



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 Consolidated Annual Financial Results

Qualified Opinion

We have audited the accompanying consolidated annual financial results of **Tilaknagar Industries Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and an associate for the year ended 31 March 2023, attached herewith, being submitted by the Holding 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 matters described in basis for qualified opinion paragraph below, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the 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 |

- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. 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 consolidated net profit and other comprehensive income and other financial information of the Group for the year ended March 31, 2023.



Basis for Qualified Opinion

- 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 annual financial results.
- b. The following paragraph in respect of Basis for Qualified Opinion was included in the audit report issued dated 15th May 2023 on the Financial Statements 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 in the financial statements 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.

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 Consolidated Annual Financial Results section of our report. We are independent of the Group 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 obtained by us along with the consideration of audit report of the other auditor referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated annual financial results.

Material uncertainty related to going concern in respect of subsidiaries:

- a. The following paragraph in respect of material uncertainty related to going concern was included in the audit report issued on the Financial statements 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 in the financial statements which states that the Company has incurred a net loss of Rs. 2522.97 lakhs during the current year and the business operations have been scaled down significantly. The Company has accumulated losses of Rs. 5431.63 lakhs and its net worth has been fully eroded as at March 31, 2023. 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 opinion is not modified in respect of this matter.

- b. The following paragraph in respect of Material uncertainty related to going concern was included in the audit report dated issued on the Financial statements 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 :

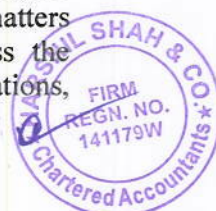
We draw attention to Note in the financial statements which states that the Company has been referred to National Company Law Tribunal for Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency and Bankruptcy Code 2016 (the Code) and the Board of Directors of the Company have been suspended. Further the Company has accumulated losses as at the quarter ended March 31, 2023 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..

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

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

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net loss and other comprehensive income and other financial information of the Group 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. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the Management and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.



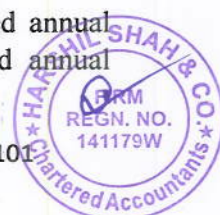
The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 SA's 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual



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

- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entity included in the consolidated annual financial results, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matters" in this audit report.

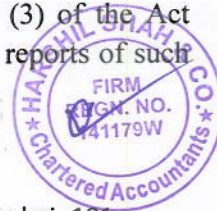
We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including 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.

We also performed procedures in accordance with the circular No CIR/CFD/CMDI/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

- a. The consolidated annual financial results include the results for the quarter ended March 31, 2023 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.
- b. We did not audit the financial statements / information of 8 subsidiaries included in the consolidated financial results whose Ind AS financial statements include total assets of Rs.3764.51 lakhs as at March 31, 2023 and total revenue of Rs 1053.47 lakhs and total loss of Rs.12602.01 lakhs including other comprehensive income for the year ended March 31, 2023 as considered in the consolidated annual financial results. These Financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the Consolidated Ind AS financial results insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of section 143 (3) of the Act insofar as it relates to the aforesaid subsidiaries is based solely on the reports of such auditors.




Our opinion on the consolidated Ind As financial results is not modified in respect of the above matter with respect to our reliance on the work done and the reports of other auditors.

- c. The Consolidated financial results also include Group's share of loss / profit Rs Nil for the year ended March 31, 2023 as considered in the Consolidated financial results in respect of 1 Associate whose financial statements have not been audited by us. The Financial Statements / information of the Associate is not available and the Group has provided its share of loss to the extent of the Investment. In our opinion and according to the information and explanation given to us by the management this financial statements / information are not material to the Group.

Our opinion 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: May 16, 2023
ICAI UDIN: 23124146BGWXGM3168

