

March 20, 2024

BSE Ltd.  
Corporate Relationship Department,  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P.J. Towers,  
Dalal Street, Fort,  
Mumbai 400 001

National Stock Exchange of India Ltd.  
Listing Department,  
'Exchange Plaza', C/1, Block G,  
Bandra-Kurla Complex,  
Bandra (E),  
Mumbai 400 051

Code No. 500102  
Debt Code No. 975156  
Debt Code No. 949850

Symbol "BALLARPUR"

Dear Sir,

**Sub: Outcome of the Meeting of the Board of Directors held on March 20, 2024**

**Ref: Disclosure under Regulation 30, 33 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")**

This has reference to our letter dated March 1, 2024, March 4, 2024, March 6, 2024, March 12, 2024, March 15, 2024 and March 17, 2024 and pursuant to Regulation 33, 30 and 52 read with Schedule III of the SEBI Regulations, we hereby inform you that the Board of Directors of the Company at their meeting held today i.e. Wednesday, March 20, 2024, inter-alia, has transacted the following items of business:

1. Approved the audited financial results [consolidated] for the quarter / year ended on March 31, 2020 of the Company.
2. Issuance of upto 55 (Fifty-Five Only) Unsecured Unlisted Non-Convertible Debentures Series -III ('NCDs') of the Company of face value of INR 1,00,00,000/- (Rupees One Crore Only) each, at par aggregating up to INR 55,00,00,000 (Rupees Fifty-five Crore Only), in accordance with approved resolution plan on private placement basis.

The Members of the Monitoring Committee in accordance with the terms of the approved Resolution Plan, approved the issuance of Unsecured Unlisted Non-Convertible Debentures Series -III ('NCDs') of the Company of face value of INR 1,00,00,000/- (Rupees One Crore Only) each, not exceeding 55 NCDs, at par aggregating up to INR 55,00,00,000 (Rupees Fifty-five Crore Only) to the identified persons listed below:

S. No.	Name	No of NCDs	Amount (INR)
1.	Hardik B. Patel	20	20,00,00,000



CIN: L21010MH1945PLC010337

Regd Address: PO Ballarpur Paper Mills, Chandrapur Ballarpur - 442 901. Maharashtra.

2.	Belgrave Investment Fund* (“Financial Investor”)	20	20,00,00,000
3.	Resonance Opportunities Fund * (“Financial Investor”)	15	15,00,00,000
	<b>Total</b>	<b>55</b>	<b>55,00,00,000</b>

(\* A SEBI Registered Foreign Portfolio Investor)

3. upon recommendation of the Audit Committee, appointed M/s. Batliboi & Purohit, Chartered Accountants (Firm's Registration No. 101048W), statutory auditors of the Company for the term of 5 (five) years from the conclusion of the Seventy-Fifth Annual General Meeting till conclusion of Eightieth Annual General Meeting to be held in the year 2025, subject to the approval of shareholders of the Company;

The details as required under Regulation 30 read with Schedule III of the Listing Regulations and SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 is enclosed herewith as Annexure – I.

4. upon recommendation of the Audit Committee, appointed M/s. K. G. Goyal & Co., Cost Accountants (Firm's Registration No. 000017), Jaipur as Cost Auditors of the Company for the financial year 2020-21.

The details as required under Regulation 30 read with Schedule III of the Listing Regulations and SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 is enclosed herewith as Annexure – II.

5. In this regard, please find enclosed a copy of each of the following:
  - a. the audited financial results [consolidated] for the quarter / year ended on March 31, 2020, reviewed by the Audit Committee and taken on record by the Board of Directors, today i.e. March 20, 2024 pursuant to Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”).
  - b. the Audit Reports of M/s. Batliboi & Purohit, Chartered Accountants (Firm's Registration No. 101048W) and the Statutory Auditors of the Company certifying the audit of the financial results (consolidated) of the Company for the quarter / year ended on March 31, 2020 pursuant to regulation 33 and 52 of the Listing Regulations.
  - c. Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along – with audited financial results [consolidated] for the quarter / year ended on March 31, 2020.



