Draft Letter of Offer
4th January, 2024
For Eligible Equity Shareholders only

Balkrishna Paper Mills Limited

(CIN- L21098MH2013PLC244963)

Our Company was originally incorporated on 29th June, 2013 under the provisions of the Companies Act, 1956, in the name and style of Nirvikara Paper Mills Limited vide certificate of Incorporation dated 29th June, 2013 issued by Registrar of Company, Mumbai. Our Company i.e. erstwhile Nirvikara Paper Mills Limited (NPML) had entered into Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 with erstwhile Balkrishna Paper Mills Limited (BPML) (Amalgamated Company) (CIN: U21093MH2007PLC168591) and Balkrishna Industries Limited (BIL) (CIN: L99999MH1961PLC012185) vide Scheme of Arrangement which was duly sanctioned by Hon'ble High Court of Bombay on December 19, 2014 and the said sanctioned Order copy of Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956 was filed vide Form No.INC-28 with Registrar of Companies, Maharashtra, Mumbai on February 10, 2015. In view of the above Scheme of Arrangement becoming effective, the erstwhile BPML (Amalgamated Company) stands Amalgamated with BIL and ceased to be in existence. Consequent upon above, the entire Paper Business of BIL was transferred to erstwhile NPML (CIN: L21098MH2013PLC244963.Thereafter, name of the Company was changed from "Nirvikara Paper Mills Limited" to "Balkrishna Paper Mills Limited" vide fresh Certificate of Incorporation issued by 23rd August, 2016 issued by Registrar of Companies, Mumbai. For further details in relation to our Company, please refer to the section titled "General Information" beginning on page 42 of this Draft Letter of offer.

Registered Office: A/7, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel West, Mumbai, Maharashtra, 400013;
Tel: +91- 22-61207900; **Email id:** bpmho@bpml.in **Website:** www.bpml.in
Contact Person: Mr. Omprakash Singh, Company Secretary & Compliance Officer

PROMOTERS OF OUR COMPANY: MS. ASHADEVI RAMESHKUMAR PODDAR, MS. VIBHADEVI SHRIKISHAN PODDAR, MR. SHRIKISHAN DHARAPRASAD PODDAR, MR. RAMESHKUMAR DHARAPRASAD PODDA, MR. ANURAG PAWANKUMAR PODDAR, MR. AVNISH PAWANKUMAR PODDAR, MR. GAURAV PRAMOD PODDAR, MR. ANKIT PODDAR, MS. SANGEETA PRAMODKUMAR PODDAR, MS. MADHUDEVI PAWANKUMAR PODDAR, MR. PAWANKUMAR DHARAPRASAD PODDAR, MS. GITADEVI DHARAPRASAD PODDAR, MR. ABHISHEK S PODDAR, MR. HARSHIT S PODDAR

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF BALKRISHNA PAPER MILLS LIMITED

NEITHER OUR COMPANY, OUR PROMOTERS NOR OUR DIRECTORS HAVE BEEN DECLARED AS A WILFUL DEFAULTER OR FRAUDULENT BORROWER BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY

THE ISSUE

ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE OF RS. 10 EACH ("EQUITY SHARES") OF BALKRISHNA PAPER MILLS LIMITED ("BPML" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING PREMIUM OF RS. [●] PER EQUITY SHARE) ("ISSUE PRICE") FOR AN AGGREGATE AMOUNT NOT EXCEEDING RS. 4,700.00 LACS TO THE ELIGIBLE EQUITY SHAREHOLDERS ON RIGHTS BASIS IN THE RATIO OF [●] ([●]) EQUITY SHARES FOR EVERY [●] ([●]) EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [●] (THE "ISSUE"). THE ISSUE PRICE IS [●] TIME OF FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE 115 OF THIS DRAFT LETTER OF OFFER.

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of the investors is invited to "Risk Factors" beginning on page 22 of this Draft Letter of Offer before making an investment in this Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of offer contains all information with regard to our Company and the Issue, which is material in the context of this Issue; that the information contained in this Draft Letter of offer is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held; and that there are no other facts, the omission of which makes this Draft Letter of offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). Our Company has received "in-principle" approval from NSE and BSE for listing the Equity Shares to be allotted pursuant to the Issue through its letter dated [●] and [●] respectively. Our Company will also make an application to NSE and BSE to obtain their trading approval for the rights entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.

ADVISOR TO THE ISSUE	REGISTRAR TO THE ISSUE
NAVIGANT CORPORATE ADVISORS LIMITED 804, Meadows, Sahar Plaza Complex, J B Nagar, Andheri Kurla Road, Andheri East, Mumbai-400 059 **Tel No.** +91-22-41204837 **Email Id-**navigant@navigantcorp.com **Investor Grievance Email:**info@navigantcorp.com **Website**: www.navigantcorp.com **SEBI Registration Number**: INM000012243 **Contact Person**: Mr. Sarthak Vijlani	**PURVA SHAREGISTRY (INDIA) PVT. LTD.** No-9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel, Mumbai - 400 011. **Tel No.**: +91 022-2301 2518 **Website**: www.purvashare.com **E-mail ID**: support@purvashare.com **Contact Person**: Ms. Deepali **SEBI Registration No**: INR000001112

ISSUE PROGRAMME		
ISSUE OPENS ON	**LAST DATE OF MARKET RENONCIATIONS***	**ISSUE CLOSES ON****
[●]	[●]	[●]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.*

***Our Board or a Rights Issue Committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits" and "Financial Statements" beginning on pages 59 and 91, respectively of this Draft Letter of Offer, shall have the meaning given to such terms in such sections.

Company Related Terms

Terms	Description
"Balkrishna Paper Mills Limited" or "the Company" or "our Company" or "we" or "us" or "our" or "the Issuer"	Balkrishna Paper Mills Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at A/7, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel West, Mumbai, Maharashtra, 400013.
Articles of Association	The Articles of Association of our Company as amended from time to time.
Auditors / Statutory Auditors	The Statutory Auditors of our Company being M/s. D S M R & CO, Chartered Accountants.
Board / Board of Directors / our Board	The Board of Directors of our Company or a duly constituted committee thereof, as the context may refer to.
Director(s)	Any or all the director(s) of our Board, as may be appointed from time to time.
Equity Shares / Shares	Equity Shares of face value of Rs. 10 each of our Company.
Internal Auditors	M/s. K.M. Garg & CO., Chartered Accountants.
Key Managerial Personnel / KMP	Mr. Anurag P. Poddar, Chairman & Managing Director, Mr. Manish Omkarmal Malpani, Whole time Director & Chief Financial Officer and Mr. Omprakash Singh, Company Secretary and Compliance Officer, collectively referred as Key Managerial Personnel of the Company.
Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Promoters	Ms. Ashadevi Rameshkumar Poddar, Ms. Vibhadevi Shrikishan Poddar, Mr. Shrikishan Dharaprasad Poddar, Mr. Rameshkumar Dharaprasad Podda, Mr. Anurag Pawankumar Poddar, Mr. Avnish Pawankumar Poddar, Mr. Gaurav Pramod Poddar, Mr. Ankit Poddar, Ms. Sangeeta Pramodkumar Poddar, Ms. Madhudevi Pawankumar Poddar, Mr. Pawankumar Dharaprasad Poddar, Ms. Gitadevi Dharaprasad Poddar, Mr. Abhishek S Poddar, Mr. Harshit S Poddar.

Terms	Description
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made with the Stock Exchange under the SEBI Listing Regulations.
Registered Office	Registered office of our Company situated at A/7, Trade World, Kamala City,, Senapati Bapat Marg, Lower Parel West, Mumbai, Maharashtra, 400013.
Registrar of Companies / ROC	Registrar of Companies, Mumbai, 100, Everest, Marine Drive, Mumbai-400002, Maharashtra.
Subsidiary / Subsidiary Company / our Subsidiary	Our Company has no subsidiary Company.

Issue Related Terms

Term	Description
Abridged Letter of Offer or ALOF	The Abridged letter of offer to be sent to the Eligible Equity Shareholders as on the Record Date with respect to the Issue in accordance with the SEBI ICDR Regulations and the Companies Act, 2013.
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allotment / Allot / Allotted /Allotment of Rights Equity Shares	The allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, into which the Application Money lying credit to the Escrow Account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●]
Allotment Advice	The note or advice or intimation of Allotment sent to the Investors, who have been or are to be allotted the Rights Equity Shares after the basis of Allotment has been approved by the BSE and NSE.
Allotment Date	The date on which Allotment is made.
Allottee(s)	Persons to whom Rights Equity Shares of our Company are allotted pursuant to this Issue.
Applicant(s) / Investors	Eligible Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application though the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of

Term	Description
	Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ASBA	The application (whether physical or electronic) used by Investors to make an application authorizing the SCSB to block the amount payable on application in their specified bank account maintained with SCSB.
ASBA Account	An account maintained with an SCSB and specified in the CAF or plain paper application, as the case may be by the Applicant for blocking the amount mentioned in the CAF or in the plain paper application.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.
Bankers to the Company	Union Bank of India
Bankers to the Issue / Escrow Collection Bank	[●]
Banker to the Issue Agreement	Agreement dated [●] entered into by and amongst our Company, the Registrar to the Issue and the Bankers to the Issue for collection of the Application Money from Applicants/ Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in "Terms of the Issue" beginning on page 115 of this Draft Letter of Offer.
CAF / Common Application Form	The application form used by Investors to make an application for Allotment under the Issue
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Designated Branches	Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Designated Stock Exchange	BSE Limited
Depository	A depository registered with SEBI under the SEBI (Depository and Participant) Regulations, 2018, as amended from time to time, read with the Depositories Act, 2018.
Draft Letter of Offer / DLOF	This draft letter of offer dated 4th January, 2024.
ECS	Electronic Clearing Service
Equity Shareholder(s)/ Shareholder(s)	The holders of Equity Shares of our Company.

Term	Description
Eligible Equity Shareholders / Eligible Shareholders/	Holders of Equity Shares of our Company as on the Record Date, i.e. [●].
Escrow Account(s)	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors.
"Escrow Collection Bank", "Allotment Account Bank(s)" or "Refund Bank(s)"	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, [●]
Fraudulent Borrower	A fraudulent borrower, as defined under the SEBI ICDR Regulations
General Corporate Purposes	General corporate purposes shall have the meaning as determined in Regulation 2(1)(r) of the SEBI ICDR Regulations.
GIR	General Index Registrar
IEPF	Investor Education and Protection Fund
Investor(s)	The Equity Shareholders of our Company on the Record Date i.e. [●] and the Renouncee(s).
ISIN	International Securities Identification Number
Issue / the Issue / this Issue / Rights Issue	Issue of upto fully paid up [●] Equity Shares with a face value of Rs. 10 each for cash at a price of Rs. [●] per Equity Share aggregating up to Rs. 4,700.00 Lakhs on a rights basis to Eligible Shareholders in the ratio of [●] ([●]) Rights Equity Shares for every [●] ([●]) fully paid-up Equity Share held on the Record Date i.e. [●].
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	Rs. [●] per Equity Share
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	The issue of upto fully paid up [●] Rights Equity Shares for an amount aggregating up to Rs. 4,700.00 Lakhs.
Letter of Offer / LOF	The final letter of offer to be issued by our Company in connection with the Issue.
Listing Agreement	Uniform listing agreement entered into under the Listing Regulations between our Company and the Stock Exchange.
MICR	Magnetic Ink Character Recognition
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/ Renouncee in respect of the Rights Entitlement available in their demat account. However, supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application.
NAV	Net Asset Value calculated as Net Worth divided by number of fully paid-up Equity Shares.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to the chapter titled "Objects of the Issue" beginning on page 52 of this Draft Letter of Offer.
Net Worth	Net worth as defined under Section 2(57) of the Companies Act.

Term	Description
Non Institutional Investor(s)	Investor, including any company or body corporate, other than a Retail Individual Investor and a QIB.
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●]
QIBs / Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares i.e. [●].
Registered Foreign Portfolio Investors / Foreign Portfolio Investors / Registered FPIs / FPIs	Foreign portfolio investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Registrar to the Issue / Registrar and Transfer Agent / RTA	Purva Sharegistry (India) Pvt. Ltd
Registrar Agreement	Agreement dated 14th December 2023 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncee(s)	Person(s) who has / have acquired Rights Entitlements from the Eligible Equity Shareholders.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●] in case of Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Investor(s)	Individual Investors who have applied for Rights Equity Shares for an amount less than or equal to Rs. 200,000 (including HUFs applying through their karta).
Rights Entitlements (Res)	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date.

Term	Description
RE-ISIN	The RE-ISIN for Rights Entitlement of full paid-up shares being [●].
Rights Equity Shares / Rights Shares	The equity shares of face value Rs. 10 each of our Company offered and to be issued and allotted pursuant to the Issue.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through on the website of our Company.
Self-Certified Syndicate Bank / SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer the facility of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes& intmId=34
Stock Exchange/ Stock Exchange(s)	BSE and NSE, where the Equity Shares of our Company are presently listed being BSE and NSE.
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Willful Defaulter	Willful Defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Working Days	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Business and Industry related Terms / Abbreviations

Term	Description
DWT	Dead Weight Ton
COA	Contract of Affreightment
MT	Metric Ton
B/L	Bill Of Lading
DDP	Delivered Duty Paid
DDU	Delivered Duty Unpaid

Conventional and General Terms or Abbreviations

Term	Description
"`" / "Rs." / "Rupees" /	Indian Rupees

Term	Description
"INR"	
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the SEBI AIF Regulations
AY	Assessment Year
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor's Report) Order, 2020
CBIC	Central Board of Indirect Taxes and Customs
CDSL	Central Depository Services (India) Limited
Central Government	The Central Government of India
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act	Companies Act, 2013, as amended from time to time
Companies Act, 1956	Companies Act, 1956 and the rules made thereunder, as the context requires
Companies Act, 2013	Companies Act, 2013 and the rules made thereunder
COVID-19 / Novel Coronavirus	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CRAR	Capital adequacy ratio/Capital to risk assets ratio
CrPC	Code of Criminal Procedure, 1973
CTS	Cheque Truncation System
Depositories Act	The Depositories Act, 2018 as amended from time to time
DIN	Director Identification Number
DP	Depository Participant as defined under the Depositories Act
DP ID	Depository Participant's Identity
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EPS	Earnings per Share
EGM	Extraordinary General Meeting
FCNR Account / FCNR	Foreign Currency Non Resident Account
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign Direct Investment
FEMA Act / FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations promulgated there under and any amendments thereto.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2017 as amended from time to time
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Fiscal /Fiscal Year/ Financial Year/FY	12 month period commencing from April 1 and ending on March 31 of the immediately succeeding year.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
FPI	Foreign Portfolio Investor
FVCIs	Foreign venture capital investors as defined in and registered with SEBI under the SEBI FVCI Regulations.
GCP	General Corporate Purpose

Term	Description
Government/GoI	Government of India
GST	Goods and Service Tax
HFC	Housing finance companies
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
Indian GAAP	Generally accepted accounting principles followed in India.
Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time
ISIN	International Securities Identification Number
I.T. Act / IT Act	Income Tax Act, 1961
I. T. Rules	Income Tax Rules, 1962, as amended from time to time.
KMP	Key Managerial Personnel
Lakh	One hundred thousand
MCA	Ministry of Corporate Affairs, Government of India
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House which is a consolidated system of ECS.
NBFC	Non-banking financial companies
NCD (s)	Non-convertible debentures
Net Worth	Aggregate of Equity Share capital and other equity
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer
N.A.	Not Applicable
NI Act	The Negotiable Instruments Act, 1881
NR	Non Resident
NRE	Non Resident External Account
NRI	Non Resident Indian
NSDL	National Securities Depositories Limited
NSE	National Stock Exchange of India Limited

Term	Description
OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Deposit) Regulations, 2000 and which was in existence on the date of the commencement of Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's)) Regulations, 2003 and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the regulations.
OPC	One Person Company
p.a.	Per Annum
PAN	Permanent Account Number
PAT	Profit after tax
QP	Qualified purchaser as defined in the U.S. Investment Company Act
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
SCORES	SEBI Complaints Redress System
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time
SEBI ICDR Regulations /ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Listing Regulations/ Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI Takeover Regulations/ SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended from time to time

Term	Description
SEBI Relaxation Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and the SEBI Relaxation Circulars
STT	Securities Transaction Tax
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Total Borrowings	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities
UPI	Unified Payments Interface
U.S/United States	The United States of America
USD / US$	United States Dollars
US Securities Act	The United States Securities Act of 1933, as amended from time to
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
WHO	World Health Organization

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and courier this Draft Letter of Offer / Abridged Letter of Offer, Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, this Draft Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchanges.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of this Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof (**"United States"**), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Draft Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Draft Letter of Offer, unless otherwise specified or context otherwise requires, references to 'US$', '$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, and references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to 'India' are to the Republic of India and its territories and possessions and the references herein to 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

Financial Data

Unless stated or the context requires otherwise, our financial data included in this Draft Letter of Offer is derived from the Audited Standalone Financial Statements and Unaudited Standalone Financial Results. For further information, refer chapter titled "Financial Statements" on page 91.

We have prepared our Audited Standalone Financial Statements and Unaudited Standalone Financial Results in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

Our Company's Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Lakhs.

Currency of Presentation

- All references to 'INR', '₹', 'Indian Rupees', 'Rs.' and 'Rupees' are to the legal currency of India.
- Any reference to 'US$', 'USD', '$' and 'U.S. dollars' are to the legal currency of the United States of America.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in lakh.

Market and Industry Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer have been obtained or derived from publicly available information. Publicly available Information generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we

believe that industry data used in this Draft Letter of Offer is reliable, it has not been independently verified and neither we, nor any of our affiliates, jointly or severally, make any representation as to its accuracy or completeness. The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section "Risk Factors" beginning on page 22 of this Draft Letter of Offer.

Conversion rates for foreign currency:

This Draft Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

(Rs. per unit of Foreign Currency)

Sr. No.	Name of Currency	As on March 31, 2023	As on March 31, 2022	As on March, 31, 2021	As on March 31, 2020
1	U.S. Dollar	82.18	76.07	73.20	75.33

Source: https://www.poundsterlinglive.com/

FORWARD LOOKING STATEMENTS

Our Company has included statements in this Draft Letter of Offer which contain words or phrases such as 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to', 'future', 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'will continue', 'would', or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. However, these are not the exclusive means of identifying forward looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements.

Forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
- Any failure or disruption of our information technology system;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in other countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices; and
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled "Risk Factors" beginning on page 22 of this Draft Letter of Offer. By their very nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact or net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

Whilst we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward- looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI / Stock Exchange requirements, our Company will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission for the Rights Equity Shares by the Stock Exchange.

SECTION II – SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including, "Objects of the Issue", "Our Business", "Outstanding Litigation and other Defaults" and "Risk Factors" beginning on pages 52, 71, 101 and 22 respectively of this Draft Letter of Offer.

1. Summary of Business

The Company was incorporated on June 29, 2013 with the Registrar of Companies, Maharashtra, Mumbai as Nirvikara Paper Mills Limited (NPML) vide CIN: L21098MH2013PLC244963. Later the Company i.e. erstwhile Nirvikara Paper Mills Limited (NPML) had entered into Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 with erstwhile Balkrishna Paper Mills Limited (BPML) (Amalgamated Company) (CIN: U21093MH2007PLC168591) and Balkrishna Industries Limited (BIL) (CIN: L99999MH1961PLC012185) vide Scheme of Arrangement which was duly sanctioned by Hon'ble High Court of Bombay on December 19, 2014 and the said sanctioned Order copy of Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956 was filed vide Form No.INC-28 with Registrar of Companies, Maharashtra, Mumbai on February 10, 2015. In view of the above Scheme of Arrangement becoming effective, the erstwhile BPML (Amalgamated Company) stands Amalgamated with BIL and ceased to be in existence . Consequent upon above, the entire Paper Business of BIL was transferred to erstwhile NPML (CIN: L21098MH2013PLC244963.

Later the erstwhile NPML changed its name from Nirvikara Paper Mills Limited To Balkrishna Paper Mills Limited (CIN: L21098MH2013PLC244963) vide fresh Certificate of Incorporation dated August 23, 2016 issued by Registrar of Companies, Maharashtra, Mumbai.

We have been in the business of manufacturing of Paper and Paper boards based on recycled pulp ("Paper and Paper Board Business"). Our manufacturing facility for Paper and Paper Board Business is situated at Ambivali near Kalyan (Maharashtra). The installed capacity at our plant is 60,000 TPA. To supplement our power requirement for manufacturing, we also have a captive thermal power plant of capacity 4.5MW in same location in Ambivali.

For further details, refer chapter titled "*Our Business*" on page 71.

Summary of Industry

The Indian paper industry accounts for about 5% of the world's production of paper. The estimated turnover of the industry is over INR 80,000 crore and its contribution to the exchequer is around INR 5,000 crore. The industry provides direct employment to 500,000 persons, and indirectly to around 1.5 million."

Most of the paper mills are in existence for a long time and hence present technologies fall in a wide spectrum ranging from oldest to the most modern. The mills use a variety of raw material viz. wood, bamboo, recycled fibre, bagasse, wheat straw, rice husk, etc. In terms of share in total production, approximately 21% are based on wood, 71% on recycled fibre and 8% on agro-residues. The geographical spread of the industry, as well as market, is mainly responsible for the regional balance of production and consumption.

The per capita paper consumption in India at around 15 kg, is way behind the global average of 57 kg.

For further details, refer chapter titled "*Our Industry*" on page 61.

2. Object of the Issue

Our Company intends to utilize the Net Proceeds for the following object:

(Amount in Lakhs)

S.No.	Particulars	Amounts	% of gross proceeds	% of Net proceeds
1.	To repay or prepay, in full or in part, of certain borrowings availed by our Company.	1,050.00	[●]*	[●]*
2.	To repay towards redemption of Redeemable Preference shares Capital.	2,500.00	[●]*	[●]*
3.	To meet General corporate purposes	[●]*	[●]*	[●]*
4.	To meet the expenses of the Issue	[●]*	[●]*	[●]*
	Total	**4,700.00**	[●]*	[●]*

assuming full subscription

For further details, refer chapter titled "*Objects of the Issue*" on page 52.

3. Intention and extent of participation by the Promoter and Promoter Group

The Promoter and members of the Promoter Group of our Company have, *vide* their letters dated 11th December, 2023 ("**Subscription Letters**") indicated their intention to subscribe in the full extent of their entitlement in the proposed Rights Issue, either by themselves or through one or more Promoter Group and either singly or jointly amongst any of them.

The Promoters (either through one or more Promoter Group and either singly or jointly amongst any of them) reserve the right to subscribe to any unsubscribed portion of the Issue.

The Promoters and one or more Promoter Group reserve the right to acquire Equity Shares over and above their Rights Entitlement, which may result in an increase of Promoter and/or the Promoter Group shareholding above current shareholding and including allotment pursuant to Rights Entitlement of Equity Shares and to the extent of the unsubscribed portion of the Issue as mentioned above. This subscription and acquisition of additional Equity Shares by the Promoters/Promoter Group through this Issue, if any, will not result in a change of control of the management of the Company and shall be in compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and other applicable regulations therein.

For further details, please see the chapter titled "*Capital Structure*" beginning on page 47 of this Draft Letter of Offer.

4. Auditor Qualifications

There are no qualifications, reservations and adverse remarks made by our Statutory Auditors in their report which requires any adjustment to Audited standalone financial statements of the Company for the financial year 2022-23, 2021-22 and 2020-21.

However, the Auditor have qualified report about the preparation of financial accounts for F.Y. 2022-23 as going concern basis and in this connection for further details, please see the chapter titled "Financial Information" beginning on page 91 of this Draft Letter of Offer.

5. Summary of outstanding litigations

S.No.	Outstanding Litigations	Amount (in Lakhs)
1.	Pending Litigations involving our Company	2,245.55
2.	Pending Dues to Revenue Departments	-
3.	Pending litigation with Revenue Departments	-

For further details, please see chapter titled "Outstanding Litigations and Other Defaults" beginning on page 102 of this Draft Letter of Offer.

6. Risk Factors

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Letter of Offer.

For the details pertaining to the internal and external risk factors relating to the Company, kindly refer to the chapter titled "Risk Factors" beginning on page no. 22 of this Draft Letter of Offer.

7. Contingent liabilities

As on March 31, 2023, there are contingent liabilities of our Company as below:

(Amount in Rs. Lakhs)

Name of Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which the Amount Relates	Forum where dispute is pending
Sales Tax Act	Sales Tax (Including Interest and Penalty)	34.81 228.22	1991-1992 2002-2003	Jt. Commissioner of Sales Tax (Appeals) Assessing Authority
Water Cess	Cess	326.07	1992-2021	Court of Civil Judge, Senior Division, Thane
Central Excise Act	Excise Duty (Including Interest and Penalty)	1.22	2008-2015	Assessing Authority

Please also refer chapter titled "Financial Statements" and "Risk Factors" beginning on page 91 and page 22 respectively of this Draft Letter of Offer.

8. Related party transactions

For details regarding our related party transactions as per Ind AS 24, see "Financial Statements" beginning on page 91 of this Draft Letter of Offer.

9. Financing Arrangements

There has been no financing arrangement whereby our Promoter, members of the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of 6 (six) months immediately preceding the date of this Draft Letter of Offer.

10. Issue of Equity Shares for consideration other than cash in last one year

Our Company has not issued any Equity Shares for consideration other than cash during the last one year immediately preceding the date of this Draft Letter of Offer.

11. Split / Consolidation

There has been no sub division or consolidation of Shares in the last one year from the date of this Draft Letter of offer.

12. Exemption from complying with any provisions of Securities Laws, if any, granted by SEBI

Our Company has not submitted any application to SEBI for exemption from complying with any provisions of Securities.

SECTION III - RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Draft Letter of Offer, including in "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and "Financial Statements" before making an investment in our Equity Shares.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition and results of operations could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to "we", "us" "our" refers to our Company.

INTERNAL RISK FACTORS

BUSINESS RELATED RISK

1. **Our Company is involved in various litigation, the outcome of which could adversely affect our business and financial operations.**

   Summary of litigations are given below:

Particulars		No. of Cases/ Disputes	*Approximate Aggregate Claim Amount (Rs. In Lakhs)*
LITIGATION BY OR AGAINST OUR COMPANY			
Litigation filed by Our Company			
	Civil Cases	6	1,547.45
	Criminal cases	-	-
Litigation against Our Company			
	Civil Cases	4	2,187.45
	Criminal cases	-	-

If cases filed by our Company are not decided in favor of our Company, these entities would be deprived of claims receivable from counter party.

For details of the above litigation, please refer to the section titled "Outstanding Litigation" appearing on page 102 of this Draft Letter of offer.

2. **Our contingent liabilities could adversely affect our financial condition.**

As of March 31, 2023, we had a negative net worth and contingent liabilities of Rs. 590.32 lacs. If any of these contingent liabilities were to materialize our financial condition could be adversely affected. For further details about our contingent liabilities, refer to the section titled "Financial Information" and "Summary of Draft Letter of offer" on page 91 and page 18 respectively of this Draft Letter of Offer.

3. **There is no long term supply agreements for the raw material and fuel of our Company and non availability of the raw material may have an adverse impact on the operations of our Company.**

At present, Raw materials and fuel are purchased from various vendors. Our Company enters into supply arrangements with the vendors every year based on price negotiations. Our Company has made efforts to enhance the availability of raw materials through strengthening of supply chain management, and early payment to vendors year after year. These arrangements have been working satisfactorily in the past for our Company. However, we cannot assure you that in future, we can procure the required raw material in sufficient quantity and at competitive rates.

4. **Product Substitution Risk leading to Low Margins**

Our Company has a wide range of duplex board in its product basket that covers some of the value added paper in the paper and paper board segments. Certain paper varieties may not be of high demand, which could create slow moving inventory. Further, the advancement in technology could result in a reduced use of paper in some segments. This could adversely affect demand and margins.

5. **As a manufacturing business, our success depends on the supply of raw materials and fuel which are subject to certain risks such as availability and increase in pricing.**

The major raw materials for paper board are Waste Paper and Chemicals. . The quality of our products and customers acceptance of our products depends on the quality of raw materials and our ability to deliver in a timely manner. The failure of our suppliers to deliver raw materials and fuel in a timely manner and in the required quantities, of the specified quality/ standard/ specification may adversely affect our production processes thereby giving rise to contractual penalties or liabilities, loss of customers and affect our reputation, any of which could adversely affect our business, financial condition and results of operations.

6. **Material changes in the regulations that govern us could affect our business, financial conditions and results of operation.**

Our manufacturing activities are subject to environmental laws and regulations promulgated by the Ministry of Environment of Government of India, and State Pollution Control Board among other laws which regulate, use of recycled wate paper, discharge of effluents, polluted emissions, hazardous substances and so on. We expect that environmental laws will continue to become more stringent.

Many of these laws and regulations provide for substantial fines and potential criminal sanctions for violations and require the installation of costly pollution control equipment or operational changes to limit pollution emissions and / or reduce the likelihood or impact of hazardous substance releases. In some cases, compliance with environmental, health and safety laws and regulations might only be achievable by significant capital expenditures, such as the installation of pollution control equipment. We cannot accurately predict future developments, such as increasingly stringent environmental laws or regulations and inspection and enforcement policies resulting in higher compliance costs and/or claims or liabilities to any environmental agency.

7. Currency fluctuations may negatively affect our financial condition and results of operations.

Our functional currency is the Indian rupee although we transact a portion of our business in other currencies and accordingly face foreign currency exposure through our purchases from overseas suppliers and sales to overseas customers, in various foreign currencies. Accordingly, changes in exchange rates may have a material adverse effect on our gross margin and net income, and may have a negative impact on our business, financial condition and results of operations.

8. Our historical revenues have been significantly dependent on few customers. If our customers choose not to source their requirements from us, our business, financial condition and results of operations may be adversely affected.

Our historical revenues have been significantly dependent on few customers. Any decline in our quality standards, growing competition and any change in the demand by these customers may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability. However, the composition and revenue generated from these clients might change as we continue to add new clients in normal course of business. We intend to retain our customers by offering solutions to address specific needs in a proactive, cost effective and time efficient manner. This helps us in providing better value to each customer thereby increasing our engagement with our new and existing customer base that presents a substantial opportunity for growth.

9. Our manufacturing operations are critical to our business and any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition.

Our manufacturing facility for Paper and Paper Board Business is situated atAmbivali near Kalyan (Maharashtra).. Our success depends on our ability to successfully manufacture and deliver our products to meet our customer demand. Our manufacturing facility is also susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. It is also subject to operating risk arising from compliance with the directives of relevant government authorities. In past, there have been instances where our facility met with breakdown. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns at our facility due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations. Further, continuous addition of industries in and around our manufacturing facilities without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure therein, which may adversely affect our business.

10. **Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, sales and ability to meet customer demand.**

    Our business operations are subject to hazards such as risk of equipment failure, work accidents, fire or explosion and require individuals to work under potentially dangerous circumstances or with flammable materials. Although we employ safety procedures in the operation of our facilities and maintain what we believe to be adequate insurance, there is a risk that an accident or death may occur in one of our facilities. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects. In particular, if operations at our manufacturing facility were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.

11. **Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.**

    Modernization and technology up gradation is essential to reduce costs and increase the efficiency. Our technology may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we are utilizing latest technology by using latest machineries and equipments, we shall continue to strive to keep our technology updated. In case of a new found technology in the paper manufacturing, we may be required to implement new technology employed by us. Further, the cost in upgrading our technology is significant which could substantially affect our finances and operations.

12. **The capacity of our current plant unit is not fully utilized. Consecutively, if there is also any under-utilization of our capacities in next three years, it could affect our ability to fully absorb fixed costs and thus may adversely impact our financial performance.**

    The capacity of our current plant for Paper and Paper Board Business is situated at Ambivali near Kalyan (Maharashtra) and is not fully utilized.. The installed capacity at our Ambivali plant is 60,000 TPA and the capacities of our products at our current Plant have not been fully utilized. Further, we propose to fully utilize our production capacities in next three year based on our estimates of market demand and profitability. In the event of non materialization of our estimates and expected order flow for our product and/or failure of optimum utilization of our capacities, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilized thereby impairing our ability to fully absorb our fixed cost and may adversely impact our financial performance.

13. We face risks and uncertainties associated with the implementation of expansion and new projects which may impact our business, operations and revenue.

Our business plan includes expansion of our geographical reach and enter the large domestic market for growth opportunities and thereby increase the revenue. We may face risks and uncertainties in relation to expansion and achieving our business plans efficiently, which may include various factors i.e. we may face difficulties in recruiting, training and retaining sufficient skilled faculty members, technical and management personnel and inability to or difficulty in satisfying clients expectations . This may adversely affect our business, results of operation and revenues.

14. Our ability to retain the clients is heavily dependent upon various factors including our reputation and our ability to maintain a high level of service quality including our satisfactory performance for the customers. Any failure by us to retain or attract customers may impact its business and revenues.

We believe our strong brand reputation has helped us to attract and retain our customers. As a result, our reputation and perception of our brands are critical to our business. Although, we believe that we as well as our customers have a dedicated and talented team that comprise of experienced personnel in the field of paper manufacturing. Our business heavily relies on our reputation as well as the quality and popularity of the product provided by us and our visibility and perception amongst customers. It is important that we retain the trust placed by our customers. We must also continue to attract more and increase the number of our customers at a consistent rate.