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

Email: investor@tilind.com; Website: www.tilind.com; Phone: +91 22 22831716/18; Fax: +91 22 22046904

| (Rs. in Lacs except EPS) | | | | | | |
|---|--|-----------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| Statement of Consolidated Audited Financial Results for the Quarter & Year ended March 31, 2023 | | | | | | |
| | Particulars | Quarter ended | | | Year ended | Year ended |
| | | 31.03.2023 Audited | 31.12.2022 Unaudited | 31.03.2022 Audited | 31.03.2023 Audited | 31.03.2022 Audited |
| I | Revenue from operations | 71,724.55 | 67,546.04 | 52,090.80 | 2,46,927.85 | 1,79,205.87 |
| II | Other Income | 508.03 | 116.72 | 782.76 | 750.32 | 1,046.79 |
| III | Total Income (I + II) | 72,232.58 | 67,662.76 | 52,873.56 | 2,47,678.17 | 1,80,252.66 |
| IV | Expenses | | | | | |
| | (a) Cost of materials consumed | 18,965.83 | 17,468.69 | 12,059.12 | 63,328.52 | 37,798.42 |
| | (b) Purchases of stock-in-trade | - | - | - | - | - |
| | (c) Changes in inventories of finished goods, stock-in-trade and work-in-progress | 802.61 | (2,181.13) | 286.01 | (1,697.75) | 442.84 |
| | (d) Excise duty | 35,979.63 | 37,259.40 | 27,984.76 | 1,30,491.54 | 1,00,868.62 |
| | (e) Employee benefits expense | 939.95 | 1,072.08 | 1,172.66 | 3,759.12 | 3,208.53 |
| | (f) Finance costs | 795.12 | 902.27 | 1,549.92 | 4,018.68 | 6,186.88 |
| | (g) Depreciation and amortization expense | 792.33 | 815.50 | 808.21 | 3,234.60 | 3,274.25 |
| | (h) Other expenses | 10,689.06 | 9,870.68 | 8,009.62 | 37,328.06 | 25,675.43 |
| | Total expenses | 68,964.53 | 65,207.49 | 51,870.30 | 2,40,462.77 | 1,77,454.97 |
| V | Profit/(Loss) before exceptional items and tax (III-IV) | 3,268.05 | 2,455.27 | 1,003.26 | 7,215.40 | 2,797.69 |
| VI | Exceptional items | 2,641.01 | 5,132.93 | 1,321.51 | 7,773.94 | 1,321.51 |
| VII | Profit/(Loss) Before Tax (V+/-VI) | 5,909.06 | 7,588.20 | 2,324.77 | 14,989.34 | 4,119.20 |
| VIII | Tax Expense | | | | | |
| | (a) Current tax | - | - | - | - | - |
| d | (b) Taxes for Earlier Years | (0.55) | - | - | (0.55) | (399.52) |
| | (c) Deferred tax | - | - | - | - | - |
| | Total tax expense | (0.55) | - | - | (0.55) | (399.52) |
| IX | Profit/(Loss) for the period before share of Profit/(Loss) of associate (VII-VIII) | 5,909.61 | 7,588.20 | 2,324.77 | 14,989.89 | 4,518.72 |
| X | Share of Profit/(Loss) of associate | - | - | - | - | - |
| XI | Profit/(Loss) for the period (IX+X) | 5,909.61 | 7,588.20 | 2,324.77 | 14,989.89 | 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 | (21.82) | (9.84) | (13.50) | (51.35) | (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)] | (21.82) | (9.84) | (13.50) | (51.35) | (39.38) |
| XIII | Total Comprehensive Income/(Loss) for the period (XI+XII) | 5,887.79 | 7,578.36 | 2,311.27 | 14,938.54 | 4,479.34 |
| XIV | Profit/Loss for the period attributable to | | | | | |
| | (a) Owners of the Company | 5,909.61 | 7,588.20 | 2,324.77 | 14,989.89 | 4,518.72 |
| | (b) Non-Controlling Interests | - | - | - | - | - |
| XV | Other Comprehensive Income/(Loss) for the period attributable to | | | | | |
| | (a) Owners of the Company | (21.82) | (9.84) | (13.50) | (51.35) | (39.38) |
| | (b) Non-Controlling Interests | - | - | - | - | - |
| XVI | Total Comprehensive Income/(Loss) for the period attributable to | | | | | |
| | (a) Owners of the Company | 5,887.79 | 7,578.36 | 2,311.27 | 14,938.54 | 4,479.34 |
| | (b) Non-Controlling Interests | - | - | - | - | - |
| XVII | Paid-up Equity Share Capital (Face value of Rs. 10/- per Share) | 18,534.00 | 18,183.41 | 15,862.18 | 18,534.00 | 15,862.18 |
| XVIII | Other Equity as per Balance Sheet | | | | 29,757.64 | (2,510.77) |
| XIX | Earnings Per Equity Share of Rs. 10 /- each (not annualized) | | | | | |
| | (a) Basic (Rs.) | 3.19 | 4.38 | 1.49 | 8.79 | 3.15 |
| | (b) Diluted (Rs.) | 3.11 | 4.31 | 1.44 | 8.56 | 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 May 16, 2023. 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 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 Exceptional Items include the following :

Rs in lacs

a) The Company had 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, in the quarter ended Dec 2022, the Company had 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 ended December 31, 2022 and year ended March 31, 2023.