CIN: L21010MH1945PLC010337

Regd Address: PO Ballarpur Paper Mills, Chandrapur Ballarpur - 442 901. Maharashtra.

The same is being also uploaded on the Company's website: [www.bilt.com](http://www.bilt.com).

Please display this notice on the website of the Exchange for information of all concerned.

The meeting of the Board of Directors of the Company commenced at 01:00 P.M and concluded at 06:25 P.M.

Thanking you,

Yours faithfully,  
For **Ballarpur Industries Limited**

**Punit A. Bajaj**  
Company Secretary and Compliance Officer

Details with respect to change in Auditors of the Company as required under Regulation 30 read with Schedule III of the Listing Regulations and SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015:

Sr. No.	Details of events that needs to be provided	Information of such event (s)
1.	Name of the Statutory Auditor	M/s. Batliboi & Purohit, Chartered Accountants (FRN: 101048W)
2.	Reason for change viz. appointment, <del>resignation,</del> <del>removal,</del> <del>death or otherwise;</del>	Appointment of M/s. Batliboi & Purohit as the Statutory Auditors of the Company due to existing term expires at the ensuing Annual General Meeting.
3.	Date of appointment / <del>cessation</del> (as applicable) & <del>term of appointment</del>	March 20, 2024  Term: M/s. Batliboi & Purohit, Chartered Accountants (FRN: 101048W) the term of 5 (five) years from the conclusion of the Seventy-Fifth Annual General Meeting till conclusion of Eightieth Annual General Meeting to be held in the year 2025, subject to the approval of shareholders of the Company;
4.	Brief Profile:	Batliboi & Purohit (FRN: 101048W), (“the Audit Firm”) was established in the year 1907. It has Head Office in Mumbai and has branch offices in various cities in India.  The Audit Firm is engaged in statutory audits of some of the large companies in various sectors.
5.	Disclosure of relationships between Directors inter se Manager and KMPs	Not Applicable

Details with respect to change in Auditors of the Company as required under Regulation 30 read with Schedule III of the Listing Regulations and SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015:

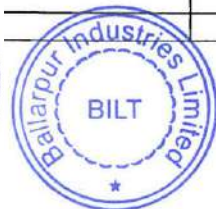
Sr. No.	Details of events that needs to be provided	Information of such event (s)
1.	Name of the Cost Auditor	M/s. K. G. Goyal & Co., Cost Accountants (Firm's Registration No. 000017)
2.	Reason for change viz. appointment, <del>resignation,</del> <del>removal,</del> <del>death or otherwise;</del>	Appointment of M/s. K. G. Goyal & Co., Cost Accountants, as the Cost Auditors of the Company for Financial Year 2020-21
3.	Date of appointment / <del>cessation</del> (as applicable) & <del>term of appointment</del>	March 20, 2024  Term: M/s. M/s. K. G. Goyal & Co., Cost Accountants, as the Cost Auditors of the Company for Financial Year 2020-21, subject to the rectification of remuneration by the shareholders of the Company;
4.	Brief Profile:	M/s. K. G. Goyal & Co., Cost Accountants (Firm's Registration No. 000017), (“the Cost Audit Firm”). It has Head Office in Jaipur, Rajasthan and has branch offices in various cities in India.  The Audit Firm is engaged in cost audits of some of the large companies in various sectors.
5.	Disclosure of relationships between Directors inter se Manager and KMPs	Not Applicable

