	<b>1,77,454.97</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>2,455.27</b>	<b>1,388.49</b>	<b>978.73</b>	<b>3,947.35</b>	<b>1,794.43</b>	<b>2,797.69</b>
VI	<b>Exceptional items</b>	5,132.93	-	-	5,132.93	-	1,321.51
VII	<b>Profit/(Loss) Before Tax (V+/-VI)</b>	<b>7,588.20</b>	<b>1,388.49</b>	<b>978.73</b>	<b>9,080.28</b>	<b>1,794.43</b>	<b>4,119.20</b>
VIII	<b>Tax Expense</b>						
	(a) Current tax	-	-	-	-	-	-
	(b) Taxes for Earlier Years	-	-	(47.86)	-	(399.52)	(399.52)
	(c) Deferred tax	-	-	-	-	-	-
	<b>Total tax expense</b>	<b>-</b>	<b>-</b>	<b>(47.86)</b>	<b>-</b>	<b>(399.52)</b>	<b>(399.52)</b>
IX	<b>Profit/(Loss) for the period before share of Profit/(Loss) of associate (VII-VIII)</b>	<b>7,588.20</b>	<b>1,388.49</b>	<b>1,026.59</b>	<b>9,080.28</b>	<b>2,193.95</b>	<b>4,518.72</b>
X	<b>Share of Profit/(Loss) of associate</b>	-	-	-	-	-	-
XI	<b>Profit/(Loss) for the period (IX+X)</b>	<b>7,588.20</b>	<b>1,388.49</b>	<b>1,026.59</b>	<b>9,080.28</b>	<b>2,193.95</b>	<b>4,518.72</b>
XII	<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	(9.84)	(9.85)	(8.63)	(29.53)	(25.88)	(39.38)
	(ii) Tax on above	-	-	-	-	-	-
	(b) Items that will be reclassified to Profit & Loss	-	-	-	-	-	-
	<b>Total Other Comprehensive Income/(Loss) for the period [(a) +(b)]</b>	<b>(9.84)</b>	<b>(9.85)</b>	<b>(8.63)</b>	<b>(29.53)</b>	<b>(25.88)</b>	<b>(39.38)</b>
XIII	<b>Total Comprehensive Income/(Loss) for the period (XI+XII)</b>	<b>7,578.36</b>	<b>1,378.64</b>	<b>1,017.96</b>	<b>9,050.75</b>	<b>2,168.07</b>	<b>4,479.34</b>
XIV	<b>Profit/Loss for the period attributable to</b>						
	(a) Owners of the Company	7,588.20	1,388.49	1,026.59	9,080.28	2,193.95	4,518.72
	(b) Non-Controlling Interests	-	-	-	-	-	-
XV	<b>Other Comprehensive Income/(Loss) for the period attributable to</b>						
	(a) Owners of the Company	(9.84)	(9.85)	(8.63)	(29.53)	(25.88)	(39.38)
	(b) Non-Controlling Interests	-	-	-	-	-	-
XVI	<b>Total Comprehensive Income/(Loss) for the period attributable to</b>						
	(a) Owners of the Company	<b>7,578.36</b>	<b>1,378.64</b>	<b>1,017.96</b>	<b>9,050.75</b>	<b>2,168.07</b>	<b>4,479.34</b>
	(b) Non-Controlling Interests	-	-	-	-	-	-
XVII	<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
XVIII	<b>Other Equity as per Balance Sheet</b>						(2,510.77)
XIX	<b>Earnings Per Equity Share of Rs. 10 /- each (not annualized)</b>						
	(a) Basic (Rs.)	4.38	0.84	0.72	5.48	1.57	3.15
	(b) Diluted (Rs.)	4.31	0.81	0.70	5.33	1.54	3.08

**Notes :**

- 1 The above consolidated 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 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 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.
- 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 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 accounts of PunjabExpo have been prepared on a going concern basis.
- 7 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. 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 NCLT order, as the recoverable value is not currently ascertainable. Meanwhile, Prag has entered into a lease agreement with the Holding Company and the bottling operations at Prag have restarted. On account of the above, the accounts of Prag have been prepared on a going concern basis.
- 8 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.( the Corporation) 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 the Corporation 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. In addition, the impairment, if any, of the Earnest Money Deposit made to the Corporation of Rs 182.05 lacs (P.Y.Rs 182.05 lacs) and the advances given to suppliers of Rs 210.99 lacs (P.Y. Rs 210.99 lacs) will be considered on outcome of the NCLT order as mentioned in Note 7.
- 9 The Holding 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.
- 10 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.
- 11 The Standalone and Consolidated unaudited financial results of the Company for the quarter & Nine months ended December 31, 2022 are available on the Company's website ([www.tilind.com](http://www.tilind.com)) and on the website of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).
- 12 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.

13 The previous period figures have been regrouped and reclassified wherever necessary.

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

**Place: Mumbai**

**Date : February 07, 2023**

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