5,132.93

b) The Company had entered into a Master Restructuring Agreement (MRA) dated February 06, 2020 with Edelweiss Asset Reconstruction Company Limited (EARC) acting as Trustee of three trusts i.e EARC Trust SC 233, EARC Trust SC 241 and EARC Trust SC 269 with respect to restructuring of the debts owed to some of the lender banks and a Financial Institution by the Company. Accordingly, the total debt owed by the Company of Rs. 52,332.37 lacs was restructured by EARC at Rs. 34,447.23 lacs as Sustainable Debt and Balance Debt of Rs. 17,885.14 lacs. A part of Balance Debt was subsequently converted into equity. The Company had been regularly paying the stipulated principal and interest of the restructured debt to all the three EARC trusts from 2020 onwards till date in accordance with the repayment schedule of MRA. During the quarter ended March, 2023, the Company made a prepayment of the entire outstanding principal along with accrued interest of Rs 54.10 crores towards EARC Trust SC 233 and EARC Trust SC 269. As per terms of restructuring by EARC, the Balance Debt would remain outstanding till the time the restructured debt was repaid. The Balance Debt along with accrued interest was to be waived by EARC once the restructured debt had been repaid. Consequent to the above prepayment, the corresponding Balance debt of the two trusts i.e EARC Trust SC 233 and EARC Trust SC 269 aggregating to Rs. 12,662.70 lacs has been waived by EARC and accordingly the same has been written back by the Company in the quarter and year ended March 31, 2023. The total existing debt of EARC as on March 31, 2023 now stands reduced to Rs 18,759.13 lacs (including Balance Debt of Rs 362.45 lacs) representing debt of EARC Trust SC 241 only.

12,662.70

c) Prag Distillery Pvt Ltd. a wholly owned subsidiary, referred as Prag had undertaken a capex project in 2010 towards expansion of its bottling capacity with a view to reduce the dependency of TI group on third party bottling tie-up arrangements. The permissions from State Government was received in 2014 after a delay of several years and was subject to a licence fee payment of approx Rs 20 crores. Meanwhile, TI group had started facing financial liquidity crunch and subsequently TI turned into Non Performing Asset. Hence, Prag could not fulfil the financial obligation necessary to acquire the requisite permissions for commencing the aforesaid project. While the Holding Company was in talks with the Banks and Financial Institutions for settlement, Prag was admitted under Honorable National Company Law Tribunal (NCLT) in June 2017. The process of settlement of financial creditors of Prag took around five years. This further stalled the commissioning of the expansion project. In the year 2022-23, the Liquidator of Prag, has filed an application at NCLT- Mumbai, seeking withdrawal of the Petition filed by the financial creditor Standard Chartered Bank and closure of the liquidation process. In the several years that elapsed, the business dynamics has changed and the external bottling capacities available in Andhra Pradesh have become sufficient and economically prudent to meet the TI group's business requirements. Subsequent to the application for closure of the liquidation process, the Management has evaluated the current situation with respect to aforesaid project and concluded that since the project has got inordinately delayed, it was no longer financially prudent to incur expenditure to increase capacity as part of the aforesaid capex project under current circumstances. Accordingly, the management has kept the Prag expansion project in abeyance and hence the Company has provided for the impairment of the capex project in its books of accounts. This impairment of the capex project of Rs. 10,021.69 lacs is disclosed under exceptional items for the quarter and year ended March 31, 2023.

-10,021.69

Total amount in exceptional items

7,773.94

- 7 Trade Receivables of Prag Distillery (P) Ltd, a wholly owned subsidiary, referred to as Prag 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. 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. The order from NCLT- Mumbai is awaited. 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.