**BALLARPUR INDUSTRIES LIMITED**

**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31 MARCH 2020**

₹ in Lakhs

Particulars	Quarter Ended 31.03.2020 (Audited)	Quarter Ended 31.12.2019 (Unaudited)	Quarter Ended 31.03.2019 (Audited)	Nine Month ended 31.12.2019	Year Ended 31.03.2020 (Audited)	Year Ended 31.03.2019 (Audited)
<b>Income</b>						
Revenue from operations	75,891	81,681	87,946	2,51,559	3,27,450	3,64,306
Other income	2,148	1,469	1,444	6,022	8,170	4,777
<b>Total Income</b>	<b>78,039</b>	<b>83,150</b>	<b>89,390</b>	<b>2,57,581</b>	<b>3,35,620</b>	<b>3,69,083</b>
<b>Expenses</b>						
Cost of materials consumed	38,618	40,102	42,478	1,35,500	1,74,118	1,91,749
Purchase of stock in trade	190	2,403	56	2,435	2,625	363
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(3,050)	3,609	2,780	(1,277)	(4,327)	(3,634)
Employee benefits expense	5,882	7,006	5,964	19,331	25,213	27,188
Finance costs	51,384	19,740	23,982	60,704	1,12,088	84,255
Depreciation and amortisation expense	4,487	6,305	6,387	18,794	23,281	26,555
Other expenses	18,622	16,039	21,293	56,080	74,702	85,918
<b>Total Expenses</b>	<b>1,16,133</b>	<b>95,204</b>	<b>1,02,940</b>	<b>2,91,567</b>	<b>4,07,700</b>	<b>4,12,395</b>
<b>Profit/ (loss) before exceptional items and tax</b>	<b>(38,094)</b>	<b>(12,054)</b>	<b>(13,550)</b>	<b>(33,986)</b>	<b>(72,080)</b>	<b>(43,311)</b>
Exceptional items	1,05,371	43,490	33,641	28,159	1,33,530	36,941
<b>Profit/ (loss) before tax</b>	<b>(1,43,465)</b>	<b>(55,544)</b>	<b>(47,191)</b>	<b>(62,145)</b>	<b>(2,05,610)</b>	<b>(80,252)</b>
<b>Tax expense:</b>						
(1) Current tax	(6)	6	(1,586)	44	38	(1,586)
(2) Deferred tax	2,161	-	1,618	1,429	3,590	4,938
(3) current tax Provision relating to earlier years	6	-	-	-	6	-
<b>Profit/ (loss) after tax</b>	<b>2,161</b>	<b>6</b>	<b>32</b>	<b>1,473</b>	<b>3,634</b>	<b>3,352</b>
Share in Profit & Loss of Associates & J/Vs	(8)	-	(38)	(24)	(32)	(69)
<b>Profit/ (loss) for the year from continuing operations</b>	<b>(1,45,619)</b>	<b>(55,550)</b>	<b>(47,185)</b>	<b>(63,594)</b>	<b>(2,09,213)</b>	<b>(83,535)</b>
Profit/ (loss) for the year from discontinuing operations before tax	(8,600)	(21,062)	(4,945)	(30,872)	(39,472)	(23,635)
Tax expense on discontinued operation	-	-	-	-	-	-
<b>Profit/ (loss) for the year from discontinuing operations after tax</b>	<b>(8,600)</b>	<b>(21,062)</b>	<b>(4,945)</b>	<b>(30,872)</b>	<b>(39,472)</b>	<b>(23,635)</b>
<b>Profit/ (loss) for the year</b>	<b>(1,54,219)</b>	<b>(76,612)</b>	<b>(52,130)</b>	<b>(94,466)</b>	<b>(2,48,685)</b>	<b>(1,07,170)</b>
<b>Other Comprehensive Income</b>						
A Items that will not be reclassified to profit or loss (net of tax)	(93)	(171)	(621)	(839)	(932)	(191)
B Items that will be reclassified to profit or loss (net of tax)	(19,037)	1,385	1,438	1,580	(17,457)	(13,743)
<b>Other Comprehensive Income for the year</b>	<b>(19,130)</b>	<b>1,214</b>	<b>817</b>	<b>741</b>	<b>(18,389)</b>	<b>(13,934)</b>
<b>Total comprehensive income for the year</b>	<b>(1,73,349)</b>	<b>(75,398)</b>	<b>(51,313)</b>	<b>(93,725)</b>	<b>(2,67,074)</b>	<b>(1,21,104)</b>
<b>Net Profit attributable to</b>						
(a) Owners of the Company	(1,05,528)	(64,924)	(48,576)	(83,461)	(1,88,989)	(93,095)
(b) Non - Controlling Interest	(48,691)	(11,688)	(3,554)	(11,005)	(59,696)	(14,075)
<b>Other Comprehensive Income attributable to</b>						
(a) Owners of the Company	(26,444)	2,486	1,006	4,403	(22,041)	(9,185)
(b) Non - Controlling Interest	7,314	(1,272)	(189)	(3,662)	3,652	(4,749)
<b>Total Comprehensive Income attributable to</b>						
(a) Owners of the Company	(1,31,971)	(62,438)	(47,570)	(79,058)	(2,11,029)	(1,02,279)
(b) Non - Controlling Interest	(41,378)	(12,960)	(3,743)	(14,667)	(56,045)	(18,824)
<b>Paid-up equity share capital</b>						
(Face value of Rs. 2 per share)	25,871	25,871	25,871	25,871	25,871	25,871
<b>Reserves (Other equity)</b>					(3,54,587)	(1,37,564)
<b>Earnings per equity share (for continuing operation):</b>						
(1) Basic (₹)	(7.40)	(4.04)	(3.52)	(5.01)	(12.41)	(6.09)
(2) Diluted (₹)	(7.40)	(4.04)	(3.52)	(5.01)	(12.41)	(6.09)
<b>Earnings per equity share (for discontinuing operation):</b>						
(1) Basic (₹)	(1.04)	(0.98)	(0.23)	(1.44)	(2.48)	(1.11)
(2) Diluted (₹)	(1.04)	(0.98)	(0.23)	(1.44)	(2.48)	(1.11)
<b>Earnings per equity share</b>						
(1) Basic (₹)	(8.44)	(5.02)	(3.75)	(6.45)	(14.89)	(7.20)
(2) Diluted (₹)	(8.44)	(5.02)	(3.75)	(6.45)	(14.89)	(7.20)



