



HARSHIL SHAH & COMPANY

Chartered Accountants

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Independent Auditor's Review Report on Unaudited Quarterly Financial Results and Year to Date 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 September 30, 2023 and the year to date results for the period April 01, 2023 to September 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 rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. 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 standalone statement.

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



5. Based on our review conducted and procedures performed as stated above, except for the possible effects for the matter 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
Partner
Membership No. 124146



Place: Mumbai
Date: November 2, 2023
ICAI UDIN: 23124146BGWXJR3101

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

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(Rs. in Lacs except EPS)							
Statement of Standalone Unaudited Financial Results for the Quarter & Half year ended September 30, 2023							
	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2023 Unaudited	30.06.2023 Unaudited	30.09.2022 Unaudited	30.09.2023 Unaudited	30.09.2022 Unaudited	31.03.2023 Audited
I	Revenue from Operations	75,018.04	63,997.76	59,560.43	1,39,015.80	1,07,612.36	2,46,923.37
II	Other Income	84.52	110.28	9.64	194.80	86.53	640.17
III	Total Income (I + II)	75,102.56	64,108.04	59,570.07	1,39,210.60	1,07,698.89	2,47,563.54
IV	Expenses						
	(a) Cost of materials consumed	17,624.84	15,020.48	14,718.27	32,645.32	26,861.40	63,337.28
	(b) Purchases of stock-in-trade	-	-	-	-	-	-
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	540.44	78.83	(794.36)	619.27	(330.94)	(1,716.89)
	(d) Excise duty	39,579.45	33,587.99	32,155.36	73,167.44	57,252.51	1,30,491.54
	(e) Employee benefits expense	964.66	932.77	850.32	1,897.43	1,544.09	3,342.87
	(f) Finance costs	773.99	601.85	1,018.97	1,375.84	2,321.29	4,018.71
	(g) Depreciation and amortization expense	786.66	743.63	784.35	1,530.29	1,550.72	3,084.15
	(h) Other expenses	11,399.88	10,940.18	9,488.07	22,340.06	17,083.04	38,108.76
	Total Expenses	71,669.92	61,905.73	58,220.98	1,33,575.65	1,06,282.11	2,40,666.42
V	Profit/(Loss) Before Exceptional Items And Tax (III-IV)	3,432.64	2,202.31	1,349.09	5,634.95	1,416.78	6,897.12
VI	Exceptional Items	512.45	-	-	512.45	-	9,685.34
VII	Profit/(Loss) Before Tax (V+/-VI)	3,945.09	2,202.31	1,349.09	6,147.40	1,416.78	16,582.46
VIII	Tax Expense						
	(a) Current tax	-	-	-	-	-	-
	(b) Taxes for Earlier Years	-	-	-	-	-	(0.55)
	(c) Deferred tax	-	-	-	-	-	-
	Total Tax Expense	-	-	-	-	-	(0.55)
IX	Profit/(Loss) For The Period (VII-VIII)	3,945.09	2,202.31	1,349.09	6,147.40	1,416.78	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)	(7.85)	(9.14)	(15.70)	(18.27)	(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)	(7.85)	(9.14)	(15.70)	(18.27)	(31.40)
XI	Total Comprehensive Income/(Loss) For The Period (IX+X)	3,937.24	2,194.46	1,339.95	6,131.70	1,398.51	16,551.61
XII	Paid-up Equity Share Capital (Face value of Rs. 10/- per Share)	19,172.75	19,146.64	16,591.22	19,172.75	16,591.22	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.)	2.06	1.17	0.82	3.24	0.87	9.72
	(b) Diluted (Rs.)	2.03	1.16	0.79	3.17	0.85	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 November 02, 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 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 had 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 stood 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 eroded. 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 | Exceptional Items in the quarter and half year ended September 30, 2023 includes : | Rs in lacs |
|----|---|-------------------|
| | During the quarter ended September 30, 2023, the Company has made a pre-payment of the Restructured debt of Edelweiss Asset Reconstruction Company (EARC) acting as trustee of EARC Trust SC 241. Accordingly, the total Restructured debt of Rs. 17,622 lacs as on June 30, 2023 of EARC Trust SC 241 now stands reduced to Rs. Nil. Consequent to the above prepayment, the corresponding Balance debt of EARC Trust SC 241 of Rs. 362.45 lacs has been waived by EARC and has been written back by the Company along with a discount of Rs 150 lacs on the Restructured debt received from EARC at the time of pre-payment. The Company has now completely repaid the Restructured debt of all the three EARC Trusts i.e EARC Trust SC 233, EARC Trust SC 241 and EARC Trust SC 269 as per the Master Restructuring Agreement (MRA) dated February 06, 2020 and stands discharged of all liabilities, dues, demands or claims in respect of the Restructured Facilities. | 512.45 |
| 7 | 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 (19.00) lacs has been recorded on merger in the books of the transferee Company. | |
| 8 | The figures in the statement for the quarter and half year ended September 30, 2022 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 7 above. | |
| 9 | During the quarter ended June 2023, the Company has allotted the following equity shares on preferential basis :-
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 | |
| 10 | The previous period figures have been regrouped and reclassified wherever necessary. | |

Standalone Unaudited Statement of Assets and Liabilities as at September 30, 2023

