



Ref: TI/NSE/COMP/18-19/15

June 14, 2018

To,
The Manager (Listing),
National Stock Exchange of India Ltd.,
Exchange Plaza, Plot no. C/1, G Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai - 400 051
Ph No.: 022 26598235/36
Fax No.: 022 26598120/237/238

Sub: IND-AS compliant Audited Financial Results (Standalone and Consolidated) of the Company for the financial year ended March 31, 2018

Ref: Scrip Code - TI

Dear Sir/Madam,

We wish to inform you that pursuant to the provisions of Regulation 33 of the SEBI (LODR) Regulations, 2015, the Board of Directors of the Company, in its Adjourned Meeting held on June 14, 2018, has considered and approved the IND-AS compliant Audited Financial Results (Standalone and Consolidated) of the Company for the financial year ended March 31, 2018.

We are enclosing herewith Statement of Audited Financial Results (Standalone and Consolidated) for the financial year ended March 31, 2018 alongwith the Audit Reports thereon submitted by M/s. M. M. Parikh & Co., Statutory Auditors of the Company and Statement on Impact of Audit Qualifications pursuant to the provisions of Regulation 33(3)(d) of the SEBI (LODR) Regulations, 2015 with respect to Auditors' Report with modified opinion.

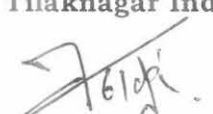
Please take note that the Meeting commenced at 04.15 p.m. and concluded at 11.15 p.m.

Kindly acknowledge the receipt and take the same on your record.

Thanking you,

Yours faithfully,

For Tilaknagar Industries Ltd.


Gaurav Thakur
Company Secretary



Encl: a/a

Corporate Office: Industrial Assurance Building, 3rd Floor, Churchgate, Mumbai - 400020.

Tel.: (022) 22831716 / 18, Fax: (022) 22046904. E-mail: tiliquor@tilind.com.

Regd. Office & Works: P. O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra - 413720.

Tel.: (02422) 265123 / 265032, Fax: (02422) 265135. E-mail: regoff@tilind.com. Website: www.tilind.com

CIN: L15420PN1933PLC133303



A/114, Super Shopping Complex, Bajaj Cross Road, Kandivli (West), Mumbai - 400 067.

Tel.: 022 - 2887 7741 • Email : pankaj2703@yahoo.co.in • mmparikh1978@yahoo.in

**INDEPENDENT AUDITORS REPORT ON STANDALONE FINANCIAL RESULTS OF
TILAKNAGAR INDUSTRIES LTD PURSUANT TO THE REGULATION 33 OF THE SEBI
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

TO THE BOARD OF DIRECTORS OF TILAKNAGAR INDUSTRIES LTD

1. We have audited the accompanying annual standalone financial results ('the Statement') of Tilaknagar Industries Ltd ('the Company') for the year ended 31 March 2018, being submitted by the Company pursuant to Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the quarter ended 31 March 2018 and the corresponding quarter ended in the previous year as reported in these standalone financial results are the balancing figures between audited figure in respect of full financial year and the published year to date figures upto to the end of the third quarter of the relevant financial year. Also, the figures upto the end of third quarter had only been reviewed and not subject to audit.
2. These standalone financial results are the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone financial results based on our audit of the annual standalone financial results which have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015, 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.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.

Basis for Qualified Opinion

4. The Company has not impaired 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 7 of the standalone financial results.
5. The Company has not made Impairment of advances given to certain parties amounting to Rs.6074.08 Lacs as required by Indian Accounting Standard (Ind AS 109) 'Financial Instruments'. Reference is invited to note 8 of the financial results.
6. The Company has not impaired for equity investment of Rs 1543.45 lacs in its wholly owned subsidiary Prag Distillery (P) Ltd as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets' though the subsidiary has been referred to National Company Law Tribunal ("NCLT") for Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") by its creditors. Reference is invited to note 10 of the financial results.

pn

M. M. PARIKH & CO.

Chartered Accountants



M. M. Parikh B. Com., LL.B., F.C.A.

Kishor M. Parikh B. Com., F.C.A., DIP.IFR. (U.K.)

Pankaj M. Parikh B. Com., F.C.A.

A/114, Super Shopping Complex, Bajaj Cross Road, Kandivli (West), Mumbai - 400 067.

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Qualified Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matter described in paragraph 4, 5 and 6 above, these financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- ii. give a true and fair view of the standalone net loss (including other comprehensive income) and other financial information for the year ended 31 March, 2018.

Material uncertainty related to Going Concern

8. We draw attention to note 9 in the financial results that the Company has incurred net loss during the year and due to accumulated losses the net worth has been eroded. Further the current liabilities have exceeded the total assets.

These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter

9. We draw attention to note 11 in the financial results that the Company has defaulted in repayment of principal dues and Interest payable to Banks & Financial Institutions. The Company has provided interest liability based on the last available sanction letter on the principal outstanding and is actively in discussions with the Lenders for Debt restructuring /one time settlement. Pending the final outcome of the settlement with the Lenders, no further adjustments have been made in the financial results in respect of the principal amount of Loans and interest provided thereon. Our opinion is not modified in respect of this matter.
10. The standalone financial results of the Company for the year ended 31 March, 2017 were audited by another firm of Chartered Accountants, which issued a modified opinion vide their audit report dated 29 May, 2017 in respect of matter described in paragraph 4 and 5 above.