**BALLARPUR INDUSTRIES LIMITED**  
**CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2020**

₹ in Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>		
(1) Non-current Assets		
(a) Property, Plant and Equipment	6,35,278	6,51,234
(b) Capital work-in-progress	1,656	632
(c) Right of Use Assets	2,039	-
(d) Other intangible assets	531	1,886
(e) Biological assets other than bearer plants	-	39
(f) Investments accounted for using the equity method	-	1,656
(g) Financial assets		
(i) Investments	3	3
(ii) Others	1,220	1,184
(h) Deferred tax assets (net)	13,224	16,814
(i) Other non-current assets	11,936	13,807
(2) Current assets		
(a) Inventories	42,177	44,687
(b) Financial assets		
(i) Investments	206	7,262
(ii) Trade receivables	48,301	15,831
(iii) Cash and cash equivalents	6,457	26,984
(iv) Bank balances other than (ii) above	2,231	1,829
(v) Loans	728	4,521
(vi) Others	20,845	521
(c) Current tax assets (Net)	3	1
(d) Other current assets	16,797	33,056
(e) Assets associated with group of assets classified as held for sale and discontinued operations	2,24,167	2,78,697
<b>Total Assets</b>	<b>10,27,799</b>	<b>11,00,644</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	25,871	25,871
(b) Other equity	(2,52,213)	(99,645)
Equity attributable to the owners of the Company	(2,26,342)	(73,774)
(c) Non-Controlling Interest	(1,02,374)	(37,919)
<b>Liabilities</b>		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	5,12,634	4,27,133
(ii) Lease Liabilities	2,020	-
(iii) Other financial liabilities	1,069	4,145
(b) Provisions	10,591	8,992
(c) Other non-current liabilities	19	20
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,39,472	1,22,523
(ii) Lease Liabilities	226	-
(iii) Trade payables		
a) Dues of micro and small enterprises	3,721	3,732
b) Dues of other than micro and small enterprises	63,929	92,074
(iv) Other financial liabilities	4,16,857	4,91,978
(b) Other current liabilities	30,111	32,881
(c) Provisions	7,772	7,069
(d) Current tax liabilities(net)	7,811	7,166
(e) Liabilities associated with group of assets classified as held for sale and discontinued operations	1,60,283	14,624
<b>Total Equity and Liabilities</b>	<b>10,27,799</b>	<b>11,00,644</b>