- 8 During the year 2022-2023, after the requisite Board and shareholders' approval, the Company has allotted the following equity shares :-
- a) 50,62,893 equity shares of face value of Rs 10/- each to promoters/promoter group at an issue price of Rs 53/- per equity share including a premium of Rs 43/- per share
 - b) 99,99,988 equity shares of face value of Rs 10/- each to entities at an issue price of Rs 72/- per equity share including a premium of Rs 62/- per share,
 - c) 1,05,26,315 equity shares of face value of Rs 10/- each to an entity at an issue price of Rs 95/- per equity share including a premium of Rs 85/- per share

Further, the following warrants are outstanding as on March 31, 2023 :

- a) 41,82,390 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.
 - b) 18,05,556 warrants issued to non-promoter groups on a preferential basis at an issue price of Rs 72/- per warrant including a premium of Rs 62/- per warrant.
- 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 Board of Directors at its meeting held on May 16, 2023 has proposed a final dividend of Rs. 0.25 per equity share of Face value Rs. 10/- each for the financial year ended March 31, 2023.
- 11 The Standalone and Consolidated audited financial results of the Company for the quarter & year ended March 31, 2023 are available on the Company's website (www.tilind.com) and on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).
- 12 The previous period figures have been regrouped and reclassified wherever necessary.

Consolidated Audited Statement of Assets and Liabilities as at March 31, 2023

| Particulars | (Rs. in lacs) | |
|--|---------------------|---------------------|
| | As at 31.03.2023 | As at 31.03.2022 |
| | (Audited) | (Audited) |
| A ASSETS | | |
| NON-CURRENT ASSETS | | |
| (a) Property, Plant and Equipment | 41,752.21 | 43,876.18 |
| (b) Capital Work-in-Progress | 10.62 | 10,021.69 |
| (c) Right of Use Assets | 219.16 | 17.74 |
| (e) Other Intangible Assets | 31.22 | 33.74 |
| (f) Financial Assets | | |
| (i) Investments | 53.79 | 3.77 |
| (ii) Loans | 13.39 | - |
| (iii) Other Financial Assets | 2,850.38 | 4,144.50 |
| (g) Deferred Tax Assets (Net) | - | - |
| (h) Other Non-Current Assets | 645.91 | 915.08 |
| (i) Non-Current Tax Assets (Net) | 428.89 | 312.52 |
| Total Non-Current Assets | 46,005.57 | 59,325.22 |
| CURRENT ASSETS | | |
| (a) Inventories | 11,620.93 | 7,231.90 |
| (b) Financial Assets | | |
| (i) Investments | 2,206.98 | - |
| (ii) Trade Receivables | 33,881.17 | 23,676.60 |
| (iii) Cash and Cash Equivalents | 3,481.43 | 4,274.01 |
| (iv) Bank Balance other than (iii) above | 935.88 | 2,788.47 |
| (v) Loans | 1.61 | - |
| (vi) Other Financial Assets | 771.15 | 1,699.76 |
| (c) Other Current Assets | 2,248.92 | 2,332.13 |
| Total Current Assets | 55,148.07 | 42,002.87 |
| TOTAL ASSETS | 1,01,153.64 | 1,01,328.09 |
| B EQUITY AND LIABILITIES | | |
| EQUITY | | |
| (a) Equity Share Capital | 18,534.00 | 15,862.18 |
| (b) Other Equity | | |
| (i) Equity Attributable to Owners of the Company | 29,757.64 | (2,510.77) |
| (ii) Non-Controlling Interests | - | - |
| Total Equity | 48,291.64 | 13,351.41 |
| LIABILITIES | | |
| NON-CURRENT LIABILITIES | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 2,400.65 | 38,099.47 |
| (ii) Lease Liabilities | 213.75 | 7.37 |
| (iii) Other Financial Liabilities | 6,427.29 | 4,018.06 |
| (b) Provisions | 410.09 | 474.03 |
| (c) Deferred Tax Liabilities (Net) | - | - |
| (d) Other Non-Current Liabilities | - | 1,452.50 |
| Total Non-Current Liabilities | 9,451.78 | 44,051.43 |
| CURRENT LIABILITIES | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 22,910.91 | 20,398.02 |
| (ii) Lease Liabilities | 28.34 | 13.04 |
| (iii) Trade Payables | | |
| Total outstanding dues of micro, small enterprises | 3,441.94 | 2,372.01 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 9,473.41 | 14,758.61 |
| (iv) Other Financial Liabilities | 2,959.71 | 1,774.68 |
| (b) Provisions | 3,371.60 | 2,628.98 |
| (c) Current Tax Liabilities (Net) | - | - |
| (d) Other Current Liabilities | 1,224.31 | 1,979.91 |
| Total Current Liabilities | 43,410.22 | 43,925.25 |
| TOTAL EQUITY AND LIABILITIES | 1,01,153.64 | 1,01,328.09 |

TILAKNAGAR INDUSTRIES LTD.