We attempt to retain our position by maintaining quality and by our ability to improve and add value to the performance of our customers in their respective areas. This requires constant upgradation of the methodology and manufacturing technologies are adequately equipped. Further, we rely on a variety of advertising efforts tailored to target the customers. Failure to maintain and enhance our reputation or any actual or perceived reasons leading to reduction of benefits from our customers or any negative publicity against us may affect the rate of customers. Any failure by us to retain or attract customers may adversely impact our business and revenues.

15. Our Company does not have any long-term contracts with suppliers, which may adversely affect our results of operations.

We are, to a major extent, dependent on external suppliers for our raw materials and fuel requirements and we do not have any long-term supply agreements or commitments in relation to the same or for any other raw materials used in our manufacturing process. There can be no assurance that there will not be a significant disruption in the supply of raw materials and fuel from current sources or, in the event of a disruption, that we would be able to locate alternative suppliers of materials of comparable quality on terms acceptable to us, or at all. Identifying a suitable supplier involves a process that requires us to become satisfied with their quality control, responsiveness and service, financial stability and labour and other ethical practices. Consequently, we are also exposed to price fluctuations in raw materials, and these fluctuations may adversely affect our ability to obtain orders and/or to execute them in a timely manner, which would have a material adverse effect on our business, results of operations and financial condition.

In case of non-availability of raw materials on favourable terms, we may have to procure the same at the terms and conditions prevalent at that point. This may result in reducing our revenues by a considerable amount due to shortage of raw material or due to inability to procure the same. Further, unfavourable terms of raw materials may also force us to reduce the scale of our operations resulting in a down-sizing of our overall business. We may have to put on hold any

expansion plans and our future growth will be severely stunted. Any delay, interruption or increased cost in the supply arising from a lack of long-term contracts could have an adverse effect on our ability to meet customer demand for our products and result in lower revenue from operations both in the short and long term.

16. Our Company's failure to maintain the quality standards of the products could adversely impact our business, results of operations and financial condition.

The demand for our products depends on quality that we manufacture and market. Any failure of ours to maintain the quality standards may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will always be able to satisfy our customer's quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

17. Any shortage or non-availability of power supply may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.

Our manufacturing process requires a constant power supply which is met by 4.5 MW Captive Power Plant and State Electricity Board. In the event there is any disruption of power supply for long, the same could result in disruption of our manufacturing process which may adversely affect our results of operations and financial condition of the company. However there have been no such instances of long outages in the past few years.

18. Delays or defaults in client payments could result in a reduction of our profits.

We may be subject to working capital shortages due to delays or defaults in payments by clients. If clients defaults in their payments in due time to which we have devoted significant resources it could have a material adverse effect on our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

19. The industry segments in which we operate being fragmented, we face competition from other players, which may affect our business operations and financial conditions.

The industry in which we operate is highly competitive. Factors affecting our competitive success include, amongst other things, price, demand for our products, availability of raw materials, brand recognition and reliability. Our competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian market as compared with us. Competitive conditions in some of our segments have caused us to incur lower net selling prices and reduced gross margins and net earnings. These conditions may continue indefinitely. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance. New competitors may include foreign-based companies and domestic producers who could enter our markets.

Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

20. Changes in customer preferences could affect our business, financial condition, results of operations and prospects.

Any change in the customer preference can render our stock obsolete, as changes in customer preference are generally beyond our control. Some or all of our products may become less attractive in light of changing customer preferences or better products by competitors and we may be unable to adapt to such changes in a timely manner. However, we constantly focus on research and development and to develop new products to cater the customer needs, any change in customer preferences that decreases demand could affect our business, financial condition, results of operations and prospects.

21. We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

22. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

23. We have experienced negative cash flows and any negative cash flows in the future could adversely affect our financial conditions and results of operations.

The detailed break up of cash flows as per audited financials is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

(Amount in Lakhs)

Particulars	30.09.2023	31.03.2023	31.03.2022	31.03.202
Net Cash flow from Operating activities	(577.11)	(1,955.74)	(5,453.53)	2,355.94
Net Cash Flow from investing activities	689.15	213.86	1,852.83	(21.04)
Net Cash Flow from Financing activities	(153.72)	1,779.39	477.60	783.45
Net Cash Flow for the Year	**(41.68)**	**37.51**	**(3,123.10)**	**3,118.35**

24. Unsecured loans in form of redeemable preference shares and others loans taken by our Company from various Companies/Directors / investors can be recalled by the lenders at any time.

As on March 31, 2023, our Company has unsecured loans amounting to Rs. 18639.47 lacs (excluding deposits) that may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of unsecured loans of our Company, please refer the chapter titled *Financial Information* on page 91 of this Draft Letter of offer.

25. Our Company is dependent on third party transportation providers for the delivery of our goods and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.

Our Company uses third party transportation providers for delivery of our raw materials and finished goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. In addition goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products, which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials or finished goods may have an adverse effect on our business and results of operations.

Further, disruptions of transportation services due to weather related problems, strikes, lock-outs, inadequacies in the road infrastructure, or other events could impair ability to procure raw materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

26. While we are currently not subject to extensive Governmental regulation, any regulatory or legal framework introduced in the future may increase our compliance requirements and costs, which may adversely affect our business, results of operations and prospects. However to run our business, we require certain regulatory permits and approval to operate.

At present, the segments in which we operate are not subject to extensive Government regulation. While we are not in a position to predict the likelihood, timing or content of any such regulation or legislation, if any such regulation or legislation is notified, we may be affected in various ways. However, we have obtained all permits and licenses, which are adequate to run our business. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

27. Our success depends largely on our senior management and our ability to attract and retain our key personnel.

Our success depends on the continued services and performance of the members of our management team and other key employees. Competition for senior management in the industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of the services of our Promoters could seriously impair our ability to continue to manage and expand our business. Further, the loss of any other

member of our senior management or other key personnel may adversely affect our business, results of operations and financial condition. We do not have key man's life insurance for our Promoters, senior members of our management team or other key personnel.

28. Insurance coverage obtained by us may not adequately protect us against unforeseen losses.

We have maintained insurance coverage of our assets and accident policies. We believe that the insurance coverage maintained, would reasonably cover all normal risks associated with the operation of our business, however, there can be no assurance that any claim under the insurance policies maintained by us will be met fully, in part or on time. In the event we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.

29. We are a listed company and are required to comply with rules and regulations imposed by the Stock Exchanges and SEBI with respect to continuous listing and the Companies Act. Any failure to comply with such rules and regulations or any wrong disclosure made to the Stock Exchange or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

As a listed company, we are required to comply with certain conditions for continuous listing under the SEBI Listing Regulations and other rules and regulations imposed by SEBI, which require us to make certain periodic disclosures, including disclosures about any material events or occurrences with respect to our Company, disclosure of our financial statements and disclosure of our updated shareholding pattern. Any failure to comply with these continuous disclosure requirements or any wrongful disclosure made by us to the Stock Exchange or any other statutory authority may lead to penalties being imposed on us.

There has been, on few occasions, inadvertent Non Compliances/ Delay Compliances done by our Company as required under the provisions of SEBI LODR Regulations, I. We believe, we are in compliance with rules and regulations imposed by the NSE, BSE and SEBI with respect to continuous listing, any failure to comply with such rules and regulations or any wrong disclosure/ Non filing/ Delay Filing to the NSE, BSE or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

30. As on the date of this Draft Letter of Offer, no investor complaint is outstanding on SCORES.

As on the date of this Draft Letter of Offer, no investor complaint is outstanding on SCORES. But there is no assurance that in future the Company will be able to resolve each and every investor complaint received on SCORES. For detailed information of the no. of Investor Complaints received and resolved by the Company, kindly refer to page 113 of this Draft letter of letter.

31. There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee.

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above Rs. 10,000 Lacs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the NSE and BSE and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

32. Consent from one of the preference shareholders for redemption is yet to be received.

One of the objects of the Issue is redemption of Redeemable Preference Shares (RPS) from the Right issue proceeds, for which our Company has intimated to the all-preference shareholders for redemption of RPS on 18th December, 2023. Further, our Company has received consent from all the RPS holders for the redemption on 26th December, 2023, except that consent from one of the preference shareholders namely, Siyaram Silk Mills Limited (SSML), is yet to be received, SSML has intimated us to place such proposal for consent before the board of Directors in its ensuing Board Meeting.

33. We may not be successful in implementing our business and growth strategies.

The success of our business depends substantially on our ability to implement our business and growth strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Failure to implement our business and growth strategies would have a material adverse effect on our business and results of operations.

34. Delay in raising funds from the Right issue could adversely impact the implementation schedule.

The proposed expansion, as detailed in the section titled "*Objects of the Issue*" is to be funded from the proceeds of this Issue. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

35. The Objects of the Issue for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles "Objects of the Issue".

The fund requirement and deployment, as mentioned in the "Objects of the Issue" on page 52 of this Draft Letter of Offer is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter "Objects of the Issue" is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter "Objects of the Issue" will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

36. Our future fund requirements, in the form of further issue of capital or securities may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

37. Our Company's ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

Our Company has not been a dividend paying Company. Further, the amount of future dividend payments, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, the terms and conditions of our Company's indebtedness and capital expenditures. There can be no assurance that our Company will be able to pay dividends in the future.

38. We have not independently verified certain data in this Draft Letter of offer.

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

39. Our Company will not distribute the Draft Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.

Our Company will dispatch this Draft Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "Offering Materials") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

ISSUE RELATED RISK

40. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of Investor's shareholding

The Rights Entitlements that are not exercised prior to the end of the Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted pursuant to increase in paid up share capital. Even if you elect to sell your unexercised Rights Entitlements, the

consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Rights Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the Demat Account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Rights Issue with respect to such Rights Entitlements.

41. You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

42. There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

43. The Issue Price of our Right Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.

The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

(a) quarterly variations in the rate of growth of our financial indicators such as earnings per share;
(b) changes in revenue or earnings estimates or publication of research reports by analysts;
(c) speculation in the press or investment community;
(d) general market conditions; and
(e) domestic and international economic, legal and regulatory factors unrelated to our performance.

EXTERNAL RISK FACTORS

44. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.

There could be a downgrade of India's sovereign debt rating due to various factors, including changes in tax or fiscal policy, or a decline in India's foreign exchange reserves, which are outside

our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available.

Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India, which may cause fluctuations in the prices of our Equity Shares. This could have an adverse effect on our business and financial performance, and ability to obtain financing for expenditures.

45. Investing in securities that carry emerging market risks can be affected generally by volatility in the emerging markets.

The markets for securities bearing emerging market risks, such as risks relating to India, are, to varying degrees, influenced by economic and securities market conditions in other emerging market countries. Although economic conditions differ in each country, investors' reactions to developments in one country may affect securities of issuers in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general.

Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India, which could adversely affect the Indian financial sector in particular. Any such disruption could have an adverse effect on our Company's business, future financial performance, financial condition and results of operations, and affect the price of the Equity Shares. Accordingly, the price and liquidity of the Equity Shares may be subject to significant fluctuations, which may not necessarily be directly or indirectly related to our financial performance.

46. Political instability or changes in the Government or Government policies could impact the liberalization of the Indian economy and adversely affect economic conditions in India generally.

The performance and growth of our Company is dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. As a result, our business and the market price and liquidity of the Equity Shares may be affected by such economic and / or political changes. While the current Government is expected to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will be continued. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on the operations of our Company.

47. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect our business, prospects, results of operations and financial condition.

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade as well as the worldwide financial markets. The Asian region has from time to time experienced instances of civil unrest and hostilities among

neighbouring countries which may persist and occur in the future. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the World, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

48. Natural disasters and other disruptions could adversely affect the Indian economy and could cause our business and operations to suffer and the trading price of our Equity Shares to decrease.

Our operations, may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations which could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our infrastructure. We may also be liable to our customers for disruption in supply resulting from such damage or destruction. Our insurance coverage for such liability may not be sufficient. Any of the above factors may adversely affect our business, our financial results and the price of our Equity Shares.

49. Any future issuance of the Equity Shares may dilute your future shareholding and sales of the Equity Shares by the Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future equity issuances by our Company may lead to dilution of your future shareholding in our Company. Any future equity issuances by our Company or sales of the Equity Shares by the Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Share. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Share. Except as otherwise stated in the Draft Letter of Offer, there is no restriction on our Company's ability to issue the Securities or the relevant shareholders' ability to dispose of their Equity Share, and there can be no assurance that our Company will not issue Equity Share or that any such shareholder (including Promoters and Promoter Group) will not dispose of, encumber, or pledge its Securities.

50. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

SECTION IV- INTRODUCTION
THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled "*Terms of the Issue*" beginning on page 115 of this Draft Letter of Offer:

Authority for the Issue

The Equity Shares in the present Issue are being offered pursuant to a resolution passed by our Board at its meeting held on 16th September, 2023 in accordance with the provisions of the Companies Act.

Summary of the Issue

Rights Equity Shares to be Issued	Upto fully paid up [●] Equity Shares
Rights Entitlement for Equity Shares	[●] ([●]) Fully paid up Rights Equity Shares for every [●] ([●]) fully paid-up Equity Share held on the Record Date.
Record Date	[●]
Face value per Equity Share	Rs. 10 each
Issue Price per Rights Equity Share	Rs. [●] per Rights Equity Share
Issue Size	Upto Rs. 4,700.00 Lakhs
Equity Shares outstanding prior to the Issue	1,07,39,844 fully paid up Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●] fully paid up Equity Shares
ISIN and Symbol	**ISIN:** INE875R01011, **NSE:** BALKRISHNA **ISIN:** INE875R01011, **BSE Scrip Code:** 539251
Terms of the Issue	For more information, please see the chapter titled "*Terms of the Issue*" beginning on page 115 of this Draft Letter of Offer.
Use of Issue Proceeds	For more information, please see the chapter titled "*Objects of the Issue*" beginning on page 52 of this Draft Letter of Offer.
Terms of Payment	The full amount of Issue Price Rs. [●] per Rights Equity Share is payable on Application.

For details in relation fractional entitlements, see "Terms of the Issue – Fractional Entitlements" beginning on page 133 of this Draft Letter of Offer.

Terms of payment

Due Date	Amount payable per Equity Shares
On the Issue application (i.e. along with the Application Form)	Rs. **[●]**

SUMMARY OF FINANCIAL STATEMENTS

The summary financial information of our Company as derived from the Audited Standalone Financial Statements of our Company for the financial year ended on March 31, 2023 and Unaudited Standalone financial results for the half year ended on September 30, 2023 is reproduced below. Our summary financial information should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in chapter titled "*Financial Statements*" beginning on page 91 of this Draft Letter of Offer.

[The remainder of this page has been intentionally left blank]

AUDITED STANDALONE PROFIT AND LOSS FOR THE PERIOD ENDING 31ST MARCH, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Lakhs)

Particulars		Note No.	Current Year	Previous Year
I	Revenue from operations	25	10,930.17	24,237.57
II	Other income	26	14.58	221.37
III	**Total income (I+II)**		10,944.75	24,458.94
IV	**Expenses :**			
	Cost of materials consumed	27	6,466.92	15,434.77
	Purchase of stock in trade		186.72	145.08
	Changes in inventories of finished goods and work-in-progress	28	837.19	(15.18)
	Employee benefits expense	29	967.26	1,117.91
	Finance cost	30	1,031.22	845.95
	Depreciation and other amortisation expense	31	612.49	617.35
	Other expenses	32	6,046.62	8,118.43
	Total expenses (IV)		16,148.42	26,264.31
V	Profit/(loss) before exceptional item and tax (III-IV)		(5,203.67)	(1,805.37)
VI	Exceptional item	52	-	1,354.66
VII	Profit/(loss) before tax (V-VI)		(5,203.67)	(450.71)
VIII	Tax expense:			
	- Current tax		-	-
	- Deferred tax		(15.99)	18.06
IX	Profit/(loss) for the period (VII-VIII)		(5,187.68)	(468.77)
X	**Other comprehensive income (oci)**			
	Items that will not be reclassified to profit and loss (net of tax)		(10.06)	(6.07)
	Income tax Items that will be reclassified to profit and loss (net of tax)		2.62	1.58
	Total comprehensive income for the period (IX + X)		(5,195.12)	(473.26)
XI	Earnings per equity share:	36		
	Basic and diluted		(48.30)	(4.36)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 1 to 52

The accompany note are an integral part of the financial statements

As per our report of even date attached
For JAYANTILAL THAKKAR & CO.
Chartered Accountants
(Firm Reg. No. 104133W)

DILIP J THAKKAR
Partner
Membership No. 005369

Place : Mumbai,
Dated : 8th May, 2023

JAYANTILAL THAKKAR & CO. CHARTERED ACCOUNTANTS FRN 104133W 11-A, M. G. RD., MUMBAI-23

For and on behalf of the Board of Directors

Anurag P Poddar
Chairman & Managing Director

Shrutisheel Jhanwar
Whole-time Director & CFO

Omprakash Singh
Company Secretary

BALKRISHNA PAPER MILLS LTD. MUMBAI

AUDITED STANDALONE BALANCE SHEET AS ON 31ST MARCH, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in Lakhs)

Particulars	Note No.	As at 31stMarch, 2023	As at 31st March, 2022
I. ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipment	2	12,061.61	12,758.83
(b) Capital work-in-progress		-	40.32
(c) Intangible assets	3	0.00	0.00
(d) Right of use assets	4	26.52	14.32
(e) Financial assets			
-Other financial assets	5	18.42	17.22
(f) Income tax assets (net)	6	4.75	28.71
(g) Other non-current assets	7	10.82	81.11
Total non-current assets		12,122.12	12,940.51
2 Current Assets			
(a) Inventories	8	789.36	4,001.26
(b) Financial assets			
(i) trade receivables	9	89.01	601.12
(ii) cash and cash equivalents	10	43.76	6.25
(iii) bank balances other than (iii) above	11	-	10.00
(iv) other financial assets	12	75.38	80.35
(c) Other current assets	13	360.71	1,064.35
Total current assets		1,358.22	5,763.33
Total assets		13,480.34	18,703.84
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	14	1,073.98	1,073.98
(b) Other equity	15	(16,120.44)	(10,925.32)
Total equity		(15,046.46)	(9,851.34)
2 Non-Current Liabilities			
(a) Financial liaiblities			
(i) Borrowings	16	16,426.26	16,253.14
(ii) Lease liability	4	16.68	8.97
(iii) Other financial liabilities	17	1,301.28	1,080.13
(b) Deferred tax liabilities (net)	18	2,095.37	2,113.98
(c) Other non current liabilities		-	-
(c) Provisions	19	101.96	112.86
Total non-current liabilities		19,941.55	19,569.08
3 Current Liabilities			
(a) Financial liaiblities			
(i) Borrowings	20	6,444.51	4,205.39
(ii) Lease liability	4	11.92	7.46
(iii) Trade payables	21		
(A) total outstanding dues of micro enterprises and small enterprises		6.87	11.97
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,686.88	4,083.87
(iv) Other financial liabilities	22	286.64	245.16
(b) Other current liabilities	23	100.17	351.84
(c) Provisions	24	48.26	80.41
Total current liabilities		8,585.25	8,986.10
Total equity and liabilities		13,480.34	18,703.84

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 1 to 52

The accompany note are an integral part of the financial statements

As per our report of even date attached
For JAYANTILAL THAKKAR & CO.
Chartered Accountants
(Firm Reg. No. 104133W)

DILIP J THAKKAR
Partner
Membership No. 005369

Place : Mumbai,
Dated : 8th May, 2023

JAYANTILAL THAKKAR & CO. CHARTERED ACCOUNTANTS FRN 104133W 11-A, M. G. RD., MUMBAI-23

For and on behalf of the Board of Directors

Anurag P Poddar
Chairman & Managing Director

Shrutisheel Jhanwar
Whole-time Director & CFO

Omprakash Singh
Company Secretary

BALKRISHNA PAPER MILLS LTD. MUMBAI

AUDITED STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDING 31ST MARCH, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Lakhs)

Particulars	As at 31st March, 2023 Audited		As at 31st March, 2022 Audited	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Loss before tax		(5203.67)		(450.71)
Adjustment for :				
Depreciation and amortisation	612.49		617.35	
Finance cost	1,031.22		845.95	
Interest income	(7.53)		(2.07)	
Profit on sale of fixed assets (net)	(7.05)		(1,359.88)	
Reversal of provision for doubtful debt	-		(40.80)	
Unrealised foreign exchange differences loss	38.72		1.79	
Retiring gratuities	19.77		17.36	
Leave encashment	(1.97)		12.82	
		1,685.65		92.52
Operating (loss) before working capital changes		(3,518.02)		(358.19)
Adjustment for:				
Trade and other receivables	1,135.92		255.57	
Inventories	3,211.90		(1,732.37)	
Trade and other payables	(2,738.59)		(3,597.99)	
		1,609.23		(5,074.79)
Cash generated from operations		(1,908.79)		(5,432.98)
Direct taxes refund received/(paid)		23.96		(21.93)
Gratuity paid		(38.08)		-
Leave encashment paid		(32.83)		1.38
Net cash used in operating activities		(1,955.74)		(5,453.53)
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of property, plant and equipement & capital work in progress	(14.47)		(66.53)	
Sale of fixed assets	217.80		1,918.03	
Interest received	10.53		1.33	
Net cash from investing activities		213.86		1,852.83
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds / (repayment) of short term borrowings (net)	2,246.92		(2,425.90)	
(Repayment) of long term borrowings	(1,283.13)		(1,290.78)	
Proceeds of long term borrowings	1,500.00		5,000.00	
Lease liability paid	(12.35)		(9.41)	
Finance cost paid	(672.05)		(796.31)	
Net cash from financing activities		1,779.39		477.60
Net increase / (decrease) in cash and cash equivalent		37.51		(3,123.10)
Cash and cash equivalent as at the beginning of the year		6.25		3,129.35
Cash and cash equivalent as at the end of the year		43.76		6.25

Note Direct taxes paid on income are treated as arising from operating activities and are not bifurcated between investing and financing activities.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 1 to 52

The accompany note are an integral part of the financial statements

As per our report of even date attached
For JAYANTILAL THAKKAR & CO.
Chartered Accountants
(Firm Reg. No. 104133W)

DILIP J THAKKAR
Partner
Membership No. 005369

Place : Mumbai,
Dated : 8th May, 2023

JAYANTILAL THAKKAR & CO. CHARTERED ACCOUNTANTS FRN 104133W 111-A, M. G. RD., MUMBAI-23.

For and on behalf of the Board of Directors

Anurag P Poddar
Chairman & Managing Director

Shrutisheel Jhanwar
Whole-time Director & CFO

Omprakash Singh
Company Secretary

BALKRISHNA PAPER MILLS LTD. MUMBAI

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2023

Balkrishna Paper Mills Limited

Regd. Office :A/7, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel (W), Mumbai -400013, Maharashtra.
Phone: 022-61207900, Fax : 022-61207999, Email: opsingh@bpml.in, CIN : L21098MH2013PLC244963 Website : www.bpml.in

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2023

(₹ in Lakhs)

Sr. No.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30/09/2023	30/06/2023	30/09/2022	30/09/2023	30/09/2022	31/03/2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue :						
	a) Revenue from Operations	93.75	130.31	1,146.44	224.06	8,273.55	10,930.17
	b) Other Income	7.87	23.79	10.58	31.66	26.15	14.58
	Total Income	101.62	154.10	1,157.02	255.72	8,299.70	10,944.75
2	Expenses						
	a) Cost of materials consumed	-	-	-	-	4,832.30	6,466.92
	b) Purchase of Stock- in- trade	88.38	102.15	17.89	190.53	20.75	186.72
	c) Changes in inventories of Finished goods, Work-in-progress and Stock-in-trade	-	-	1,000.30	-	491.44	837.19
	d) Employee Benefits Expenses	72.05	65.88	271.45	137.93	567.12	967.26
	e) Finance Costs	312.51	287.65	272.15	600.16	489.99	1,031.22
	f) Depreciation and Amortisation expense	69.97	145.09	153.51	215.06	305.10	612.49
	g) Other Expenses						
	(i) Power & Fuel	-	-	131.28	-	1,475.28	2,025.20
	(ii) Others	161.01	277.96	1,708.54	438.97	3,254.52	4,021.42
	Total Expenses	703.92	878.73	3,555.12	1,582.65	11,436.50	16,148.42
3	Profit/(Loss) before exceptional item and tax (1-2)	(602.30)	(724.63)	(2,398.10)	(1,326.93)	(3,136.80)	(5,203.67)
4	Exceptional Item - Gain/(loss) -Net (Refer Note No. 6)	(4,589.87)	-	-	(4,589.87)	-	-
5	Profit / (Loss) before tax (3-4)	(5,192.17)	(724.63)	(2,398.10)	(5,916.80)	(3,136.80)	(5,203.67)
6	Tax expenses						
	a) Current tax	-	-	-	-	-	-
	b) Deferred tax (Refer Note No. 7)	(2,130.95)	27.37	(18.30)	(2,103.58)	(42.51)	(15.99)
7	Net Profit/ (Loss) for the period (5-6)	(3,061.22)	(752.00)	(2,379.80)	(3,813.22)	(3,094.29)	(5,187.68)
8	Other Comprehensive Income (OCI)						
	i) Items that will be reclassified to Profit and Loss (net of tax)	-	-	-	-	-	-
	ii) Items that will not be reclassified to Profit and Loss (net of tax)	(15.69)	(14.96)	(1.12)	(30.65)	6.78	(7.44)
9	Total comprehensive Income for the period (7 + 8)	(3,076.91)	(766.96)	(2,380.92)	(3,843.87)	(3,087.51)	(5,195.12)
10	Paid up Equity Share Capital (face value of Rs 10/- per share)	1,073.98	1,073.98	1,073.98	1,073.98	1,073.98	1,073.98
11	Other Equity (excluding revaluation reserve)						(16,120.44)
12	Earnings per share (EPS) of Rs.10/- each (for respective periods)						
	- Basic Rs.	(28.50)	(7.00)	(22.16)	(35.51)	(28.81)	(48.30)
	- Diluted Rs.	(28.50)	(7.00)	(22.16)	(35.51)	(28.81)	(48.30)

NOTES: -

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 2nd, November 2023. The statutory auditors of the company carried out a "Limited Review" of the financial results for the quarter and half year ended 30th September, 2023.

2. The Board had decided to modify its existing business model and focus on reducing the cost and explore the alternative business opportunities, accordingly company has started Trading Business of plastic & packaging materials. Moreover, to raise the funds, the Board has approved to give its Unused land lying at Ambivali on leave and license with revenue sharing basis and company is also planning to raise the additional capital through the right issue. The funds generated will be used for repaying its existing debts and the creditors. Accordingly, financial results have been prepared on a Going Concern basis.

3. During the quarter under review, the Company has increased its authorised capital by Rs. 22 Crores to raise the additional funds.

4. The company has accepted the resignation of 35 workers and settled their dues.

5. The Company has identified Paper & Paper Board Business and Trading of plastic & packaging materials as its reportable segment in accordance with the requirements of Ind AS- 108, 'Operating Segments'. Accordingly, segment information has been provided.

6. Exceptional Item represents loss on sale of Non-core Plant & Equipments and sundry credit balance written back.

7. The Company has reassessed the deferred tax, there is deferred tax assets (Net) on account of unabsorbed depreciation and accumulated losses. However, on prudence basis the Company has recognised the deferred tax assets to the extent of deferred tax liabilities as provided in earlier years.

8. Previous period's/year's figures have been regrouped/reclassified wherever necessary.

For Balkrishna Paper Mills Limited

Anurag Poddar

Anurag P Poddar
Chairman & Managing Director
DIN:00599143

Place : Mumbai
Dated : 02 November, 2023

GENERAL INFORMATION

The Company was incorporated on June 29, 2013 with the Registrar of Companies, Maharashtra, Mumbai as Nirvikara Paper Mills Limited (NPML) vide CIN: L21098MH2013PLC244963. Later the Company i.e. erstwhile Nirvikara Paper Mills Limited (NPML) had entered into Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 with erstwhile Balkrishna Paper Mills Limited (BPML) (Amalgamated Company) (CIN: U21093MH2007PLC168591) and Balkrishna Industries Limited (BIL) (CIN: L99999MH1961PLC012185) vide Scheme of Arrangement which was duly sanctioned by Hon'ble High Court of Bombay on December 19, 2014 and the said sanctioned Order copy of Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956 was filed vide Form No.INC-28 with Registrar of Companies, Maharashtra, Mumbai on February 10, 2015. In view of the above Scheme of Arrangement becoming effective, the erstwhile BPML (Amalgamated Company) stands Amalgamated with BIL and ceased to be in existence . Consequent upon above, the entire Paper Business of BIL was transferred to erstwhile NPML (CIN: L21098MH2013PLC244963.

Later the erstwhile NPML changed its name from Nirvikara Paper Mills Limited to Balkrishna Paper Mills Limited (CIN: L21098MH2013PLC244963) vide fresh Certificate of Incorporation dated August 23, 2016 issued by Registrar of Companies, Maharashtra, Mumbai.

OFFICE(S) OF OUR COMPANY

REGISTERED OFFICE

Balkrishna Paper Mills Limited
A/7, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel West, Mumbai, Maharashtra, 400013
CIN: L21098MH2013PLC244963
Email: opsingh@bpml.in
Website: www.bpml.in
Tel: +91- 22-61207900

ADDRESS OF REGISTRAR OF COMPANIES

Registrar of Companies, Mumbai,
Address:100, Everest, Marine Drive,
Mumbai-400002, Maharashtra.

CHANGES IN REGISTERED OFFICE

Upon incorporation, the Registered Office of our Company was BKT House, C/15 Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013. Thereafter, our Company has shifted the Registered Office, the details of which are set out below:

Date of Change of Registered Office	Old Address	New Address	Reason for Change
11th February, 2015	BKT House, C/15 Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013	A/7, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel West, Mumbai, Maharashtra, 400013	Administrative

BOARD OF DIRECTORS OF OUR COMPANY

NAME	DESIGNATION	DIN	PAN	ADDRESS

NAME	DESIGNATION	DIN	PAN	ADDRESS
Mr. Anurag Poddar	Chairman & Managing Director	00599143	AACPP1926G	1401, Nepeansea House, 14th Floor, Nepeansea Road, Mumbai-400006
Mr. Manish Omkarmal Malpani	Whole Time Director	00055430	AHBPM5457D	601, E Wing, New Golden Nest, Phase 14, 100 Feet, New Navghar Road, Near Hanuman Mandir, Bhayander East - 401105
Mr. DIleep Himmatrao Shinde	Non Executive Independent Director	00270687	AAWPS9273R	C-4/12, Goyal Intercity, Opp. Tv Tower Drive in Road, Thaltej, Ahmedabad City, Ahmedabad-380054
Mr. Rakesh N. Garodia	Non Executive Independent Director	00143438	AAAPG8736D	3/4, Govind Nagar, Pawan Baug Road, Chincholi Fatak, Malad (West), Mumbai-400064
Ms. Meghna Shah	Non Executive Independent Director	07081068	AVOPS2520C	24, Neel Tarang, Veer Savarkar Marg, Hinduja Hospital Mahim, Mumbai-400016
Prof. (Dr) Mangesh D. Teli	Non Executive Independent Director	02118899	ABXPT8781H	C-202/8 Rajkamal CHS,Tilak Nagar, Opp. Sahakar Plaza, Chembur, Mumbai-400089.

For more details, please see the section titled "Our Management" on page 73 of this Draft Letter of Offer.

COMPANY SECRETARY & COMPLIANCE OFFICER:

Mr. Omprakash Singh
Company Secretary and Compliance Officer
Balkrishna Paper Mills Limited
A/7, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel West, Mumbai, Maharashtra, 400013
CIN: L21098MH2013PLC244963
Email: opsingh@bpml.in
Website: www.bpml.in
Tel: +91- 22-61207900

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post- Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "Terms of the Issue" beginning on page 115 of this Draft Letter of Offer.

CHIEF FINANCIAL OFFICER:

Mr. Manish Omkarmal Malpani
Chief Financial offer
Balkrishna Paper Mills Limited
A/7, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel West, Mumbai, Maharashtra, 400013
CIN: L21098MH2013PLC244963
Email: manish.malpani@bpml.in
Website: www.bpml.in
Tel: +91- 22-61207900

ADVISOR TO THE ISSUE:

Navigant Corporate Advisors Limited
804, Meadows, Sahar Plaza Complex,
J B Nagar, Andheri Kurla Road,
Andheri East, Mumbai-400 059
Tel.No. +91-22-41204837/49735078
Email Id- navigant@navigantcorp.com
Investor Grievance Email: info@navigantcorp.com
Website: www.navigantcorp.com
SEBI Registration Number: INM000012243
Contact Person: Mr. Sarthak Vijlani

REGISTRAR TO THE ISSUE

PURVA SHAREGISTRY (INDIA) PVT. LTD.
No-9, Shiv Shakti Industrial Estate,
Ground Floor, J. R. Boricha Marg,
Opp. Kasturba Hospital, Lower Parel,
Mumbai - 400 011.
Tel No.: +91 022-2301 2518
Website: www.purvashare.com
E-mail ID: support@purvashare.com
Contact Person: Ms. Deepali
SEBI Registration No: INR000001112

STATUTORY AUDITORS:

D S M R & CO.
Chartered Accountants
Head office: 204, 2nd Floor, A wing, Surya Kiran Building,
Behind HDFC Bank, Near Chamunda Circle, SVP Road,
Borivali West, Mumbai-400092
Tel: 022-46021950
Email: info@dsmr.in
Website: www.dsmr.in

EXPERT OPINION

Our Company has not obtained any expert opinion.