For **M M Parikh & Co**

Chartered Accountants

Firm Registration No. 107557W

Kishor M Parikh

Partner

Membership No. 031110

Place : Mumbai

Date : 14th June, 2018

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)					
Statement of Standalone Audited Financial Results for the Quarter and Year ended March 31, 2018					
Particulars	Quarter ended			Year ended	
	31.03.2018 Audited	31.12.2017 Unaudited	31.03.2017 Audited	31.03.2018 Audited	31.03.2017 Audited
I Revenue from operations	18,156.79	6,738.73	20,086.11	39,674.77	62,578.01
II Other Income	2,871.69	159.89	216.12	3,142.15	393.09
III Total Income (I + II)	21,028.48	6,898.62	20,302.23	42,816.92	62,971.10
IV Expenses					
(a) Cost of materials consumed	5,224.29	2,989.97	6,049.51	13,181.87	21,897.88
(b) Purchases of stock-in-trade	-	-	-	-	-
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	110.65	42.63	1,922.39	171.32	1,804.03
(d) Excise Duty	8,228.01	253.25	9,084.37	8,792.41	24,443.94
(e) Employee benefits expense	284.18	418.20	834.37	1,770.42	2,599.08
(f) Finance costs	3,173.50	3,494.38	5,392.56	13,369.51	15,318.07
(g) Depreciation and amortization expense	872.14	896.48	873.69	3,560.34	3,624.71
(h) Other expenses	13,956.32	1,903.75	6,981.15	22,035.06	20,824.09
Total expenses	31,849.09	9,998.66	31,138.04	62,880.93	90,511.80
V Profit/(Loss) before exceptional items and tax (III-IV)	(10,820.60)	(3,100.04)	(10,835.81)	(20,064.01)	(27,540.70)
VI Exceptional items	-	-	-	-	-
VII Profit/(Loss) before tax (V-VI)	(10,820.60)	(3,100.04)	(10,835.81)	(20,064.01)	(27,540.70)
VIII Tax Expense					
(a) Current tax	(265.30)	-	(729.84)	(265.30)	(729.84)
(b) Deferred tax	12.59	(3.57)	19.45	-	-
Total Tax Expense	(252.71)	(3.57)	(710.39)	(265.30)	(729.84)
IX Profit/(Loss) for the period (VII-VIII)	(10,567.89)	(3,096.47)	(10,125.42)	(19,798.71)	(26,810.86)
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	21.27	(14.71)	(14.01)	(22.86)	(56.04)
(ii) Deferred 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)]	21.27	(14.71)	(14.01)	(22.86)	(56.04)
XI Total Comprehensive Income/(Loss) for the period (IX+X)	(10,546.62)	(3,111.18)	(10,139.43)	(19,821.57)	(26,866.90)
XII Paid-up equity share capital (Face value of Rs. 10/- per Share)	12,475.61	12,475.61	12,475.61	12,475.61	12,475.61
XIII Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				(31,008.66)	(11,270.27)
XIV Earnings Per Equity Share of Rs. 10/- each (not annualized)					
(a) Basic (Rs.)	(8.47)	(2.48)	(7.81)	(15.87)	(21.20)
(b) Diluted (Rs.)	(8.47)	(2.48)	(7.81)	(15.87)	(21.20)

Notes :

- 1 The above Results have been reviewed by the Audit Committee and approved by the Board of Directors at its adjourned Meeting held on June 14, 2018.
- 2 The above Results have been audited by the Statutory Auditors of the Company and the figures for the quarter ended March 31, 2018 and March 31, 2017 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures (unaudited) upto the third quarter of the relevant financial year. Also the figures upto the end of third quarter had only been reviewed and not subject to audit.
- 3 The Audited Consolidated Financial 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 has adopted Indian Accounting Standards ("IND-AS") with effect from April 01, 2017 with a transition date of April 01, 2016. The financial results for the quarter and year ended March 31, 2018 have been prepared in accordance with recognition and measurement principles laid down in accordance with the Companies (Indian Accounting Standards) Rules, 2015 [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. Accordingly, the impact of transition has been provided in the opening equity as on April 01, 2016 and figures for the corresponding quarter and year ended March 31, 2017 have been prepared to comply with IND-AS.
- 5 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.
- 6 The Company has entered into arrangements with certain distilleries and bottling units (Tie up units) for manufacture and marketing of its own brands. The Tie up units have necessary license and regulatory permits to manufacture alcohol. Under the previous GAAP the Company had recognised net surplus (total revenue over total expenses) from the operation through these Tie up units under Revenue from operations. However, under Ind AS 18, the Company has aggregated the below mentioned amounts in its Statement of Profit and Loss with respect to these Tie up units. Consequent to these changes, there is no impact on the total profit.