**BALLARPUR INDUSTRIES LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020**

₹ in Lakhs

Particulars	2019 - 20	2018 - 19
<b>Cashflow from operating activities</b>		
Loss before tax from continuing operations	(2,05,579)	(80,183)
Adjustment for:		
Depreciation and amortization expense	23,281	26,555
Finance costs (net)	1,12,088	84,255
Interest income	(279)	(940)
Share in profit of joint venture	(32)	(69)
Gain on Sale or fair valuation of investment	(322)	(142)
Gain on Sale or fair valuation of investment	35	-
Exceptional items	1,33,530	36,941
Bad debts written off / Provision for doubtful debts	3,067	991
Unspent liabilities and excess provision of earlier years written back	(253)	(2,823)
Inventory written off	260	1,350
Balances written off	619	1,209
Assets discarded	296	127
(Profit) / Loss on sale of property plant and equipment	2	81
<b>Operating profit before working capital changes</b>	<b>66,711</b>	<b>67,352</b>
Adjustment for working capital		
(Increase)/decrease in trade receivable	(36,197)	(7,573)
(Increase)/decrease in loans, advances and other current assets	(373)	14,538
(Increase)/decrease in inventory	2,250	(12,287)
Increase/(decrease) in liabilities and provisions	63,769	7,906
<b>Cash generated from / (used in) operations</b>	<b>96,160</b>	<b>69,936</b>
Direct taxes (paid) / refund(net)	599	2,124
<b>Net cash generated from / (used in) operating activities of continuing operations</b>	<b>96,759</b>	<b>72,060</b>
<b>Net cash generated from / (used in) operating activities of discontinued operations</b>	<b>952</b>	<b>13,385</b>
<b>Net cash generated from / (used in) operating activities</b>	<b>97,711</b>	<b>85,445</b>
<b>Cashflow from investing activities</b>		
Payment for acquisition of property, plant and equipment, biological assets and intangible assets	(14,847)	(3,143)
Proceeds on disposal of property, plant and equipment	-	1,550
Interest received	267	1,382
(Increase) / Decrease in other bank balances (Refer note (c) below)	(402)	(595)
(Increase) / Decrease in investment	(35,539)	(7,120)
<b>Net cash generated from / (used in) investing activities of continuing operations</b>	<b>(50,520)</b>	<b>(7,926)</b>
<b>Net cash generated from / (used in) investing activities of discontinued operations</b>	<b>(352)</b>	<b>(34)</b>
<b>Net cash generated from / (used in) investing activities</b>	<b>(50,872)</b>	<b>(7,960)</b>
<b>Cashflow from financing activities</b>		
Proceeds from / (Repayment of) borrowings (net)	(16,655)	(27,756)
Proceeds/repayment of buy back (optional / convertible/alloted of share)	-	58
Interest paid (net)	(45,160)	(35,972)
Dividend paid (including payment to investor education and protection fund)	(17)	(11)
<b>Net cash generated from / (used in) financing activities of continuing operations</b>	<b>(61,832)</b>	<b>(63,681)</b>
<b>Net cash generated from / (used in) financing activities of discontinued operations</b>	<b>10,597</b>	<b>99</b>
<b>Net cash generated from / (used in) financing activities</b>	<b>(51,235)</b>	<b>(63,582)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(4,397)</b>	<b>13,903</b>
Cash and cash equivalents at the beginning of the year	26,984	13,883
Impact of foreign currency translation reserve	28	(387)
<b>Cash and cash equivalents at the end of the year</b>	<b>22,615</b>	<b>27,399</b>
<b>Cash and cash equivalents from continuing operations</b>	<b>6,457</b>	<b>26,984</b>
<b>Cash and cash equivalents from discontinued operations</b>	<b>16,158</b>	<b>415</b>
<b>Total cash and cash equivalents</b>	<b>22,615</b>	<b>27,399</b>