BANKER TO THE ISSUE AND REFUND BANK:

[●]

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. Details relating to Designated Branches of SCSBs collecting the ASBA application forms are available at the above mentioned link.

Credit rating

This being a Rights Issue of Equity Shares, no credit rating is required.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Since the size of the Issue is less than Rs. 10,000 Lakh, our Company is not required to appoint a monitoring agency.

Appraising Agency

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any bank or financial institution.

Underwriting

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Minimum Subscription

The Issue is not subject to being in receipt of minimum subscription of 90% of the Issue in accordance with the provisions of Regulation 86 of SEBI (ICDR) Regulations.

FILLING OF THIS DRAFT LETTER OF OFFER:

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3(b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, this Draft Letter of Offer will be filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

ISSUE SCHEDULE:

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Issue Opening Date	[●]
Last Date of Market renunciation of rights entitlements#	[●]
Issue Closing Date*	[●]

 # Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

** Our Board or the Rights Issue Committee, duly constituted and authorized by the Board of Directors, thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. For details on submitting Application Forms, see "Terms of the Issue - Process of making an Application in the Issue" beginning on page 116 of this Draft Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.purvashare.com after keying in their respective details along with other security control measures implemented thereat. For further details, see "Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders" beginning on page 128 of this Draft Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Draft Letter of Offer is set forth below:

(Rs. in Lakh, except the shares data)

	Particulars	Aggregate value at face value	Aggregate value at Issue Price
A.	**AUTHORIZED SHARE CAPITAL**		
	3,30,00,000 Equity Shares of Rs. 10 each 25,00,000 9% Cumulative Redeemable Preference Shares of Rs. 100 each 1,10,00,000 6.5% Non-Cumulative Redeemable Preference shares of Rs. 100 each	16,800.00	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	1,07,39,844 Equity Shares of Rs. 10 each	1,073.98	-
C.	**PRESENT ISSUE BEING OFFERED TO THEEXISTING EQUITY SHAREHOLDERS THROUGH THIS DRAFT LETTER OF OFFER** (1)		
	Upto [●] Equity Shares at an Issue Price of Rs. [●] per Equity Share	[●]	[●]
D.	**ISSUED, SUBSCRIBED AND PAID UP CAPITAL AFTER THE ISSUE** (2)		
	Upto [●] Equity Shares of face value of Rs. 10 each fully paid up	[●]	[●]
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	Nil	
	After the Issue	[●]	

(1) The Issue has been authorized by a resolution of our Board passed at its meeting held on 16th September, 2023 pursuant to Section 62 of the Companies Act, 2013.

(2) Assuming full subscription for and allotment of the Rights Entitlement.

Notes to the Capital Structure:

1. Our Company does not have any employee stock option scheme or employee stock purchase scheme.

2. Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Draft Letter of Offer, which would entitle the holders to acquire further Equity Shares.

3. **Shareholding of Promoter and Promoter Group:**

The details of specified securities held by the Promoter and Promoter Group including the details of lock-in, pledge and encumbrance on such securities as on the date of this Draft Letter of Offer are set forth hereunder:

Sr. No.	Name of the Promoter and Promoter Group &	Category	No. of Equity Shares held	% of total share capital	Details of Equity Shares pledged/ encumbered		Details of Equity Shares locked-in	
					No. of Equity Shares	% of total share capital	No. of Equity Shares	% of total share capital
1.	Ashadevi Rameshkumar Poddar	Promoter	7,95,940	7.41	-	-	-	-
2.	Vibhadevi Shrikishan Poddar	Promoter	7,95,929	7.41	-	-	-	-
3.	Shrikishan Dharaprasad Poddar	Promoter	7,70,689	7.18	-	-	-	-
4.	Rameshkumar Dharaprasad Poddar	Promoter	7,70,678	7.18	-	-	-	-
5.	Anurag Pawankumar Poddar	Promoter	6,06,389	5.65	-	-	-	-
6.	Avnish Pawankumar Poddar	Promoter	5,30,626	4.94	-	-	-	-
7.	Gaurav Pramod Poddar	Promoter	5,30,626	4.94	-	-	-	--
8.	Ankit Poddar	Promoter	5,30,626	4.94	-	-	-	-
9.	Sangeeta Pramodkumar Poddar	Promoter	5,05,366	4.71	-	-	-	-
10.	Madhudevi Pawankumar Poddar	Promoter	2,65,314	2.47	-	-	-	-
11.	Pawankumar Dharaprasad Poddar	Promoter	1,64,312	1.53	-	-	-	-
12.	Gitadevi Dharaprasad Poddar	Promoter	1,168	0.01	-	-	-	-
13.	Abhishek S Poddar	Promoter	11	0.00	-	-	-	-
14.	Harshit S Poddar	Promoter	11	0.00	-	-	-	-
15.	GPP Enterprises LLP	Promoter Group	37,011	0.34	-	-	-	-
16.	PKP Enterprises LLP	Promoter Group	13	0.00	-	-	-	-
17.	HSP Enterprises LLP	Promoter Group	13	0.00	-	-	-	-
18.	DPP Enterprises LLP	Promoter Group	13	0.00	-	-	-	-
19.	S P Finance And Trading Ltd	Promoter Group	5	0.00	-	-	-	-
20.	Vishal Furnishings Ltd	Promoter Group	5	0.00	-	-	-	-

Sr. No.	Name of the Promoter and Promoter Group &	Category	No. of Equity Shares held	% of total share capital	Details of Equity Shares pledged/ encumbered		Details of Equity Shares locked-in	
					No. of Equity Shares	% of total share capital	No. of Equity Shares	% of total share capital
21.	Sanchna Trading & Fin. Ltd.	Promoter Group	3	0.00	-	-	-	-

None of the Equity Shares held by our Promoter and Promoter Group are pledged with any bank or institution, locked-in or otherwise encumbered.

4. No Equity Shares have been acquired by the Promoter or members of the Promoter Group in the immediately preceding financial year ended March 31st, 2023.

5. Intention and extent of participation in the Issue by the Promoter and Promoter Group

Our Promoter and members of the Promoter Group of our Company have, *vide* their letters dated 11th December, 2023 ("**Subscription Letters**") indicated their intention to subscribe the full extent of their entitlement in the proposed Rights Issue, either by themselves or through one or more Promoter Group and either singly or jointly amongst any of them. The Promoters (either through one or more Promoter Group and either singly or jointly amongst any of them) reserve the right to subscribe to any unsubscribed portion of the Issue. The Promoters and one or more Promoter Group reserve the right to acquire Equity Shares over and above their Rights Entitlement, which may result in an increase of Promoter and/or the Promoter Group shareholding above current shareholding and including allotment pursuant to Rights Entitlement of Equity Shares and to the extent of the unsubscribed portion of the Issue as mentioned above. This subscription and acquisition of additional Equity Shares by the Promoters/Promoter Group through this Issue, if any, will not result in a change of control of the management of the Company and shall be in compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and other applicable regulations therein.

Presently, Our Company is complying with the minimum public shareholding required to be maintained for continuous listing is 25% of the total paid-up equity capital.

Our Promoter and/or members of the Promoter Group reserve the right to subscribe for any undersubscribed portion as per the provisions of applicable law. Allotment to the Promoter and/or members of the Promoter Group of any undersubscribed portion, over and above their Rights Entitlement, shall be completed in compliance with requirement of minimum public shareholding of 25% of the total paid up equity capital required to be maintained for continuous listing shall be maintained.

6. All the Equity Shares of our Company are fully paid-up as on the date of this Draft Letter of Offer. Further, the Equity Shares offered in the Rights Issue shall be made fully paid at the time of their allotment.

7. At any given time, there shall be only one denomination of the Equity Shares of our Company, excluding any equity shares with superior rights, if any, issued by our Company.

8. The ex-rights price per Equity Share arrived in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is [●].

9. The details of the shareholders holding more than 1% of the share capital of the Company as on September 30, 2023 are as under:

Sr. No.	Name of Shareholders	No. of Equity Shares held	% of total share capital
1	Ashadevi Rameshkumar Poddar	795940	7.41
2	Vibhadevi Shrikishan Poddar	795929	7.41
3	Shrikishan Dharaprasad Poddar	770689	7.18
4	Rameshkumar Dharaprasad Poddar	770678	7.18
5	Anurag Pawankumar Poddar	606389	5.65
6	Avnish Pawankumar Poddar	530626	4.94
7	Gaurav Pramod Poddar	530626	4.94
8	Ankit Poddar	530626	4.94
9	Sangeeta Pramodkumar Poddar	505366	4.71
10	Madhudevi Pawankumar Poddar	265314	2.47
11	Pawankumar Dharaprasad Poddar	164312	1.53
12	MSPL Limited	138017	1.29

10. Shareholding Pattern of our Company

Shareholding Pattern of the Equity Shares of our Company as per the last filing with the Stock Exchange, i.e., as on September 30, 2023 can be accessed on the website of the NSE and BSE respectively at

https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=BALKRISHNA&tabIndex=equity

https://www.bseindia.com/stock-share-price/balkrishna-paper-mills-ltd/balkrishna/539251/shareholding-pattern/

The statement showing the holding of Equity Shares of persons belonging to the category "Promoter and Promoters Group" as on September 30, 2023 can be accessed on the website of the NSE and BSE respectively at

https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=BALKRISHNA&tabIndex=equity

https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=539251&qtrid=118.00&QtrName=September%202023

The Statement of showing the details of shares pledged, encumbrance by promoters and promoter group as on September 30, 2023 can be accessed on the website of the NSE and BSE respectively at

https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=BALKRISHNA&tabIndex=equity

https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=539251&qtrid=118.00&QtrName=September%202023

11. Details of options and convertible securities outstanding as on the date of this Draft Letter of Offer

There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer.

OBJECTS OF THE ISSUE

Our Company proposes to utilize the net proceeds from the Issue towards funding the following objects.

1. To repay or prepay, in full or in part, of certain borrowings availed by our Company;
2. To repay towards redemption of Redeemable Preference shares Capital;
3. To meet General corporate purposes;

Collectively, referred herein as the "objects".

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

Details of Proceeds

The details of the proceeds of the Issue are summarized below:

(Rs. In Lacs)

S. No.	Particulars	Amounts
1)	Gross Proceeds	4,700.00
2)	(Less) Issue related expenses	[●]
3)	**Net Proceeds**	[●]

FUND REQUIREMENTS

We intend to utilise the Net Proceeds from the Issue, in the manner set below:

(Rs. In lacs)

S.No.	Particulars	Amounts	% of gross proceeds	% of Net proceeds
1.	To repay or prepay, in full or in part, of certain borrowings availed by our Company.	1,050.00	[●]	[●]
2.	To repay towards redemption of Redeemable Preference shares Capital.	2,500.00	[●]	[●]
3.	To meet General corporate purposes	[●]	[●]	[●]
	Total	[●]	[●]	[●]

Schedule of implementation/ Utilization of Issue Proceeds

Our Company proposes to deploy the Net Proceeds in the aforesaid objects as follows:

(Rs. In lacs)

Sr. No.	Particulars	Amount Proposed to be Deployed from Issue Proceeds	Estimated Schedule of Deployment of Net Proceeds	
			FY 2023-24	FY 2024-25
1.	To repay or prepay, in full or in part, of certain borrowings availed by our Company.	1,050.00	[●]	[●]
2.	To repay towards redemption of Redeemable Preference shares Capital.	2,500.00	[●]	[●]

Sr. No.	Particulars	Amount Proposed to be Deployed from Issue Proceeds	Estimated Schedule of Deployment of Net Proceeds	
			FY 2023-24	FY 2024-25
3.	To meet General corporate purposes.	[●]	[●]	[●]
	Total	[●]	[●]	[●]

To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, Our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

MEANS OF FINANCE:

The fund requirements set out above are proposed to be funded from the Net Proceeds and internal accruals. We confirm that we are in compliance with the requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

The fund requirement and deployment is based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.

Any amount, deployed by our Company out of internal accruals towards the aforementioned objects till the date of receipt of Issue Proceeds shall be recouped by our Company from the Issue Proceeds of the Issue. In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects. For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 22 of this Draft Letter of offer.

DETAILS OF THE OBJECTS

The details of the objects of the Issue are set out below:

1. TO REPAY OR PREPAY, IN FULL OR IN PART, OF CERTAIN BORROWINGS AVAILED BY OUR COMPANY.

Our Company has, in the regular course of business, entered into various financing arrangements. Further, depending on the business requirements of our Company and other considerations, certain of the borrowings are rolled over based on

commercially agreed upon terms between us and the lenders of these borrowings. Such rollovers may result in changes to the certain commercial terms and conditions of such borrowings, including the change in the lenders in some cases. Additionally, the aggregate outstanding amounts under these borrowings may vary from time to time, and our Company may, in accordance with the relevant repayment schedule, repay or refinance, or prepay, some of its existing borrowings.

As at November 30, 2023, the amount outstanding under borrowing arrangements of our Company to be Fully or partially repaid or prepaid from the Net Proceeds was Rs. 1,300.00 Lakhs. Our Company proposes to utilise an estimated amount of Rs. 1,050.00 Lakhs from the Net Proceeds towards full or partial repayment or pre-payment of borrowings availed by our Company.

The following table provides details of certain borrowings availed by our Company which are outstanding as on November 30, 2023, out of which certain borrowings are currently proposed to be repaid or prepaid, in full or in part, to the extent of Rs. 1,050.00 Lakhs from the Net Proceeds:

Sr. No.	Name of the Lender	Outstanding loan as on November 30, 2023 (Amount in Rs. lakhs)	Interest (%)	Nature of Borrowing	Date of repayment	Proposed repayment from Net Proceeds (Amount in Rs. lakhs)
1.	Dharnidhar Vastu Designers & Developers Private Limited	1,300.00	11%	Inter Corporate Deposit	12 months	1,050.00
	Total Amount	**1,300.00**				**1,050.00**

We believe that such repayment or prepayment will help reduce our outstanding indebtedness and our debt -equity ratio and enable utilization of our internal accruals for further investment in business growth. In addition, we believe that the strength of our balance sheet and our leverage capacity will further improve, which shall enable us to raise further capital in the future at competitive rates to fund potential business development opportunities and plans to grow and expand our business in the coming years.

We have considered the following factors for identifying the loans that will be repaid or pre-paid out of the Net Proceeds:

- Costs, expenses and charges relating to the facility including interest rates involved;
- Presence of onerous terms and conditions under the facility;
- Terms and conditions of consents and waivers;
- Other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

Accordingly, we may utilise the Net Proceeds for full or partial prepayment or repayment of any such refinanced facilities, or full or partial prepayment, or repayment of any additional facilities obtained by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, would not exceed Rs. 1,050.00 Lakhs. In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular Financial Year may be repaid/ pre-paid in part or full by our Company in the subsequent Financial Year. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits.

2. TO REPAY TOWARDS REDEMPTION OF REDEEMABLE PREFERENCE SHARES CAPITAL.

Our Company has, in the regular course of business, entered into various financing arrangements. Accordingly, our Company has raised funds to the tune of Rs. 2,500.00 Lakhs by issuing of Redeemable Preference Shares as per the following details:

Sr. No.	Name Of Allotee	Date of Allotment	Type Of Redeemable Preference Shares	Purpose Of Issue of Redeemable Preference Shares	Amount Raised (Rs. In Lakhs)	Face Value Per Share	No of Shares Issues	Issue Price Per Share	Redemption Date	Redemption Amount (Rs. in Lakhs)	Proposed Repayment From Net Proceeds (Amount In Rs. Lakhs)
1.	Siyaram Silk Mills Limited	09.08.2017	9% Cumulative Redeemable Preference Shares	To finance the working capital requirement	1700.00	100	17,00,000	100	10 years from the date of their issue or as may be determined by the Board	1700.00	1700.00
2.	SPG Power LLP				200.00		2,00,000			200.00	200.00
3	Ms. Asha R. Poddar				150.00		1,50,000			150.00	150.00
4	Ms. Madhu P. Poddar				150.00		1,50,000			150.00	150.00

Sr. No.	Name Of Allotee	Date of Allotment	Type Of Redeemable Preference Shares	Purpose Of Issue of Redeemable Preference Shares	Amount Raised (Rs. In Lakhs)	Face Value Per Share	No of Shares Issues	Issue Price Per Share	Redemption Date	Redemption Amount (Rs. in Lakhs)	Proposed Repayment From Net Proceeds (Amount In Rs. Lakhs)
5	Ms. Sangeeta P. Poddar				150.00		1,50,000			150.00	150.00
6	Ms. Vibha S. Poddar				150.00		1,50,000			150.00	150.00
	Total				2500.00		25,00,000			2500	2500

As at November 30, 2023, the amount outstanding to be repay to the preference shares holders of our Company to be Fully or partially repaid or prepaid from the Net Proceeds was Rs. 2,500.00 Lakhs. Our Company proposes to utilise an estimated amount of Rs. 2,500.00 Lakhs from the Net Proceeds towards full or partial repayment towards redemption of Redeemable preference Shares. Further, our Company has made intimations to them on December 18, 2023, as on the date of this Draft Letter of Offer.

Please also Risk factors under the chapter titled "Risk Factors" on page 22 of this Draft Letter of offer.

3. TO FINANCE THE GENERAL CORPORATE PURPOSE

The Net Proceeds will first be utilized towards the Objects set out above, as well as meeting the Issue-related expenses. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds of Rs. [●] Lacs towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time. We confirm that utilization for general corporate purposes will not exceed 25% of the Gross Proceeds of the Issue.

Such general corporate purposes may include, but are not restricted to, the following:

- Strategic initiatives, including investments or acquisitions, from time to time;
- Brand building, promotional and outreach activities;
- Strengthening our infrastructure and systems and processes, in-house training initiatives, etc.;
- Repayment of present or future loans;
- Research and Development;
- Ongoing general corporate purposes or exigencies, as approved by the Board or Committee thereof, subject to compliance with applicable law.

Our management will have flexibility in utilizing any amounts for general corporate purposes in accordance with policies of our Board. The quantum of utilization of funds towards any of the purposes mentioned above will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

ISSUE RELATED EXPENSES

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. [●] Lacs.

Particulars	Amount (Rs. in Lacs)	% of Total Issue Expenses	% of Total Issue Size
Issue management fees, brokerages, Payment to other intermediaries such as Registrars etc.	[●]	[●]	[●]
Advertisement & Marketing Expenses, Printing & Stationery, Distribution, Postage, etc.	[●]	[●]	[●]
Regulatory & other expenses	[●]	[●]	[●]
Total	[●]	[●]	[●]

Details of funds already deployed till date and sources of funds deployed

The funds deployed up to 30th November, 2023 pursuant to the object of this Issue as certified by the Auditors of our Company pursuant to their certificate dated 23rd December, 2023 is given below :

Deployment of funds	Amount (Rs. In Lacs)
Issue Related Expenses	3.00
Objects Related Expenses	-
Total	**3.00**

Sources of funds	Amount (Rs. In Lacs)
Internal Accruals	3.00

Sources of funds	Amount (Rs. In Lacs)
Bank Finance	-
Total	**3.00**

BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds.

APPRAISAL BY APPRAISING AGENCY

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization.

INTERIM USE OF FUNDS

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

MONITORING UTILIZATION OF FUNDS

As the size of the Issue does not exceed Rs. 10,000 lakhs, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a Quarterly yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year.

Further, in accordance with Regulation 32(1) (a) of the Listing Regulations our Company shall furnish to the Stock Exchanges on a Quarterly basis, a statement indicating material deviations, if any, in the utilization of the Issue Proceeds for the objects stated in this Draft Letter of offer.

CONFIRMATION REGARDING PURCHASE OF SECOND-HAND EQUIPMENT AND MACHINERY

No second-hand equipment and machinery is proposed to be purchased by our Company from the Net Proceeds.

OTHER CONFIRMATIONS

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, associates or Key Management Personnel, except as stated above and in the normal course of business and in compliance with applicable.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS AS PER THE CERTIFICATE ISSUED BY STATUTORY AUDITORS OF THE COMPANY

To,
The Board of Directors,
Balkrishna Paper Mills Limited
A/7, Trade World, Kamala City,, Senapati Bapat Marg, Lower Parel West, Mumbai, Maharashtra, 400013

Dear Sirs,

Subject: Proposed Rights Issue of equity shares with a Face value of Rs. 10/- each by Balkrishna Paper Mills Limited (the "Company") (the "Issue")

We hereby confirm that the enclosed statement states the possible special direct tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ("Act") as amended from time to time, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfill.

This statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the rights issue of equity shares of the Company particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

The contents of the enclosed statement are based on the information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company. We do not express any opinion or provide any assurance as to whether:

i) the Company or its shareholders will continue to obtain these benefits in future; or
ii) the conditions prescribed for availing the benefits have been/would be met with

This statement is intended solely for information and for inclusion in the Draft Letter of Offer in relation to the Issue of equity shares of the Company and is not to be used, circulated or referred to for any other purpose without our prior written consent. Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time.

We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

For M/s. DSMR & CO.
Chartered Accountants
Firm Registration No.: 128085W
Sd/-
Dharmendra S. Songira
Partner
M. No. 113275
Date: 30th December, 2023
Place: Mumbai
UDIN: 23113275BGRYSD8432

Annexure

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

I Special Tax Benefits available to the Company under the Act:

There are no special tax benefits available to the Company.

II. Special Tax Benefits available to the Shareholders under the Act:

There are no special tax benefits available for the shareholders of the Company under the provisions of the Act.

For M/s. DSMR & CO.
Chartered Accountants
Firm Registration No.: 128085W
Sd/-
Dharmendra S. Songira
Partner
M. No. 113275
Date: 30th December, 2023
Place: Mumbai
UDIN: 23113275BGRYSD8432

SECTION V: ABOUT OUR COMPANY

OUR INDUSTRY

The information contained in 'Industry Overview' in this section is derived from publicly available sources. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

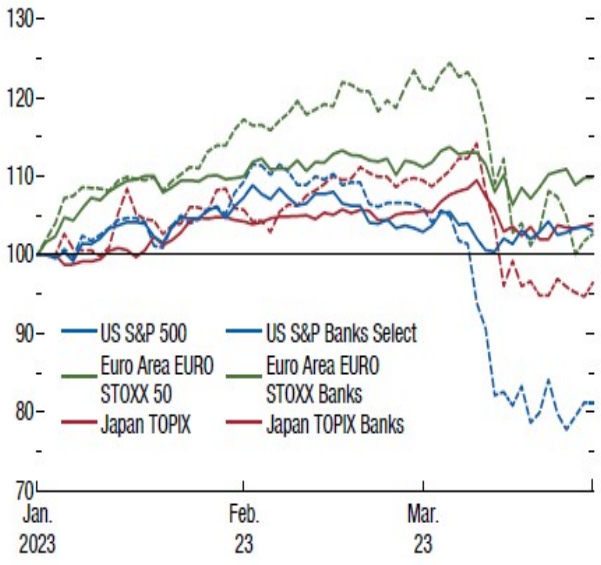
Shareholders should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, shareholders should read this entire Draft Letter of Offer, including the information in the sections "Risk Factors" and "Financial Information" on pages 22 and 91, respectively of this Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 22 of this Draft Letter of Offer.

WORLD ECONOMIC OUTLOOK - GLOBAL PROSPECTS AND POLICIES

The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks—most notably, the COVID-19 pandemic and Russia's invasion of Ukraine—manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multidecade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored.

Although telegraphed by central banks, the rapid rise in interest rates and anticipated slowing of economic activity to put inflation on a downward path have, together with supervisory and regulatory gaps and the materialization of bank-specific risks, contributed to stresses in parts of the financial system, raising financial stability concerns. Banks' generally strong liquidity and capital positions suggested that they would be able to absorb the effects of monetary policy tightening and adapt smoothly. However, some financial institutions with business models that relied heavily on a continuation of the extremely low nominal interest rates of the past years have come under acute stress, as they have proved either unprepared or unable to adjust to the fast pace of rate rises.

Figure 1.1. Broad Equity and Bank Equity Indices for Selected Major Economies
(Index; January 1, 2023 = 100)

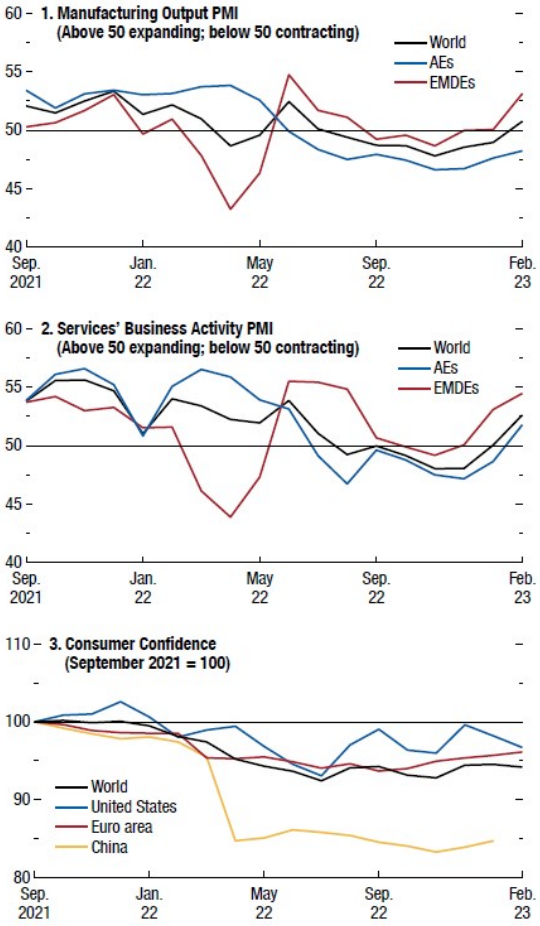


Sources: Bloomberg Finance L.P.; and IMF staff calculations.
Note: Latest data available are for March 28, 2023.

The unexpected failures of two specialized regional banks in the United States in mid-March 2023 and the collapse of confidence in Credit Suisse—a globally significant bank—have roiled financial markets,

with bank depositors and investors reevaluating the safety of their holdings and shifting away from institutions and investments perceived as vulnerable. The loss of confidence in Credit Suisse resulted in a brokered takeover. Broad equity indices across major markets have fallen below their levels prior to the turmoil, but bank equities have come under extreme pressure (Figure 1.1). Despite strong policy actions to support the banking sector and reassure markets, some depositors and investors have become highly sensitive to any news, as they struggle to discern the breadth of vulnerabilities across banks and nonbank financial institutions and their implications for the likely near-term path of the economy. Financial conditions have tightened, which is likely to entail lower lending and activity if they persist (see also Chapter 1 of the April 2023 *Global Financial Stability Report*).

Figure 1.2. Early 2023 Activity Indicators Strengthened but Confidence Remained Depressed
(Indices)



Sources: Haver Analytics; IHS Markit; and IMF staff calculations.
Note: For AEs in panel 1, sample comprises AUS, AUT, CAN, CHE, DEU, DNK, ESP, FRA, GBR, GRC, ITA, IRL, JPN, NLD, NZL, and USA. Contribution to AE manufacturing GVA is used as weights. For EMDEs in panel 1, sample comprises ARE, BRA, CHN, CZE, COL, EGY, GHA, IND, IDN, KEN, LBN, MYS, MEX, NGA, PHL, POL, RUS, SAU, THA, TUR, VNM, and ZAF. For AEs in panel 2, sample comprises AUS, DEU, ESP, FRA, GBR, ITA, IRL, JPN, NZL, and USA. Contribution to AE services GVA is used as weights. For EMDEs in panel 2, sample comprises BRA, CHN, CZE, COL, EGY, GHA, IND, IDN, KEN, LBN, MYS, MEX, NGA, PHL, POL, RUS, SAU, THA, TUR, VNM, and ZAF. Economy list uses International Organization for Standardization (ISO) country codes. AEs = advanced economies; EMDEs = emerging market and developing economies; GVA = gross value added. PMI = purchasing managers' index.

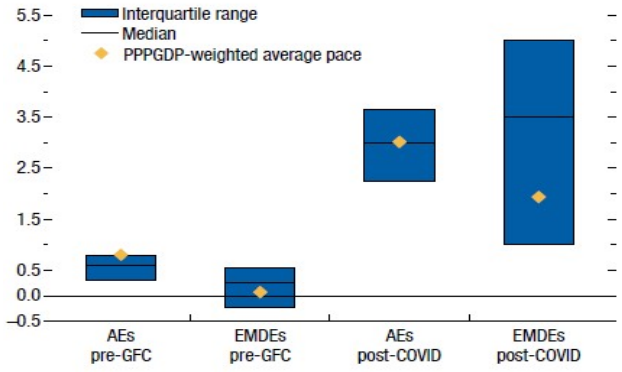
Prior to recent financial sector ructions, activity in the world economy had shown nascent signs of stabilizing in early 2023 after the adverse shocks of last year (Figure 1.2, panels 1 and 2). Russia's invasion of Ukraine and the ongoing war caused severe commodity and energy price shocks and trade disruptions, provoking the beginning of a significant reorientation and adjustment across many e conomies. More contagious COVID-19 strains emerged and spread widely. Outbreaks particularly affected activity in economies in which populations had lower levels of immunity and in which strict lockdowns were implemented, such as in China. Although these developments imperiled the recovery, activity in many economies turned out better than expected in the second half of 2022, typically reflecting stronger-than-anticipated domestic conditions. Labor markets in advanced economies—most notably, the United States—have stayed very strong, with unemployment rates historically low. Even so, confidence remains depressed across all regions compared with where it was at the beginning of 2022, before Russia invaded Ukraine and the resurgence of COVID-19 in the second quarter (Figure 1.2, panel 3).

With the recent increase in financial market volatility and multiple indicators pointing in different directions, the fog around the world economic outlook has thickened. Uncertainty is high, and the balance of risks has shifted firmly to the downside so long as the financial sector remains unsettled. The major forces that affected the world in 2022—central banks' tight monetary stances to allay inflation, limited fiscal buffers to absorb shocks amid historically high debt levels, commodity price spikes and geoeconomic fragmentation with Russia's war in Ukraine, and China's economic reopening—seem likely to continue into 2023. But these forces are now overlaid by and interacting with new financial stability concerns. A hard landing— particularly for advanced economies—has become a much larger risk. Policymakers may face difficult trade-offs to bring sticky inflation down and maintain growth while also preserving financial stability.

Inflation Is Declining with Rapid Rate Rises but Remains Elevated amid Financial Sector Stress

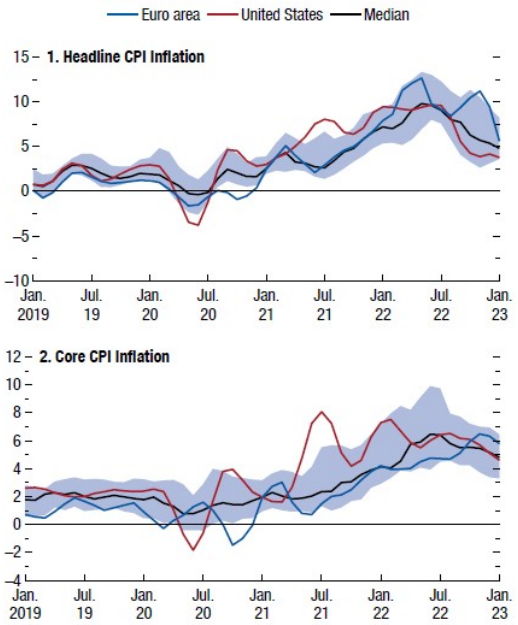
Global headline inflation has been declining since mid-2022 at a three-month seasonally adjusted annualized rate (Figure 1.3). A fall in fuel and energy commodity prices, particularly for the United States, euro area, and Latin America, has contributed to this decline (see Figure 1.SF.1). To dampen demand and reduce underlying (core) inflation, the lion's share of central banks around the world have been raising interest rates since 2021, both at a faster pace and in a more synchronous manner than in the previous global monetary tightening episode just before the global financial crisis (Figure 1.4). This more restrictive monetary policy has started to show up in a slowdown in new home construction in many countries (see Box 1.1). Inflation excluding volatile food and energy prices has been declining at a three-month rate—although at a slower pace than headline inflation—in most (though not all) major economies since mid-2022. Even so, both headline and core inflation rates remain at about double their pre-2021 levels on average and far above target among almost all inflation-targeting countries. Moreover, differences across economies reflect their varying exposure to underlying shocks. For example, headline inflation is running at nearly 7 percent (year over year) in the euro area—with some member states seeing rates near 15 percent—and above 10 percent in the United Kingdom, leaving household budgets stretched. The

Figure 1.4. Monetary Policy Tightening Rapidly across Many Economies
(Percentage point change a year by episode, distribution by economy group)



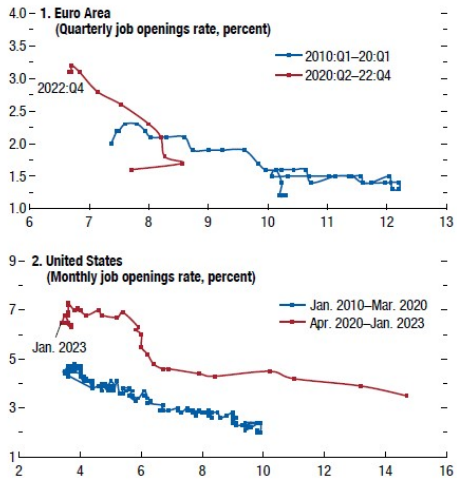
Sources: Haver Analytics; and IMF staff calculations.
Note: The figure shows the distribution (25th to 75th percentiles, median, and weighted average) of the annualized average percentage point change in policy rates by economy group over two episodes: May 2004 to July 2007 (pre-GFC) and Jan. 2022 to Jan. 2023 (post-COVID). AEs = advanced economies; EMDEs = emerging market and developing economies; GFC = global financial crisis; PPPGDP = nominal gross domestic product in purchasing-power-parity international dollars.