Particulars	(Rs in lacs)	
	Year ended	Year ended
	31.03.2018	31.03.2017
	Audited	Audited
Revenue from operations	57,838.72	10,385.30
Other Income	2.99	
Total Income (I + II)	57,841.71	10,385.30
Cost of materials consumed /Changes in inventories of	13,001.51	2,694.79

Excise Duty	33,376.46	6,603.96
Finance costs	0.14	-
Other expenses	2,252.79	553.36
Total expenses	48,630.90	9,852.11
Profit/(Loss)	9,210.81	533.19

- 7 Reconciliation of Consolidated Equity and Net Profit as reported under previous Generally Accepted Accounting Principles ('GAAP') and as per IND-AS is given as Annexure - A
- 8 The Company had applied to the State government authorities for dual feed permission for manufacture of ENA through molasses as well as grain at one of its ENA Plants. Permission has been received for operating the fermentation section for one year. 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.
- 9 In lieu of advances given to certain parties amounting to Rs. 6,074.08 lacs, the Company had received land from one of the group concerns of the parties. The land received has been registered in the name of the Company. The advances have not been adjusted pending certain formalities to be completed on the part of the said parties. In view of this, the management believes that no provision is considered necessary in the books of accounts.
- 10 The Company's net worth has eroded, however, there is an improvement in operational performance of the liquor business in terms of higher sales, market share and margins in the southern states. The Company is also in active discussion with the lenders on debt restructuring. Hence, the accounts are prepared on going concern basis.
- 11 An application for liquidation under Section 33 of the Insolvency & Bankruptcy Code, 2016 has been filed by the Resolution Professional(RP) before The National Company Law Tribunal, Mumbai Bench seeking order requiring Prag Distillery (P) Ltd., wholly owned subsidiary of the Company to be liquidated "on going concern basis" in the manner laid down under Section 33 of the Code on 06.04.2018. However, a resolution proposal has since been submitted by a third party for approval of the creditors subject to the directions /orders to be given by The National Company Law Tribunal, Mumbai Bench. In view of this the management believes that Goodwill relating to Prag Distillery (P) Ltd. is not impaired and the accounts are prepared on going concern basis pending the completion of the resolution process under the IBC code.
- 12 The Company has defaulted in repayment of principal dues of loans as well as interest payable to banks and financial institutions except for making certain on account payments, to banks and Edelweiss Asset Reconstruction Company Limited. The Company is in active discussion with the all the lenders for debt restructuring / one time settlement. However, interest has been provided in books of accounts on the principal outstanding at original contracted rates.
- 13 The Standalone and Consolidated unaudited financial results of the Company for the quarter & Year ended March 31, 2018 are available on the Company's website (www.tilind.com) and on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).
- 14 The previous period figures have been regrouped and reclassified wherever necessary.

ANNEXURE - A

Reconciliation of Consolidated Equity and Net Profit as reported under previous Generally Accepted Accounting Principles ('GAAP') and as per IND-AS

(Rs. in lacs)

Particulars	Note no.	Consolidated				
		Net Profit Reconciliation		Equity Reconciliation		
		For the quarter ended 31.03.2017	For the year ended 31.03.2017	Equity attributable to Owners	Non-Controlling Interest *	Total Equity
				As at Year ended 31.03.2017	As at Year ended 31.03.2017	As at Year ended 31.03.2017
Net Profit/(Loss) / Total Equity as reported under Previous GAAP		(10,368.36)	(27,686.91)	(2,303.52)	-	(2,303.52)
Actuarial gain/(loss) in respect of defined benefit plans reclassified to Other Comprehensive Income	(a)	17.35	69.38		-	-
Amortization of Processing Fees	(b)	(28.03)	(83.27)	69.71	-	69.71
Exchange fluctuation on financial liabilities	(c)	(4.17)	(0.95)		-	-
Deferred Tax Asset/(Liability) due to financial liabilities measured at amortized cost		(19.45)	-		-	-
Recognition of Deferred Tax Asset	(c)	72.57	72.57	4,299.68	-	4,299.68
ESOP Measured at Fair Value	(d)	(330.36)	(330.36)		-	-
Expected Credit Loss		1.36	1.36	(21.87)	-	(21.87)
Net Profit/(Loss) / Total Equity as per Ind-AS		(10,659.09)	(27,958.19)	2,044.01	-	2,044.01
Other Comprehensive Income(net of tax)		(17.35)	(69.38)			
Total Comprehensive Income/ Total Equity as per IND-AS		(10,676.44)	(28,027.58)	2,044.01	-	2,044.01

Particulars	(Rs. in lacs)	
	As at Year ended	
	31.03.2018 (Audited)	31.03.2017 (Audited)
A ASSETS		
NON-CURRENT ASSETS		
(a) Property, Plant and Equipment	55,903.59	50,924.08
(b) Capital Work-in-Progress	11,324.59	12,412.55
(c) Investment Property	-	-
(d) Goodwill	2,326.23	2,326.23
(e) Other Intangible Assets	458.27	907.71
(f) Financial Assets		
(i) Investments	3.77	3.77
(ii) Loans	4.99	7.91
(iii) Other Financial Assets	10.89	25.02
(g) Income Tax Assets (net)	179.31	891.94
(h) Deferred Tax Assets (net)	-	-
(i) Other Non-Current Assets	7,621.76	1,435.43
Total Non-Current Assets	77,893.40	68,934.64
CURRENT ASSETS		
(a) Inventories	7,997.98	8,861.20
(b) Financial Assets		
(i) Investments	-	-
(ii) Trade Receivable	17,314.25	14,965.80
(iii) Cash and Cash Equivalents	5,683.63	487.73
(iv) Bank Balance other than (iii) above	149.24	113.39
(v) Loans	3.73	5.41
(vi) Other Financial Assets	10,003.80	11,000.57
(c) Income Tax Assets (net)	-	-
(d) Other Current Assets	9,157.82	30,886.38
Total Current Assets	50,310.45	66,100.48
TOTAL ASSETS	128,203.85	135,035.12
B EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	12,475.01	12,475.01
(b) Other Equity		
(i) Equity attributable to Owners of the Company	(25,479.53)	(10,431.60)
(ii) Non-Controlling Interests	-	-
Total Equity	(13,003.92)	2,044.01
LIABILITIES		
NON-CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	11.62	-
(ii) Other Financial Liabilities	10,807.08	4,979.42
(b) Provisions	318.53	319.92
(c) Deferred Tax Liabilities (net)	-	-
(d) Other Non-Current Liabilities	-	-
Total Non-Current Liabilities	11,137.23	5,299.34
CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	77,034.96	75,737.19
(ii) Trade Payables	16,069.35	16,599.62
(iii) Other Financial Liabilities	34,328.32	32,614.54
(b) Provisions	2,099.89	829.62
(c) Income Tax Liabilities (net)	87.24	555.23
(d) Other Current Liabilities	450.78	1,155.27
Total Current Liabilities	130,070.54	127,891.77
TOTAL EQUITY AND LIABILITIES	128,203.85	135,035.12