Particulars	(Rs. in lacs)	
	As at	As at
	30.09.2023	31.03.2023
	(Unaudited)	(Audited)
A ASSETS		
NON-CURRENT ASSETS		
(a) Property, Plant and Equipment	39,137.47	40,094.15
(b) Capital Work-in-Progress	10.62	10.62
(c) Right of Use Assets	207.81	219.17
(d) Other Intangible Assets	30.28	30.67
(e) Financial Assets		
(i) Investments	3,193.10	2,168.12
(ii) Loans	11.44	13.39
(iii) Other Financial Assets	2,527.74	2,549.22
(f) Deferred Tax Assets (Net)	-	-
(g) Other Non-Current Assets	517.67	461.96
(h) Non-Current Tax Assets (Net)	410.81	280.62
Total Non-Current Assets	46,046.94	45,827.92
CURRENT ASSETS		
(a) Inventories	11,465.84	11,620.93
(b) Financial Assets		
(i) Investments	916.36	2,206.98
(ii) Trade Receivables	37,187.16	33,256.51
(iii) Cash and Cash Equivalents	1,391.99	3,306.96
(iv) Bank Balance other than (ii) above	2,406.26	895.78
(v) Loans	1,027.37	49.26
(vi) Other Financial Assets	369.20	1,646.44
(c) Other Current Assets	2,257.71	1,660.83
Total Current Assets	57,021.89	54,643.69
TOTAL ASSETS	1,03,068.83	1,00,471.61
B EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	19,172.75	18,534.00
(b) Other Equity	37,902.21	30,025.41
Total Equity	57,074.96	48,559.41
LIABILITIES		
NON-CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	12,967.88	2,400.65
(ii) Lease Liabilities	205.99	213.75
(iii) Other Financial Liabilities	5,797.33	6,427.29
(b) Provisions	327.50	306.79
(c) Deferred Tax Liabilities (net)	-	-
(d) Other Non-Current Liabilities	-	-
Total Non-Current Liabilities	19,298.70	9,348.48
CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	5,669.38	22,796.91
(ii) Lease Liabilities	34.95	28.34
(iii) Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	3,690.78	3,432.63
Total outstanding dues of creditors other than micro enterprises and small enterprises	9,994.37	9,181.27
(iv) Other Financial Liabilities	3,518.98	2,668.20
(b) Provisions	2,911.77	3,364.62
(c) Current Tax Liabilities (Net)	-	-
(d) Other Current Liabilities	874.94	1,091.75
Total Current Liabilities	26,695.17	42,563.72
TOTAL EQUITY AND LIABILITIES	1,03,068.83	1,00,471.61

TILAKNAGAR INDUSTRIES LTD.

Standalone Unaudited Statement of Cash Flow for the half year ended September 30, 2023

	Half year ended September 30, 2023		Half year ended September 30, 2022	
	(Unaudited)		(Unaudited)	
A) Cash flow from Operating activities				
Net profit (Loss) before tax		6,147.40		1,417.36
Adjustment for:				
Exceptional item- Loan Written Back	(512.45)		-	
Depreciation / Amortisation	1,530.29		1,550.72	
Loss / (Profit) on sale of assets	-		(0.28)	
Excess provision written back	(5.58)		(4.80)	
Loss / (Profit) on sale on Investment	(60.06)		-	
Unrealised (Gain) / loss on Investment	(5.82)		-	
Allowance for doubtful advances/ deposits	687.92		502.13	
Advances written off	-		0.31	
Sundry balance written back	(1.08)		-	
Expected Credit Loss on trade receivables	294.10		49.40	
Unrealised Foreign Exchange Fluctuation (Gain) / Loss	0.22		448.82	
Employee stock option expenses	94.26		176.30	
Finance costs	1,375.84		2,321.28	
Interest income	(115.56)	3,282.08	(73.78)	4,970.10
Operating Profit before working capital changes		9,429.48		6,387.46
Adjustment for:				
(Decrease)/ Increase in trade payables, current liabilities, provisions and other financial liabilities	234.93		(311.64)	
(Increase)/ Decrease in financial assets, loans and advances and other assets	(452.59)		1,831.02	
(Increase)/ Decrease in inventories	155.10		(800.85)	
(Increase)/ Decrease in trade receivables	(4,224.96)	(4,287.52)	(761.61)	(43.08)
Direct taxes (net) refund / (paid)		(130.18)		(364.22)
Net Cash from Operating activities		5,011.78		5,980.16
B) Cash Flow from Investing activities				
Purchase of property, plant and equipment	(543.65)		(45.20)	
Sale of property, plant and equipment	-		1.10	
Purchase of Investments	(3,343.51)		-	
Sale of Investment	4,700.00		-	
Investment in Equity of other entity	(1,024.98)		-	
(Increase) / Decrease in other bank balances	(1,510.48)		(650.26)	
Loan given to Subsidiaries	(565.40)		(603.14)	
Interest received	115.56		73.78	
Net Cash from Investing Activities		(2,172.46)		(1,223.72)
C) Cash Flow from Financing activities				
Proceeds from share warrants / Share application money	2,768.91		7,871.03	
Proceeds from borrowings	14,075.00		4,150.00	
Repayment of borrowings	(20,304.58)		(14,764.31)	
Principal payment of lease liabilities	(30.48)		(26.44)	
Payment of Dividend	0.81		(165.36)	
Finance costs paid	(1,263.95)		(2,411.04)	
Net Cash from Financing Activities		(4,754.29)		(5,346.12)
Net increase in Cash & Cash equivalents (A+B+C)		(1,914.97)		(589.68)
Opening cash & cash equivalents		3,306.96		3,544.70
Closing cash & cash equivalents		1,391.99		2,955.02

Notes :

(a) Cash and cash equivalents comprises of	As at Sept 30, 2023	As at Sept 30, 2022
i) Balances with Banks		
In Current Accounts	1,153.36	2,888.50
ii) Short-Term Bank Deposits	223.15	54.01
(Maturity within 3 months)		
iii) Cash on Hand	15.48	12.51
	<u>1,391.99</u>	<u>2,955.02</u>

(b) The above standalone 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
Chairman & Managing Director
DIN: 00305636

Place: Mumbai
Date : November 2 , 2023