HARSHIL SHAH & COMPANY
Chartered Accountants
Phone :- 022 401 39 401
www.caharshilshah.com, E Mail :- info@caharshilshah.com

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

To the Board of Directors of Tilaknagar Industries Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Tilaknagar Industries Limited** ("the Company") for the quarter ended June 30, 2023 ("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 rues 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. 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.

   The above matter was also qualified in our report on the audited financial results for the quarter and year ended March 31, 2023.

HARSHIL SHAH & CO. FIRM REGN. NO. 141179W Chartered Accountants

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 & CO. FIRM REGN. NO. 141179W Chartered Accountants

Harshil Shah
Partner
Membership No. 124146

Place: Mumbai
Date: August 08, 2023
ICAI UDIN: 23124146BGWXIB5565

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 Standalone 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	71,722.40	48,051.93	2,46,923.37
II	**Other Income**	110.28	475.95	76.89	640.17
III	**Total Income (I + II)**	**64,108.04**	**72,198.35**	**48,128.82**	**2,47,563.54**
IV	**Expenses**				
	(a) Cost of materials consumed	15,020.48	18,962.35	12,143.13	63,337.28
	(b) Purchases of stock-in-trade	-	-	-	-
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	78.83	795.18	463.42	(1,716.89)
	(d) Excise duty	33,587.99	35,979.63	25,097.15	1,30,491.54
	(e) Employee benefits expense	932.77	795.69	693.77	3,342.87
	(f) Finance costs	601.85	795.11	1,302.32	4,018.71
	(g) Depreciation and amortization expense	743.63	755.62	766.37	3,084.15
	(h) Other expenses	10,940.18	11,061.72	7,594.98	38,108.76
	Total Expenses	**61,905.73**	**69,145.30**	**48,061.14**	**2,40,666.42**
V	**Profit/(Loss) Before Exceptional Items And Tax (III-IV)**	2,202.31	3,053.05	67.68	6,897.12
VI	Exceptional Items	-	4,552.41	-	9,685.34
VII	**Profit/(Loss) Before Tax (V+/-VI)**	**2,202.31**	**7,605.46**	**67.68**	**16,582.46**
VIII	**Tax Expense**				
	(a) Current tax	-	-	-	-
	(b) Taxes for Earlier Years	-	(0.55)		(0.55)
	(c) Deferred tax	-	-	-	-
	Total Tax Expense	**-**	**(0.55)**	**-**	**(0.55)**
IX	**Profit/(Loss) For The Period (VII-VIII)**	**2,202.31**	**7,606.01**	**67.68**	**16,583.01**
X	**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	(7.85)	(4.00)	(9.13)	(31.40)
	(ii) Tax on remeasurement gain /(loss) in respect of defined benefit plans	-	-	-	-
	(b) Items that will be reclassified to Profit & Loss	-	-	-	-
	Total Other Comprehensive Income/(Loss) For The Period [(a) +(b)]	(7.85)	(4.00)	(9.13)	(31.40)
XI	**Total Comprehensive Income/(Loss) For The Period (IX+X)**	**2,194.46**	**7,602.01**	**58.55**	**16,551.61**
XII	**Paid-up Equity Share Capital (Face value of Rs. 10/- per Share)**	19,146.64	18,534.00	15,876.19	18,534.00
XIII	**Other Equity as per Balance Sheet**				30,025.41
XIV	**Earnings Per Equity Share of Rs. 10 /- Each (not annualized)**				
	(a) Basic (Rs.)	1.17	4.11	0.04	9.72
	(b) Diluted (Rs.)	1.16	4.01	0.04	9.47

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 August 08, 2023. The Statutory Auditors have expressed qualified 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 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.

5 **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 restructed 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) During the year 2017-2018 and thereafter, many of the bottling tie up arrangements with "PunjabExpo Breweries Private Ltd" a wholly owned subsidiary (referred as PE) were not renewed leading to a severe fall in its operations. Further, there was a considerable drop in its existing business in Canteen Stores Department in the Northern Markets. To stay float, it entered into bottling arrangements with the Holding Company (TI) for its northern and export markets. However, due to lower capacity utilisation, the bottling income from 2018-19 onwards was insufficient to cover the fixed costs leading to increased losses. Over the years, the net worth of PE has been fully eroded despite attempts to rationalize its administrative overheads. Further, TI was actively exploring the possibility of entering the northern civil markets where PE would be one of the major sources of supply. It was also in discussions with other brand owners in Northern Markets to enter into bottling arrangements. This would have significantly improved the capacity utilisation and have favourable impact on the profitability of PE. The discussions with various parties did not concretely materialise post covid situation. Despite its best efforts, PE could not increase its business. TI management has assessed the current situation and has arrived at the conclusion that there is no sufficient visibility on PE northern business and return on investments and recoverability of loans and advances is doubtful. Hence, TI has provided for impairment of the equity investments in PE of Rs 2,680.39 lacs, advances of Rs 3,320.75 lacs and loan of Rs 565.79 lacs aggregating to Rs. 6,566.94 lacs in its books of accounts. The same is accounted under exceptional items for the quarter and year ended March 31, 2023.	-6,566.94
d) Consequent to the provision of the capex expansion project cost of Rs 10,021.69 lacs, in the books of Prag Distillery Pvt Ltd a wholly owned subsidiary, in the quarter and year ended March 31, 2023 (refer Note No 5 (c) in the consolidated financial results, the net worth of Prag has been fully erorded . Hence, the Company has recorded impairment provision on the equity investments made in Prag of Rs 1,543.35 lacs in its books of accounts.The same is disclosed under exceptional items in the quarter and year ended March 31, 2023.	-1,543.35
Total amount in exceptional items for the year ended March 2023	**9,685.34**

6 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.

7 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 6 above.

8 During the quarter ended June 2023, the Company has alloted 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

9 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