By Order of the Board
For Tilaknagar Industries Ltd.

Chairman & Managing Director

Place: Mumbai
Date : June 14, 2018



Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted alongwith Annual Audited Financial Results (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs. in Lacs	Adjusted Figures (audited figures after adjusting for qualifications) Rs. in Lacs
1	Turnover / Total income	42,816.92	42,816.92
2	Total Expenditure	62,880.93	70,498.36
3	Net Profit/(Loss)	(19,798.71)	(27,416.14)
4	Earnings Per Share (In Rs.)	(15.87)	(21.98)
5	Total Assets	1,00,222.91	92,605.48
6	Total Liabilities	1,00,222.91	1,00,222.91
7	Net Worth	(18,533.05)	(26,150.48)
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 Company has not impaired 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 7 of the standalone financial results.</p> <p>(ii) The Company has not made Impairment of advances given to certain parties amounting to Rs.6,074.08 Lacs as required by Indian Accounting Standard (Ind AS 109) 'Financial Instruments'. Reference is invited to note 8 of the standalone financial results.</p> <p>(iii) The Company has not impaired for equity investment of Rs 1,543.45 lacs in its wholly owned subsidiary Prag Distillery (P) Ltd as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets' though the subsidiary has been referred to National Company Law Tribunal ("NCLT") for Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") by its creditors. Reference is invited to note 10 of the standalone financial results.</p>	

Type of Audit Qualification:	Qualified Opinion
Frequency of qualification:	<p>Point (i) - Appearing third time</p> <p>Point (iii) - Appearing second time</p> <p>Point (iii) - Appearing first time</p>
<p>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p>	<p><u>Response to Point (II)(a)(ii)</u></p> <p>In lieu of advances given to certain parties amounting to Rs. 6,074.08 lacs, the Company had received land from one of the group concerns of the parties.</p> <p>The land received has been registered in the name of the Company. The advances have not been adjusted pending certain formalities to be completed on the part of the said parties. In view of this, the management believes that no provision is considered necessary in the books of accounts.</p> <p><u>Response to Point (II)(a)(iii)</u></p> <p>An application for liquidation under Section 33 of the Insolvency & Bankruptcy Code, 2016 has been filed by the Resolution Professional(RP) before The National Company Law Tribunal, Mumbai Bench seeking order requiring Prag Distillery (P) Ltd., wholly owned subsidiary of the Company to be liquidated "on going concern basis" in the manner laid down under Section 33 of the Code on 06.04.2018.</p> <p>However, a resolution proposal has since been submitted by a third party for approval of the creditors subject to the directions /orders to be given by The National Company Law Tribunal, Mumbai Bench. In view of this the management believes that no provision for the diminution in the value of investments in Prag Distillery (P) Ltd. is required pending the completion of the resolution process under the IBC code.</p>



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)(ii) below
(ii) If management is unable to estimate the impact, reasons for the same:	<p>Response to Point (II)(a)</p> <p>The Company had applied to the State government authorities for dual feed permission for manufacture of ENA through molasses as well as grain at one of its ENA Plants. Permission has been received for operating the fermentation section for one year. 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



1. Statutory:

• CEO/Managing Director

• CFO

• Audit Committee Chairman

• Statutory Auditor

For M.M. Parikh & Co.

For M.M. Parikh & Co.

Partner



A/114, Super Shopping Complex, Bajaj Cross Road, Kandivli (West), Mumbai - 400 067.