CONSOLIDATED SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER /YEAR ENDED  
31ST MARCH 2020

SI No.	Particulars	Rs in Lacs					
		Quarter Ended 31.03.2020 (Audited)	Quarter Ended 31.12.2019 (Unaudited)	Quarter Ended 31.03.2019 (Audited)	Nine Month Ended 31.12.19 (Unaudited)	Year Ended 31.03.2020 (Audited)	Year Ended 31.03.2019 (Audited)
1	Segment Revenues						
	(a) Uncoated Paper	33,761	43,698	53,445	1,42,302	1,76,063	2,07,155
	(b) Coated Paper	36,820	37,706	34,291	1,08,255	1,45,075	1,48,184
	(c) Others	218	294	210	1,229	1,447	4,263
	<b>Totals</b>	<b>70,799</b>	<b>81,698</b>	<b>87,946</b>	<b>2,51,786</b>	<b>3,22,585</b>	<b>3,59,602</b>
	Less: Inter Segment Revenue	99	17	-	227	326	27
	<b>Revenue from Operation</b>	<b>70,700</b>	<b>81,681</b>	<b>87,946</b>	<b>2,51,559</b>	<b>3,22,259</b>	<b>3,59,575</b>
2	Segment Results ((Profit+)/ Loss (-) before Tax and Interest)						
	(a) Uncoated Paper	(1,902)	3,582	10,557	18,278	16,376	32,664
	(b) Coated Paper	(25,634)	4,906	783	10,930	(14,724)	11,884
	(c) Others	(941)	(802)	(908)	(2,490)	(3,431)	(3,604)
	<b>Totals</b>	<b>(28,497)</b>	<b>7,686</b>	<b>10,432</b>	<b>26,718</b>	<b>(1,779)</b>	<b>40,944</b>
	Less: i) Interest	51,384	19,740	23,982	60,704	1,12,088	84,255
	ii) Other un-allocable expenditure net of un-allocable income	63,577	43,490	33,603	28,135	91,712	36,872
	<b>Total Profit Before Tax</b>	<b>(1,43,458)</b>	<b>(55,544)</b>	<b>(47,153)</b>	<b>(62,121)</b>	<b>(2,05,579)</b>	<b>(80,183)</b>
3	Segment Assets						
	(a) Uncoated Paper	7,37,194	7,75,391	7,86,470	7,75,391	7,37,194	7,86,470
	(b) Coated Paper	2,25,747	2,19,267	2,30,554	2,19,267	2,25,747	2,30,554
	(c) Others	26,579	27,781	29,071	27,781	26,579	29,071
	(d) Un-allocable assets	38,279	38,816	54,549	38,816	38,279	54,549
	<b>Total Segment Assets</b>	<b>10,27,799</b>	<b>10,61,255</b>	<b>11,00,644</b>	<b>10,61,255</b>	<b>10,27,799</b>	<b>11,00,644</b>
4	Segment Liabilities						
	(a) Uncoated Paper	4,62,073	3,90,661	3,37,502	3,90,661	4,62,073	3,37,502
	(b) Coated Paper	25,704	26,877	28,719	26,877	25,704	28,719
	(c) Others	13,996	13,930	12,693	13,930	13,996	12,693
	(d) Un-allocable liabilities	7,811	7,899	7,166	7,899	7,811	7,166
	<b>Total Segment Liabilities</b>	<b>5,09,584</b>	<b>4,39,367</b>	<b>3,86,080</b>	<b>4,39,367</b>	<b>5,09,584</b>	<b>3,86,080</b>



