



# HARSHIL SHAH & COMPANY

Chartered Accountants

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

### To the Board of Directors of Tilaknagar Industries Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **Tilaknagar Industries Limited** (hereinafter referred to as the "Holding Company") and its Subsidiaries and Associate (collectively referred to as "the Group") for the quarter ended June 30, 2023 ("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:

	<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 (upto May 17, 2023)
5	Punjab Expo Breweries Pvt. Ltd
6	Mykingdom Ventures Pvt. Ltd (upto May 17, 2023)
7	Studd Projects P Ltd (upto May 17, 2023)
8	Srirampur Grains Pvt. Ltd (upto May 17, 2023)
9	Shivprabha Sugars Ltd
	<b>Associate:</b>
10	Mason & Summers Marketing Services Pvt. Ltd

5. Attention is invited to the following:
- 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.
  - 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:

There are unsecured overdue trade receivables of Rs 586.55 lakhs and deposits of Rs. 182.05 lakhs 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.

Reference is invited to note no. 8 of the consolidated statement.

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:

The Company has incurred a net loss of Rs. 26.22 lakhs during the current quarter and business operations have been scaled down significantly. The Company has accumulated losses of Rs. 5457.85 lakhs and its net worth has been fully eroded as at June 30, 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 conclusion is not modified in respect of this matter. Reference is invited to note no. 9 of the consolidated statement.

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:

The Company has incurred a net loss of Rs. 32.28 lakhs during the current quarter and business operations have been scaled down significantly. The Company has accumulated losses of Rs. 11,431.78 lakhs and its net worth has been fully eroded as at June 30, 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 conclusion is not modified in respect of this matter. Reference is invited to note no. 7 of the consolidated statement.



9. a. We did not review the interim financial statements/ information of 4 subsidiaries included in the consolidated whose Ind AS financial statements include total revenue of Rs. 205.91 lakhs and total loss of Rs. 50.96 lakhs including other comprehensive income for the quarter ended June 30, 2023 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 does not include Group's share of loss/ profit for the quarter ended June 30, 2023 as considered in the Consolidated statement in respect of 1 Associate ( Mason & Summers Marketing Services Pvt. Ltd ) whose financial results have not been audited by us. The Financial information of the Associate is not available and the Group has provided its share of loss to the extent of the Investment. According to the information and explanation given to us by the management this financial information is not material to the Group. Our conclusion is not modified in respect of the above matter.

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

**Harshil Shah**  
Partner  
Membership No. 124146



Place: Mumbai  
Date: August 8, 2023  
ICAI UDIN: 23124146BGWXIC1530

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

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(Rs. in Lacs except EPS)					
Statement of Consolidated Unaudited Financial Results for the Quarter ended June 30, 2023					
	Particulars	Quarter ended			Year ended
		30.06.2023 Unaudited	31.03.2023 Audited	30.06.2022 Unaudited	31.03.2023 Audited
I	Revenue from operations	63,997.76	71,724.55	48,051.93	2,46,927.85
II	Other Income	116.69	508.03	66.83	750.32
III	<b>Total Income (I + II)</b>	<b>64,114.45</b>	<b>72,232.58</b>	<b>48,118.76</b>	<b>2,47,678.17</b>
IV	<b>Expenses</b>				
	(a) Cost of materials consumed	15,020.48	18,965.83	12,143.13	63,328.52
	(b) Purchases of stock-in-trade	-	-	-	-
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	78.83	802.61	463.42	(1,697.75)
	(d) Excise duty	33,587.99	35,979.63	25,097.15	1,30,491.54
	(e) Employee benefits expense	1,004.56	939.95	848.91	3,759.12
	(f) Finance costs	601.85	795.12	1,330.19	4,018.68
	(g) Depreciation and amortization expense	780.59	792.33	804.72	3,234.60
	(h) Other expenses	10,465.42	10,689.06	7,327.65	37,328.06
	<b>Total expenses</b>	<b>61,539.72</b>	<b>68,964.53</b>	<b>48,015.17</b>	<b>2,40,462.77</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>2,574.73</b>	<b>3,268.05</b>	<b>103.59</b>	<b>7,215.40</b>
VI	Exceptional items	-	2,641.01	-	7,773.94
VII	<b>Profit/(Loss) Before Tax (V+/-VI)</b>	<b>2,574.73</b>	<b>5,909.06</b>	<b>103.59</b>	<b>14,989.34</b>
VIII	<b>Tax Expense</b>				
	(a) Current tax	-	-	-	-
d	(b) Taxes for Earlier Years	-	(0.55)	-	(0.55)
	(c) Deferred tax	-	-	-	-
	<b>Total tax expense</b>	<b>-</b>	<b>(0.55)</b>	<b>-</b>	<b>(0.55)</b>
IX	<b>Profit/(Loss) for the period before share of Profit/(Loss) of associate (VII-VIII)</b>	<b>2,574.73</b>	<b>5,909.61</b>	<b>103.59</b>	<b>14,989.89</b>
X	Share of Profit/(Loss) of associate	-	-	-	-
XI	<b>Profit/(Loss) for the period (IX+X)</b>	<b>2,574.73</b>	<b>5,909.61</b>	<b>103.59</b>	<b>14,989.89</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	(10.85)	(21.82)	(9.84)	(51.35)
	(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>(10.85)</b>	<b>(21.82)</b>	<b>(9.84)</b>	<b>(51.35)</b>
XIII	<b>Total Comprehensive Income/(Loss) for the period (XI+XII)</b>	<b>2,563.88</b>	<b>5,887.79</b>	<b>93.75</b>	<b>14,938.54</b>
XIV	<b>Profit/Loss for the period attributable to</b>				
	(a) Owners of the Company	2,574.73	5,909.61	103.59	14,989.89
	(b) Non-Controlling Interests	-	-	-	-
XV	<b>Other Comprehensive Income/(Loss) for the period attributable to</b>				
	(a) Owners of the Company	(10.85)	(21.82)	(9.84)	(51.35)
	(b) Non-Controlling Interests	-	-	-	-
XVI	<b>Total Comprehensive Income/(Loss) for the period attributable to</b>				
	(a) Owners of the Company	<b>2,563.88</b>	<b>5,887.79</b>	<b>93.75</b>	<b>14,938.54</b>
	(b) Non-Controlling Interests	-	-	-	-
XVII	<b>Paid-up Equity Share Capital (Face value of Rs. 10/- per Share)</b>	<b>19,146.64</b>	<b>18,534.00</b>	<b>15,876.19</b>	<b>18,534.00</b>
XVIII	<b>Other Equity as per Balance Sheet</b>				<b>29,757.64</b>
XIX	<b>Earnings Per Equity Share of Rs. 10/- each (not annualized)</b>				
	(a) Basic (Rs.)	1.37	3.19	0.07	8.79
	(b) Diluted (Rs.)	1.35	3.11	0.06	8.56