Tel.: 022 - 2887 7741 • Email : pankaj2703@yahoo.co.in • mmparikh1978@yahoo.in

**INDEPENDENT AUDITORS REPORT ON CONSOLIDATED FINANCIAL RESULTS OF
TILAKNAGAR INDUSTRIES LTD PURSUANT TO THE REGULATION 33 OF THE SEBI
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

TO THE BOARD OF DIRECTORS OF TILAKNAGAR INDUSTRIES LTD

1. We have audited the accompanying annual consolidated financial results ('the Statement') of Tilaknagar Industries Ltd ('the Company') for the year ended 31 March 2018, being submitted by the Company pursuant to Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.
2. These consolidated financial results are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the annual consolidated financial statements which have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015, 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.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.
4. These Consolidated financial results include the annual financial results of the following entities:

Holding Company:

- i. Tilaknagar Industries Ltd

Subsidiaries:

- ii. Prag Distillery (P) Ltd (Subsidiary)
- iii. Vahni Distilleries Pvt. Ltd
- iv. Kesarval Spring Distillers Pvt. Ltd
- v. Punjab Expo Breweries Pvt. Ltd
- vi. Mykingdom Ventures Pvt. Ltd
- vii. Studd Projects P Ltd
- viii. Srirampur Grains Pvt. Ltd
- ix. Shivprabha Sugars Ltd

Associate:

- x. Mason & Summers Marketing services Pvt. Ltd



A/114, Super Shopping Complex, Bajaj Cross Road, Kandivli (West), Mumbai - 400 067.

Tel.: 022 - 2887 7741 • Email : pankaj2703@yahoo.co.in • mmparikh1978@yahoo.in

Basis for Qualified Opinion

5. The Company has not impaired 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 8 of the financial results.
6. The Company has not impaired advances given to certain parties amounting to Rs 6,074.08 lakhs as required by Indian Accounting Standard (Ind AS 109) 'Financial Instruments'. Reference is invited to note 9 of the financial results.
7. The Company has not impaired Goodwill of Rs 1175.25 lakhs relating to its wholly owned subsidiary Prag distillery Pvt Ltd as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets' though there is an indication of impairment as explained in note 11 of the financial results.

Qualified Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matter described in paragraph 5, 6 and 7 above, these financial results:
 - i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
 - ii. give a true and fair view of the consolidated net loss (including other comprehensive income) and other financial information for the year ended 31 March, 2018.

Material uncertainty related to Going Concern

- 9(a) We draw attention to note 10 in the financial results that the Company has incurred net loss during the year and due to accumulated losses the net-worth has eroded. Further the current liabilities have exceeded the total assets. These events indicate that a material uncertainty exist that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.
- (b) One of the subsidiary of the Group namely Prag Distillery Pvt. Ltd has been referred by the Creditors to National Company Law Tribunal ("NCLT") for Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Further, the Company has incurred a net loss during the year ended 31 March 2018 and as of that date the Company's business has reduced significantly. These events as set forth in note 11 indicate that a material uncertainty exist that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

for



Emphasis of matter

10. We draw attention to note 12 in the financial results that the Company has defaulted in repayment of principal dues and interest payable to banks and financial institutions. The Company has provided interest liability based on the last available sanction letter on the principal outstanding and is actively in discussions with the lenders for debt restructuring /one time settlement. Pending the final outcome of the settlement with the lenders, no further adjustments have been made in the financial results in respect of the principal amount of loans and interest provided thereon.

Our opinion is not modified in respect of this matter.

Other matters

11. We did not audit the financial statements / information of 7 subsidiaries included in the consolidated financial results whose financial statements reflect total assets of Rs 21434.56 lakhs as at 31 March 2018, total revenue of Rs 93964.03 lakhs and total comprehensive income/ (loss) of Rs (803.62) lakhs for the year ended on that date as considered in the Consolidated Ind AS 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 statements 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 statements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of other auditors.

12. We did not audit the Financial statements /information of one subsidiary namely Prag Distillery Pvt Ltd whose financial statements / information reflect total assets of Rs 13175.88 lakhs, as at 31 March 2018, total revenue of Rs 1733.45 lakhs and total comprehensive income/ (loss) of Rs (608.79) lakhs for the year ended on that date as considered in the consolidated financial results. The consolidated financial results also include Groups share of net profit / loss of Rs Nil for the year ended 31 March, 2018 in respect of one associate whose financial statements have not been audited by us. These Financial statements / information are unaudited and furnished to us by the management and our opinion on the Consolidated Financial Statements in so far as it relates to the amount and disclosures included in respect of this subsidiary and associates our report in terms of section 143 (3) of the Act in so far as it relates to the aforesaid subsidiary and associates is based solely on such unaudited financial statements / information. In our opinion and according to the information and explanation given to us by the management these financial results/information are not material to the Group.

Our opinion is not modified in respect of the above matter.

M. M. PARIKH & CO.

Chartered Accountants



M. M. Parikh B. Com., LL.B., F.C.A.

Kishor M. Parikh B. Com., F.C.A., DIP.IFR. (U.K.)

Pankaj M. Parikh B. Com., F.C.A.

A/114, Super Shopping Complex, Bajaj Cross Road, Kandivli (West), Mumbai - 400 067.

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13. The consolidated financial statements of the Company for the year ended 31 March, 2017 were audited by another firm of Chartered Accountants, which issued an modified opinion vide their audit report dated 29 May, 2017 in respect of paragraph 5 and 6 above.

For **M M Parikh & Co**
Chartered Accountants
Firm Registration No. 107557W

A handwritten signature in black ink, appearing to read 'Kishore Parikh'.