Figure 1.3. Inflation Turning Down or Plateauing?
(Percent, three-month moving average; SAAR)



Sources: Haver Analytics; and IMF staff calculations.
Note: The figure shows the distribution of headline and core CPI inflation developments across 18 advanced economies and 17 emerging market and developing economies. Core inflation is the percent change in the consumer price index for goods and services, but excluding food and energy (or the closest available measure). For the euro area (and other European economies for which data are available), energy, food, alcohol, and tobacco are excluded. The shaded band depicts the 25th to the 75th percentiles of the cross-economy distribution of the indicated inflation measure. The 35 economies in the sample for the figure account for about 81 percent of 2022 world output. CPI = consumer price index; SAAR = seasonally adjusted annualized rate.

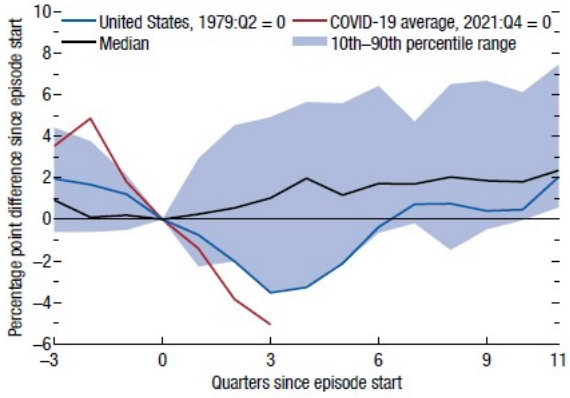
Figure 1.5. Labor Markets Have Tightened in Selected Advanced Economies



Sources: Eurostat; US Bureau of Labor Statistics; and IMF staff calculations.
Note: The figure shows the evolution of the Beveridge curve in the indicated economy, before and after the start of the COVID-19 pandemic. The relationship describes how the job openings rate (vacancies as a proportion of employment plus vacancies, *y*-axes) varies with the unemployment rate (number of unemployed as a proportion of the labor force, *x*-axes). Curves that are farther out from the origin may indicate greater labor market frictions. Labor markets are tight when the unemployment rate is low and the job openings rate is high.

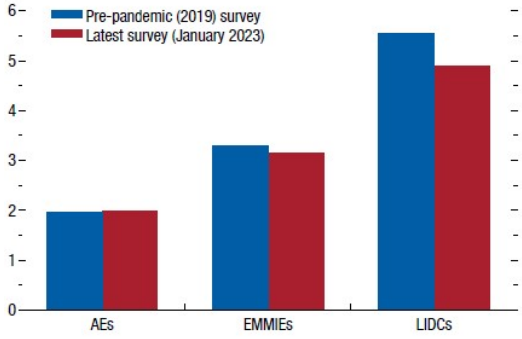
effects of earlier cost shocks and historically tight labor markets are also translating into more persistent underlying price pressures and stickier inflation. The labor market tightness in part reflects a slow post-pandemic recovery in labor supply, with, in particular, fewer older workers participating in the labor force (Duval and others 2022). The ratios of job openings to the number of people unemployed in the United States and the euro area at the end of 2022 were at their highest levels in decades (Figure 1.5). At the same time, the cost pressures from wages have so far remained contained despite the tightness of labor markets, with no signs of a wage-price spiral dynamic—in which both wages and prices accelerate in tandem for a sustained period—taking hold. In fact, real wage growth in advanced economies has been lower than it was at the end of 2021, unlike what took place in most of the earlier historical episodes with circumstances similar to those prevailing in 2021, when prices were accelerating and real wage growth was declining, on average (Figure 1.6).

Figure 1.6. Wage-Price Spiral Risks Appear Contained So Far
(Distribution of real wage growth across historical episodes similar to today)



Sources: International Labour Organization; Organisation for Economic Co-operation and Development; US Bureau of Economic Analysis; and IMF staff calculations.
Note: The figure shows the evolution over time of historical episodes similar to 2021 in which three of the preceding four quarters had (1) rising price inflation, (2) falling real wages, and (3) stable or falling unemployment. Twenty-two such episodes are identified for a sample of 30 advanced economies from 1960 to 2021. See Chapter 2 of the October 2022 *World Economic Outlook* for more details. The COVID-19 line shows the average behavior for economies in the sample starting in 2021:Q4.

Figure 1.7. Anchored Inflation Expectations
(Percent, average five-year-ahead CPI inflation expectations)



Sources: Consensus Economics; and IMF staff calculations.
Note: The figure shows the average five-year-ahead inflation expectation for the indicated economy group from the indicated survey vintage. The sample covers economies in the indicated economy group for which Consensus Economics surveys are available. The pre-pandemic survey is from long-term consensus forecasts in 2019. AEs = advanced economies; CPI = consumer price index; EMMIEs = emerging market and middle-income economies; LIDCs = low-income developing countries.

Inflation expectations have so far remained anchored, with professional forecasters maintaining their five-year-ahead projected inflation rates near their pre-pandemic levels (Figure 1.7). To ensure this remains the case, major central banks have generally stayed firm in their communications about the need for a restrictive monetary policy stance, signaling that interest rates will stay higher for longer than previously expected to address sticky inflation. As of early 2023, however, financial markets anticipated that less policy tightening would be needed than central banks suggested, leading to a divergence that raised the risks for a significant market repricing. This is most clearly evident in the case of the United States (Figure 1.8, blue versus dashed black lines). A repricing materialized in early March, with the market-implied policy path shifting up to close much of the gap with the Federal Reserve's announced expected policy path as markets responded to news about inflation (Figure 1.8, green line). But recent financial sector turbulence and the associated tightening of credit conditions have pushed the market-implied policy rate path back down, reopening the gap in the United States (Figure 1.8, red line). This may reflect in part the emergence of liquidity and safety premiums in response to financial market volatility rather than pure policy expectations. Nevertheless, the risks to financial markets from sudden repricing due to policy rate expectation changes—also highlighted in the January 2023 *World Economic Outlook* (WEO) *Update*—remain highly relevant (see also Chapter 1 of the April 2023 *Global Financial Stability Report*).

***(Source:** https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023)*

INDIAN ECONOMIC OVERVIEW

Introduction

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022–23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-September 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

Market size

- India’s nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.

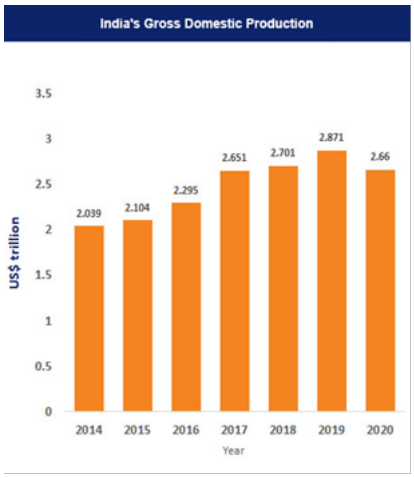
- According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23.

- Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India’s trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US$ 1 trillion by 2030.

Recent Development

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

Recent economic developments in India are as follows:



- As of September 21, 2022, India's foreign exchange reserves stood at US$ 524,520 million.
- The private equity-venture capital (PE-VC) sector investments stood at US$ 2 billion in September 2022.
- Merchandise exports in September 2022 stood at US$ 32.62 billion.
- PMI Services remained comfortably in the expansionary zone at 56.7 during April-September 2022
- In September 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 147,686 crore (US$ 17.92 billion).
- Between April 2000-June 2022, cumulative FDI equity inflows to India stood at US$ 604,996 million.
- In August 2022, the overall IIP (Index of Industrial Production) stood at 131.3. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 99.6, 131.0 and 191.3, respectively, in August 2022.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 7.41% in September 2022.
- In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 58,762 crore (US$ 7.13 billion).
- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of Rs. 2.37 lakh crore (US$ 31.74 billion) to their accounts.

Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, are aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- Home & Cooperation Minister Mr. Amit Shah, laid the foundation stone and performed Bhoomi Pujan of Shri Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.

- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US$ 747.64 million).
- In July 2022, the Union Cabinet chaired by the Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for the IT companies and start-ups in both the countries.
- India and Namibia entered into a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly-developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on 11 July 2022.
- In June 2022:
    - Prime Minister Mr. Narendra Modi, laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US$ 10.01 billion) at the groundbreaking ceremony of the UP Investors Summit in Lucknow.
    - The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of biocapsule, an encapsulation technology for bio-fertilization on 30 June, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a

production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.

- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 lakh crore (US$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 lakh crore (US$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government

has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.

- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23; it is expected to raise Rs. 4 lakh crore (US$ 53.58 billion) in the next three years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US$ 110 billion by 2030.
- India is expected to attract investment of around US$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

(Source: www.ibef.org)

Overview of Paper Industry

The India Paper and Paperboard Packaging Market size is expected to grow from USD 12.07 billion in 2023 to USD 16.64 billion by 2028, at a CAGR of 6.63% during the forecast period (2023-2028).

- The paper and paperboard packaging business experienced growth over the last decade, owing to changes in substrate choice, expansion of new markets, changing ownership dynamics, and government initiatives to ban plastic. Sustainability and environmental issues continue to be emphasized, and various innovations catering to paper and paper board packaging are expected to drive market growth in India.

- India's paper and paperboard packaging industry proliferates and spans various end-user segments, such as food and beverages, healthcare, personal care, and household care. Strong favorable demographics aside, factors like growing disposable income levels, increasing consumer awareness, and demand for processed food are the key drivers impacting the growth of the paper and paperboard packaging industry.

- With a considerable increase in organized retail, the demand for paper packaging is expected to increase due to the rapid increase in supermarkets and modern shopping centers. Furthermore, in June 2022, the Central Pollution Control Board (CPCB), a federal agency under the Ministry of the Environment, released a list of steps to be taken to outlaw specific single-use plastic products by June 2022. Such measures are expected to drive the demand for paper packaging in the country.

- In India, there are comparatively fewer companies manufacturing modern equipment that is used for packaging. Since the packing equipment is purchased from other countries, the

cost of the equipment is very high. Since in India, the manufacturing of packaging equipment is less when the demand for purchasing equipment grows, there is expected to be a lack of purchasing the equipment from other countries.

- The packaging industry witnessed some significant issues due to the COVID-19 pandemic, including the effects of the nationwide lockdown, companies moving to source away from China, and reconsidering materials used in packaging. Although the supply side of paper packaging witnessed a significant impact, a drastic increase in the end user demand in some applications significantly expanded the scope of the paper and paperboard packaging solutions, such as corrugated boxes, folding cartons, and many more.

India Paper Packaging Industry Segmentation

Paper and paperboard are frequently used for packaging food and beverage products, such as juices, milk, and cereals. There are numerous grades of paperboard packaging. Paperboard, like folding cartons, is the most common material used to make containers. The paperboard requires pulping, optional bleaching, refining, sheet forming, drying, calendaring, and winding to manufacture paper.

The Indian paper and paperboard market (henceforth referred to as the market studied) comprises product type and end-user vertical segments. The end-user verticals segment includes food and beverage, healthcare, personal care, hardware, electrical products, and other end-user verticals. The product type segment comprises folding cartons, corrugated boxes, and other types. Furthermore, the study also includes an assessment of the impact of COVID-19 on the market.

(Source: https://www.mordorintelligence.com/industry-reports/india-paper-and-paperboard-packaging-market)

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read section titled "Risk Factors" on page 22, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 91 and 96, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Audited Standalone Financial Statements and Limited Review Standalone Financial Statements.

Overview

The Company was incorporated on June 29, 2013 with the Registrar of Companies, Maharashtra, Mumbai as Nirvikara Paper Mills Limited (NPML) vide CIN: L21098MH2013PLC244963. Later the Company i.e. erstwhile Nirvikara Paper Mills Limited (NPML) had entered into Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 with erstwhile Balkrishna Paper Mills Limited (BPML) (Amalgamated Company) (CIN: U21093MH2007PLC168591) and Balkrishna Industries Limited (BIL) (CIN: L99999MH1961PLC012185) vide Scheme of Arrangement which was duly sanctioned by Hon'ble High Court of Bombay on December 19, 2014 and the said sanctioned Order copy of Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956 was filed vide Form No.INC-28 with Registrar of Companies, Maharashtra, Mumbai on February 10, 2015. In view of the above Scheme of Arrangement becoming effective, the erstwhile BPML (Amalgamated Company) stands Amalgamated with BIL and ceased to be in existence . Consequent upon above, the entire Paper Business of BIL was transferred to erstwhile NPML (CIN: L21098MH2013PLC244963.

Later the erstwhile NPML changed its name from Nirvikara Paper Mills Limited To Balkrishna Paper Mills Limited (CIN: L21098MH2013PLC244963) vide fresh Certificate of Incorporation dated August 23, 2016 issued by Registrar of Companies, Maharashtra, Mumbai.

We have been in the business of manufacturing of Paper and Paper boards based on recycled pulp ("Paper and Paper Board Business"). Our manufacturing facility for Paper and Paper Board Business is situated at Ambivali near Kalyan (Maharashtra). The installed capacity at our plant is 60,000 TPA. To supplement our power requirement for manufacturing, we also have a captive thermal power plant of capacity 4.5MW in same location in Ambivali.

Strengths

Established track record

We have been engaged in manufacturing of Paper and Paper Board for over five decades. Over the years we have been recognised for quality of our products and delivery timelines which ensures steady demand for our produce and enables us to plan the production accordingly.

Recognised Brand

Owing to the consistency and high quality of our products, we enjoy a strong brand recall in the Paper and Paper boards industry. We get repeat orders from most of our customers. Further, such brand

recognition also helps us to command a slight premium to market price and pass on changes in raw material costs to our customers.

Experienced management team

We are managed by a team of experienced and professional managers The promoters and management have long experience in the industries we operate..

Business Strategy

Continue focus on high quality products

We shall continue to focus on production of high quality Paper and Paper boards by using the optimum waste-material mix. The same shall further strengthen our brand and enable us to establish our foothold in the market segments we operate in.

Increase in exports by selling value added products

We shall focus on increasing our sales from export of recycled waste paper pulp based Paper and Paper boards which are in high demand in international markets. Higher exports will also help in hedging our requirements of foreign currency for import of waste-paper/ pulp.

We are currently exploring opportunities in countries like Bangladesh, Gulf countries, South African Countries for value added products as well as paper board products.

Location of Plants

Our manufacturing facility for Paper and Paper Board business is situated at Ambivali near Kalyan (Maharashtra) The installed capacity at our Ambivali plant is 60,000 TPA.

Raw Material and other inputs

The main raw material used is waste-paper. Other important inputs are chemicals and power & fuel.

Waste-paper: Waste-paper comprises of our major raw material requirement. We source our requirement for waste-paper from domestic and international markets. Imported waste-paper has better pulp qualities and thereby results in superior product quality. We strive to achieve optimum mix for waste-paper sourced from domestic and international markets to ensure our quality standards are maintained and also manage to keep the costs in check. Sourcing of waste-paper is done through indenters who act as the middle-man between sellers and purchasers. Such indenters work on fixed commission basis and there are no long term arrangements to purchase waste-paper from any particular supplier.

Chemicals: We use a large quantity of chemicals, mainly Bleaching powder, Blinder and Starch, for washing, cleaning and bleaching of waste-paper before bonding of waste-paper takes place at the main machinery.

Power & Fuel: We have a captive thermal power plant of capacity 4.5MW sufficient for our current operations. We source coal from local suppliers for feeding into our captive power plant.

OUR MANAGEMENT

Board of Directors

As on date of this Draft Letter of Offer, Currently, our Company has 6 (Six) Directors on our Board, comprising of 2 (Two) Executive Directors, and 4 (Four) Non-Executive and Independent Directors including one women Director. The composition of the Board of Directors is governed by the provisions of the Companies Act and the SEBI Listing Regulations and the norms of the code of corporate governance as applicable to listed companies in India.

Pursuant to the provisions of the Companies Act, 2013, at least two-third of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring director is eligible for re-appointment. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five years each.

The following table sets forth details regarding our Board of Directors as of the date of this Draft Letter of Offer.

Name, Father's name, Address, Occupation, Date of Birth, Nationality, Tenure & DIN	Age	Other Directorships / Designated Partners
Mr. Anurag Poddar S/o. Mr. Pawankumar Poddar **Address:** 1401, Nepeansea House, 14th Floor, Nepeansea Road, Mumbai-400006 **Occupation**: Business **Date of Birth**: July 13, 1981 **Designation**: Managing Director **Nationality**: Indian **Tenure**: Five years **DIN**: 00599143	42 years	1. GPP Enterprises LLP 2. PKP Enterprises LLP 3. HSP Enterprises LLP 4. SPG Power LLP 5. Image Commercials LLP 6. Golden Fibres LLP
Mr. Manish Omkarmal Malpani S/o. Mr. Omkarmal Balabux Malpani **Address:** 601, E Wing, New Golden Nest, Phase 14, 100 Feet, New Navghar Road, Near Hanuman Mandir, Bhayander East - 401105 **Occupation**: Business **Date of Birth**: September 10, 1979 **Designation**: Whole Time Director and Chief Financial Officer **Nationality**: Indian **Tenure**: Liable to retire by rotation **DIN**: 00055430	44 years	NIL
Mr. Dileep Himmatrao Shinde S/o. Mr. Himmatrao Anandrao Shinde **Address:** C-4/12, Goyal Intercity, Opp. Tv Tower Drive in Road, Thaltej, Ahmedabad City, Ahmedabad-380054 **Occupation**: Business	73 years	NIL

Name, Father's name, Address, Occupation, Date of Birth, Nationality, Tenure & DIN	Age	Other Directorships / Designated Partners
Date of Birth: September 23, 1950 **Designation**: Non-Executive Independent Director **Nationality**: Indian **Tenure**: Liable to retire by rotation **DIN**: 00270687		
Mr. Rakesh Kumar Garodia S/o Mr. Nathmal Garodia **Address:** 3/4, Govind Nagar, Pawan Baug Road, Chincholi Fatak, Malad (West), Mumbai-400064 **Occupation**: Business **Date of Birth**: September 15, 1963 **Designation**: Non-Executive Independent Director **Nationality**: Indian **Tenure**: Five years **DIN**: 00143438	60 years	1. Ashirwad Capital Limited 2. Swasti Vinayaka Art and Heritage Corporation Limited 3. Swasti Vinayaka Synthetics Limited 4. Galaxy Moulders Private Limited 5. Penguin Electronics Private Limited 6. Pacific Cyber Technology Private Limited 7. Veken Demi Technology Private Limited 8. Sawini Finvest Private Limited
Ms. Meghna Shah D/o. Mr. Mahesh Shah Jamnadas **Address:** 24, Neel Tarang, Veer Savarkar Marg, Hinduja Hospital Mahim, Mumbai-400016 **Occupation**: Business **Date of Birth**: June 14, 1978 **Designation**: Non-Executive Independent Director **Nationality**: Indian **Tenure**: Five years **DIN**: 07081068	45 years	NIL
Prof. (Dr) Mangesh D. Teli **S/o Mr. Dhondu Teli** C-202/8 Rajkamal CHS,Tilak Nagar, Opp. Sahakar Plaza, Chembur, Mumbai-400089.**Occupation**: Business **Date of Birth**: 10.07.1952 **Designation**: Non-Executive Independent Director **Nationality**: Indian **Tenure**: Five years **DIN**: 02118899	71 years	Nil

Relationship between Directors

None of the Directors are related to each other as per the provisions of the Companies Act, 2013.

Brief Profiles of Directors

Mr. Anurag Poddar, aged about 42 years, is the Chairman and Managing Director of our Company. He has done his Master's in Business Administration from Drexel University, USA. He has served as Executive Director on Board of Balkrishna Industries Ltd for more than 3 years. He is having over 15 years of experience in Finance, Marketing, Technical, Production, Sale, and Export, etc. He is associated with our company since 11th February, 2015.

Mr. Manish Omkarmal Malpani, aged about 44 years, is Executive Director designated as Whole Time Director and Chief Financial Officer of our Company. He is a dynamic & highly proficient Chartered Accountant with over 20 years of multi-faceted experience in Corporate Finance, Accounts, Commercial Controls, Strategic Management and Information Technology. He is associated with our company since 14th August, 2023.

Mr. Dileep Himmatrao Shinde, aged about 73 years, is the Non-Executive and Independent Director of our Company. He is a Graduated from M.S. University of Baroda in Engineering. He is having expertise in Finance, Investment, Banking, Merger & Acquisition, Project Appraisal and Business Development. He is associated with our company since 7th August, 2021.

Mr. Rakesh Kumar Garodia, aged about 60 years, is the Non-Executive and Independent Director of our Company. He is having more than 34 years of experience in the field of Corporate Affairs and Financial Accounting. He is associated with our company since 11th February, 2015.

Prof. Mangesh D. Teli aged 71 years. He is currently a Senior Professor and Member of the Board of Management Institute of Chemical Technology. He is associated with our company since 9th December, 2023.

Ms. Meghna Shah, aged about 45 years, is the Non-Executive and Independent Director of our Company. She is having expertise in the field of Accounting and Finance. She is having rich experience of over 12 years. Currently associated with Shah Legal, an Advocate Consultancy firm. She is associated with our company since 11th February, 2015.

Details of any arrangement or understanding with major shareholders, customers, suppliers or others

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors have been appointed in the Board.

Other Confirmations:

1. Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.

2. None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.

3. None of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.

4. None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.
5. None of our Directors have been identified as a wilful defaulter, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.
6. None of Directors are currently, or have been in the past five years, on the board of directors of a listed company whose shares have been or were suspended from being traded on the Stock Exchange.
7. None of our Directors is or was, in the past ten years, a Director of any listed company which has been or was delisted from any stock exchange in India during the term of their directorship in such company.

CORPORATE GOVERNANCE

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting.

We have a Board constituted the Board Committees in compliance with the Companies Act. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently, our Company has 6 (Six) Directors on our Board, comprising of 2 (Two) Executive Directors, and 4 (Four) Non-Executive and Independent Directors including one women Director.

The following committees have been formed in compliance with the corporate governance norms:

a. Audit Committee
b. Stakeholders Relationship Committee
c. Nomination and Remuneration Committee
d. Risk Management Committee
e. Finance Committee
f. Share Transfer Committee
g. ~~Tast~~ Task Force Committee
h. Right Issue Committee
i. Allotment Committee

AUDIT COMMITTEE

Our Company has constituted an Audit Committee ("Audit Committee"), as per the provisions of Section 177 of the Companies Act, 2013.

The terms of reference of Audit Committee complies with the requirements of Companies Act, 2013. The committee presently comprises following four (4) Directors. Mr. Dileep H. Shinde is the Chairperson of the Audit Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Dileep H. Shinde	Chairperson	Non-executive-Independent Director
2.	Mr. Rakesh N. Garodia	Member	Non-executive-Independent Director
3.	Ms. Meghna S.Shah	Member	Non-Executive-Independent Director
4.	Mr. Manish Malpani	Member	Whole Time Director

Role of Audit Committee

The terms of reference of the Audit Committee are given below:

A. Tenure: The Audit Committee shall continue to be in function as a Committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

B. Meetings of the Committee: The Committee shall meet at least four (4) times in a year and not more than one hundred twenty (120) days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the Committee, whichever is higher but there shall be presence of minimum two Independent Directors at each meeting.

C. Role and Powers: The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulations and Act shall be as under:

(a) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(b) review and monitor the auditor's independence and performance, and effectiveness of audit process;

(c) examination and reviewing of the financial statement and the auditors' report thereon before submission to the board for approval, with particular reference to:

i. matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Act;

ii. changes, if any, in accounting policies and practices and reasons for the same;

iii. major accounting entries involving estimates based on the exercise of judgment by management

iv. significant adjustments made in the financial statements arising out of audit findings

v. compliance with listing and other legal requirements relating to financial statements

vi. disclosure of any related party transactions

vii. Qualifications in the audit report

(d) examination and reviewing, with the management, the quarterly financial statements before submission to the Board for approval

(e) approval or any subsequent modification of transactions of the Company with related parties

(f) scrutiny of inter-corporate loans and investments

(g) valuation of undertakings or assets of the Company, wherever it is necessary;

(h) evaluation of internal financial controls and risk management systems;

(i) monitoring the end use of funds raised through public offers and related matters;

(j) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(k) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(l) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(m) discussion with internal auditors of any significant findings and follow up thereon;

(n) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(o) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(p) look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(q) approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(r) reviewing the Management discussion and analysis of financial condition and results of operations;

(s) reviewing the Management letters / letters of internal control weaknesses issued by the statutory auditors;

(t) reviewing the Internal audit reports relating to internal control weaknesses;

(u) reviewing the appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee;

(v) reviewing the functioning of the Whistle Blower mechanism;

(w) reviewing/ redressal of complaint/s under the Sexual Harassment of Women at Workplace (Prohibition, Prevention & Redressal) Act, 2013;

(x) establishment of a vigil mechanism for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy in such manner as may be prescribed, which shall also provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases:

(y) such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and SEBI Listing Regulations."

STAKEHOLDERS RELATIONSHIP COMMITTEE

Our Company has constituted a Stakeholders Relationship Committee ***("Stakeholders relationship committee")*** to redress the complaints of the shareholders. The committee currently comprises of four (4) Directors. Mr. Rakesh N. Garodia is the Chairperson of the Stakeholders relationship Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Rakesh N. Garodia	Chairperson	Non- Executive Independent Director
2.	Mr. Dileep H. Shinde	Member	Non- Executive Independent Director
3.	Mr. Anurag Poddar	Member	Executive Director
4.	Mr. Manish Malpani	Member	Whole Time Director

Role of stakeholder Relationship committee

The Company Secretary of our Company acts as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

A. **Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

B. **Terms of Reference:** The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Stakeholders Relationship Committee include the following:

- Considering and resolving the grievance of security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
- Such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Act read with SEBI Listing Regulations.

NOMINATION AND REMUNERATION COMMITTEE

Our Company has constituted a Nomination and Remuneration Committee ("Nomination and Remuneration Committee") in terms of section 178 (3) of Companies Act, 2013. The Committee currently comprises of three (3) Directors. Mr. Dileep H. Shinde is the Chairperson of the Nomination and Remuneration Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Dileep H. Shinde	Chairperson	Non Executive Independent Director
2.	Mr. Rakesh N. Garodia	Member	Non Executive Independent Director
3.	Ms. Meghna S.Shah	Member	Non Executive Independent Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

A. **Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

B. **Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

C. **Terms of Reference:**
   (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
   (b) Formulation of criteria for evaluation of Independent Directors and the Board;
   (c) Devising a policy on Board diversity;
   (d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance;
   (e) Determining, reviewing and recommending to the Board, the remuneration of the Company's Managing/ Joint Managing / Deputy Managing / Whole time / Executive Director(s), including all elements of remuneration package;
   (f) To ensure that the relationship of remuneration to perform is clear and meets appropriate performance benchmarks.
   (g) Formulating, implementing, supervising and administering the terms and conditions of the Employee Stock Option Scheme, Employee Stock Purchase Scheme, whether present or prospective, pursuant to the applicable statutory/regulatory guidelines;
   (h) Carrying out any other functions as authorized by the Board from time to time or as enforced by statutory/ regulatory authorities.

RISK MANAGEMENT COMMITTEE

Our Company has constituted of the Risk Management committee which is in compliance with Section 178 of the Companies Act, 2013. The Committee currently comprises of four (4) Directors. Mr. Anurag Poddar is the Chairperson of the Risk Management Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Anurag Poddar	Chairperson	Executive Director
2.	Mr. Dileep H. Shinde	Member	Non-Executive Independent Director
3.	Mr. Manish Malpani	Member	Whole Time Director
4.	Prof (Dr) Mangesh D. Teli	Member	Non-Executive Independent Director

The role of the committee shall inter-alia include the following:

(a) Contribute to safeguarding the company value and interest of various stakeholders
(b) Ensure that sound business opportunities are identified and pursued without exposing the business to an unacceptable level of risk
(c) Providing a framework, that enables future activities in a consistent and controlled manner;
(d) Improving decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats;

(e) Contributing towards more efficient use/ allocation of the resources within the organization;
(f) Protecting and enhancing assets and company image;
(g) Reducing volatility in various areas of the business;
(h) Developing and supporting people and knowledge base of the organization;
(i) Optimizing operational efficiency.
(j) Improve compliance with good corporate governance guidelines and practices as well as laws & regulations.

FINANCE COMMITTEE

Our Company has constituted of the Finance committee. The Committee currently comprises of three (3) Directors. Mr. Anurag Poddar is the Chairperson of the Finance Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Anurag Poddar	Chairperson	Executive Director
2.	Mr. Manish Malpani	Member	Whole Time Director
3.	Prof (Dr) Mangesh D. Teli	Member	Non Executive Independent Director

The role of the committee shall inter-alia include the following:

(a) The Finance Committee deals with matters relating to exercising borrowing powers delegated by the Board and opening/closing bank accounts and other banking matters.

SHARE TRANSFER COMMITTEE

Our Company has constituted of the Share Transfer committee. The Committee currently comprises of three (3) Directors. Mr. Anurag Poddar is the Chairperson of the Finance Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Anurag Poddar	Chairperson	Executive Director
2.	Mr. Manish Malpani	Member	Chief financial officer
3.	Prof (Dr) Mangesh D. Teli	Member	Non Executive Independent Director

The role of the committee shall inter-alia include the following:

(a) The Share Transfer Committee deals with all matters relating to transfer of Shares, issue of duplicate/ new shares, sub-divided and consolidated share certificates, demat / remat.

TASK FORCE COMMITTEE

Our Company has constituted of the Tast Force committee. The Committee currently comprises of three (3) Directors. Mr. Anurag Poddar is the Chairperson of the Tast Force Committee.

Sr. No.	Name of Members	Designation	Remarks
1	Shri Anurag Poddar	Chairman	Minimum 2 members with majority being members of the Board of Directors.
2	Shri Dileep H. Shinde	Member	
3	Shri Manish Malpani	Member	

RIGHT ISSUE COMMITTEE

Our Company has constituted of the Right Issue committee. The Committee currently comprises of three (3) Directors. Mr. Anurag Poddar is the Chairperson of the Right Committee.

Sr. No.	Name of Members	Designation	Remarks
1	Shri Anurag Poddar	Chairman	Minimum 2 members with majority being members of the Board of Directors.
2	Shri Dileep H. Shinde	Member	
3	Shri Manish Malpani	Member	

ALLOTMENT COMMITTEE

Our Company has constituted of the Allotment committee. The Committee currently comprises of three (3) Directors. Mr. Anurag Poddar is the Chairperson of the Allotment Committee.

Sr. No.	Name of Members	Designation	Remarks
1	Shri Anurag Poddar	Chairman	Minimum 2 members with majority being members of the Board of Directors.
2	Prof (Dr) Mangesh D. Teli	Member	
3	Shri Manish Malpani	Member	

Our Key Management Personnel and Senior Management Personnel

Sr. No.	Name of key Management Personnel and Senior Management Personnel	Designation	Associated with the Company Since	Status of KMP
1.	Mr. Anurag Poddar	Chairman and Managing Director	2015	Permanent Employee
2.	Mr. Manish Malpani	Chief Financial Officer	2023	Permanent Employee
3.	Mr. Omprakash Singh	Company Secretary	2015	Permanent Employee

Mr. Anurag Poddar, aged about 42 years, is the Managing Director of our Company. He has done his Master's in Business Administration from Drexel University, USA. He has served as Executive Director on Board of Balkrishna Industries Ltd for more than 3 years. He is having over 17 years of experience in Finance, Marketing, Technical, Production, Sale, and Export, etc. He is associated with our company since 11th February, 2015.

Mr. Manish Omkarmal Malpani, aged about 44 years, is the Whole Time Director and Chief Financial Officer of our Company. He is a dynamic & highly proficient Chartered Accountant with over 20 years of multi-faceted experience in Corporate Finance, Accounts, Commercial Controls, Strategic Management and Information Technology. He is associated with our company since 14th August, 2023.

Mr. Omprakash Singh, aged 64 years, has been appointed as Company Secretary and Compliance Officer of the Company. He is associated with the company as a Company Secretary and Compliance Officer since October 15, 2015. He has more than 40 years' experience in Secretarial & Legal Department.

Relationship of Key Managerial Personnel with our Directors, Promoter and / or other Key Managerial Personnel

Shri Anurag Poddar besides being Chairman and Managing Director is also Promoter of the Company and have relationship with other Promoters.

Shri Manish Malpani has no relationship with our other Directors, Promoters and / or other Key Managerial personnel.

Shri Omprakash Singh has no relationship with our Directors, Promoters and / or other Key Managerial personnel.

OUR PROMOTERS

Our Promoters are Ms. Ashadevi Rameshkumar Poddar, Ms. Vibhadevi Shrikishan Poddar, Mr. Shrikishan Dharaprasad Poddar, Mr. Rameshkumar Dharaprasad Podda, Mr. Anurag Pawankumar Poddar, Mr. Avnish Pawankumar Poddar, Mr. Gaurav Pramod Poddar, Mr. Ankit Poddar, Ms. Sangeeta Pramodkumar Poddar, Ms. Madhudevi Pawankumar Poddar, Mr. Pawankumar Dharaprasad Poddar, Ms. Gitadevi Dharaprasad Poddar, Mr. Abhishek S Poddar, Mr. Harshit S Poddar.