**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 August 08, 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 this 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 in the quarter and year ended March 2023 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 for the year ended March 2023****7,773.94**

- 7 The Hon'ble NCLT has passed an order on June 23, 2023 for closure of liquidation process of Prag Distillery (P) Ltd., wholly owned subsidiary of Tilaknagar Industries Ltd. (TI) and for reinstatement of the erstwhile Board of Directors for the management of the operations of Prag. Accordingly, the Board of Directors have been reinstated on July 10, 2023. Prag is in the process of completing the necessary formalities of giving effect to the order. Prag has firmed up the revival plans for its operations and hence the accounts of Prag have been prepared on a going concern basis.

- 8 The financial results of Prag Distillery (P) Ltd (Prag), a wholly owned subsidiary, includes Trade Receivables of Rs. 586.55 lacs and Earnest Money Deposit of Rs 182.05 lacs receivable from Andhra Pradesh Beverage Corporation Ltd.( the Corporation) which is overdue for more than three years. Based on the discussions and correspondence with the Corporation, the management believes that no provision for doubtful debts and deposit is required to be made as the amount is expected to be received. The advances given to suppliers of Rs 210.99 lacs (P.Y. Rs 210.99 lacs) will be considered post completion of the necessary formalities for giving effect to Hon'ble NCLT order regarding closure of liquidation process.
- 9 The net worth of PunjabExpo Breweries Private Limited ("PunjabExpo"), a subsidiary of TI, has been eroded and it has incurred net loss during the current quarter. The Management has considered steps to increase the capacity utilisation & contract manufacturing rates for bottling at the unit. The Board of Directors have assessed the above conditions and indicators and have come to the conclusion that no material uncertainty exists that may cast significant doubt on the PunjabExpo's ability to continue as a going concern taking into account the plans management has put in place and the other mitigating factors described above. Hence, the accounts of PunjabExpo have been prepared on a going concern basis.
- 10 **During the quarter ended June 2023, the Company has allotted the following equity shares :-**
- a) 41,82,390 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) 18,05,556 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
- 11 The Hon'ble National Company Law Tribunal (NCLT), Mumbai has approved the scheme under Section 230-232 of the Companies Act, 2013 vide order dated May 17, 2023 in the matter of Scheme of Amalgamation (Merger by Absorption) of Kesarval Springs Distillers Private Limited ("KSDPL" or the "Transferor Company 1"), Mykingdom Ventures Private Limited ("MVPL" or the "Transferor Company 2"), Srirampur Grains Private Limited ("SGPL" or the "Transferor Company 3") and Studd Projects Private Limited ("SPPL" or the "Transferor Company 4") with and into Tilaknagar Industries Limited ("TI" or the "Transferee Company") and their respective shareholders. The Company has filed INC-28 with Ministry of Corporate Affairs on June 08, 2023. Consequent to the filing of INC-28, the said Scheme has been accounted from the appointed date i.e. April 01, 2022 under common control as per Ind AS 103 - Business Combination, based on which the carrying value of assets amounting to Rs 5.67 lacs, liabilities amounting to Rs 2.25 lacs and retained earnings amounting to Rs (52.52) lacs have been amalgamated with and be vested in transferee company. Consequently, amalgamation reserve of Rs (19) lacs has been recorded on merger in the books of the transferee Company.
- 12 The figures in the statement for the quarter ended June 30, 2022, quarter and year ended March 31, 2023 have been restated to include the effect of Scheme of Amalgamation (Merger by Absorption) as referred in point no 11 above.
- 13 The Standalone and Consolidated unaudited financial results of the Company for the quarter ended June 30, 2023 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)).
- 14 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 : August 08, 2023**