Kishore Parikh
Partner
Membership No. 031110

Place : Mumbai
Date : 14th June, 2018

TILAKNAGAR INDUSTRIES LTD. (CIN: L15420PN1933PLC133303)

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

Regd. Office : P.O. Tilaknagar, Tal. Shirampur, Dist. Ahmednagar, Maharashtra - 413 720

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

Statement of Consolidated Audited Financial Results for the Quarter and Year ended March 31, 2018					
(Rs. in lacs)					
Particulars	Quarter ended			Year ended	
	31.03.2018 Audited	31.12.2017 Unaudited	31.03.2017 Audited	31.03.2018 Audited	31.03.2017 Audited
I Revenue from operations	70,852.58	21,694.45	36,496.37	129,500.87	114,330.29
II Other Income	2,916.73	243.30	220.47	3,327.69	401.39
III Total Income (I + II)	73,769.31	21,937.75	36,716.84	132,828.56	114,731.68
IV Expenses					
(a) Cost of materials consumed	17,512.20	4,497.47	9,902.39	29,181.86	33,459.83
(b) Purchases of stock-in-trade	-	-	-	-	-
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(588.39)	(137.89)	1,746.70	(749.28)	1,066.39
(d) Excise Duty	44,562.25	10,313.41	21,447.41	71,384.16	62,827.41
(e) Employee benefits expense	452.01	538.51	890.93	2,201.28	2,828.05
(f) Finance costs	3,857.58	3,914.88	5,465.69	15,193.95	15,724.34
(g) Depreciation and amortization expense	914.03	939.28	920.27	3,731.13	3,814.19
(h) Other expenses	13,005.20	3,533.03	7,811.25	27,170.01	23,797.82
Total expenses	80,114.88	23,598.68	48,184.64	148,113.11	143,518.03
V Profit/(Loss) before exceptional items and tax (III-IV)	(6,345.57)	(1,660.93)	(11,467.80)	(15,284.55)	(28,786.35)
VI Exceptional items	-	-	-	-	-
VII Profit/(Loss) before tax (V-VI)	(6,345.57)	(1,660.93)	(11,467.80)	(15,284.55)	(28,786.35)
VIII Tax Expense					
(a) Current tax	(171.54)	-	(755.58)	(171.54)	(755.58)
(b) Deferred tax	-	(3.57)	(53.12)	-	(72.57)
Total Tax Expense	(171.54)	(3.57)	(808.70)	(171.54)	(828.15)
IX Profit/(Loss) for the period before Share of Profit/(Loss) of associate (VII-VIII)	(6,174.03)	(1,657.36)	(10,659.10)	(15,113.01)	(27,958.20)
X Share of Profit/(Loss) of associate	-	-	-	-	-
XI Profit/(Loss) for the period (IX+X)	(6,174.03)	(1,657.36)	(10,659.10)	(15,113.01)	(27,958.20)
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	36.54	(18.21)	(17.34)	(18.10)	(69.38)
(ii) Deferred 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)]	36.54	(18.21)	(17.34)	(18.10)	(69.38)
XIII Total Comprehensive Income/(Loss) for the period (XI+XII)	(6,137.49)	(1,675.58)	(10,676.44)	(15,131.11)	(28,027.58)
XIV Profit/Loss for the period attributable to					
(a) Owners of the Company	(6,174.03)	(1,657.36)	(10,659.10)	(15,113.01)	(27,958.20)
(b) Non-Controlling Interests	-	-	-	-	-
XV Other Comprehensive Income/(Loss) for the period attributable to					
(a) Owners of the Company	36.54	(18.21)	(17.34)	(18.10)	(69.38)
(b) Non-Controlling Interests	-	-	-	-	-
XVI Total Comprehensive Income/(Loss) for the period attributable to					
(a) Owners of the Company	(6,137.49)	(1,675.58)	(10,676.44)	(15,131.11)	(28,027.58)
(b) Non-Controlling Interests	-	-	-	-	-
XVII Paid-up equity share capital (Face value of Rs. 10/- per Share)	12,475.61	12,475.61	12,475.61	12,475.61	12,475.61
XVIII Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	(25,479.53)	(10,431.60)
XIX Earnings Per Equity Share of Rs. 10/- each (not annualized)					
(a) Basic (Rs.)	(4.95)	(1.33)	(8.31)	(12.11)	(22.19)
(b) Diluted (Rs.)	(4.95)	(1.33)	(8.31)	(12.11)	(22.19)

Notes :

- 1 The above Results have been reviewed by the Audit Committee and approved by the Board of Directors at its adjourned Meeting held on June 14, 2018.
- 2 The above Results have been audited by the Statutory Auditors of the Company and the figures for the quarter ended March 31, 2018 and March 31, 2017 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures (unaudited) upto the third quarter of the relevant financial year. Also the figures upto the end of third quarter had only been reviewed and not subject to audit.
- 3 The Audited Consolidated Financial 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 has adopted Indian Accounting Standards ("IND-AS") with effect from April 01, 2017 with a transition date of April 01, 2016. The financial results for the quarter and year ended March 31, 2018 have been prepared in accordance with recognition and measurement principles laid down in accordance with the Companies (Indian Accounting Standards) Rules, 2015 [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. Accordingly, the impact of transition has been provided in the opening equity as on April 01, 2016 and figures for the corresponding quarter and year ended March 31, 2017 have been prepared to comply with IND-AS.
- 5 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.
- 6 The Company has entered into arrangements with certain distilleries and bottling units (Tie up units) for manufacture and marketing of its own brands. The Tie up units have necessary license and regulatory permits to manufacture alcohol. Under the previous GAAP the Company had recognised net surplus (total revenue over total expenses) from the operation through these Tie up units under Revenue from operations. However, under Ind AS 18, the Company has aggregated the below mentioned amounts in its Statement of Profit and Loss with respect to these Tie up units. Consequent to these changes, there is no impact on the total profit.