DETAILS OF OUR PROMOTERS ARE AS UNDER

Ms. Ashadevi Rameshkumar Poddar

Identification

Permanent Account Number	AACPP2358Q
Education Qualification	Bachelor of Arts
Bank Account Details	Bank Of Baroda, BARB0PBBMUM, 27940100002197
Passport No.	W4817775
Experience	More than 9 years in the paper Industry.
Shareholding in our Company	7,95,940 Equity Shares

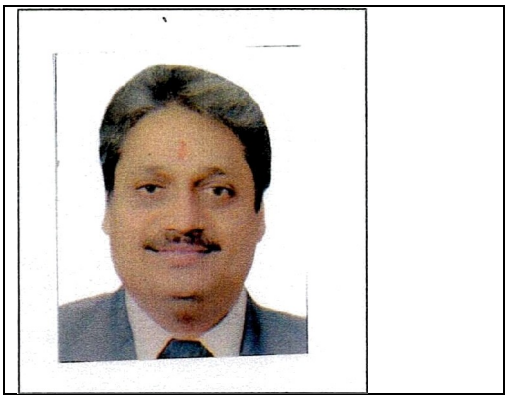
Ms. Vibhadevi Shrikishan Poddar

Identification

Permanent Account Number	AACPP2351H
Education Qualification	Bachelor of Commerce

Bank Account Details	Bank Of Baroda, BARB0PBBMUM, 27940100004114
Passport No.	Z6346904
Experience	25 years in paper Industry and allied industry.
Shareholding in our Company	7,95,929 Equity Shares

Mr. Shrikishan Dharaprasad Poddar



Identification

Permanent Account Number	AACPP2362G
Education Qualification	Bachelor of Commerce
Bank Account Details	Bank Of Baroda, BARB0PBBMUM, 27940100002196
Passport No.	Z6015426
Experience	34 years in paper Industry and allied industry.
Shareholding in our Company	7,70,689 Equity Shares

Mr. Rameshkumar Dharaprasad Poddar

Identification

Permanent Account Number	AACPP2359R
Education Qualification	Bachelor of Science
Bank Account Details	Bank Of Baroda, BARB0PBBMUM, 27940100002203
Passport No.	W4817985

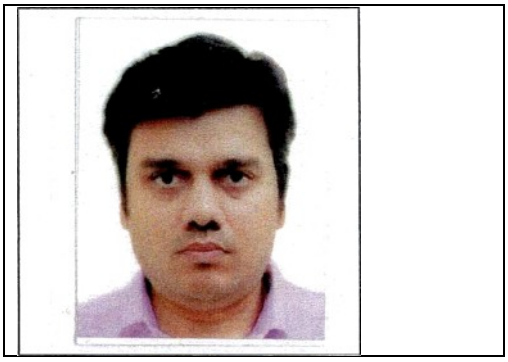
Experience	35 years in paper Industry and allied industry.
Shareholding in our Company	7,70,678 Equity Shares

Mr. Anurag Pawankumar Poddar

Identification

Permanent Account Number	AACPP1926G
Education Qualification	Master in Business Administration
Bank Account Details	Bank Of Baroda, BARB0PBBMUM, 27940100002228
Passport No.	T5455411
Experience	17 years in paper Industry and allied industry in Finance, Marketing, Technical, Production, Sale, and Export.
Shareholding in our Company	6,06,389 Equity Shares

Mr. Avnish Pawankumar Poddar



Identification

Permanent Account Number	AACPP1927H
Education Qualification	Master in Business Administration
Bank Account Details	Bank Of Baroda, BARB0PBBMUM, 27940100002225
Passport No.	Z4487883
Experience	20 years in paper Industry and allied industry.
Shareholding in our Company	5,30,626 Equity Shares

Mr. Gaurav Pramod Poddar

Identification

Permanent Account Number	AACPP1923D
Education Qualification	Master in Business Administration and Bachelor of Science
Bank Account Details	Bank Of Baroda, BARB0PBBMUM, 27940100004216
Passport No.	Z3226292
Experience	11 years in paper Industry and allied industry.
Shareholding in our Company	11 Equity Shares

Mr. Ankit Poddar

Identification

Permanent Account Number	AACPP1924E
Education Qualification	Bachelor of Business Administration
Bank Account Details	Bank Of Baroda, BARB0PBBMUM, 27940100004445
Passport No.	Z6850461
Experience	10 years in paper Industry and allied industry in Technical.
Shareholding in our Company	5,30,626 Equity Shares

Ms. Sangeeta Pramodkumar Poddar

Identification

Permanent Account Number	AACPP2350G
Education Qualification	Bachelor of Commerce
Bank Account Details	Bank Of Baroda, BARB0PBBMUM, 27940100004215
Passport No.	Z6986608
Experience	15 years in paper Industry and allied industry in Export.
Shareholding in our Company	5,05,366 Equity Shares

Ms. Madhudevi Pawankumar Poddar

Identification

Permanent Account Number	AACPP2361F
Education Qualification	Senior higher Secondary
Bank Account Details	Bank Of Baroda, BARB0PBBMUM, 27940100002193
Passport No.	Z6853425
Shareholding in our Company	2,65,314 Equity Shares

Mr. Pawankumar Dharaprasad Poddar

Identification

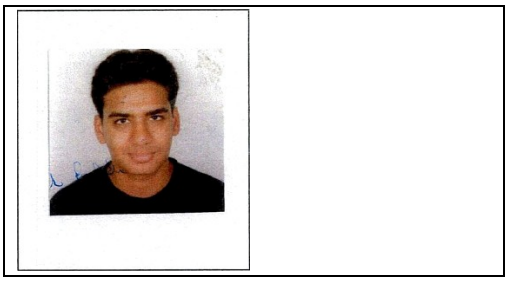
Permanent Account Number	AACPP2360E
Education Qualification	Bachelor of Commerce
Bank Account Details	Bank Of Baroda, BARB0PBBMUM, 27940100002192
Passport No.	Z6855655
Experience	35 years in paper Industry and allied industry in Technical.
Shareholding in our Company	1,64,312 Equity Shares

Ms. Gitadevi Dharaprasad Poddar

Identification

Permanent Account Number	AACPP2357B
Education Qualification	-
Bank Account Details	Bank Of Baroda, BARB0PBBMUM, 27940100002195
Passport No.	-
Shareholding in our Company	1,168 Equity Shares

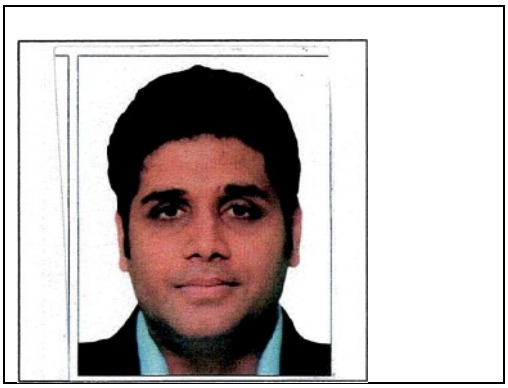
Mr. Abhishek S Poddar



Identification

Permanent Account Number	AACPP2357B
Education Qualification	Bachelor in Electronics (Mechanical)
Bank Account Details	Bank Of Baroda, BARB0PBBMUM, 27940100004217
Passport No.	Z5737356
Experience	14 years in paper Industry and allied industry.
Shareholding in our Company	11 Equity Shares

Mr. Harshit S Poddar



Identification

Permanent Account Number	AACPP1922C
Education Qualification	Bachelor in Commerce
Bank Account Details	HDFC Bank, HDFC0000012, 50100402766071
Passport No.	S0155488
Experience	10 years in paper Industry and allied industry.
Shareholding in our Company	11 Equity Shares

Confirmation

Our Promoters have confirmed that they have not been declared as a wilful defaulter or a fraudulent borrower by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, our Promoters have not been restrained from accessing the capital markets for any reasons by SEBI or any other authorities.

SECTION VI – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Particulars	Page No.
Audited Standalone Financial Statements for the financial year ended on March 31, 2023	F1
Limited Review Report and Unaudited Standalone Financial Statements for the half year ended on September 30, 2023	F55
Statement of Accounting Ratios	92

Material changes and commitments, if any, affecting our financial position

There are no material changes and commitments, which are likely to affect our financial position since March 31, 2023 till date of this Draft Letter of Offer. We have not given Restated Financials because we fall under Part-B of SEBI (ICDR), 2018. We have approved and filed the limited review financial results for the half year ended September 30, 2023 with the Stock Exchange. For the limited review financial results for the half year ended September 30, 2023, please see section "Financial Information" on page 91.

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JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS

111 (A), MAHATMA GANDHI ROAD,
FORT, MUMBAI - 400 023.
TELEPHONES : 2265 8800
2265 8900
FAX : (91 - 22) 2265 8989
E-MAIL : jtco23@jtco.co.in

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
BALKRISHNA PAPER MILLS LIMITED

Report on the audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Balkrishna Paper Mills Limited ('the Company'), which comprise the balance sheet as at 31st March 2023, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion section of our report* ,the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to note no. 45(a) with respect to the losses incurred by the company and erosion of its net worth and preparation of the financial statements on going concern assumption, based on the reasons and assumptions stated in the aforesaid note. The company's ability to continue as a going concern is dependent on generation of the expected cash flows to be able to meet its obligations as and when they arise.

We draw attention to note no. 45(b) - During the year under review Company has scale down its operations on account of weak market conditions prevailed in the Paper Board Industry, global uncertainty and slowness in micro and macro economy. To arrest the losses, Company has appointed consultant to evaluate the continuity of the existing business, reduction in the cost and suggesting the alternative business opportunities. Hence, Management has prepared financial statement as a going concern basis.

Our opinion is modified in respect of this matter.

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

JAYANTILAL THAKKAR & CO. CHARTERED ACCOUNTANTS FRN 104133W 111-A, M. G. RD., MUMBAI-23.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31st March, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

In view of continued losses, the Company's performance is dependent on proper accounting of Revenue and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.

Auditor's response

Our audit procedures with regard to revenue recognition included testing controls, automated and manual, dispatches/deliveries, inventory reconciliations and assessing the recoverability of trade receivable balances, substantive testing for cut-offs and analytical review procedures.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the report of the Board of Directors including Annexures thereto, Management Discussion and Analysis Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

JAYANTILAL THAKKAR & CO. CHARTERED ACCOUNTANTS FRN 104133W 111-A M. G. RD., MUMBAI-23

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

JAYANTILAL THAKKAR & CO. CHARTERED ACCOUNTANTS FRN 103133W 111-A M. G. RD., MUMBAI-23.

- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

JAYANTILAL THAKKAR & CO. CHARTERED ACCOUNTANTS FRN 103133W 111A, M. G. RD., MUMBAI-23

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

i. The Company has disclosed the impact of pending litigations as at 31st March, 2023 on its financial position in its financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.

JAYANTILAL THAKKAR & CO. CHARTERED ACCOUNTANTS 133W 1/14, A. M. G. RD., MUMBAI-23.

v The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

For JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS
(FIRM REG. NO. 104133W)

JAYANTILAL THAKKAR & CO. CHARTERED ACCOUNTANTS FRN 104133W 11-A M. G. RD., MUMBAI-23.

DILIP J. THAKKAR
PARTNER
MEMBERSHIP NO. 005369
UDIN: 23005369BGWETV2116

PLACE: MUMBAI
DATE : 8th MAY, 2023

ANNEXURE - A TO AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2023, we report that:

(i) (a)(A)The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B)The Company has maintained proper records showing full particulars of intangible assets.

(b) As explained to us, physical verification of these Property, Plant and Equipment is being conducted by the management at intervals during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii)(a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns and statements comprising (stock statements, book debt statements, and statements on ageing analysis of the debtors) filed by the Company with such banks or financial institutions are in agreement with the audited books of account of the Company, of the respective quarters.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

JAYANTILAL THAKKAR & CO. CHARTERED ACCOUNTANTS FRN 1[illegible]W 111-A, M. G. RD., MUMBAI-23.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to loans, investments and guarantees made.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits from the public within the meaning of Section 73 to 76 of the Act, and the rules framed thereunder.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records have been prescribed under Section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.

(vii)(a) According to the records of the Company and the information and explanations given to us, the Company has generally been regularly depositing with the appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income tax, Sales-Tax, Service tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31st March, 2023 outstanding for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, the dues in respect of Sales Tax, Cess and Excise Duty that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are given below :-

Name of Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which the Amount Relates	Forum where dispute is pending
Sales Tax Act	Sales Tax (Including Interest and Penalty)	34.81 228.22	1991-1992 2002-2003	Jt. Commissioner of Sales Tax (Appeals) Assessing Authority
Water Cess	Cess	326.07	1992-2021	Court of Civil Judge, Senior Division, Thane
Central Excise Act	Excise Duty (Including Interest and Penalty)	1.22	2008-2015	Assessing Authority

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix)(a) Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

JAYANTILAL THAKKAR & CO. CHARTERED ACCOUNTANTS FRN 103123W 71-A, M. G. RD., MUMBAI-23.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The term loans obtained during the year by the Company have been applied for the purposes for which they were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company does not have any subsidiaries, associates or joint ventures. Hence reporting under clause 3(ix)(e) of the Order is not applicable.

(f) On an overall examination of the financial statements of the Company, the Company does not have any subsidiaries, associates or joint ventures. Hence reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and hence reporting under clause 3(x)(a) of the order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

(c) As represented by the management, there are no whistle blower complaints received by the company during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv)(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

JAYANTILAL THAKKAR & CO. CHARTERED ACCOUNTANTS FIRM NO. 103133W 11-A, M. G. RD., MUMBAI-23.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a)In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b)In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has incurred cash losses of Rs. 4,591.18 Lakhs during the financial year covered by our audit, however the Company has not incurred any cash losses in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, the ratios as stated in note no.48. Also, the Company has incurred cash losses in the current year. We are unable to state whether any material uncertainty exists as on the date of the audit report indicating that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due (Refer note no.45). Our opinion is not modified in respect of the same.

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

For JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS
(FIRM REG. NO. 104133W)

JAYANTILAL THAKKAR & CO. CHARTERED ACCOUNTANTS FRN 104133W 111-A, M. G. RD., MUMBAI-23.

D. J. Thakkar

DILIP J. THAKKAR
PARTNER
MEMBERSHIP NO. 005369
UDIN: 23005369BGWETV2116

PLACE: MUMBAI
DATE : 8th MAY, 2023

ANNEXURE - B TO INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Balkrishna Paper Mills Limited ("the Company") as of 31st March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

Subject to our qualification & other comments of our main report along with Annexures thereon in our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS
(FIRM REG. NO. 104133W)

DILIP J. THAKKAR
PARTNER
MEMBERSHIP NO. 005369
UDIN: 23005369BGWETV2116

PLACE: MUMBAI
DATE : 8th MAY, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I. ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipment	2	12,061.61	12,758.83
(b) Capital work-in-progress		-	40.32
(c) Intangible assets	3	0.00	0.00
(d) Right of use assets	4	26.52	14.32
(e) Financial assets			
-Other financial assets	5	18.42	17.22
(f) Income tax assets (net)	6	4.75	28.71
(g) Other non-current assets	7	10.82	81.11
Total non-current assets		12,122.12	12,940.51
2 Current Assets			
(a) Inventories	8	789.36	4,001.26
(b) Financial assets			
(i) trade receivables	9	89.01	601.12
(ii) cash and cash equivalents	10	43.76	6.25
(iii) bank balances other than (iii) above	11	-	10.00
(iv) other financial assets	12	75.38	80.35
(c) Other current assets	13	360.71	1,064.35
Total current assets		1,358.22	5,763.33
Total assets		13,480.34	18,703.84
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	14	1,073.98	1,073.98
(b) Other equity	15	(16,120.44)	(10,925.32)
Total equity		(15,046.46)	(9,851.34)
2 Non-Current Liabilities			
(a) Financial liaiblities			
(i) Borrowings	16	16,426.26	16,253.14
(ii) Lease liability	4	16.68	8.97
(iii) Other financial liabilities	17	1,301.28	1,080.13
(b) Deferred tax liabilities (net)	18	2,095.37	2,113.98
(c) Other non current liabilities		-	-
(c) Provisions	19	101.96	112.86
Total non-current liabilities		19,941.55	19,569.08
3 Current Liabilities			
(a) Financial liaiblities			
(i) Borrowings	20	6,444.51	4,205.39
(ii) Lease liability	4	11.92	7.46
(iii) Trade payables	21		
(A) total outstanding dues of micro enterprises and small enterprises		6.87	11.97
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,686.88	4,083.87
(iv) Other financial liabilities	22	286.64	245.16
(b) Other current liabilities	23	100.17	351.84
(c) Provisions	24	48.26	80.41
Total current liabilities		8,585.25	8,986.10
Total equity and liabilities		13,480.34	18,703.84

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 1 to 52

The accompany note are an integral part of the financial statements

As per our report of even date attached
For JAYANTILAL THAKKAR & CO.
Chartered Accountants
(Firm Reg. No. 104133W)

DILIP J THAKKAR
Partner
Membership No. 005369

Place : Mumbai,
Dated : 8th May, 2023

JAYANTILAL THAKKAR & CO. CHARTERED ACCOUNTANTS FRN 104133W 111-A M. G. RD., MUMBAI-23.

For and on behalf of the Board of Directors

Anurag P Poddar
Chairman & Managing Director

Shrutisheel Jhanwar
Whole-time Director & CFO

Omprakash Singh
Company Secretary

BALKRISHNA PAPER MILLS LTD. MUMBAI

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Lakhs)

	Particulars	Note No.	Current Year	Previous Year
I	Revenue from operations	25	10,930.17	24,237.57
II	Other income	26	14.58	221.37
III	**Total income (I+II)**		10,944.75	24,458.94
IV	**Expenses :**			
	Cost of materials consumed	27	6,466.92	15,434.77
	Purchase of stock in trade		186.72	145.08
	Changes in inventories of finished goods and work-in-progress	28	837.19	(15.18)
	Employee benefits expense	29	967.26	1,117.91
	Finance cost	30	1,031.22	845.95
	Depreciation and other amortisation expense	31	612.49	617.35
	Other expenses	32	6,046.62	8,118.43
	Total expenses (IV)		16,148.42	26,264.31
V	Profit/(loss) before exceptional item and tax (III-IV)		(5,203.67)	(1,805.37)
VI	Exceptional item	52	-	1,354.66
VII	Profit/(loss) before tax (V-VI)		(5,203.67)	(450.71)
VIII	Tax expense:			
	- Current tax		-	-
	- Deferred tax		(15.99)	18.06
IX	Profit/(loss) for the period (VII-VIII)		(5,187.68)	(468.77)
X	**Other comprehensive income (oci)**			
	Items that will not be reclassified to profit and loss (net of tax)		(10.06)	(6.07)
	Income tax Items that will be reclassified to profit and loss (net of tax)		2.62	1.58
	Total comprehensive income for the period (IX + X)		(5,195.12)	(473.26)
XI	Earnings per equity share:	36		
	Basic and diluted		(48.30)	(4.36)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 1 to 52

The accompany note are an integral part of the financial statements

As per our report of even date attached
For JAYANTILAL THAKKAR & CO.
Chartered Accountants
(Firm Reg. No. 104133W)

DILIP J THAKKAR
Partner
Membership No. 005369

Place : Mumbai,
Dated : 8th May, 2023

For and on behalf of the Board of Directors

Anurag P Poddar
Chairman & Managing Director

Shrutisheel Jhanwar
Whole-time Director & CFO

Omprakash Singh
Company Secretary

JAYANTILAL THAKKAR & CO. CHARTERED ACCOUNTANTS FRN 104133W 11-A, M. G. RD., MUMBAI-23

BALKRISHNA PAPER MILLS LTD. MUMBAI

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Lakhs)

Particulars	As at 31st March, 2023 Audited		As at 31st March, 2022 Audited	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Loss before tax		(5203.67)		(450.71)
Adjustment for :				
Depreciation and amortisation	612.49		617.35	
Finance cost	1,031.22		845.95	
Interest income	(7.53)		(2.07)	
Profit on sale of fixed assets (net)	(7.05)		(1,359.88)	
Reversal of provision for doubtful debt	-		(40.80)	
Unrealised foreign exchange differences loss	38.72		1.79	
Retiring gratuities	19.77		17.36	
Leave encashment	(1.97)		12.82	
		1,685.65		92.52
Operating (loss) before working capital changes		(3,518.02)		(358.19)
Adjustment for:				
Trade and other receivables	1,135.92		255.57	
Inventories	3,211.90		(1,732.37)	
Trade and other payables	(2,738.59)		(3,597.99)	
		1,609.23		(5,074.79)
Cash generated from operations		(1,908.79)		(5,432.98)
Direct taxes refund received/(paid)		23.96		(21.93)
Gratuity paid		(38.08)		-
Leave encashment paid		(32.83)		1.38
Net cash used in operating activities		(1,955.74)		(5,453.53)
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of property, plant and equipement & capital work in progress	(14.47)		(66.53)	
Sale of fixed assets	217.80		1,918.03	
Interest received	10.53		1.33	
Net cash from investing activities		213.86		1,852.83
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds / (repayment) of short term borrowings (net)	2,246.92		(2,425.90)	
(Repayment) of long term borrowings	(1,283.13)		(1,290.78)	
Proceeds of long term borrowings	1,500.00		5,000.00	
Lease liability paid	(12.35)		(9.41)	
Finance cost paid	(672.05)		(796.31)	
Net cash from financing activities		1,779.39		477.60
Net increase / (decrease) in cash and cash equivalent		37.51		(3,123.10)
Cash and cash equivalent as at the beginning of the year		6.25		3,129.35
Cash and cash equivalent as at the end of the year		43.76		6.25

Note Direct taxes paid on income are treated as arising from operating activities and are not bifurcated between investing and financing activities.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 1 to 52

The accompany note are an integral part of the financial statements

As per our report of even date attached
For JAYANTILAL THAKKAR & CO.
Chartered Accountants
(Firm Reg. No. 104133W)

DILIP J THAKKAR
Partner
Membership No. 005369

Place : Mumbai,
Dated : 8th May, 2023

For and on behalf of the Board of Directors

Anurag P Poddar
Chairman & Managing Director

Shrutisheel Jhanwar
Whole-time Director & CFO

Omprakash Singh
Company Secretary

JAYANTILAL THAKKAR & CO. CHARTERED ACCOUNTANTS FRN 104133W 111-A, M. G. RD., MUMBAI-23.

BALKRISHNA PAPER MILLS LTD. MUMBAI

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH , 2023

(a) Equity share capital (₹ in Lakhs)

Particulars	No. of Shares	Amount
Balance as at 1st April 2021	1,07,39,844	1,073.98
Changes in equity share capital	-	-
Balance as at 31st March 2022	**1,07,39,844**	**1,073.98**
Changes in equity share capital	-	-
Balance as at 31st March 2023	1,07,39,844	1,073.98

(b) Other equity (₹ in Lakhs)

Particulars	Reserves and Surplus		Statement of other comprehensive Income	
	Capital reserve	Retained earnings	Remeasurements of the net defined benefit Plans	Total Other Equity
Balance as at 1st April 2021	5,092.25	(15,532.90)	(11.41)	(10,452.06)
Total Comprehensive				
Loss for the year	-	(468.77)	-	(468.77)
Other Comprehensive Income for the year	-	-	(4.49)	(4.49)
Balance as at 31st March 2022	**5,092.25**	**(16,001.67)**	**(15.90)**	**(10,925.32)**
Total Comprehensive income /loss				
Loss for the year	-	(5,187.68)	-	(5,187.68)
Other Comprehensive Income for the year	-	-	(7.44)	(7.44)
Balance as at 31st March 2023	5,092.25	(21,189.35)	(23.34)	(16,120.44)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 1 to 52

The accompany note are an integral part of the financial statements

As per our report of even date attached
For JAYANTILAL THAKKAR & CO.
Chartered Accountants
(Firm Reg. No. 104133W)

DILIP J THAKKAR
Partner
Membership No. 005369

Place : Mumbai,
Dated : 8th May, 2023

For and on behalf of the Board of Directors

Anurag P Poddar
Chairman & Managing Director

Shrutisheel Jhanwar
Whole-time Director & CFO

Omprakash Singh
Company Secretary

JAYANTILAL THAKKAR & CO. CHARTERED ACCOUNTANTS FRN 104133W 111-A, M. G. RD., MUMBAI-23.

BALKRISHNA PAPER MILLS LTD. MUMBAI

Note No. 1

(A) General information

Balkrishna Paper Mills Limited ("the Company") is engaged in the business of manufacturing and selling of "Paper and Paper Boards" which are used mainly for packaging industry,catering to the needs of Pharmaceuticals, Cosmetics, Health Care products, ready made garments, Food Products, Match boxes and FMCG Segments.

The company is a public limited company incorporated and domiciled in India and has its registered office at A/7, Trade World, Kamala City, Senapati Bapat Marg,Lower Parel(West),Mumbai 400013, Maharashtra, India.

(B) Significant Accounting policies

(a) Basis of preparation

(i) The financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:

1. Financial instruments measured at fair value through profit and loss

2. Defined benefit plans – plan assets measured at fair value

(b) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Indian rupee (INR), which is the company's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

(c) Revenue recognition

The Company has adopted Ind AS 115, Revenue from Contract with Customers.

Revenue is measured at the transaction price of the consideration received or receivable. Revenue from sale of goods is recognized, when the significant risks and rewards in respect of ownership of products are transferred by the Company, the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and no significant uncertainty exist regarding the amount of consideration that will be derived from the sale of goods as well as regarding its ultimate collection. Amounts disclosed as revenue are net of variable consideration on account of various discounts, rebates, incentives offered by the Company as a part of the contract.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of products are transferred by the Company,the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and no significant uncertainty exist regarding the amount of consideration that will be derived from the sale of goods as well as regarding its ultimate collection. Amounts disclosed as revenue are net of returns, trade discounts,

JAYANTILAL THAKKAR & CO CHARTERED ACCOUNTANTS FRN 104133W 111A, M. G. RD., MUMBAI-23.

BALKRISHNA PAPER MILLS LTD. MUMBAI

rebates, incentives,goods and services tax, and amounts collected on behalf of third parties.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

Export Benefits

Export Incentive under Duty Drawback Scheme and MEIS- Merchandise Exporters from India Scheme/ RODTEP - Remission of Duties or Taxes on Export Products Scheme under the EXIM Policy is accounted for in the year of Export.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit and loss on a systematic basis as and when export obligation are fulfilled.

(d) Property, Plant and Equipment (PPE)

i. Recognition and measurement

Freehold land is carried at historical cost. All other items of PPE are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

The cost of an item of PPE comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in statement of profit and loss.

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

Any gain or loss on disposal of an item of PPE is recognised in statement of profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on PPE (other than leasehold land) has been provided based on useful life of the assets in accordance with Schedule II to the Companies Act, 2013, on Straight Line Method except in respect of Plant and Equipment where the useful life is considered differently based on an independent technical evaluation as 9 to 30 years.

Leasehold land are amortised over the lease period.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Profit and loss on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss.

(e) Intangible assets

Intangible assets comprise application software purchased, which are not an integral part of the related hardware, and are amortized on a straight line basis over a period of 3 years, which in Management's estimate represents the period during which the economic benefits will be derived from their use.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific to which it relates.

The Company has elected to continue with the carrying value of all its intangible assets as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under IndAS 101.

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(f) Impairment of non-financial assets

Assets that have a definite useful life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired.

The recoverable amount is higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(g) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(h) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(i) Income Tax

Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961. Deferred tax is recognised for timing differences between the carrying amount of assets and liabilities based on tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets, subject to the consideration of prudence, are recognised only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realised. At Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure its realisation.

(j) Inventories

Inventories are valued at lower of the cost and net realizable value. Cost of inventories is computed on first in first out (FIFO) basis. Cost comprises of all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

(k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

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i. Financial assets

Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss(FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

De-recognition

- A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:
- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance

b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition.

ii. Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit and loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as

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hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Financial liabilities at fair value through Profit and Loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost. Gains and losses are recognised in profit and loss when the liabilities are derecognized.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign exchange forward contracts to manage its exposure to foreign exchange risks. For contracts where hedge accounting is not followed, such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(I) Employee benefits

i. Short term employee benefits

Short term employee benefits consisting of wages, salaries, social security contributions, ex-gratia and accrued leave, are benefits payable and recognised in 12 months. Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the year as the related service are rendered by the employee.

ii. Defined contribution plans

Company's contribution for the year paid/payable to defined contribution retirement benefit schemes are charged to Statement of Profit and Loss

The Company's contribution towards provident fund, superannuation fund and employee state insurance scheme for certain eligible employees are considered to be defined contribution plan for which the Company made contribution on monthly basis.

iii. Defined benefit plans

Company's liabilities towards defined benefit plans and other long term benefits viz. gratuity and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognised in the Statement of other comprehensive income in the period of occurrence of such gains and losses. The retirement

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benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets, if any.

(m) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

(n) Earnings per share (EPS)

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

(o) Key estimates and assumptions

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

- Determination of the estimated useful lives of tangible assets and intangible assets and the assessment as to which components of the cost may be capitalized.

  Useful lives of tangible assets and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on management estimate, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalised.

- Recognition and measurement of defined benefit obligations

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- Provisions and contingent liabilities

  The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

- Measurement of fair values

  The Company's accounting policies and disclosures require the measurement of fair values, for both financial and

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non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(p) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs (up to two decimal) as per the requirement of Schedule III, unless otherwise stated.

(q) Recent pronouncements

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

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NOTE NO.2
Property plant & equipment as on 31 st March 2023

(₹ in Lakhs)

Particulars	Gross Block (At Cost)				Depreciation (Including Amortisation)				Net Block
	Balance As at 01.04.2022	Additions During the year	Deductions During the year	Balance As at 31.03.2023	Balance As at 01.04.2022	For the Year	Deductions During the year	Total upto 31.03.2023	As At 31.03.2023
Tangible assets									
(A) land									
-Free hold	37.43	-	-	37.43	-	-	-		37.43
-Lease hold	32.00	-	-	32.00	2.85	0.52	-	3.37	28.63
(B) buildings	1,342.95	-	-	1,342.95	333.30	42.08	-	375.38	967.57
(C) plant and equipment	14,746.21	114.77	289.14	14,571.82	3,152.08	540.38	80.11	3,612.35	10,959.47
(D) factory equipment	108.74	-	-	108.74	56.41	5.22	-	61.63	47.11
(D) furniture and fixtures	30.59	-	6.65	23.94	22.30	2.86	4.93	20.23	3.71
(E) vehicles	21.04	-	-	21.04	14.84	4.02	-	18.86	2.18
(F) office equipment	10.54	-	-	10.54	10.29	0.07	-	10.36	0.18
(G) others									
-Electric installations	68.28	-	-	68.28	48.24	6.44	-	54.68	13.60
-Air conditioners	6.77	-	-	6.77	6.45	0.31	-	6.76	0.01
-Computer	41.51	1.56	1.34	41.73	40.46	0.90	1.34	40.02	1.71
Total tangible - current year	16,446.05	116.33	297.13	16,265.25	3,687.22	602.80	86.38	4,203.64	12,061.61
Capital work in progress									-

Property plant & equipment as on 31 st March 2022

(₹ in Lakhs)

Particulars	Gross Block (At Cost)				Depreciation (Including Amortisation)				Net Block
	Balance As at 01.04.2021	Additions During the year	Deductions During the year	Balance As at 31.03.2022	Balance As at 01.04.2021	For the Year	Deductions During the year	Total upto 31.03.2022	As At 31.03.2022
Tangible assets									
(A) land									
-Free hold	37.43	-	-	37.43	-	-	-	-	37.43
-Lease hold	32.00	-	-	32.00	2.33	0.52	-	2.85	29.15
(B) buildings	1,947.39	-	604.44	1,342.95	336.31	48.09	51.10	333.30	1,009.65
(C) plant and equipment	14,747.64	7.01	8.44	14,746.21	2,617.26	538.44	3.62	3,152.08	11,594.13
(D) factory equipment	100.94	7.79	-	108.74	50.93	5.48	-	56.41	52.32
(D) furniture and fixtures	30.59	-	-	30.59	19.01	3.29	-	22.30	8.29
(E) vehicles	34.10	-	13.06	21.04	23.67	4.23	13.06	14.84	6.20
(F) office equipment	10.30	0.24	-	10.54	10.15	0.14	-	10.29	0.25
(G) others									
-Electric installations	68.28	-	-	68.28	41.46	6.78	-	48.24	20.04
-Air conditioners	6.77	-	-	6.77	6.05	0.40	-	6.45	0.32
-Computer	40.94	0.57	-	41.51	38.25	2.21	-	40.46	1.05
Total tangible - current year	17,056.38	15.61	625.94	16,446.05	3,145.42	609.58	67.78	3,687.22	12,758.83
Capital work in progress									40.32

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NOTE NO. 3

Intangible assets as on 31 st March 2023

(₹ in Lakhs)

Particulars	Gross Block (At Cost)				Depreciation (Including Amortisation)				Net Block
	Balance As at 01.04.2022	Additions During the year	Deductions During the year	Balance As at 31.03.2023	Balance As at 01.04.2022	For the Year	Deductions During the year	Total upto 31.03.2023	As At 31.03.2023
Computer software	30.66	-	-	30.66	30.66	-	-	30.66	-
Total intangible assets	30.66	-	-	30.66	30.66	-	-	30.66	-

Intangible assets As on 31st March 2022

(₹ in Lakhs)

Particulars	Gross Block (At Cost)				Depreciation (Including Amortisation)				Net Block
	Balance As at 01.04.2021	Additions During the year	Deductions During the year	Balance As at 31.03.2022	Balance As at 01.04.2021	For the Year	Deductions During the year	Total upto 31.03.2022	As At 31.03.2022
Computer software	30.66	-	-	30.66	29.77	0.89	-	30.66	-
Total intangible assets	30.66	-	-	30.66	29.77	0.89	-	30.66	-

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NOTE NO. 4 -
RIGHT OF USE ASSETS

The Company has lease contract of building in its operation. The said Lease period is for 5 years. The Companies obligation under it leases are seucred by the lessor title to the lease assets. Generally the Company is restricted from assigning and sub leasing the lease assets. There are no major lease contracts that include extension and termination options and variable lease payments. The effective rate of interest for lease liabilities is 10%.