Consolidated Audited Statement of Cash Flow for the year ended March 31, 2023

(Rs. in lacs)

| | Year ended March 31, 2023 | | Year ended March 31, 2022 | |
|---|----------------------------------|-------------------|----------------------------------|-------------------|
| | (Audited) | | (Audited) | |
| A) Cash flow from Operating activities | | | | |
| Net profit (Loss) before tax | | 14,989.34 | | 4,119.20 |
| Adjustment for: | | | | |
| Exceptional Items-Creditors - Written Back | (5,132.93) | | - | |
| Exceptional Items- unsustainable balance debts -Written Back | (12,662.71) | | (1,321.51) | |
| Exceptional Items- Provision | 10,021.69 | | - | |
| Depreciation & Amortisation | 3,234.60 | | 3,274.25 | |
| Loss / (Profit) on sale of assets | 3.26 | | (1.12) | |
| Unrealised (Gain) / Loss on Investment | (31.56) | | - | |
| Loss / (Profit) on sale of investments | (75.85) | | (32.50) | |
| Excess Provision written back | (424.19) | | (466.52) | |
| Allowance for doubtful advances/ Deposits | 23.04 | | 673.34 | |
| Bad Debts | 20.93 | | - | |
| Provision for non-moving and obsolete inventories | 46.95 | | 296.55 | |
| Advances written off | 5.77 | | 37.79 | |
| Sundry balances written back | - | | (75.97) | |
| Expected Credit Loss / (Write Back) | 335.66 | | (242.60) | |
| Unrealised Foreign Exchange Fluctuation (Gain) / Loss | 6.91 | | 170.93 | |
| Employee stock option expenses | 349.55 | | 364.91 | |
| Finance Costs | 4,018.67 | | 6,186.88 | |
| Dividend Income | (0.03) | | - | |
| Interest income | (205.77) | (466.01) | (175.07) | 8,689.36 |
| Operating Profit before working capital changes | | 14,523.33 | | 12,808.56 |
| Adjustment for: | | | | |
| (Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities | 6,096.21 | | (5,089.38) | |
| (Increase)/ Decrease in financial assets, loans and advances and other assets | 1,629.26 | | 3,969.59 | |
| (Increase)/ Decrease in inventories | (4,435.98) | | (320.84) | |
| (Increase)/ Decrease in trade receivables | (10,568.07) | (7,278.58) | (5,323.82) | (6,764.45) |
| Direct taxes (net) refund / (paid) | | (115.82) | | 466.48 |
| Net Cash from Operating activities | | 7,128.93 | | 6,510.59 |
| B) Cash Flow from Investing activities | | | | |
| Purchase of property, plant and equipment | (1,087.89) | | (334.92) | |
| Sale of property, plant and equipment | 19.49 | | 2.54 | |
| Investment in equity shares of other entity | (50.02) | | - | |
| Purchase of investments in Mutual Fund | (8,499.58) | | (6,999.65) | |
| Sale of investments in Mutual Fund | 6,400.00 | | 7,032.15 | |
| (Increase) / Decrease in other bank balances | 1,850.38 | | (2,463.98) | |
| Loans given to employees | (15.00) | | - | |
| Dividend received | 0.03 | | - | |
| Interest Received | 205.77 | | 175.07 | |
| Net Cash from Investing Activities | | (1,176.82) | | (2,588.79) |

TILAKNAGAR INDUSTRIES LTD.