(Rs in lacs)

Particulars	Year ended	Year ended
	31.03.2018	31.03.2017
	Audited	Audited
Revenue from operations	57,838.72	10,385.30
Other Income	2.99	
Total Income (I + II)	57,841.71	10,385.30
Cost of materials consumed /Changes in inventories of	13,001.51	2,694.79

Excise Duty	33,376.46	6,603.96
Finance costs	0.14	-
Other expenses	2,252.79	553.36
Total expenses	48,630.90	9,852.11
Profit/(Loss)	9,210.81	533.19

- 7 Reconciliation of Consolidated Equity and Net Profit as reported under previous Generally Accepted Accounting Principles ('GAAP') and as per IND-AS is given as Annexure - A.
- 8 The Company had applied to the State government authorities for dual feed permission for manufacture of ENA through molasses as well as grain at one of its ENA Plants. Permission has been received for operating the fermentation section for one year. 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.
- 9 In lieu of advances given to certain parties amounting to Rs. 6,074.08 lacs, the Company had received land from one of the group concerns of the parties. The land received has been registered in the name of the Company. The advances have not been adjusted pending certain formalities to be completed on the part of the said parties. In view of this, the management believes that no provision is considered necessary in the books of accounts.
- 10 The Company's net worth has eroded, however, there is an improvement in operational performance of the liquor business in terms of higher sales, market share and margins in the southern states. The Company is also in active discussion with the lenders on debt restructuring. Hence, the accounts are prepared on going concern basis.
- 11 An application for liquidation under Section 33 of the Insolvency & Bankruptcy Code, 2016 has been filed by the Resolution Professional(RP) before The National Company Law Tribunal, Mumbai Bench seeking order requiring Prag Distillery (P) Ltd., wholly owned subsidiary of the Company to be liquidated "on going concern basis" in the manner laid down under Section 33 of the Code on 06.04.2018. However, a resolution proposal has since been submitted by a third party for approval of the creditors subject to the directions /orders to be given by The National Company Law Tribunal, Mumbai Bench. In view of this the management believes that Goodwill relating to Prag Distillery (P) Ltd. is not impaired and the accounts are prepared on going concern basis pending the completion of the resolution process under the IBC code.
- 12 The Company has defaulted in repayment of principal dues of loans as well as interest payable to banks and financial institutions except for making certain on account payments. to banks and Edelweiss Asset Reconstruction Company Limited. The Company is in active discussion with the all the lenders for debt restructuring / one time settlement. However, interest has been provided in books of accounts on the principal outstanding at original contracted rates.
- 13 The Standalone and Consolidated unaudited financial results of the Company for the quarter & Year ended March 31, 2018 are available on the Company's website (www.tilind.com) and on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).
- 14 The previous period figures have been regrouped and reclassified wherever necessary.

ANNEXURE - A

Reconciliation of Consolidated Equity and Net Profit as reported under previous Generally Accepted Accounting Principles ('GAAP') and as per IND-AS

(Rs. in lacs)

Particulars	Note no.	Consolidated				
		Net Profit Reconciliation		Equity Reconciliation		
		For the quarter ended 31.03.2017	For the year ended 31.03.2017	Equity attributable to Owners	Non-Controlling Interest *	Total Equity
				As at Year ended 31.03.2017	As at Year ended 31.03.2017	As at Year ended 31.03.2017
Net Profit/(Loss) / Total Equity as reported under Previous GAAP		(10,368.36)	(27,686.91)	(2,303.52)	-	(2,303.52)
Actuarial gain/(loss) in respect of defined benefit plans reclassified to Other Comprehensive Income	(a)	17.35	69.38		-	-
Amortization of Processing Fees	(b)	(28.03)	(83.27)	69.71	-	69.71
Exchange fluctuation on financial liabilities	(c)	(4.17)	(0.95)		-	-
Deferred Tax Asset/(Liability) due to financial liabilities measured at amortized cost		(19.45)	-		-	-
Recognition of Deferred Tax Asset	(c)	72.57	72.57	4,299.68	-	4,299.68
ESOP Measured at Fair Value	(d)	(330.36)	(330.36)		-	-
Expected Credit Loss		1.36	1.36	(21.87)	-	(21.87)
Net Profit/(Loss) / Total Equity as per Ind-AS	-	(10,659.09)	(27,958.19)	2,044.01	-	2,044.01
Other Comprehensive Income(net of tax)		(17.35)	(69.38)			
Total Comprehensive Income/ Total Equity as per IND-AS		(10,676.44)	(28,027.58)	2,044.01	-	2,044.01