Set out below are the carring amounts of rights-of-use assets recognised and the movement during the period:

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Opening Balance	14.32	21.20
Addition during the year	21.88	-
Less: Depreciation expenses	9.68	6.88
Closing Balance	26.52	14.32

Set out below are the carring amounts of lease liabilities (included under interest bearing loans and borrowings) and movements during the period :

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	16.43	23.18
Addition during the year	21.88	-
Accretion of interest	2.64	2.02
Less: Payments	12.35	8.77
Closing Balance	28.60	16.43
Current	16.68	7.46
Non current	11.92	8.97

The Following are the amounts recognised in profit and loss:

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Depreciation expenses of right of use assets	9.68	6.88
Interest expenses on lease liabilities	2.64	2.02
Expenses relating to short term lease and low value leased (included in other expenses)	31.76	1.68
Total amount recognised in profit and loss	44.08	10.58

The company had total cash outflow for lease of Rs 44.11 lakhs (previous year Rs. 10.45 lakhs)

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(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
NOTE NO. 5		
Other Financial Assets		
- Security deposits	18.42	17.22
	18.42	17.22
NOTE NO. 6		
Income tax assets (Net)		
- Advance payments of taxes and tax deducted at source (Net of provisions)	4.75	28.71
	4.75	28.71
NOTE NO. 7		
Other non-current assets		
(a) Capital advances	-	81.11
(b) Prepaid expenses	10.82	-
	10.82	81.11
NOTE NO. 8		
Inventories		
(At lower of cost and net realisable value)		
(a) Raw materials	93.09	1,949.86
(b) Work-in-progress	-	124.89
(c) Finished goods	-	712.30
(d) Stores and spares	688.85	834.11
(e) Others - packing material & fuel	7.42	380.10
	789.36	4,001.26
NOTE NO. 9		
Trade receivables		
- Trade receivables considered good -secured	-	-
- Trade receivables considered good -unsecured	89.01	601.12
- Trade receivables which have significant increase in credit risk	-	-
- Trade receivables -credit impaired	-	-
	89.01	601.12
NOTE NO. 10		
Cash and cash equivalents		
-Cash on hand	1.34	0.96
-Balances with banks	42.42	5.29
-Fixed Deposit		
	43.76	6.25

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(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
NOTE NO. 11		
Other bank balance		
- Fixed deposit	-	10.00
(Held against guarantee)		
	-	10.00
NOTE NO. 12		
Other financial assets		
- Interest accrued on others	-	3.00
- Loans and advances to employees	4.58	11.09
- Receivables against sale of property plant & equipment	70.80	-
- Derivative assets	-	66.26
	75.38	80.35
NOTE NO. 13		
Other current assets		
- Export incentive receivables	45.92	90.41
- Advance payment to suppliers	15.81	360.01
- Prepaid expenses	55.45	62.56
- Excise/sales tax/custom duty/GST etc. and other receivables	243.53	551.37
	360.71	1,064.35
NOTE NO. 14		
Equity share capital		
Authorised :		
1,10,00,000 (Previous Year 1,10,00,000) Equity Shares of Rs.10 each	1,100.00	1,100.00
Issued subscribed and fully paid up:		
1,07,39,844 (Previous Year 1,07,39,844) Equity Shares of Rs.10 each, fully paid up	1,073.98	1,073.98
	1,073.98	1,073.98

All the above shares are alloted as fully paid up pursuant to scheme of Arrangement, without payment being received in cash.

Terms/rights attached to equity shares:

All the Equity Shares have equal rights in respect of distribution of dividends and the repayment of capital Shareholder's holding more than 5% Shares in the Company

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(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Name of Shareholders		
Rameshkumar Dharaprasad Poddar	7,70,678	7,70,678
% holding	7.18	7.18
Ashadevi Rameshkumar Poddar	7,95,940	7,95,940
% holding	7.41	7.41
Shrikishan Dhrapasad Poddar	7,70,689	7,70,689
% holding	7.18	7.18
Vibhadevi Shrikishan Poddar	7,95,929	7,95,929
% holding	7.41	7.41
Anurag Pawankumar Poddar	6,06,389	6,06,389
% holding	5.65	5.65
NOTE NO. 15		
Other equity		
a. Capital Reserves		
Opening Balance	5,092.25	5,092.25
Add: Addition during the year	-	-
Closing Balance	5,092.25	5,092.25
b. Retained Earnings		
Opening Balance	(16,001.67)	(15,532.90)
Loss for the year	(5,187.68)	(468.77)
Closing Balance	(21,189.35)	(16,001.67)
c. OCI Acturial Gain/Loss		
Opening Balance	(15.90)	(11.41)
Add:OCI during the year	(7.44)	(4.49)
Closing Balance	(23.34)	(15.90)
	(16,120.44)	(10,925.32)
NOTE NO. 16		
Borrowings		
(a) Secured		
Term loans from bank #		
- External Commercial Borrowings	-	-
-Working Capital term loan #(Refer Note No 43)	2,483.94	2,171.53
(b) Unsecured		
Preference shares	2,488.57	2,485.94
25,00,000 9% Cumulative redeemable preference shares of Rs 100/- each	10,907.90	10,902.37
110,00,000 6.5% Non Cumulative redeemable preference shares of Rs 100/- each		
Distributors/Dealers Deposit	545.85	693.30
	16,426.26	16,253.14

JAYANTILAL THAKKAR & CO CHARTERED ACCOUNTANTS FRN 104133W 111-A, M. G. RD., MUMBAI-23

BALKRISHNA PAPER MILLS LTD. MUMBAI

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
NOTE NO. 17		
Other financial liabilities		
- Security deposits	31.42	35.27
-Dividend accured but not due	1,269.86	1,044.86
	1,301.28	1,080.13
NOTE NO. 18		
Deferred tax liabilities (Net)		
Deferred tax liability on account of :		
-Property, plant and equipment	2,130.44	2,140.47
-Mark to market on derivative transaction	-	16.13
Deferred tax assets on account of :		
-Employee benefits	31.43	42.62
-Mark to market on derivative transaction	3.64	-
	2,097.50	2,078.23
NOTE NO. 19		
Provisions		
-Provision for employee benefits - Leave	14.33	16.98
-Provision for employee benefits - Gratuity	87.63	95.88
	101.96	112.86
NOTE NO. 20		
Borrowings		
Secured Loan From Banks*		
- Loans repayable on demand (Cash Credit)	421.43	1,489.40
- Other Loans	-	227.42
Current Maturity of Long Term Debt (Refer Note No. 43)	780.08	1,313.57
Unsecured Loans repayable on demand		
- from Related Party	3,943.00	700.00
- from Others	1,300.00	475.00
	6,444.51	4,205.39

* Working Capital loans from Banks are secured by hypothecation of stocks, Book debts and First charge created over the movable fixed assets of the Company (excluding Vehicle)

NOTE NO. 21		
Trade payables		
Sundry creditors (including acceptances)		
(a) Total outstanding dues of micro enterprises and small enterprises	6.87	11.97
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,686.88	4,083.87
	1,693.75	4,095.84
# Includes payables to related parties (Refer Note No. 37)	2.58	-

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BALKRISHNA PAPER MILLS LTD. MUMBAI

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
As at 31st March, 2023, the Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:		
a) The principal amount remaining unpaid to any supplier at the end of the year	6.87	11.97
b) Interest due remaining unpaid to any supplier at the end of the year	0.65	0.89
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act,2006	-	-
NOTE NO. 22		
Other financial liabilities		
- Interest accrued but not due on borrowings	115.91	3.13
- Interest accrued and due	19.09	0.35
- Others - Payable towards Capital Goods	-	19.56
- Security Deposits	-	2.38
- Performance Security	-	80.00
- Derivative Liabilities	13.99	4.21
- Other Liabilities	137.65	135.53
	286.64	245.16
NOTE NO. 23		
Other current liabilities		
- Advance received from Customers	71.31	318.51
- Statutory dues towards TDS/VAT/GST etc.	28.86	33.33
	100.17	351.84
NOTE NO. 24		
Provisions		
Provision for employee benefits		
-Leave encashment	48.26	80.41
	48.26	80.41

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BALKRISHNA PAPER MILLS LTD. MUMBAI

(₹ in Lakhs)

Particulars	Current Year	Previous year
NOTE NO. 25		
Revenue from operations		
- Sale of products	10,390.83	23,810.71
Other Operating Revenue:		
-Export Incentives	55.44	303.29
-Scrap Sales	318.20	64.79
-Provision for doubtful debt written back	-	40.80
-Others	165.70	17.98
	539.34	426.86
	10,930.17	24,237.57
Disaggregation of revenue		
Revenue based on geography		
Domestic #	5,102.80	12,772.09
Export	5,827.37	11,465.48
	10,930.17	24,237.57
# (Including export incentives)		
Contract Price	11,411.52	25,268.86
Less:		
Sales Returns	1.15	3.98
Cash discount	40.83	132.43
Others	439.37	894.88
Total Revenue from operations	10,930.17	24,237.57
The amounts receivable from customers become due after expiry of credit period which on an average is less than 60 days. There is no significant financing component in any transaction with the customers.		
NOTE NO. 26		
Other Income		
Interest Income from:		
- Deposits, customers and income tax	7.53	2.07
Profit on sale of property, plant and equipment	7.05	5.22
Net foreign exchange gain	-	213.51
Miscellenous income	-	0.57
	14.58	221.37
NOTE NO. 27		
Cost of materials consumed		
- Raw material consumed	6,466.92	15,434.77
NOTE NO. 28		
Changes in inventories of finished goods and work-in-progress		
Opening stock :		
Work-in-progress	124.89	120.97
Finished goods	712.30	701.04
	837.19	822.01
Less : Closing stock		
Work-in-progress	-	124.89
Finished goods	-	712.30
	-	837.19
Net (Increase)/Decrease in inventories	837.19	(15.18)

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BALKRISHNA PAPER MILLS LTD. MUMBAI

(₹ in Lakhs)

PARTICULARS	Current Year	Previous year
NOTE NO. 29		
Employee benefits expense		
-Salaries and wages	869.99	1,009.33
-Contribution to provident and other funds	77.55	81.90
- Staff welfare expenses	19.72	26.68
	967.26	1,117.91
NOTE NO. 30		
Finance cost		
(a) Interest expenses	787.92	575.38
(b) Other borrowing costs	15.66	43.55
(c) Interest on Lease Liability	2.64	2.02
(d) Dividend on Redeemable Preference share	225.00	225.00
	1,031.22	845.95
NOTE NO. 31		
Depreciation and other amortisation expense		
Depreciation and amortisation	602.81	610.47
Depreciation on Right of use assets	9.68	6.88
	612.49	617.35
NOTE NO. 32		
Other expenses		
- Consumption of stores and spare parts	508.00	604.83
- Packing expenses	141.79	348.09
- Power and fuel	2,025.20	3,921.55
- Freight and forwarding	741.49	1,166.12
- Labour/job charges	427.49	678.52
- Water charges	52.29	28.70
- Repairs and maintenance to buildings	51.82	74.87
- Repairs and maintenance to machinery	309.61	135.84
- Repairs and maintenance to others	69.34	55.85
- Insurance charges	72.91	58.20
- Rates and taxes excluding taxes on income	21.82	44.64
- Rent	31.76	1.68
- Legal and professional charges	68.82	107.06
- Commission	141.27	160.09
- Travelling expenses	29.89	42.03
- Directors meeting fees	3.35	3.25
- Net foreign exchange loss	52.62	-
- Interest others	68.25	3.81
- Miscellaneous expenses	1,228.90	683.30
	6,046.62	8,118.43

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NOTE NO.33

i) Tax Reconciliation

(a) The Income tax expense consists of the following: (₹ in Lakhs)

PARTICULARS	Year ended 31st March, 2023	Year ended 31st March, 2022
Deferred tax expense	(15.99)	18.06
Tax expense for the year	(15.99)	18.06

(b) Amounts recognised in other comprehensive income (₹ in Lakhs)

PARTICULARS	Year ended 31st March, 2023			Year ended 31st March, 2022		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Items that will not be reclassified to profit or loss						
- Re-measurement of post employment benefit obligations	(10.06)	2.62	(7.44)	(6.07)	1.58	(4.49)
	(10.06)	2.62	(7.44)	(6.07)	1.58	(4.49)

ii) Deferred Tax Disclosure

(a) Movement in deferred tax balances (₹ in Lakhs)

PARTICULARS	Net balance as at 1st April, 2022	Recognised in profit or loss	Recognised in OCI	Net balance as at 31st March, 2023
Deferred tax assets/ (liabilites)				
Property, plant and equipment	(2,140.47)	10.03	-	(2,130.44)
Derivatives	(16.13)	19.77	-	3.64
Employee benefits	42.62	(13.81)	2.62	31.43
Other items	-	-	-	-
Tax assets/ (liabilities)	(2,113.98)	15.99	2.62	(2,095.37)

(b) Movement in deferred tax balances (₹ in Lakhs)

PARTICULARS	Net balance as at 1st April, 2021	Recognised in profit or loss	Recognised in OCI	Net balance as at 31st March, 2022
Deferred tax assets/ (liabilites)				
Property, plant and equipment	(2,118.99)	(21.48)	-	(2,140.47)
Derivatives	(21.95)	5.82	-	(16.13)
Employee benefits	32.83	8.21	1.58	42.62
Other items	10.61	(10.61)	-	-
Tax assets/ (liabilities)	(2,097.50)	(18.06)	1.58	(2,113.98)

The company offsets tax assets and liabilities if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

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NOTE NO. 34

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in Lakhs)

Particulars	As at 31 March 2023							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents (Including other bank balances)	-	-	43.76	43.76	-	-	-	-
Trade receivables	-	-	89.01	89.01	-	-	-	-
Other financial assets	-	-	75.38	75.38	-	-	-	-
Derivative assets	-	-		-	-	-	-	-
Security deposit	-	-	18.42	18.42	-	-	-	-
Total	-	-	226.57	226.57	-	-	-	-
Financial liabilities								-
Long term borrowings (Including current maturity of Long term borrowings)	-	-	17,206.34	17,206.34	-	-	-	-
Other financial liabilities	-	-	1,542.51	1,542.51	-	-	-	-
Derivative liabilities	13.99	-	-	13.99	-	13.99	-	13.99
Short term borrowings	-	-	5,664.43	5,664.43	-	-	-	-
Trade payables	-	-	1,693.75	1,693.75	-	-	-	-
Security deposit	-	-	31.42	31.42	-	-	-	-
Total	13.99	-	26,138.45	26,152.44	-	13.99	-	13.99

(₹ in Lakhs)

Particulars	As at 31 March 2022							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents(Including other bank balances)	-	-	16.25	16.25	-	-	-	-
Trade receivables	-	-	601.12	601.12	-	-	-	-
Other financial assets	-	-	14.09	14.09	-	-	-	-
Derivative assets	66.26	-		66.26	-	66.26	-	66.26
Security deposit	-	-	17.22	17.22	-	-	-	-
Total	66.26	-	648.68	714.94	-	66.26	-	66.26

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(₹ in Lakhs)

Particulars	As at 31 March 2022							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities								-
Long term borrowings (Including current maturity of Long term borrowings)	-	-	17,566.71	17,566.71	-	-	-	-
Other financial liabilities	-	-	1,203.44	1,203.44	-	-	-	-
Derivative liabilities	4.21	-	-	4.21	-	4.21	-	4.21
Short term borrowings	-	-	2,891.82	2,891.82	-	-	-	-
Trade payables	-	-	4,095.84	4,095.84	-	-	-	-
Security deposit	-	-	117.65	117.65	-	-	-	-
Total	4.21	-	25,875.46	25,879.66	-	4.21	-	4.21

Fair values for financial instruments carried at amortised cost approximates the carrying amount, accordingly the fair values of such financial assets and financial liabilities have not been disclosed separately.

B. Measurement of fair values

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 Heirarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Transfers between Levels

There have been no transfers between Levels during the reporting periods

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Level 2: Forward contracts	Market valuation techniques The Company has used mark to market of forward contracts using current forward rates for remaining tenure of the forward contract as provided by respective banks.	Not applicable	Not applicable

There are no transfers between the levels

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C. **Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The board of directors is responsible for developing and monitoring the Company risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, cash and cash equivalents etc.

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables

Around 53% of the sales are export sales. For major part of the sales, customer credit risk is managed by requiring domestic and export customers to pay advances before transfer of ownership, therefore substantially eliminating the Company's credit risk in this respect.

Impairment

Management believes that the unimpaired amounts that are past due by more than 6 months are still collectible in full, based on historical payment behaviour

(₹ in Lakhs)

Provision for doubtful debts movement	Amount
Balance as at April 1, 2021	40.80
Impairment loss recognised	-
Amounts written off/Written back	(40.80)
Balance as at March 31, 2022	-
Impairment loss recognised	-
Amounts written off/Written back	-
Balance as at March 31, 2023	-

Other than trade receivables, the Company has no other financial assets that are past due but not impaired.

Concentration of credit risk

At 31 March 2023, the carrying amount of the Company's most significant customer is INR 3.80 lakhs (31st March, 2022 : INR 1100.17 lakhs)

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Derivatives

The derivatives are entered into with banks with good credit ratings.

Cash and cash equivalents

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the company's policy.

iii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

As at 31st March, 2023, the Company had working capital of Rs (7227,03) lakhs, including cash and cash equivalents of Rs 43.76 lakhs. As at 31st March, 2022, the Company had working capital of Rs (3222.77) lakhs, including cash and cash equivalents of Rs 16.25 lakhs

Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

* all non derivative financial liabilities
* net and gross settled derivative financial instruments for which the contractual maturites are essential for the understanding of the timing of the cash flows.

Contractual cash flows As at 31st March 2023

(₹Lakhs)

Particulars	Carrying amount	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities					
Non current					
Secured long term loans and borrowings	3264.02	780.08	1061.33	1328.86	93.75
Unsecured long term loans and borrowings	13942.32	-	-	2,488.57	11453.75
Other financial liabilities	1,301.28	-	-	1,269.86	31.42
Current					
Secured short term loans and borrowings	421.43	421.43	-	-	-
Unsecured short term loans and borrowings	5243.00	5243.00	-	-	-
Trade payables	1693.75	1693.75	-	-	-
Other financial liabilities	137.65	137.65	-	-	-
Interest accrued but not due	115.91	115.91	-	-	-
Interest accrued and due	19.09	19.09	-	-	-
Derivative financial liabilities					
Non current					
Foreign currency forward contract	-	-	-	-	-
Current					
Foreign currency forward contract	13.99	13.99	-	-	-

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Contractual cash flows As at 31st March 2022 (₹ in Lakhs)

Particulars	Carrying amount	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities					
Non current					
Secured long term loans and borrowings	3485.10	1313.57	958.22	1213.31	-
Unsecured long term loans and borrowings	14081.61	-	-	-	14081.61
Other financial liabilities	1,080.13	-	-	-	1080.13
Current					
Secured short term loans and borrowings	1716.82	1716.82	-	-	-
Unsecured short term loans and borrowings	1175.00	1175.00	-	-	-
Trade payables	4095.84	4095.84	-	-	-
Other financial liabilities	241.68	241.68	-	-	-
Interest accrued but not due	3.13	3.13	-	-	-
Interest accrued and due	0.35	0.35	-	-	-
Derivative financial liabilities					
Non current					
Foreign currency forward contract	-	-	-	-	-
Current					
Foreign currency forward contract	4.21	4.21	-	-	-

iv. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

a) Currency risk

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchase, other expenses and borrowings are denominated and the functional currency of the company. The functional currency of the company is Indian Rupees (INR). The currencies in which these transactions are primarily denominated is USD.

The Company generally hedges its estimated foreign currency exposure in respect of its forecast sales over the following 12 months and borrowings (ECB). The Company uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

Further the company hedge its interest rate on External Commercial Borrowings by way of interest rate swap.

The Company, as per its risk management policy, uses foreign currency forward contract primarily to hedge foreign exchange. The Company does not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as at 31st March, 2023.

Category	Instrument	Currency	Cross Currency	Amounts	Buy/ Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	**USD 0.60 Mio**	Sell

Following is the derivative financial instruments to hedge the foreign exchange rate risk as at 31st March, 2022

Category	Instrument	Currency	Cross Currency	Amounts	Buy/ Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	USD 4.55 Mio	Sell
Hedges of ECB	Forward contract	USD	INR	USD 0.47 Mio	Buy

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Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
	USD	USD
Financial assets (A)		
Trade receivables	-	384.74
Cash and cash equivalents	-	1.12
	-	385.86
Financial liabilities(B)		
Secured loans	55.65	428.64
Interest on loans	-	3.13
Trade payables	198.00	189.91
	253.65	621.68
Net statement of financial position exposure (A-B)	(253.65)	(235.82)

Sensitivity analysis

The strenghtening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

(₹ in Lakhs)

Effect in INR	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
As at 31st March, 2023			
USD	3%	(7.61)	7.61

(₹ in Lakhs)

Particulars	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
As at 31st March, 2022			
USD	3%	(7.07)	7.07

(Note: The impact is indicated on the profit/(loss) before tax basis)

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

For details of the Company's short-term and long term loans and borrowings, including interest rate profiles, refer to Note 43 of these financial statements.

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(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed-rate instruments		
Financial assets	-	10.00
Financial liabilities	(19185.32)	(15611.96)
	(19185.32)	(15601.96)
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	(3,685.45)	(4,846.57)
	(3685.45)	(4846.57)

Interest rate sensitivity - fixed rate instruments

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity - variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(₹ in Lakhs)

Particulars	Profit or (loss)	
	100 bps increase	100 bps decrease
As at 31st March 2023		
Variable-rate instruments	(36.85)	36.85
sensitivity (net)	(36.85)	36.85
As at 31st March 2022		
Variable-rate instruments	(48.47)	48.47
sensitivity (net)	(48.47)	48.47

(Note: The impact is indicated on the profit/loss before tax basis)

Offsetting financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31 March 2023 and 31 March 2022. The column 'net amount' shows the impact on the company's balance sheet if all set-off rights were exercised.

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(₹ in Lakhs)

Particulars	Effects of offsetting on the balance sheet			Related amounts and offset		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
As at 31 March, 2023						
Financial assets						
Derivative financial instruments	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial liabilities						
Derivative financial instruments	13.99	-	13.99	13.99	-	13.99
Total	**13.99**	-	13.99	13.99	-	**13.99**
As at 31st March, 2022						
Financial assets						
Derivative financial instruments	66.26	-	66.26	66.26	-	66.26
Total	**66.26**	-	66.26	66.26	-	**66.26**
Financial liabilities						
Derivative financial instruments	4.21	-	4.21	4.21	-	4.21
Total	**4.21**	-	4.21	4.21	-	**4.21**

NOTE NO. 35

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company monitors capital using a ratio of 'net debt' to 'equity'. For this purpose, net debt is defined as total debt, comprising loans and borrowings less cash and cash equivalents and current investments.

The Company's net debt to equity ratio was as follows.

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-current borrowings	16,426.26	16,253.14
Current borrowings	6,444.51	4,205.39
Gross Debt	22,870.77	20,458.53
Less - Cash and cash equivalents	43.76	6.25
Less - Current investments	-	-
Net debt	22,827.01	20,452.28
Total equity	(15,046.46)	(9,851.34)
Net debt to equity ratio	(1.52)	(2.08)

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NOTE NO. 36

Earning Per Share (EPS):

Basic EPS and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Profit attributable to equity holders (₹ in lakhs)	(5,187.68)	(468.77)
Weighted average number of shares oustanding during the year	10739844	10739844
Nominal Value of Equity Shares (in ₹)	10	10
Earning Per Share Basic and Diluted (in ₹)	(48.30)	(4.36)

NOTE NO.37

Related Party Disclosures *

(Where transactions have taken place)

I Related Party Relationships

a) Key Management Personnel (KMP) — Mr. Anurag P. Poddar- Chairman & Managing Director , Mr. Ankit P. Poddar - Executive Director, Mr. Shrutisheel Jhanwar - Whole-time Director & CFO., Mr. Omprakash Singh -Company Secretary,

b) Relatives of Key Management Personnel (KMP) — Ms. Ashadevi R Poddar, Ms. Madhudevi P Poddar, Ms. Sangeeta P Poddar, Ms. Vibhadevi S Poddar

c) Other Related Parties -(Enterprises-KMP having significant influence/owned by major shareholders) Siyaram Silk Mills Ltd., S P Finance & Trading Ltd., Sanchana Trading & Finance Ltd., SPG Power Ltd. , SPG Infrastructure LLP., Vishal Furnishing Ltd., Wavelink Commercial P Ltd.,DPP Enterprises LLP, Santigo Textile Mills Ltd, Beetee Textile Industries Ltd, Poddar Bio Diesel P. Ltd., Oxemberg Fashions Ltd.

II Related Party Transactions *

(₹ in Lakhs)

Transactions	Year ended 31st March, 2023		Year ended 31st March, 2022	
	Relative of KMP	Other related Party	Relative of KMP	Other related Party
Purchase of goods/ materials	-	1.40	-	3.14
Rent/lease rent paid	-	14.58	-	10.35
Sale of bhiwandi godown	-	-	-	1,908.00
Sale of packing /store material		1.64		
Intercorporate loan received	-	3,593.00	-	700.00
Intercorporate loan repayment	-	350.00	-	2,260.00
Interest paid on intercorporate loan	-	167.49	-	8.44
Interest paid on unsecured loan	-	-	0.52	-
Unsecured loan repayment	-	-	600.00	-
Issue of 6.5% Non cumulative redeemable preference shares of rs 100/- each	-	-	-	5,000.00

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(₹ in Lakhs)

Outstanding Balances	As at 31st March 2023		As at 31st March 2022	
	Relative of KMP	Other related Party	Relative of KMP	Other related Party
Trade Payables	-	2.58	-	-
9% cummulative redeemable Preference share of Rs. 100 each	-	2,500.00	-	2500.00
6.5% Non Cummulative redeemable Preference share of Rs. 100 each	1,600.00	9,400.00	1,600.00	9,400.00
Dividend accrued on 9% Cummlative Preference Shares	-	1269.87	-	1044.86
Incorporate Loan Payables	-	3,943.00	-	700.00
Interest Payables on Intercorporate Loan	-	109.90	-	-

(₹ in Lakhs)

	Transactions	Year ended 31st March, 2023		Year ended 31st March, 2022	
		Relative of KMP	Other related Party	Relative of KMP	Other related Party
1	**Purchase of Goods/Materials**				
	Siyaram Silk Mills Ltd	-	3.14	-	3.14
2	**Rent/Lease Rent Paid**				
	Siyaram Silk Mills Ltd	-	10.35	-	10.35
3	**Sale of Bhiwandi Godown**				
	Siyaram Silk Mills Ltd	-	-	-	1,908.00
4	**Sale of Packing /Store Material**				
	Siyaram Silk Mills Ltd	-	1.64	-	-
5	**Inter Corporate Loan Received**				
	S.P. Finance & Trading Ltd.	-	1,643.00	-	-
	Sanchana Trading & Finance Ltd.	-	-	-	-
	Vishal Furnishing Ltd	-	-	-	200.00
	Santigo Textile Mills Ltd	-	200.00	-	200.00
	DPP Enterprises LLP	-	-	-	-
	Beetee Textile Industries Ltd	-	600.00	-	300.00
	Poddar Bio Diesel P. Ltd		1025.00		-
	Oxemberg Fashions Ltd		125.00		-
6	**Inter Corporate Loan Repayment**				
	S.P. Finance & Trading Ltd.	-	-	-	375.00
	Sanchana Trading & Finance Ltd.	-	-	-	275.00
	Vishal Furnishing Ltd	-	-	-	165.00
	Santigo Textile Mills Ltd	-	-	-	125.00
	Beetee Textile Industries Ltd	-	-	-	330.00
	DPP Enterprises LLP	-	-	-	890.00
	Poddar Bio Diesel P. Ltd	-	350.00	-	-
7	**Interest paid on Intercorporate Loan**				
	S.P. Finance & Trading Ltd.	-	23.82	-	0.64
	Sanchana Trading & Finance Ltd.	-	-	-	0.47
	Vishal Furnishing Ltd	-	19.50	-	1.23
	Santigo Textile Mills Ltd	-	24.56	-	1.57

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	Beetee Textile Industries Ltd	-	63.50	-	3.01
	DPP Enterprises LLP	-	-	-	1.52
	Poddar Bio Diesel P. Ltd	-	32.05	-	-
	Oxemberg Fashions Ltd	-	4.05	-	-
8	**Interest paid on Unsecured Loan**				
	Ashadevi R Poddar	-	-	0.13	-
	Madhudevi P Poddar	-	-	0.13	-
	Sangeeta P Poddar	-	-	0.13	-
	Vibhadevi S Poddar	-	-	0.13	-
9	**Unsecured Loan Repayment**				
	Ashadevi R Poddar	-	-	150.00	-
	Madhudevi P Poddar	-	-	150.00	-
	Sangeeta P Poddar	-	-	150.00	-
	Vibhadevi S Poddar	-	-	150.00	-
10	**Issue of 6.5% Non Cumulative redeemable preference shares of Rs 100/- each**				
	Beetee Textile Industries Ltd	-	-	-	1,200.00
	S.P. Finance & Trading Ltd.	-	-	-	525.00
	Sanchana Trading & Finance Ltd.	-	-	-	450.00
	Vishal Furnishing Ltd	-	-	-	1,075.00
	Santigo Textile Mills Ltd	-	-	-	650.00
	DPP Enterprises LLP	-	-	-	1,100.00
	<u>Payables</u>				
11	**Trade Payables**				
	Siyaram Silk Mills Ltd	-	2.58	-	-
12	**9% cummulative redeemable Preference share of Rs. 100 each**				
	Siyaram Silk Mills Ltd	-	1700.00	-	1700.00
	Beetee Textile Industries Ltd	-	150.00	-	150.00
	Santigo Textile Mills Ltd	-	125.00	-	125.00
	S.P. Finance & Trading Ltd.	-	150.00	-	150.00
	Sanchana Trading & Finance Ltd.	-	175.00	-	175.00
	SPG Power Ltd	-	200.00	-	200.00
13	**6.5% Non Cumulative redeemable preference shares of Rs 100/- each**				
	Beetee Textile Industries Ltd	-	2450.00	-	2450.00
	S.P. Finance & Trading Ltd.	-	1925.00	-	1925.00
	Sanchana Trading & Finance Ltd.	-	550.00	-	550.00
	Vishal Furnishing Ltd	-	2400.00	-	2400.00
	Wavelink Commercial P Ltd	-	250.00	-	250.00
	SPG Infrastructure LLP	-	50.00	-	50.00
	SPG Power Ltd	-	25.00	-	25.00
	Santigo Textile Mills Ltd	-	650.00		650.00
	DPP Enterprises LLP	-	1100.00		1100.00
	Ashadevi R Poddar	400.00	-	400.00	-
	Madhudevi P Poddar	400.00	-	400.00	-
	Sangeeta P Poddar	400.00	-	400.00	-
	Vibhadevi S Poddar	400.00	-	400.00	-
14	**Dividend accrued on Preference Shares**				
	Siyaram Silk Mills Ltd	-	962.46	-	791.93
	Beetee Textile Industries Ltd	-	57.63	-	47.42

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	Santigo Textile Mills Ltd	-	48.03	-	39.52
	S.P. Finance & Trading Ltd.	-	57.63	-	47.42
	Sanchana Trading & Finance Ltd.	-	67.25	-	55.33
	SPG Power Ltd	-	76.86	-	63.24
15	**Incorporate Loan Payables**				
	S.P. Finance & Trading Ltd.	-	1,643.00	-	-
	Vishal Furnishing Ltd	-	200.00	-	200.00
	Beetee Textile Industries Ltd	-	900.00	-	300.00
	Santigo Textile Mills Ltd	-	400.00	-	200.00
	Poddar Bio Diesel P. Ltd	-	675.00	-	-
	Oxemberg Fashions Ltd	-	125.00	-	-
16	**Interest Payables on Intercorporate Loan**				
	S.P. Finance & Trading Ltd.	-	21.44	-	-
	Vishal Furnishing Ltd	-	8.98	-	-
	Beetee Textile Industries Ltd	-	36.82	-	-
	Santigo Textile Mills Ltd	-	13.53	-	-
	Poddar Bio Diesel P. Ltd	-	25.49	-	-
	Oxemberg Fashions Ltd	-	3.65	-	-

III Key Management Personnel Compensation

Key management personnel compensation comprised the following:

(₹ in Lakhs)

Particulars	Year ended 31st march, 2023	Year ended 31st march, 2022
Remunerations	63.06	62.60
Outstanding balance:-		
Outstanding personal guarantee against working capital term loan	3264.02	3485.10

Transactions With KMP *

(₹ in Lakhs)

	Particulars	Year ended 31st march, 2023	Year ended 31st march, 2022
1	**Remunerations paid**		
	Mr Shrutisheel Jhanwar	41.25	41.13
	Mr Omprakash Singh	21.81	21.47
2	**Outstanding personal guarantee against working capital term loan**		
	Mr Anurag P Podar / Mr Ankit P Poddar	3264.02	3485.10

* Excluding provision for gratuity and leave encashment.

