



May 30, 2024

To,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400001  
**Scrip Code : 507205**

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block-G,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai-400 051.  
**Symbol : TI**

**Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that Office of the Commissioner of Distilleries & Breweries, Andhra Pradesh, Vijayawada has issued notice to M/s. Prag Distillery (P) Ltd (Prag), wholly owned subsidiary of Tilaknagar Industries Ltd. for payment of pending Letter of Intent (LOI) Fees under Andhra Pradesh Distillery (Manufacture of IMFL other than Beer and Wine) Rules, 2006.

The details required as per sub-para 20 of Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

<b>Name of the authority</b>	Office of the Commissioner of Distilleries & Breweries, Andhra Pradesh, Vijayawada.
<b>Nature and details of the action(s)</b>	Balance Letter of Intent (LOI) fees of Rs 19 crores including special fees along with 18% interest per annum, aggregating to Rs. 34.72 crores.
<b>Date of receipt of communication from the authority</b>	The communication was received on May 22, 2024 by Prag at 12:08 pm and it was subsequently forwarded to the Holding Company.
<b>Details of the violation(s) /contravention(s) committed or alleged to be committed</b>	Order to pay expansion licence fees and interest levied under Andhra Pradesh Distillery (Manufacture of IMFL other than Beer and Wine) Rules, 2006 for proposal submitted for capacity expansion. Prag is instructed to pay the amounts by May 31, 2024 failing which it will be construed that it is not interested to obtain the expansion licence and will be treated as forfeited with effect from June 01, 2024. ( Refer our Note 1 below)

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Churchgate, Mumbai, Maharashtra - 400 020, India  
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**E** tiliquor@tilind.com

**CIN:** L15420PN1933PLC133303

**Regd. Office:** P.O. Tilaknagar, Tal. Shirampur,  
Dist. Ahmednagar, Maharashtra - 413 720, India  
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**Web:** www.tilind.com



<b>Impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible</b>	Based on the Company's internal assessment, there is no material impact on the financial, operation or other activities of the Company.
<b>Reason for delay</b>	The reason for delay is that the Company's officials were evaluating the contents of the aforesaid notice received by Prag, ascertaining the veracity of the claim and determining the next steps.

**Note 1 :** Prag had undertaken a capex project in 2010 towards expansion of its bottling capacity to reduce the dependency of TI group on third party bottling tie-up arrangements. The expansion LOI was received as late as 2016 subject to a licence fee payment of approx Rs 20 crores. Meanwhile, TI had become Non-Performing Asset and was facing liquidity crunch. Hence, Prag could not fulfil the financial obligation for commencing the aforesaid project.

While the Holding Company was in talks with the Banks and Financial Institutions for settlement, Prag was admitted under Hon National Company Law Tribunal (NCLT) in June 2017. The process of settlement of financial creditors of Prag took around six years. This further stalled the commissioning of the expansion project.

Prag came out of liquidation in the financial year 2023-2024. In the several years that elapsed, the business dynamics had changed and the external bottling capacities available in Andhra Pradesh had become sufficient to meet TI's growing demand. The Management evaluated that since the project got inordinately delayed, it was no longer financially prudent to further increase its own exposure for the capex project. Accordingly, the management provided for the impairment of the capex project of Rs. 10,021.69 lacs which was disclosed under exceptional items in the financial statements for the year ended March 31, 2023. The same was subsequently written off in the financial statements for the year ended March 31, 2024.

Prag is in discussion with the Andhra Pradesh authorities to examine the veracity of the claim and is examining various alternatives. We are in the process of responding to the authorities within the stipulated time.

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Considering the inordinate delay in providing the approval of LOI, and the fact that Prag was under NCLT proceedings for around six years, the Company is confident that it has a strong case to challenge the order. We will keep the exchange updated on any material developments in the above matter.

We request you to kindly take the above on your record.

Thanking you,

Yours faithfully,

For **Tilaknagar Industries Ltd.**

**Minuzeer Bamboat**  
**Company Secretary and Compliance Officer**

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