Particulars	(Rs. in lacs)	
	As at Year ended	
	31.03.2018	31.03.2017
	(Audited)	(Audited)
A ASSETS		
NON-CURRENT ASSETS		
(a) Property, Plant and Equipment	55,963.59	50,924.08
(b) Capital Work-in-Progress	11,324.59	12,412.55
(c) Investment Property	-	-
(d) Goodwill	2,326.23	2,326.23
(e) Other Intangible Assets	458.27	907.71
(f) Financial Assets		
(i) Investments	3.77	3.77
(ii) Loans	4.99	7.91
(iii) Other Financial Assets	10.89	25.02
(g) Income Tax Assets (net)	179.31	891.94
(h) Deferred Tax Assets (net)	-	-
(i) Other Non-Current Assets	7,621.78	1,435.43
Total Non-Current Assets	77,893.40	68,934.64
CURRENT ASSETS		
(a) Inventories	7,997.98	8,661.20
(b) Financial Assets		
(i) Investments	-	-
(ii) Trade Receivable	17,314.25	14,965.80
(iii) Cash and Cash Equivalents	6,683.63	487.73
(iv) Bank Balance other than (iii) above	149.24	113.39
(v) Loans	3.73	5.41
(vi) Other Financial Assets	10,003.80	11,000.57
(c) Income Tax Assets (net)	-	-
(d) Other Current Assets	8,157.82	30,666.38
Total Current Assets	50,310.45	66,100.48
TOTAL ASSETS	128,203.85	135,035.12
B EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	12,475.61	12,475.61
(b) Other Equity		
(i) Equity attributable to Owners of the Company	(25,479.53)	(10,431.60)
(ii) Non-Controlling Interests	-	-
Total Equity	(13,003.92)	2,044.01
LIABILITIES		
NON-CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	11.62	-
(ii) Other Financial Liabilities	10,807.08	4,879.42
(b) Provisions	318.53	319.92
(c) Deferred Tax Liabilities (net)	-	-
(d) Other Non-Current Liabilities	-	-
Total Non-Current Liabilities	11,137.23	5,299.34
CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	77,034.96	75,737.19
(ii) Trade Payables	16,069.36	16,599.92
(iii) Other Financial Liabilities	34,328.32	32,814.54
(b) Provisions	2,099.89	829.62
(c) Income Tax Liabilities (net)	87.24	555.23
(d) Other Current Liabilities	450.78	1,155.27
Total Current Liabilities	130,070.54	127,691.77
TOTAL EQUITY AND LIABILITIES	128,203.85	135,035.12

By Order of the Board
For Tilaknagar Industries Ltd.


Amit Dahanukar
Chairman & Managing Director

Place: Mumbai
Date : June 14, 2018



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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018
[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 Lacs	Adjusted Figures (audited figures after adjusting for qualifications) Rs. in Lacs
	1	Turnover / Total income	1,32,828.56	1,32,828.56
	2	Total Expenditure	1,48,113.11	1,55,362.44
	3	Net Profit/(Loss)	(15,113.02)	(22,362.35)
	4	Earnings Per Share (In Rs.)	(12.11)	(17.92)
	5	Total Assets	1,28,203.85	1,20,954.52
	6	Total Liabilities	1,28,203.85	1,28,203.85
	7	Net Worth	(13,003.92)	(20,253.25)
	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 Company has not impaired 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 8 of the consolidated financial results.</p> <p>(ii) The Company has not made Impairment of advances given to certain parties amounting to Rs.6,074.08 Lacs as required by Indian Accounting Standard (Ind AS 109) 'Financial Instruments'. Reference is invited to note 9 of the consolidated financial results.</p> <p>(iii) The Company has not Impaired Goodwill of Rs. 1,175.25 lacs relating to its wholly owned subsidiary Prag distillery Pvt Ltd as required by Indian Accounting Standard (Ind AS 36) 'Impairment of Assets' though there is an indication of impairment as explained in note 11 of the financial results.</p>	



Type of Audit Qualification:	Qualified Opinion
Frequency of qualification:	Point (i) - Appearing third time Point (ii) - Appearing second time Point (iii) - Appearing first time
For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	<p><u>Response to Point (II)(a)(ii)</u></p> <p>In lieu of advances given to certain parties amounting to Rs. 6,074.08 lacs, the Company had received land from one of the group concerns of the parties.</p> <p>The land received has been registered in the name of the Company. The advances have not been adjusted pending certain formalities to be completed on the part of the said parties. In view of this, the management believes that no provision is considered necessary in the books of accounts.</p> <p><u>Response to Point (II)(a)(iii)</u></p> <p>An application for liquidation under Section 33 of the Insolvency & Bankruptcy Code, 2016 has been filed by the Resolution Professional(RP) before The National Company Law Tribunal, Mumbai Bench seeking order requiring Prag Distillery (P) Ltd., wholly owned subsidiary of the Company to be liquidated "on going concern basis" in the manner laid down under Section 33 of the Code on 06.04.2018.</p> <p>However, a resolution proposal has since been submitted by a third party for approval of the creditors subject to the directions /orders to be given by The National Company Law Tribunal, Mumbai Bench. In view of this the management believes that Goodwill relating to Prag Distillery (P) Ltd. is not impaired and the accounts are prepared on going concern basis pending the completion of the resolution process under the IBC code.</p>



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(c)(ii) below
(ii) If management is unable to estimate the impact, reasons for the same:	<p><u>Response to Point (II)(a)</u></p> <p>The Company had applied to the State government authorities for dual feed permission for manufacture of ENA through molasses as well as grain at one of its ENA Plants. Permission has been received for operating the fermentation section for one year. 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



(i) Signatories:

* CEO/Managing Director

[Signature]

* CFO

[Signature]

* Audit Committee Chairman

[Signature] *are*

* Statutory Auditor

For M.M. Parikh & Co.

[Signature]

Partner

12/03/2012

12/03/2012