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NOTE NO.38

Trade Payable ageing Schedule As at 31st March, 2023

Outstanding for following periods from due date of payment

Particulars	Less then one year	1-2 Years	2-3 Years	More Then 3 Years	Total
(i) Micro enterprises and small enterprises	6.87	-	-	-	6.87
(ii) Others	1391.46	93.46	39.89	162.08	1686.88
(iii) Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-

Trade Payable ageing Schedule As at 31st March, 2022

Outstanding for following periods from due date of payment

Particulars	Less then one year	1-2 Years	2-3 Years	More Then 3 Years	Total
(i) Micro enterprises and small enterprises	11.97	-	-	-	11.97
(ii) Others	3447.62	147.17	228.47	260.61	4083.87
(iii) Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-

NOTE NO.39

a) As at 31st March,2023, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

b) The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

NOTE NO.40

Employee Benefit obligations

(A) Defined Contribution Plan

The Company has various schemes for long-term benefits such as provident fund and superannuation. In case of funded schemes, the funds are recognised by the Income tax authorities and administered through trustees / appropriate authorities. The Company's defined contribution plans are superannuation and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Company has no further obligation beyond making the contributions. The liability of the Company on the exempt Provident Fund managed by the trustees is restricted to the interest shortfall if any.

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Charge to the Statement of Profit and Loss based on contributions:		
Employees' Provident fund	48.17	48.22

(B) Defined Benefit Plan

In accordance with the provisions of the Payment of Gratuity Act, 1972, the Company has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Company.

Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees. Trustees adminster the contributions made by the Company to the gratuity scheme.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at 31st March, 2023. The present value of the defined benefit

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obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

		As at 31 March 2023	As at 31 March 2022
		Gratuity (Funded plan)	Gratuity (Funded plan)
(i)	**Change in Defined Benefit Obligation**		
	Opening defined benefit obligation	168.47	143.56
	Amount recognised in profit and loss :		
	Current service cost	13.10	12.70
	Interest cost	11.73	9.08
	Amount recognised in other comprehensive income		
	Actuarial loss / (gain) arising from:		
	Demographic assumptions	-	(0.07)
	Financial assumptions	(5.68)	(5.23)
	Experience adjustment	14.32	11.91
	Other		
	Benefits paid directly by the Employer	(28.62)	-
	Benefits paid from the fund	(65.71)	(3.46)
	Closing defined benefit obligation	107.60	168.47
(ii)	**Change in Fair Value of Assets**		
	Opening fair value of plan assets	72.59	71.10
	Amount recognised in profit and loss		
	Interest income	5.05	4.42
	Amount recognised in other comprehensive income		
	Actuarial gain / (loss)	-	-
	Return on Plan Assets, Excluding Interest Income	(1.42)	0.54
	Other		
	Contributions by employer	9.46	-
	Benefits paid	(65.71)	(3.47)
	Closing fair value of plan assets	19.97	72.59
	Actual return on Plan Assets		
(iii)	**Plan assets comprise the following**		
		Unqouted	Unqouted
	Insurance fund (100%)	19.97	72.59
(iv)	**Principal actuarial assumptions used**	%	%
	Discount rate	6.96	6.96
	Rate of employee turnover	For service 4 years and below 15.00% p.a. For service 5 years and above 5.00% p.a	For service 4 years and below 15.00% p.a. For service 5 years and above 5.00% p.a.
	Future Salary growth rate	4.50	4.50

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(v)	Amount recognised in the Balance Sheet	As at 31st March, 2023	As at 31st March, 2022
	Present value of obligations as at year end	107.60	168.47
	Fair value of plan assets as at year end	19.97	72.59
	Net (asset) / liability recognised as at year end	87.63	95.88
	Recognised under :		
	Long term provisions	87.63	95.88
		87.63	95.88

(vi) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement) - Gratuity	(5.25)	5.93	(9.16)	10.38
Employee turnover (1% movement) - Gratuity	1.83	(2.05)	2.02	(2.27)
Future salary growth (1% movement) - Gratuity	5.44	(5.17)	9.44	(8.88)

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

(vii) Expected future cash flows

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at 31st March , 2023					
Defined benefit obligations (Gratuity)	**33.48**	**5.40**	**32.05**	**108.98**	**179.91**
Total	**33.48**	**5.40**	**32.05**	**108.98**	**179.91**
As at 31st March , 2022					
Defined benefit obligations (Gratuity)	34.60	13.11	50.17	184.42	282.30
Total	**34.60**	**13.11**	**50.17**	**184.42**	**282.30**

Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily basic salary for each day of accumulated leave partially at the year end and partially on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31st March, 2023 based on actuarial valuation using the projected accrued benefit method is INR 14.33 lakhs (31st March 2022 : INR 16.98 lakhs).

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NOTE NO.41

Contingent Liabilities and Commitments

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
(i) **Contingent Liabilities**		
a) Claims against the Company not acknowledge as debts		
- Disputed claims for excise, sales tax, customs and service tax	264.25	296.65
- other	891.42	885.01
b) Guarantees given by the Company's bankers on behalf of the Company against the Company's Indemnity	85.00	90.00
(ii) **Commitments**		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

NOTE NO.42

Legal and professional charges includes payment to auditors:

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory Auditors		
- Audit Fees	5.75	5.75
- For Limited Review	1.20	0.60
- Tax Audit Fees	1.50	1.00
- For Taxation Matters	1.65	1.30
- For Company Law matters	0.50	0.25
- For Other services - Certification, etc.	0.50	0.45
	11.10	9.35
Cost Auditors		
- Audit Fees	0.40	0.40
	0.40	0.40
Total	11.50	9.75

NOTE NO.43

Nature of Security in respect of secured Loan (Long Term/Short Term):

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<u>Term Loan from Banks:</u>		
a) **ECB Loan USD 2.50 million**	-	355.35
Exclusive mortgage charge over the immoveable Fixed Assets and hypothecation charge by way of pari-passu over the movable Fixed Assets of the Company		
Personal Guarantee given by the Promotor Directors		
(Repayment in 20 Quarterly Installments starting from January, 2018, Rate of Interest LIBOR + 350 bppa)		

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b) **Working Capital Term Loan 4500 Lakhs** Secured by immovable and movable fixed Assets, Repayment in 60 monthly equal installments begining from Feb 2020, rate of interest 10.50% to 11.75% or such other rate as may be specified by the bank from time to time. Personal Guarantee given by the Promotor Directors	1,781.08	3,129.75
c) **Working Capital Term Loan 1500 Lakhs** Secured by immovable and movable fixed Assets, Repayment in 48 monthly equal installments begining from July 2022, rate of interest 9.15% to 10.15% or such other rate as may be specified by the bank from time to time. Personal Guarantee given by the Promotor Directors	1,482.94	-

NOTE NO.44

Trade Receivables ageing Schedule As at 31st March, 2023
Outstanding for following periods from due date of payment

Particulars	Less then 6 Months	6 months - 1 Year	1-2 Years	2-3 Years	More Then 3 Years	Total
(i) Undisputed Trade Receivables - Consider Good	67.09	4.90	3.71	6.79	6.51	89.01
(ii) Undisputed Trade Receivables - Which have Significant Increase In Credit Risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Consider Good	-	-	-	-	-	-
(v) Disputed Trade Receivables - Which have Significant Increase In Credit Risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
Total	67.09	4.90	3.71	6.79	6.51	89.01

Trade Receivables ageing Schedule As at 31st March, 2022
Outstanding for following periods from due date of payment

Particulars	Less then 6 Months	6 months - 1 Year	1-2 Years	2-3 Years	More Then 3 Years	Total
(i) Undisputed Trade Receivables - Consider Good	438.03	62.68	11.57	11.73	77.11	601.12
(ii) Undisputed Trade Receivables - Which have Significant Increase In Credit Risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Consider Good	-	-	-	-	-	-
(v) Disputed Trade Receivables - Which have Significant Increase In Credit Risk	-	-	-	-	-	-
(vi) disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
Total	438.03	62.68	11.57	11.73	77.11	601.12

JAYANTILAL THAKKAR & CO CHARTERED ACCOUNTANTS FRN 104133W 111-A, M.G. RD., MUMBAI-23.

BALKRISHNA PAPER MILLS LTD. MUMBAI

NOTE NO.45

(a) The Company has incurred loss after Tax of Rs.5187.68 lakhs for the year ended 31st March, 2023 (31st March, 2022 Rs. 468.77 lakhs) and other equity as on that date amounting to Rs.(-) 16120.44 lakhs for the year ended 31st March, 2023 (31st March, 2022 Rs.(-) 10925.32 Lakhs), has eroded the net worth of the company , due to under utilisation of capacity, slow down in economy and lower net reliasation value of Products.

(b) During the year under review Company has scale down its operations on account of weak market conditions prevailed in the Paper Board Industry, global uncertainty and slowness in micro and macro economy. To arrest the losses, Company has appointed consultant to evaluate the continuity of the existing business, reduction in the cost and suggesting the alternative business opportunities. Hence, Management has prepared financial statement as a going concern basis.

NOTE NO.46

OTHER STATUTORY INFORMATIONS:

i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

ii) The Company does not have any transactions with struck off companies.

iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

v) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority

vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

   a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

   b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vii) All the title deeds of immovable properties are in the name of Company.

viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

   a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

   b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

ix) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

NOTE NO.47

Due to substantial losses, the company has not incurred any expenditure under Corporate Social Responsibility (CSR) of the company.

JAYANTILAL THAKKAR & CO. CHARTERED ACCOUNTANTS FRN 104133W 111-A, M. G. RD., MUMBAI-23.

BALKRISHNA PAPER MILLS LTD. MUMBAI

NOTE NO.48

RATIOS

Sr No.	Particulars	Numerator	Denominator	Year Ended		% Variance	Remarks for variance more than 25%
				Mar-23	Mar-22		
1	Current Ratio (In times)	Total Current Assets	Total Current Liabilities	0.16	0.64	(75.33)%	Current Assets has reduced due to realisation in the current year However, current liability has not reduced in same proportion.
2	Debt-Equity Ratio (In times)	Total Debt	Shareholder's Equity	(1.52)	(2.08)	(26.81)%	Increase in loss for the year due to scaling down of production (refer note no. 45 (b) and major repair carried out during the year and corresponding increase in the total borrowing on account of new working capital term loan.
3	Debt Service Coverage Ratio (In times)	Earnings available for debt service	Debt Service	(2.38)	0.36	(753.93)%	There is loss due to scaling down of production (refer note no. 45 (b) and major repair carried out during the year.
4	Return on Equity (ROE) (%)	Net Profits after taxes	Average Shareholder's Equity	(43.48)	(7.22)	502.56%	There is loss due to scaling down of production (refer note no. 45 (b) and major repair carried out during the year.
5	Inventory Turnover (In times)	Cost of goods sold	Average Inventories	5.69	7.49	(24.05)%	
6	Trade receivables Turnover (In times)	Net Sales	Average Trade Receivables	31.68	28.57	10.86%	
7	Trade Payables Turnover Ratio (In times)	Total Purchase	Avg Trade Payables	5.01	5.54	(9.55)%	
8	Net capital Turnover Ratio (In times)	Net Sales	Working Capital	(1.51)	(7.52)	(79.89)%	There is reduction in revenue as compared to previous financial year due to scaling down of production (refer note no. 45 (b) and major repair carried out during the year.
9	Net profit ratio (%)	Net Profit	Net Sales	(47.46)	(1.93)	2354.00%	There is loss due to scaling down of production (refer note no. 45 (b) and major repair carried out during the year.
10	Return on capital employed (ROCE) (%)	Earning before interest and taxes	Capital Employed	(42.06)	(7.54)	457.71%	There is loss due to scaling down of production (refer note no. 45 (b) and major repair carried out during the year.
11	Return on investment (%)	Income generated from investments	Average Investments	-	-	0.00%	

JAYANTILAL THAKKAR & CO CHARTERED ACCOUNTANTS FRN 104133W 111-A, M. G. RD., MUMBAI-23.

BALKRISHNA PAPER MILLS LTD. MUMBAI

NOTE NO.49

Shares held by the promoters and promoters group at the end of the year

Sr. No.	Pramotor's Name	As at 31st March, 2023		As at 31st March, 2022		@ % changes in share holding during the year
		No of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the company	
1	Rameshkumar Dharaprasad Poddar	7,70,678	7.18	7,70,678	7.18	0
2	Ashadevi Rameshkumar Poddar	7,95,940	7.41	7,95,940	7.41	0
3	Pawankumar Dharaprasad Poddar	1,64,312	1.53	1,64,312	1.53	0
4	Madhudevi Pawankumar Poddar	2,65,314	2.47	2,65,314	2.47	0
5	Avnish Pawankumar Poddar	5,30,626	4.94	5,30,626	4.94	0
6	Anurag Pawankumar Poddar	6,06,389	5.65	6,06,389	5.65	0
7	Sangeeta Pramodkumar Poddar	5,05,366	4.71	5,05,366	4.71	0
8	Gaurav Pramod Poddar	5,30,626	4.94	5,30,626	4.94	0
9	Ankit Poddar	5,30,626	4.94	5,30,626	4.94	0
10	Shrikishan Dharaprasad Poddar	7,70,689	7.18	7,70,689	7.18	0
11	Vibhadevi Shrikishan Poddar	7,95,929	7.41	7,95,929	7.41	0
12	Harshit Shrikishan Poddar	11	0	11	0	0
13	Abhishek S Poddar	11	0	11	0	0
14	Gitadevi Dharaprasad Poddar	1,168	0.01	1,168	0.01	0
15	GPP ENTERPRISES LLP	37,011	0.34	37,011	0.34	0
16	PKP Enterprises LLP	13	0	13	0	0
17	HSP Enterprises LLP	13	0	13	0	0
18	DPP Enterprises LLP	13	0	13	0	0
19	S P Finance And Trading Ltd	5	0	5	0	0
20	Vishal Furnishings Ltd	5	0	5	0	0
21	Sanchna Trading & Fin. Ltd.	3	0	3	0	0

@ At the beginning of the FY 2021-22, 126 equity shares representing 0.01% were held by 13 promoters of the Company. During the Year, in terms of Regulation 31A of SEBI (Listing Obligation and Disclousers Requirements) Regulation 2015, said 13 promoters of the Company aggregating to 126 equity shares were Re-classified from Category of " Promoter" to the Category of "Public" vide BSE Limited and National Stock Exchange of India Limited approval letter dated 28th December, 2021.

NOTE NO.50

The code of Social Security, 2020 (code) relating to employee benefits during employment and post-employment received Presidential asset in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once it is effective.

NOTE NO.51

Exceptional Item represents Profit on sale of immovable property

NOTE NO.52

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached
For JAYANTILAL THAKKAR & CO.
Chartered Accountants
(Firm Reg. No. 104133W)

DILIP J THAKKAR
Partner
Membership No. 005369

For and on behalf of the Board of Directors

Anurag P Poddar
Chairman & Managing Director

Shrutisheel Jhanwar
Whole-time Director & CFO

Omprakash Singh
Company Secretary

Place : Mumbai,
Dated : 8th May, 2021

JAYANTILAL THAKKAR & CO. CHARTERED ACCOUNTANTS FRN 104133W 111-A, M. G. RD., MUMBAI-23.

BALKRISHNA PAPER MILLS LTD. MUMBAI

Balkrishna Paper Mills Limited

Regd. Office :A/7, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel (W), Mumbai -400013, Maharashtra.
Phone: 022-61207900, Fax : 022-61207999, Email: opsingh@bpml.in, CIN : L21098MH2013PLC244963 Website : www.bpml.in

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2023

(₹ in Lakhs)

Sr. No.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30/09/2023	30/06/2023	30/09/2022	30/09/2023	30/09/2022	31/03/2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue :						
	a) Revenue from Operations	93.75	130.31	1,146.44	224.06	8,273.55	10,930.17
	b) Other Income	7.87	23.79	10.58	31.66	26.15	14.58
	Total Income	101.62	154.10	1,157.02	255.72	8,299.70	10,944.75
2	Expenses						
	a) Cost of materials consumed	-	-	-	-	4,832.30	6,466.92
	b) Purchase of Stock- in- trade	88.38	102.15	17.89	190.53	20.75	186.72
	c) Changes in inventories of Finished goods, Work-in-progress and Stock-in-trade	-	-	1,000.30	-	491.44	837.19
	d) Employee Benefits Expenses	72.05	65.88	271.45	137.93	567.12	967.26
	e) Finance Costs	312.51	287.65	272.15	600.16	489.99	1,031.22
	f) Depreciation and Amortisation expense	69.97	145.09	153.51	215.06	305.10	612.49
	g) Other Expenses						
	(i) Power & Fuel	-	-	131.28	-	1,475.28	2,025.20
	(ii) Others	161.01	277.96	1,708.54	438.97	3,254.52	4,021.42
	Total Expenses	703.92	878.73	3,555.12	1,582.65	11,436.50	16,148.42
3	Profit/(Loss) before exceptional item and tax (1-2)	(602.30)	(724.63)	(2,398.10)	(1,326.93)	(3,136.80)	(5,203.67)
4	Exceptional Item - Gain/(loss) -Net (Refer Note No. 6)	(4,589.87)	-	-	(4,589.87)	-	-
5	Profit / (Loss) before tax (3-4)	(5,192.17)	(724.63)	(2,398.10)	(5,916.80)	(3,136.80)	(5,203.67)
6	Tax expenses						
	a) Current tax	-	-	-	-	-	-
	b) Deferred tax (Refer Note No. 7)	(2,130.95)	27.37	(18.30)	(2,103.58)	(42.51)	(15.99)
7	Net Profit/ (Loss) for the period (5-6)	(3,061.22)	(752.00)	(2,379.80)	(3,813.22)	(3,094.29)	(5,187.68)
8	Other Comprehensive Income (OCI)						
	i) Items that will be reclassified to Profit and Loss (net of tax)	-	-	-	-	-	-
	ii) Items that will not be reclassified to Profit and Loss (net of tax)	(15.69)	(14.96)	(1.12)	(30.65)	6.78	(7.44)
9	Total comprehensive income for the period (7 + 8)	(3,076.91)	(766.96)	(2,380.92)	(3,843.87)	(3,087.51)	(5,195.12)
10	Paid up Equity Share Capital (face value of Rs 10/- per share)	1,073.98	1,073.98	1,073.98	1,073.98	1,073.98	1,073.98
11	Other Equity (excluding revaluation reserve)						(16,120.44)
12	Earnings per share (EPS) of Rs.10/- each (for respective periods)						
	- Basic Rs.	(28.50)	(7.00)	(22.16)	(35.51)	(28.81)	(48.30)
	- Diluted Rs.	(28.50)	(7.00)	(22.16)	(35.51)	(28.81)	(48.30)

NOTES: -

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 2nd, November 2023. The statutory auditors of the company carried out a "Limited Review" of the financial results for the quarter and half year ended 30th September, 2023.

2. The Board had decided to modify its existing business model and focus on reducing the cost and explore the alternative business opportunities, accordingly company has started Trading Business of plastic & packaging materials. Moreover, to raise the funds, the Board has approved to give its Unused land lying at Ambivali on leave and license with revenue sharing basis and company is also planning to raise the additional capital through the right issue. The funds generated will be used for repaying its existing debts and the creditors. Accordingly, financial results have been prepared on a Going Concern basis.

3. During the quarter under review, the Company has increased its authorised capital by Rs. 22 Crores to raise the additional funds.

4. The company has accepted the resignation of 35 workers and settled their dues.

5. The Company has identified Paper & Paper Board Business and Trading of plastic & packaging materials as its reportable segment in accordance with the requirements of Ind AS- 108, 'Operating Segments'. Accordingly, segment information has been provided.

6. Exceptional Item represents loss on sale of Non-core Plant & Equipments and sundry credit balance written back.

7. The Company has reassessed the deferred tax, there is deferred tax assets (Net) on account of unabsorbed depreciation and accumulated losses. However, on prudence basis the Company has recognised the deferred tax assets to the extent of deferred tax liabilities as provided in earlier years.

8. Previous period's/year's figures have been regrouped/reclassified wherever necessary.

Place : Mumbai
Dated : 02 November, 2023

For Balkrishna Paper Mills Limited

Anurag Poddar
Chairman & Managing Director
DIN:00599143

Statement of Assets and Liabilities (₹ in Lakhs)

Particulars	As at Sept 30, 2023	As at March 31, 2023
	Unaudited	Audited
ASSETS		
1 Non-current assets		
a. Property,plant and equipment	6,167.05	12,061.61
b. Capital work-in-progress	-	-
c. Intangible assets	-	-
d. Right of use assets	4.01	26.52
e. Financial assets		
(i) Non-current investments	-	-
(ii) Loans	-	-
(iii) Other financial assets	16.92	18.42
f. Non current tax assets (net)	4.56	4.75
g. Other non current assets	9.16	10.82
Total non-current assets	6,201.70	12,122.12
2 Current assets		
a. Inventories	652.55	789.36
b. Financial assets		
(i) Investments	-	-
(ii) Trade receivables	93.93	89.01
(iii) Cash and cash equivalents	2.08	43.76
(iv) Bank balance other than (iii) above	-	-
(v) loans	-	-
(vi) Other financial assets	0.25	75.38
c. Other current assets	344.73	360.71
Total current assets	1,093.54	1,358.22
Total assets	7,295.24	13,480.34
EQUITY AND LIABILITIES		
1 Equity		
a. Equity share capital	1,073.98	1,073.98
b. Other equity	(19,964.30)	(16,120.44)
Total equity	(18,890.32)	(15,046.46)
2 Liaibilities		
Non-current liabilities		
(i) Borrowings	13,400.56	15,880.41
(ii) Lease Liability	-	16.68
(iii) Other financial iabilities	3,127.87	1,847.13
(iv) Deferred tax liabilities (Net)	-	2,095.37
(v) Provisions	83.95	101.96
Total non -current liabilities	16,612.38	19,941.55
3 Current liabilities		
a. **Financial liaibilities**		
(i) Borrowings	7,991.73	6,444.51
(ii) Lease Liability	4.95	11.92
(iii) Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	-	6.87
b) Total outstanding dues of other than micro enterprises and small enterprises	1,128.31	1,686.88
(iv) Other financial liabilities	369.13	286.64
b. Other current liabilities	54.95	100.17
c. Provisions	24.11	48.26
d. Current tax liabilities	-	-
Total current liabilities	9,573.18	8,585.25
Total liabilities	26,185.56	28,526.80
Total equity and liabilities	7,295.24	13,480.34

Balkrishna Paper Mills Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 30th, SEPTEMBER 2023 (₹ in Lakhs)

Particulars	As at September 30, 2023 Unaudited		As at September 30, 2022 Unaudited	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Loss before Tax		(5916.81)		(3,136.80)
Adjustment for :				
Depreciation and Amortisation	215.06		305.10	
Finance Cost	600.16		489.99	
Interest Income	-		(0.68)	
Profit on discontinued of Lease Assets	(0.56)		-	
Profit on Sale of Fixed Assets (Net)	(27.90)		(9.61)	
Exceptional Item - Gain/(loss)	4,589.87		-	
Unrealised Foreign Exchange differences (Gain) /Loss	(21.19)		135.47	
Retiring Gratuities	49.27		11.20	
Leave Encashment	(17.93)		6.21	
		5,386.78		937.68
Operating (loss) before Working Capital Changes		(530.03)		(2,199.12)
Adjustment for:				
Trade and Other Receivables	169.36		450.47	
Inventories	136.81		1,483.26	
Trade and Other Payables	(257.51)		(1,391.71)	
		48.66		542.02
Cash Generated from Operations		(481.37)		(1,657.10)
Direct Taxes Refund received/(paid)		0.19		(3.19)
Gratuity paid		(75.39)		(12.32)
Leave Encashment paid		(20.54)		(2.67)
Net cash used in Operating Activities		(577.11)		(1,675.28)
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Property, Plant and Equipement & Capital Work in Progress	-		(16.74)	
Sale of Fixed Assets	689.15		24.11	
Interest received	-		0.25	
Net cash from Investing Activities		689.15		7.62
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds / '(Repayment) of Short Term Borrowings (Net)	1,547.22		1,353.80	
(Repayment) of Long Term Borrowings	(1,301.79)		(799.15)	
Proceeds of Long Term Borrowings	-		1,500.00	
Lease Liability Paid	(4.38)		(6.13)	
Finance Cost Paid	(394.77)		(377.69)	
Net Cash from Financing Activities		(153.72)		1,670.83
Net Increase / (Decrease) in cash and cash equivalent		(41.68)		3.17
Unrealised Foreign Exchange Loss on EEFC		-		9.52
Cash and cash equivalent as at the beginning of the year		43.76		6.25
Cash and cash equivalent as at the end of the year		2.08		18.94

UNAUDITED STANDALONE SEGMENT INFORMATION FOR THE QUARTER / HALF YEAR ENDED 30TH SEPTEMBER, 2023

Rs. In Lakhs

Sr.	Particulars	Quarter Ended Unaudited			Half Year Ended Unaudited		Year Ended (Audited)
		30 Sep'23	30 Jun'23	30 Sep'22	30 Sep'23	30 Sep'22	31 Mar'23
1	**Segment Value of Sales and Services (Revenue)**						
	- Paper and Paper Board	38.60	130.31	1,146.44	168.91	8,273.55	10,930.17
	- Trading of plastic & packaging materials	55.15	-	-	55.15	-	-
	- Unallocated	-	-	-	-	-	-
	Gross Value of Sales and Services	**93.75**	**130.31**	**1,146.44**	**224.06**	**8,273.55**	**10,930.17**
	Less: Inter Segment Transfers	-	-	-	-	-	-
	Revenue from Operations	**93.75**	**130.31**	**1,146.44**	**224.06**	**8,273.55**	**10,930.17**
2	**Segment Results (EBITDA)**						
	- Paper and Paper Board	(220.55)	(291.89)	(1,972.44)	(512.45)	(2,341.71)	(3,559.96)
	- Trading of plastic & packaging materials	0.73	-	-	0.73	-	-
	- Unallocated	-	-	-	-	-	-
	Total Segment Profit before Interest, Tax, Exceptional Item and Depreciation,	**(219.82)**	**(291.89)**	**(1,972.44)**	**(511.72)**	**(2,341.71)**	**(3,559.96)**
3	**Segment Results (EBIT)**						
	- Paper and Paper Board	(290.53)	(436.98)	(2,125.95)	(727.51)	(2,646.81)	(4,172.45)
	- Trading of plastic & packaging materials	0.73	-	-	0.73	-	-
	- Unallocated	-	-	-	-	-	-
	Total Segment Profit before Interest and Tax and Exceptional Item	**(289.80)**	**(436.98)**	**(2,125.95)**	**(726.78)**	**(2,646.81)**	**(4,172.45)**
	(i) Finance Costs	312.51	287.65	272.15	600.16	489.99	1,031.22
	(ii) Other Un-allocable Income (Net of Expenditure)	-	-	-	-	-	-
	Profit Before Exceptional Item and Tax	**(602.31)**	**(724.63)**	**(2,398.10)**	**(1,326.94)**	**(3,136.80)**	**(5,203.67)**
	Exceptional Items (Net of Taxes)	(4,589.87)	-	-	(4,589.87)	-	-
	Profit Before Tax	**(5,192.18)**	**(724.63)**	**(2,398.10)**	**(5,916.81)**	**(3,136.80)**	**(5,203.67)**
	(i) Current Tax						
	(ii) Deferred Tax	(2,130.95)	27.37	(18.30)	(2,103.58)	(42.51)	(15.99)
	Profit After Tax	**(3,061.23)**	**(752.00)**	**(2,379.80)**	**(3,813.23)**	**(3,094.29)**	**(5,187.68)**
4	**Segment Assets**						
	- Paper and Paper Board	7,256.04	13,113.20	16,485.43	7,256.04	16,485.43	13,480.34
	- Trading of plastic & packaging materials	39.20	-	-	39.20	-	-
	- Unallocated	-	-	-	-	-	-
	Total Assets	**7,295.24**	**13,113.20**	**16,485.43**	**7,295.24**	**16,485.43**	**13,480.34**
5	**Segment Liabilities**						
	- Paper and Paper Board	26,151.47	26,809.13	27,350.42	26,151.47	27,350.42	26,431.43
	- Trading of plastic & packaging materials	34.09	-	-	34.09	-	-
	- Unallocated	-	2,117.49	2,073.85	-	2,073.85	2,095.37
	Total Liabilities	**26,185.56**	**28,926.62**	**29,424.27**	**26,185.56**	**29,424.27**	**28,526.80**

Chartered Accountants MUMBAI

KALYANI KRISHNA PAPER MILLS LTD. MUMBAI

Independent Auditor's Review Report on the Quarterly and Half Year ended Unaudited 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
Balkrishna Paper Mills Limited

1. We have reviewed the accompanying statement of unaudited financial results of Balkrishna Paper Mills Limited (the "Company") for the quarter and half year ended 30th September, 2023 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "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, (Ind AS 34) "Interim Financial Reporting" 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 and in compliance with Regulation 33 of the Listing Regulations. 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as 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 Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Material Uncertainty Related to Going Concern

   We draw attention to Note 2 to the financial results, which describes the company's condition as on 30th September, 2023 and modification of its existing business model.

   Accordingly, financial results have been prepared on a Going Concern basis.

   Our conclusion is not modified in respect of this matter.

6. The financial statements of the company for the year ended 31st March, 2023 have been audited by the predecessor auditor, whose report dated 8th May, 2023 has expressed a modified opinion. The financial information of the company for the corresponding quarter & half year ended 30th September, 2022 has been reviewed by the predecessor auditor whose report dated 5th November, 2022 had expressed an unmodified opinion.

   Our conclusion is not modified in respect of this matter.

For D S M R & CO
Chartered Accountants
(Firm Reg. No. 128085W)

Dharmendra S. Songira
Partner
Membership No.113275
UDIN: 23113275BGRYRI5726

Place: Mumbai
Date: 2nd November, 2023

D S M R & CO Chartered Accountants MUMBAI

STATEMENT OF ACCOUNTING RATIOS

Accounting Ratios

The following table presents certain accounting and other ratios derived from our audited standalone financial statements included in the section titled "*Financial Information*" beginning on page 91 of this Draft Letter of Offer.

Accounting Ratios (Standalone)

Particulars	Period ended September 30, 2023	Year ended March 31, 2023
Earnings Per Share		
(a) Basic Earnings Per Share (after extraordinary items) (in Rs.)	-35.51	-4.36
(b) Diluted Earnings Per Share (after extraordinary items) (In Rs.)	-35.51	-4.36
Return on Net Worth (after extraordinary items and excluding Revaluation reserves) (%)	20.24%	34.53%
Net Asset Value / Book Value per Equity Share each	-175.39	-139.88
Face Value per Equity Share	10	10
EBITDA (Rs. in Lakhs)	-5101.58	-3559.96

Capitalization Statement

The statement on our capitalisation is as set out below:

Standalone Capitalization statement

(Rs. in Lakhs)

Particulars	As at September 30, 2023 (Pre-Issue)	As adjusted for proposed Issue
Borrowings		
Current Borrowings	7,991.73	-
Non-Current Borrowings	13,400.56	-
Total borrowings (A)	**21,392.29**	-
Total Equity		
Share capital	1,073.98	-
Reserves and surplus*	-19910.32	-
Total Equity (B)	**-18836.34**	-
Non-current Borrowings / Total Equity ratio	**-**	-
Total borrowings / Total Equity ratio (A/B)	**-**	-

**Excluding other Comprehensive Income.*

MARKET PRICE INFORMATION

The Equity Shares of our Company are listed on the NSE and BSE. As our Equity Shares are listed only on the NSE and BSE, stock market data for our Equity Shares has been given for NSE.

For the purpose of this section:

- Year is a Financial Year;
- Average price is the average of the daily closing prices of the Equity Shares, for the year, or the month, or the week, as the case may be;
- High price is the maximum of the daily high prices and Low price is the minimum of the daily low prices of the Equity Shares, for the year, or the month, as the case may be; and
- In case of two days with the same high/low/closing price, the date with higher volume has been considered.