Consolidated Audited Statement of Cash Flow for the year ended March 31, 2023

(Rs. in lacs)

| | Year ended March 31, 2023 | | Year ended March 31, 2022 | |
|--|---------------------------|-------------------|---------------------------|-------------------|
| | (Audited) | | (Audited) | |
| C) Cash Flow from Financing activities | | | | |
| Proceeds from issue of shares including application money | 19,817.49 | | 9,219.02 | |
| Proceeds / (Repayment) from borrowings | 2,325.00 | | 7,629.47 | |
| Repayment of borrowings including current maturities | (24,942.51) | | (15,077.51) | |
| Principal payment of lease liabilities | (52.91) | | (51.84) | |
| Payment of dividend / unclaimed dividend | (160.96) | | (11.85) | |
| Finance costs paid | (3,730.80) | | (5,841.48) | |
| Net Cash from Financing Activities | | (6,744.69) | | (4,134.19) |
| Net increase in Cash & Cash equivalents(A+B+C) | | (792.58) | | (212.39) |
| Opening cash & cash equivalents | | 4,274.01 | | 4,486.40 |
| Closing cash & cash equivalents | | 3,481.43 | | 4,274.01 |

Notes :

| (a) Cash and cash equivalents comprises of | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| i) Balances with Banks | | |
| In Current Accounts | 515.98 | 4,189.36 |
| ii) Short-Term Bank Deposits | 2,956.18 | 73.95 |
| (Maturity within 3 months) | | |
| iii) Cash on Hand | 9.27 | 10.70 |
| | 3,481.43 | 4,274.01 |

(b) the above Consolidated 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 Digitally signed by AMIT DAHANUKAR
Date: 2023.05.16 21:34:22 +05'30'

Amit Dahanukar
Chairman & Managing Director
DIN: 00305636

Place: Mumbai
Date : May 16, 2023

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along with Annual Audited Financial Results (Consolidated)**

| Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] | | | | |
|--|---|---|--|--|
| I. | Sl. 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 | 2,47,678.17 | 247,678.17 |
| | 2 | Total Expenditure | 2,40,462.77 | 2,41,442.36 |
| | 3 | Exceptional Items | 7,773.94 | 7,773.94 |
| | 4 | Net Profit/(Loss) after tax | 14,989.89 | 14,010.3 |
| | 4 | Earnings Per Share (In Rs.) | 8.79 | 8.21 |
| | 5 | Total Assets | 1,01,153.64 | 1,00,174.05 |
| | 6 | Total Liabilities | 52,862.00 | 52,862.00 |
| | 7 | Net Worth | 48,291.64 | 47,312.05 |
| | 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 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 annual financial results.</p> <p>(ii) The following paragraph in respect of Basis for Qualified Opinion was included in the audit report dated May 15, 2023 issued on the Financial Statements of Prag Distillery (P) Ltd ("Prag"), a subsidiary company of the Holding Company issued by an Independent Firm</p> | |



✓

✓

[Handwritten signature]

| | | |
|----|--|--|
| | | of Chartered Accountants, is reproduced as under: |
| | | <ul style="list-style-type: none"> . We draw attention to note in the financial 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. |
| b. | Type of Audit Qualification: | Qualified Opinion |
| c. | Frequency of qualification: | Point (i) - Appearing eighth time Point (ii) - Appearing fourth time |
| d. | For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: | <u>Response to Point (II)(a)(ii)</u> <ul style="list-style-type: none"> Trade Receivables of Prag Distillery (P) Ltd, wholly owned subsidiary of the Company ("Prag"), include Rs 586.55 lacs (P.Y. Rs 586.55 lacs) receivable from Andhra Pradesh Beverage Corporation Ltd. towards |



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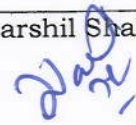
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| | | | |
|----|--|---|--|
| | | | <p>sale of IMFL made by Prag in FY 2018-2019 and FY 2019-2020. Prag, through the Liquidator has obtained approval from National Company Law Tribunal to initiate legal action against Andhra Pradesh Beverage Corporation 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 pursued for recovery by the Liquidator / Management.</p> |
| e. | For Audit Qualification(s) where the impact is not quantified by the auditor: | | |
| | (i) Management's estimation on the impact of audit qualification: | Nil for the reasons given at para 2(e)(i) below | |
| | (ii) If management is unable to estimate the impact, reasons for the same: | <p><u>Response to Point (II)(a)(i)</u> The Company expects to restart the grain distillery plant during the financial year 2023-24 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.</p> | |
| | (iii) Auditors' Comments on (i) or (ii) or (iii) above: | Refer II (a) above | |



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| | |
|-----------------------------------|---|
| III. Signatories: | |
| • CEO/Managing Director |  |
| • CFO |  |
| • Audit Committee Chairman |  |
| • Statutory Auditor | <p>For Harshil Shah & Company</p> <p></p> <p>Partner</p> |
| Place: Mumbai | |
| Date : May 16, 2023 | |