Yearly Stock Market Quotation at NSE

The high, low prices and average of closing prices recorded on the NSE for the preceding three Financial Years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below:

Year ended on March 31	High (in Rs)	Date of High	No. of Shares traded on date of high	Low (in Rs)	Date of Low	No. of Shares traded on date of low	Average price for the year (in Rs.)
2023	57.90	7th April, 2022	13915	24.00	31st March, 2023	21776	36.58
2022	51.30	11th January, 2022	221360	18.40	7th May, 2021	16383	27.06
2021	21.05	30th June, 2020	78186	7.60	7th April, 2020	9525	13.32

(Source: www.nseindia.com)

Monthly Stock Market Quotation at NSE

The high and low prices and volume of the Equity Shares traded on the respective dates during the last six months is as follows:

Month	High (in Rs.)	Date of High	No. of Shares traded on date of high	Low (in Rs.)	Date of Low	No. of Shares traded on date of low	Average price for the Month (in Rs.)	Total No of Trading Days
December, 2023	44.45	8th December, 2023	970549	29.85	4th December, 2023	41708	35.17	20
November, 2023	32.60	28th November, 2023	67731	27.40	6th November, 2023	57537	29.90	21

Month	High (in Rs.)	Date of High	No. of Shares traded on date of high	Low (in Rs.)	Date of Low	No. of Shares traded on date of low	Average price for the Month (in Rs.)	Total No of Trading Days
October, 2023	34.00	13th October, 2023	96547	26.80	23rd October, 2023	101818	29.67	20
September, 2023	32.00	8th September, 2023	93027	27.25	5th September, 2023	33574	29.19	20
August, 2023	29.90	24th August, 2023	57584	25.00	3rd August, 2023	30558	26.97	22
July, 2023	29.45	3rd July, 2023	70535	25.40	31st July, 2023	23497	26.87	21

(Source: www.nseindia.com).

Weekly Stock Market Quotation at NSE

Week end closing prices of the Equity Shares for the last four weeks on the NSE are as below:

Week Ended on	Closing Price (In Rs.)	High (in Rs.)	Date of High	Low (in Rs.)	Date of Low
29th December, 2023	37.35	38.00	29th December, 2023	34.45	26th December, 2023
22nd December, 2023	35.45	38.90	20th December, 2023	34.10	21st December, 2023
15th December, 2023	35.55	38.85	11th December, 2023	33.75	14th December, 2023
8th December, 2023	38.85	44.45	8th December, 2023	29.85	4th December, 2023

(Source: www.nseindia.com).

The closing price of the Equity Shares as on 15th September, 2023 was Rs. 29.05 on the NSE, the trading day immediately preceding the day on which Board of Directors approved the Issue.

The high, low prices and average of closing prices recorded on the BSE for the preceding three Financial Years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below:

Year ended on March 31	High (in Rs)	Date of High	No. of Shares traded on date of high	Low (in Rs)	Date of Low	No. of Shares traded on date of low	Average price for the year (in Rs.)
2023	57.20	7th April, 2022	5665	24.00	31st March, 2023	10924	36.77
2022	58.45	8th February, 2022	19832	17.10	7th July, 2021	4018	29.49
2021	25.65	19th January, 2021	2975	9.85	15th April, 2020	214	16.17

(Source: www.bseindia.com)

Monthly Stock Market Quotation at BSE

The high and low prices and volume of the Equity Shares traded on the respective dates during the last six months is as follows:

Month	High (in Rs.)	Date of High	No. of Shares traded on date of high	Low (in Rs.)	Date of Low	No. of Shares traded on date of low	Average price for the Month (in Rs.)	Total No of Trading Days
December, 2023	44.05	8th December, 2023	88634	30.30	4th December, 2023	11517	35.15	20
November, 2023	33.90	29th November, 2023	28,511	27.90	6th November, 2023	13822	30.00	20
October, 2023	35.05	13th October, 2023	25754	26.85	23rd October, 2023	26008	29.65	20
September, 2023	32.00	11th September, 2023	7168	27.20	5th September, 2023	4125	29.31	20
August, 2023	29.70	25th August, 2023	7727	25.05	4th August, 2023	6741	26.99	22
July, 2023	29.45	3rd July, 2023	9919	25.30	24th July, 2023	27708	26.90	21

(Source: www.bseindia.com).

Weekly Stock Market Quotation at BSE

Week end closing prices of the Equity Shares for the last four weeks on the BSE are as below:

Week Ended on	Closing Price (In Rs.)	High (in Rs.)	Date of High	Low (in Rs.)	Date of Low
29th December, 2023	37.08	38.10	29th December, 2023	34.90	28th December, 2023
22nd December, 2023	35.36	38.70	20th December, 2023	34.25	21st December, 2023
15th December, 2023	35.61	39.77	11th December, 2023	33.76	14th December, 2023
8th December, 2023	38.99	44.05	8th December, 2023	30.30	4th December, 2023

(Source: www.bseindia.com).

The closing price of the Equity Shares as on 15th September, 2023 was Rs. 29.22 on the BSE, the trading day immediately preceding the day on which Board of Directors approved the Issue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 91 of this Draft Letter of Offer.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on page 22 and *16, respectively* of this Draft Letter of Offer*, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

Our financial statements included in this Draft Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscal 2022 included herein is based on the Audited Financial Statements included in this Draft Letter of Offer. For further information, see "Financial Statements" beginning on page 91 of this Draft Letter of Offer.

Neither we, nor any of our affiliates or advisors, nor any other person connected with the Issue has independently verified such information. For further information, see "Presentation of Financial and other Information" beginning on page 14 of this Draft Letter of Offer.

Business overview

The Company was incorporated on June 29, 2013 with the Registrar of Companies, Maharashtra, Mumbai as Nirvikara Paper Mills Limited (NPML) vide CIN: L21098MH2013PLC244963. Later the Company i.e. erstwhile Nirvikara Paper Mills Limited (NPML) had entered into Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 with erstwhile Balkrishna Paper Mills Limited (BPML) (Amalgamated Company) (CIN: U21093MH2007PLC168591) and Balkrishna Industries Limited (BIL) (CIN: L99999MH1961PLC012185) vide Scheme of Arrangement which was duly sanctioned by Hon'ble High Court of Bombay on December 19, 2014 and the said sanctioned Order copy of Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956 was filed vide Form No.INC-28 with Registrar of Companies, Maharashtra, Mumbai on February 10, 2015. In view of the above Scheme of Arrangement becoming effective, the erstwhile BPML (Amalgamated Company) stands Amalgamated with BIL and ceased to be in existence . Consequent upon above, the entire Paper Business of BIL was transferred to erstwhile NPML (CIN: L21098MH2013PLC244963.

Later the erstwhile NPML changed its name from Nirvikara Paper Mills Limited To Balkrishna Paper Mills Limited (CIN: L21098MH2013PLC244963) vide fresh Certificate of Incorporation dated August 23, 2016 issued by Registrar of Companies, Maharashtra, Mumbai.

We have been in the business of manufacturing of Paper and Paper boards based on recycled pulp ("Paper and Paper Board Business"). Our manufacturing facility for Paper and Paper Board Business is situated at Ambivali near Kalyan (Maharashtra). The installed capacity at our plant is 60,000 TPA. To supplement our power requirement for manufacturing, we also have a captive thermal power plant of capacity 4.5MW in same location in Ambivali.

For further details, refer chapter titled "*Our Business*" on page 71.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

To the knowledge of our Company and except as disclosed herein, since the date of the last financial statements contained in this Draft Letter of Offer, no other circumstances have arisen which would materially and adversely affect or which would be likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 (twelve) months Except the company has entered into leave and license agreement with revenue sharing basis of the plots of unused Industrial Land.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled *"Risk Factors"* beginning on page 22 of this Draft Letter of offer. Our results of operations and financial conditions are affected by numerous factors including the following:

- Our success depends on the value, perception and quality of our product;
- Branding and marketing;
- General economic and business conditions;
- Company's inability to successfully implement its growth and expansion plans;
- Increasing competition in the Industry;
- Changes in technology;
- Any change in the laws and regulations to Industry in which we operate;

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Limited Review Unaudited Standalone Financial Statements and Audited Standalone Financial Statements. For details of our significant accounting policies, please refer chapter titled "Financial Statements" on page 91 of this Draft Letter of Offer.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in chapter titled "Financial Statements" on page 91, There has been no change in accounting policies for the period which has been included in this Draft Letter of Offer.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

For details, please refer chapter titled "Financial Statements" on page 91 of this Draft Letter of Offer.

SUMMARY OF OPERATIONS

The following discussion on result of operations should be read in conjunction with the Unaudited Standalone financial statements of our Company for the half year ended on September 30, 2023 and financial year ended March 31, 2023 and March 31, 2022.

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's Audited financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:

(Rs. In Lacs)

Particulars	Six months ended 30th September, 2023	31.03.2023	31.03.2022
Income:-			
Revenue from Operations	224.06	10,930.17	24,237.57
As a % of Total Revenue	*87.62%*	*99.87%*	*99.09%*
Other Income	31.66	14.58	221.37
As a % of Total Revenue	*12.38%*	*0.13%*	*0.91%*
Total Revenue (A)	**255.72**	**10944.75**	**24458.94**
Growth %			
Expenditure:-			
Cost of Material Consumed	0.00	6,466.92	15,434.77
As a % of Total Revenue	*0.00%*	*59.09%*	*63.10%*
Purchase of Stock in Trade	190.53	186.72	145.08
As a % of Total Revenue	*74.51%*	*1.71%*	*0.59%*
Change in Inventory	*0.00*	*837.19*	*-15.18*
Employees Benefit Expenses	137.93	967.26	1,117.91
As a % of Total Revenue	*53.94%*	*8.84%*	*4.57%*
Finance Cost	600.16	1,031.22	845.95
As a % of Total Revenue	*234.69%*	*9.42%*	*3.46%*
Depreciation and Amortization Expense	215.06	612.49	617.35
As a % of Total Revenue	*84.10%*	*5.60%*	*2.52%*
Other Expenses	438.97	6,046.62	8,118.43
As a % of Total Revenue	*171.66%*	*55.25%*	*33.19%*
Total Expenses (B)	**1582.65**	**16148.42**	**26264.31**
As a % of Total Revenue	*618.90%*	*147.54%*	*107.38%*
Profit before extraordinary items and tax	**-1326.93**	**-5203.67**	**-1805.37**
As a % of Total Revenue	*-518.90%*	*-47.54%*	*-7.38%*
Exceptional Item	-4589.87	-	1,354.66
Profit before Tax	**-5916.80**	**-5203.67**	**-450.71**
PBT Margin	*-2313.78%*	*-47.54%*	*-1.84%*
Tax Expense:			
i. Current Tax	0	0	0
ii. Short / (Excess) provision	0	-	-
iii. Deferred Tax	-2103.58	-15.99	18.06
Profit for the year/period	**-3813.22**	**-5187.68**	**-468.77**
Net Profit	**-3813.22**	**-5187.68**	**-468.77**

Particulars	Six months ended 30th September, 2023	31.03.2023	31.03.2022
PAT Margin %	*-1491.17%*	*-47.40%*	*-1.92%*

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2023 WITH FINANCIAL YEAR ENDED MARCH 31, 2022

INCOME

Income from Operations

(Rs. In Lacs)

Particulars	2022-23	2021-22	Variance In %
Revenue from Operations	10,930.17	24,237.57	-54.90%

The operating income of the Company for the year ending March 31, 2023 is Rs. 10,930.17 lakhs as compared to Rs. 24,237.57 lakhs for the year ending March 31, 2022 showing a decrease of 54.90%, and such decrease is due to decrease in volume of our sales.

Other Income

Our other income decreased from Rs. 221.37 Lacs to Rs. 14.58 lacs. This was primarily due to no foreign Exchange gain during the financial year 2022-23.

Purchase of Stock in Trade and Employee Benefit Expenses

(Rs. In Lacs)

Particulars	2022-23	2021-22	Variance In %
Employee Benefit Expenses	967.26	1,117.91	-13.48%
Purchase of Stock in Trade	186.72	145.08	28.70%

There is 13.48% decrease in employee benefit expenses from Rs. 1,117.91 lacs in financial year 2021-22 to Rs. 967.26 lacs in financial year 2022-23 which is due to decrease in staff and salary & wages. Our purchases have increased by 28.70% from Rs. 145.08 lacs in financial year 2021-22 to Rs. 186.72 lacs in financial year 2022-23. The purchases have been increased in anticipation of increase in business volumes of our Company.

Finance Cost

Finance Cost for the Financial Year 2022-2023 have increased to Rs. 1031.22 lacs as compared to Rs. 845.95 lacs for the Financial Year 2021-2022. The Increase in Finance Cost was majorly due to Increase in Borrowings.

Depreciation

Depreciation expenses for the Financial Year 2022-2023 have decreased to Rs. 612.49 lacs as compared to Rs. 617.35 lacs for the Financial Year 2021-2022. The decrease in depreciation was majorly due to decrease in value of tangible assets.

Profit Before Tax

(Rs. In Lacs)

Particulars	2022-23	2021-22	Variance In %
Profit Before Tax	-5203.67	-450.71	-

There has been loss in financial year 2021-22 and Financial year 2022-23, losses during the financial year 2022-23 has increased to Rs. -5203.67 lacs from loss of Rs. -450.71 lacs in financial year 2021-22. This is due to decrease in business volume, increase in financial cost, foreign exchange gain, no extraordinary income during the financial year 2022-23.

Provision for Tax and Net Profit

(Rs. In Lacs)

Particulars	2022-23	2021-22	Variance In %
Taxation Expense	-15.99	18.06	-
Profit After Tax	-5187.68	-468.77	-

There has been loss in financial year 2021-22 and Financial year 2022-23, losses during the financial year 2022-23 has increased to Rs. -5187.68 lacs from loss of Rs. -468.77 lacs in financial year 2021-22. This is due to deferred tax assets liability which is on account of the timing difference.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the chapter titled *"Risk Factors"* and chapter titled *"Management's Discussion and Analysis of Financial Conditions and Results of Operations"* beginning on pages 22 and 96, respectively, of this Draft Letter of Offer, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Draft Letter of Offer, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent".

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the chapter titled "*Risk Factors*" on page 22 of this Draft Letter of Offer.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the chapter titled *"Risk Factors"* and chapter titled *"Management's Discussion and Analysis of Financial Conditions and Results of Operations"* beginning on pages 22 and 95, respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to intensify. However, on account of cost reduction and cost control, consistently delivering quality services, we are able to stay competitive. For further details, kindly refer the chapter titled "Our Business" beginning on page 71 of this Draft Letter of Offer.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND OTHER DEFAULTS

*Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There is no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Draft Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this Draft Letter of Offer, to the extent applicable: any outstanding civil litigation, including tax litigation, involving our Company, where the amount involved is where the amount involved is 20% of Turnover or Net Worth of the Company for the immediately preceding financial year ("**Materiality Threshold**") or above.*

Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company;(iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

Pre-litigation notices received by our Company from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.

LITIGATIONS INVOLVING OUR COMPANY

Litigations Against our Company

Criminal proceeding against our Company: NIL

Action and Proceeding initiated by Statutory / Regulatory Authority including economic offences against our Company

Nil

Civil proceeding against our Company

Sr. No.	Case No.	Court	Name of the parties	Subject Matter	Nature of Claim	Value (Rs. in lakhs)	Status	Next hearing Date
1. Land Matters before Civil Court, Kalyan								
1	398/11	CJJD	Suresh Patil V/s BPML	Challanging the sale Deed of the property belong to BPML situated at (Survey Nos. 8/20 & 55/1A)	Civil	925.45	Case is pending before court.	09-01-2024

Sr. No.	Case No.	Court	Name of the parties	Subject Matter	Nature of Claim	Value (Rs. in lakhs)	Status	Next hearing Date
2.	80/2022	Thane Court	State V/S BPML	State has filed appeal against Judgement passed in RCS No.223/96	Civil	Not determinable	The matter is pending before court	12-01-2024
3.	22/16	CJSD	Octroi Matters	Execution application filed before Civil Court Sr. Division, Kalyan (Survey No. 22/16)	Civil	600.00	Execution stayed by HC.	05-01-2024
4.	195/2020	Principal Senior Civil Judge & addl CJM	Rathod Harshadbhai Baldevbhai vs BPML	Petitioner has filed petition to cancel the Sale Deed of BPML. We need to appoint Advocate & file written statement.	Civil	22.00	Matter is kept for framing issues	29-01-2024

Litigations by our Company

Criminal proceeding by our Company

Nil

Civil proceeding by our Company

Sr. No.	Case No.	Court	Name of the parties	Subject Matter	Nature of Claim	Value (Rs. in lakhs)	Status	Next hearing Date
1.	238/2022	CJJD	BPML vs. Harishchandra Patil & other	Case filed for TILR survey through Court Commission.	Civil	Not determinable	Pursis filed by opponent that they have no objection for survey, Court passed order for TILR survey, applied for certified copy	22-02-2024
2.	2/2020	IC	BPML Vs MNKS	Complaint (ULP) 2/2020 filed by Company against MNKS before Hon'ble Industrial Court,	Labour	Not determinable	No appearance of Union and workman. Hence matter adjourned and is currently	13-01-2024

Sr. No.	Case No.	Court	Name of the parties	Subject Matter	Nature of Claim	Value (Rs. in lakhs)	Status	Next hearing Date
				Thane.			pending before court.	
3.	155/16	Kalyan	NPML V/s Neptune Bhau Patil	Suit filed before Civil Court Kalyan for cancellation of document between Bhau Patil & others and Neptune Developers & Builders. (Survey No. 48/2)	Civil	58.10	Application under Order 5 20 and is pending before court	25-01-2024
4.	1005/18	Bombay	BPML V/S KDMC	Being aggrieved by the sanctioned DP plan of KDMC we have filed Writ Petition with reference to MRTP Act and Constitution of India	Civil	Not determinable	Matter listed on 20/04/2023 before Justice N.J Jamadar. However, matter not reached for hearing.	05-01.2024
5.	124/2020	IC	BPML Vs MNKS	Complaint (ULP) 124/2020 filed by Company against MNKS	Labour	Not determinable	The matter was adjourned	17.01.2024
6.	30663/23	Bombay High Court	Kanak Traders V/s BPML	Arbitration matter	Civil	640	Pre-admission	Not Listed

LITIGATIONS INVOLVING SUBSIDIARY COMPANIES – Not Applicable since there is no subsidiary Company

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS OR FRAUDULENT BORROWERS

Neither our Company, our Promoters, our Directors are or have been classified as a willful defaulter or fraudulent borrower by a bank or financial institution or a consortium thereof in accordance with the guidelines on willful defaulters or fraudulent borrower issued by RBI.

AMOUNT DUE TO MSME

There are No pending dues to MSME supplier for more than 45 (Forty Five) days as on 30th September, 2023.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company requires various consents, licenses, permissions and approvals from various central and state authorities under various rules and regulations for carrying on its present business activities. We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required for our present business and to undertake the Issue. Such consents, licenses, permissions and approvals may be required to be renewed periodically and applications for the same are made at the appropriate stage.

Since, our Company intends to utilize the proceeds of the Issue to meet the incremental working capital requirement, no government and regulatory approval pertaining to the Object of the Issue will be required.

MATERIAL DEVELOPMENTS

There have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our business taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months Except the company has entered into leave and license agreement with revenue sharing basis of the plots of unused Industrial Land.

For further details, please refer to the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 96 of this Draft Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

This Issue has been authorized by the resolution passed by our Board at its meeting held on 16th September, 2023 pursuant to Section 62 (1) (a) of the Companies Act,2013 and other applicable provisions. The Rights Issue Committee has approved the Record Date for the Issue at its meeting held on [●] and this Draft Letter of Offer at its meeting held on 4th January, 2024.

Our Board, in its meeting held on [●], has resolved to issue the Equity Shares to the Eligible Equity Shareholders, at Rs. [●] per Equity Share aggregating up to Rs. [●] Lakhs. The Issue Price is Rs. [●] per Equity Share has been arrived at by our Company prior to determination of the Record Date.

Our Company has received in-principle approval from BSE and NSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be Allotted in this Issue pursuant to their respective letters each dated [●] and [●] respectively. Our Company will also make application to BSE and NSE to obtain its trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "*Terms of the Issue*" beginning on page 115 of this Draft Letter of Offer.

Prohibition by SEBI

Our Company, our Promoter, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None our Directors or Promoter is associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Eligibility for this Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the BSE and NSE. Our Company is eligible to offer Equity Shares

pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made application to the Stock Exchanges and has received its in-principle approval for listing of the Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the websites of BSE and NSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Disclaimer Clause of SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is up to Rs. 4,700.00 lakhs. The present Issue being of less than Rs. 5,000 lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI ICDR Regulations with SEBI for information and dissemination on the website of SEBI i.e. www.sebi.gov.in.

Disclaimer from our Company, our Director(s)

Our Company accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company and its officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

Caution

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, Maharashtra, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE.

Listing

Our Company will apply to NSE and BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Disclaimer Clause of NSE

As required, a copy of this Draft Letter of Offer has been submitted to the NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Letter of Offer is set out below:

"National Stock Exchange of India Limited ("the Exchange") has given, vide its letter dated [●] permission to this Company to use the Exchange's name in this Draft Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and

shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer is set out below:

"BSE Limited ("the Exchange") has given, vide its letter dated [●] permission to this Company to use the Exchange's name in this Draft Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity

Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents in writing of our Directors, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

Our Company has not obtained any expert opinions.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues. However, Our Company has not made a public issue during the five years immediately preceding the date of this Draft Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the Stock Exchanges and not with SEBI. However, the Draft Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre Issue or post Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue" beginning on page 115*. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue at:

Registrar to the Issue
PURVA SHAREGISTRY (INDIA) PVT. LTD.
No-9, Shiv Shakti Industrial Estate,
Ground Floor, J. R. Boricha Marg,
Opp. Kasturba Hospital, Lower Parel,
Mumbai - 400 011.
Tel No.: +91 022-2301 2518
Website: www.purvashare.com
E-mail ID: support@purvashare.com

Contact Person: Ms. Deepali
SEBI Registration No: INR000001112

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue/post- Issue related matter such as non-receipt of letter of Allotment, credit of Rights Equity Shares, refund and such other matters. The contact details of the Compliance Officer are as follows:

Company Secretary and Compliance Officer
Mr. Omprakash Singh
Balkrishna Paper Mills Limited
A/7, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel West, Mumbai, Maharashtra, 400013
CIN: L21098MH2013PLC244963
Email: opsingh@bpml.in
Website: www.bpml.in
Tel: +91- 22-61207900

Investors may contact the Company Secretary and Compliance Officer at the above mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

Our Company has not submitted any application to SEBI for exemption from complying with any provisions of Securities.

Status of Complaints

i. Total number of complaints received during Fiscal 2021: Nil
ii. Total number of complaints received during Fiscal 2022: Nil
iii. Total number of complaints received during Fiscal 2023: Nil
iv. Time normally taken for disposal of various types of investor complaints: 15 days

(a) Share transfer process: Within 15 days after receiving full set of documents
(b) Share transmission process: Within 21 days after receiving full set of documents
(c) Other Complaints: Within 15 days from the receipt of the complaint

Status of outstanding investor complaints

As on the date of the Draft Letter of offer, there were Nil outstanding investor complaints.

Changes in Auditor during the last three years

There has been a change in the Auditor of the Company during the year 2022-23 since the earlier auditors have completed their full eligible tenure.

Minimum Subscription

The Issue is not subject to being in receipt of minimum subscription of 90% of the Issue in accordance with the provisions of Regulation 86 of SEBI (ICDR) Regulations.

SECTION VIII – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Right Issue Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.

DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

(i) Our Company at www.bpml.in;
(ii) The Registrar at www.purvashare.com;
(iii) The Stock Exchanges at www.nseindia.com and www.bseindia.com;

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., Purva Sharegistry (India) Pvt. Ltd at www.purvashare.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.bpml.in).

Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Shareholders desiring to make an Application in this Issue are mandatorily

required to use the ASBA process. Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA.

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, titled "Procedure for Application through the ASBA Process" on page 118.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details refer "Grounds for Technical Rejection" 131. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, refer chapter titled "Application on Plain Paper under ASBA process".

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

a) apply for its Equity Shares to the full extent of its Rights Entitlements; or
b) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
c) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
d) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or

e) renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

A Shareholders, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do's for Shareholders applying through ASBA:

a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Shareholders applying* through *ASBA:

a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
b) Do not send your physical Application to the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
d) Do not submit Application Form using third party ASBA account.

Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

(a) Name of our Company, being Balkrishna Paper Mills Limited;
(b) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
(c) Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
(d) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue

(e) Number of Equity Shares held as on Record Date;
(f) Allotment option – only dematerialised form;
(g) Number of Equity Shares entitled to;
(h) Number of Equity Shares applied for within the Rights Entitlements;
(i) Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
(j) Total number of Equity Shares applied for;
(k) Total amount paid at the rate of Rs. [●] per Equity Share;
(l) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
(m) In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
(n) Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
(o) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
(p) All such Eligible Equity Shareholders are deemed to have accepted the following:

"*I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "U.S. Person" as defined in ("*Regulations*"), *and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulations.*

I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements. "

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, and the Registrar not having any liability to the Shareholders. The plain paper Application format will be available on the website of the Registrar at www.purvashare.com.

Our Company, and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders' ASBA Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
c) The remaining procedure for Application shall be same as set out in "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" mentioned above.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

Application for Additional Equity Shares

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "- *Basis of Allotment*" mentioned below.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Additional general instructions for Shareholders in relation to making of an application

i) Please read this Draft Letter of offer carefully to understand the Application process and applicable settlement process.

ii) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

iii) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" mentioned above.

iv) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

v) Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.

vi) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.

vii) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Shareholders (including the order of names of**

joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

viii) By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

ix) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.

x) Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

xi) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

xii) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

xiii) Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

xiv) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

xv) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

xvi) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

xvii) Do not pay the Application Money in cash, by money order, pay order or postal order.

xviii) Do not submit multiple Applications.

xix) No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

xx) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

i) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
ii) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
iii) Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
iv) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
v) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
vi) Account holder not signing the Application or declaration mentioned therein.
vii) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
viii) Multiple Application Forms, including cases where an Shareholders submits Application Forms along with a plain paper Application.
ix) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
x) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
xi) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
xii) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and this Draft Letter of offer.
xiii) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable.
xiv) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand s.
xv) If an Shareholders is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Shareholders to subscribe to their Rights Entitlements.
xvi) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
xvii) Applications which have evidence of being executed or made in contravention of applicable securities laws.

xviii) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

Applications by non-resident Shareholders.

a. Payment from third party bank accounts.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "- *Procedure for Applications by Mutual Funds*" mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) a Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected.

Procedure for Applications by certain categories of Shareholders

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a

Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. Such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid- up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of

debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Shareholders**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], 2024, *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft Letter of offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in "- *Basis of Allotment*" mentioned below.

Please note that on the Issue Closing Date, (Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Shareholders within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.purvashare.com.) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.bpml.in).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity

Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements the will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e* www.purvashare.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, **[●]**") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●], 2024 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Shareholders.

On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [●] to [●], 2024 (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to trade.

The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Equity Shares in the Issue.

The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Shareholders agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholder's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Shareholders

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Shareholders

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.

3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see "*The Issue*" beginning on mentioned above.

Fractional Entitlements

The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] ([●] ([●]) Equity Shares for every [●] ([●]) Equity Shares held as on the Record Date). As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. In terms of present ratio, there will no fractional shares.

Ranking

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR

Regulations. Our Company has received in-principle approval from the NSE and BSE through letter bearing reference number [●] dated [●] and number [●] dated [●] respectively. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on NSE (Scrip Code: BALKRISHNA) and on BSE (Scrip Code: 539251) under the ISIN: INE875R01011. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and members of the Promoter Group

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see "*Capital Structure - Intention and extent of participation by our Promoter*" mentioned above.

Rights of the Rights Equity Shareholder

Subject to applicable laws, the Rights Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote in person or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right to free transferability of Rights Equity Shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act and Memorandum of Association and Articles of Association.

General Terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialised form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholders holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be One Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Right Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation and one **Marathi language national daily** newspaper with wide circulation being the **regional language of Maharashtra, where our Registered Office is situated.**

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Shareholders

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at Purva Sharegistry (India) Pvt. Ltd at support@purvashare.com. It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Shareholders being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by mail at support@purvashare.com.

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES

ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" AS MENTIONED ABOVE

Issue Schedule

Last date for credit of Rights entitlements	**[●]**
Issue opening date	**[●]**
Last Date on Market Renunciation Of Rights Entitlements #	**[●]**
Issue Closing Date*	**[●]**
Finalisation Of Basis Of Allotment (On Or About)	**[●]**
Date Of Allotment (On Or About)	**[●]**
Date Of Credit (On Or About)	**[●]**
Date Of Listing (On Or About)	**[●]**

 # Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.
** Our Board or the Rights Issue Committee, duly constituted and authorized by the Board of Directors in their meeting held on 16th September, 2023, thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, **[●]** , 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, **[●]** , 2024.

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The

Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be on equitable basis giving due regard to the holdings as on the record date and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

i) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
ii) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
iii) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Shareholders who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

Unblocking amounts blocked using ASBA facility.

NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

National Electronic Fund Transfer ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Shareholders' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Shareholders have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Shareholders through this method.

Direct Credit – Shareholders having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company

RTGS – If the refund amount exceeds Rs. 2,00,000, the Shareholders have the option to receive refund through RTGS. Such eligible Shareholders who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Shareholder's bank receiving the credit would be borne by the Shareholders.

For all other Shareholders, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demands drawn in favour of the sole/first Shareholders and payable at par.

Credit of refunds to Shareholders in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

Receipt of the Equity Shares in Dematerialized Form

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement with NSDL and with CDSL which enables the Shareholders to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

i) Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
ii) It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.
iii) The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Shareholder's depository participant, would rest with the Shareholders. Shareholders should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholder's depository participant.

iv) If incomplete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.
v) The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc*.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.
vi) Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.
vii) Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

IMPERSONATION

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447*."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to Rs. 0.5 crore or with both.

UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

A. All monies received out of this Issue shall be transferred to a separate bank account;
B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

i) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.

iii) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Shareholders within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

v) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

vi) Adequate arrangements shall be made to collect all ASBA Applications.

vii) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "**[●]**" on the envelope and postmarked in India or in the e-mail) to the Registrar at the following address:

PURVA SHAREGISTRY (INDIA) PVT. LTD.
No-9, Shiv Shakti Industrial Estate,
Ground Floor, J. R. Boricha Marg,
Opp. Kasturba Hospital, Lower Parel,
Mumbai - 400 011.
Tel No.: +91 022-2301 2518
Website: www.purvashare.com
E-mail ID: support@purvashare.com
Contact Person: Ms. Deepali
SEBI Registration No: INR000001112

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar (i.e, **Purva Sharegistry (India) Pvt. Ltd** at www.purvashare.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 022 - 23016761/ 23012518.

   (i) The Shareholders can visit following links for the below-mentioned purposes:

4. Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: www.purvashare.com).

5. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: www.purvashare.com).

6. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.purvashare.com).

7. Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: support@purvashare.com.

This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Circular 2020**"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non- resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the

adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts referred to in para (A) have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer.

Copies of the above mentioned contracts and also the documents for inspection referred to in para (B), may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Letter of Offer until the closure of the subscription list.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A) MATERIAL CONTRACTS

1. Agreement dated 14th December 2023 between our Company and M/s Purva Sharegistry (India) Pvt. Ltd, Registrar to the Issue.

2. Tripartite Agreement between our Company, National Securities Depository Ltd. (NSDL) and Registrar to the Issue;

3. Tripartite Agreement between our Company, Central Depository Services (India) Limited (CDSL) and Registrar to the Issue;

4. Banker(s) to the Issue Agreement dated **[●]** amongst our Company and the Registrar to the Issue and the Escrow Collection Bank(s).

(B) DOCUMENTS FOR INSPECTION

5. Certified copy of the Memorandum of Association and Articles of Association of our Company as amended from time to time.

6. Copy of the resolution of the Board of Directors under Section 62 of the Companies Act passed in its meeting dated 16th September, 2023 authorizing the Issue.

7. Copy of the resolution passed by the Right Issue Committee dated 4th January, 2024 approving the Draft letter of offer.

8. Resolution passed by the Right Issue Committee dated **[●]** determining the Record date.

9. Consents of the Directors, Company Secretary and Compliance Officer, Statutory Auditor and Registrar to the Issue to include their names in the Offer Document to act in their respective capacities;

10. Annual reports of our Company for the financial years ended March 31, 2021, 2022 and 2023 and Unaudited Standalone financial results for the Quarter and half year ended 30th September, 2023;

11. A statement of tax benefits dated 30th December, 2023 received from Statutory Auditor regarding tax benefits available to our Company and its shareholders;

12. Certificate dated 23rd December, 2023 from Statutory Auditor regarding "Sources & deployment of funds";

13. In-principle listing approval(s) dated [●] and [●] from National Stock Exchange of India Limited and BSE Limited respectively;

Any of the contracts or documents mentioned in the Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

Name	Signature
Mr. Anurag Poddar **Designation**: Chairman & Managing Director **DIN**: 00599143	**Sd/-**
Mr. Manish Omkarmal Malpani **Designation**: Whole Time Director and Chief Financial Officer **DIN**: 00055430 **PAN**: AHBPM5457D	**Sd/-**
Mr. Dileep Himmatrao Shinde **Designation**: Non-Executive Independent Director **DIN**: 00270687	**Sd/-**
Mr. Rakesh Kumar Garodia **Designation**: Non-Executive Independent Director **DIN**: 00143438	**Sd/-**
Ms. Meghna Shah **Designation**: Non-Executive Independent Director **DIN**: 07081068	**Sd/-**
Prof. (Dr) Mangesh D. Teli **Designation**: Non-Executive Independent Director **DIN**: 02118899	**Sd/-**
Mr. Omprakash Singh **Company Secretary and Compliance Officer** **PAN:** AADPS8268F	**Sd/-**

Place: Mumbai
Date: 4th January, 2024