**BALLARPUR INDUSTRIES LIMITED**

Consolidated Notes for the quarter and year ended 31st March 2020

1. These financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

2. The above results have been reviewed by the Audit committee and approved by the Board of Directors at their meeting held on 20th March 2024

**3 Corporate Insolvency Resolution Process ("CIRP") initiated against the Company**

(a) The National Company Law Tribunal ("NCLT"), Mumbai bench, vide Order dated 17 January, 2020 ("Insolvency Commencement Order") has initiated Corporate Insolvency Resolution Process ("CIRP") against the Parent based on petition filed by M/s. Finquest Financial Solutions Private Limited under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Mr. Divyesh Desai (IBBI/PA-001/IP-P00169/2017-2018/10338) was appointed as an Interim Resolution Professional ("IRP") to manage affairs of the Parent in accordance with the provisions of the Code. Subsequently, Hon'ble NCLT vide its Order dated 27 May, 2020 has appointed Mr. Anuj Jain (IBBI/PA-001/IP-P00142/2017-2018/10306) as Resolution Professional ("RP") of the Parent. Pursuant to the Insolvency Commencement Order and in line with the provisions of the Code, the powers of the Board of Directors were suspended and the same were exercised by IRP/RP from the respective appointment dates.

(b) Pursuant to commencement of CIRP, the RP had received various claims submitted by the financial creditors, operational creditors, employees and other creditors. The Parent observed a difference of Rs. 27,742 Lakhs between the carrying amount of borrowings (including interest accrued) in the books of account and the financial creditors claims admitted by the RP. The Parent has accrued this difference of Rs. 27,742 Lakhs as at 31 March 2020 and charged finance cost in statement of profit or loss. The Resolution Professional (RP) has finally admitted all the claims of Rs. 16,057 Lakhs toward the operational creditors, Employees and other creditors and with respect to Financial Creditors claims of Rs. 27,742 Lakhs.

(c) Resolution Plan submitted by the Finquest Financial Solutions Private Limited ("SRA") on 7 February, 2022, updated as on 17 March, 2022 and further clarified by clarificatory note dated 23 March, 2022 ("Resolution Plan") was approved by the Committee of Creditors ("CoC") on 14 April, 2022 and by Hon'ble NCLT, Mumbai Bench by an order dated 31 March, 2023 (received on 13 April, 2023) ("Plan Approval Order"). In accordance with the approved resolution plan the following consequential effects are as under:

i. As per clause 4.3.5 of the Resolution Plan, an Escrow Agreement dated 29 May, 2023 was executed between Ballarpur Industries Limited (Corporate Debtor), MC of Corporate Debtor (MC Representative), Finquest Financial Solutions Private Limited (Resolution Applicant), IDBI Bank (Escrow Bank), IDBI Trusteeship Services Limited (Escrow Agent), Mr. Anuj Jain (erstwhile RP) and IDBI Bank (Assenting FC Representative) ("Escrow Agreement")

ii. Allotment of Equity Shares:

Allotment of 5,08,75,000 Equity Shares (Class B) at the face value of INR 10 each of the Company, for an aggregate consideration up to INR 50,87,50,000 to the allottees as mentioned herein on a private placement basis:

S. No.	Name of Allottees	No of Equity Shares	Amount (INR)
1.	Finquest Financial Solutions Private Limited ("SRA")	27792021	27,79,20,210
2.	Supersoil Construction Private Limited ("Financial Investor")	21485666	21,48,56,660
3.	Finquest Financial Solutions Private Limited ("Assenting Financial Creditor")	257979	25,79,790
4.	IDBI Bank Limited ("Assenting Financial Creditor")	1339334	1,33,93,340
	Total	50875000	50,87,50,000

iii. Allotment of Non-Convertible Debentures to SRA and Investors on 12th June 2023 as part of Upfront Cash Infusion:

S. No.	Name of the Allottee(s)	No. of NCDs	Amount (INR)
1	Finquest Financial Solutions Private Limited ("SRA")	99	99,00,00,000
2	Hypnos Fund Limited	95	95,00,00,000
	Total	194	1,94,00,00,000

iv. Reconstitution of the Board of Directors:

a. Upon achieving the Closing Date, i.e., on 12 June 2023, in terms of Clause 6.3 of the Resolution Plan, Shri Rajeev Ranjan Vederah, Shri Yashashree Padmakar Gurjar and Shri Padmakumar Nair are deemed to have resigned and vacated the office as Directors of the Company. The Board of Directors has been reconstituted with Mr. Hardik Patel (Whole time Director/CFO), Mr. BSP Murthy (Non-Executive Director), Mr. Ruchit Patel (Non-Executive Director), Mr. DG Ranjan (independent director), Mr. Shaikat H. Merchant (independent director) and Ms. Bina D. Trivedi (independent director). Mr. Punit Amarpal Singh Bajaj has been appointed as the Company Secretary of the Company (w.e.f. 1 July, 2023).

b. The shareholding of the existing Promoter and Promoters' Group shareholding stand extinguished and cease to be classified as promoters of the Corporate Debtor.

v. Distribution of Funds:

The Resolution Applicant along with foreign Financial Investors infused an amount of INR 2,43,27,76,870/- into the Escrow Account of the Corporate Debtor in the form of Equity and Unsecured NCDs through private placement pursuant to Clause 4.1 read with Clauses 2.3.2, 5.1.2, 5.1.1, 2.3.1 and 2.5.1 of the Escrow Agreement dated 29 May, 2023 and the Resolution Plan, which is distributed as below:

S. No.	Name of Sub-Account	Distribution Amount (in INR)
1	UNPAID CIRP COSTS SUB ACCOUNT	79,78,90,245
2	WORKMEN DUES SUB ACCOUNT	9,00,00,000
3	EMPLOYEES DUES SUB ACCOUNT	49,00,000
4	GOVERNMENT DUES SUB ACCOUNT	32,00,000
5	DISSENTING FCS SUB ACCOUNT	49,49,39,735
6	ASSENTING FCS SUB ACCOUNT	99,09,39,048
7	MC COSTS SUB ACCOUNT	3,09,07,844



vi. The SRA along with its Financial Investors- Hardik Patel and Hypos Funds (FPI) infused a second tranche of funds aggregating to INR 34,72,89,788/- on 8 September, 2023 for fulfillment of its obligations triggering on the 90th day from the Closing Date- i.e., for payment of cash in lieu of issuance of Non-Convertible Debentures and Cumulative Redeemable Preference Shares to the Assenting Unsecured Financial Creditors. Accordingly, the SRA, Hardik Patel and Hypos Funds were allotted the following instruments in lieu thereof:

S. No.	Name of the Allottee(s)	No. of NCDs	Amount (INR)
1	Hardik B Patel	12,72,89,788	12,72,89,788
2	Belgrave Investment Fund	17,00,00,000	17,00,00,000
3	Hypnos Fund Limited	5,00,00,000	5,00,00,000
<b>Total</b>		<b>34,72,89,788</b>	<b>34,72,89,788</b>

- d) Pending actions for implementation:
- Ex-gratia payment to other Operational Creditors (excluding employees, workmen and government dues)
  - Redemption of CRPS- 2 years from Closing date
  - Redemption of NCDs- 3 years from Closing Date
  - Sale of Assets

#### 4 Going concern

##### (a) Holding Company ("BILT")

The Company's networth is negative as on the reporting date and it continues to incur heavy losses. There is persistent severe strain on the working capital and this has resulted in considerable decline in the level of operations of the Company. As stated in note 3, pursuant to commencement of CIRP, the Board of Directors of the Company stood suspended and the management of the Company vested with the RP during the CIRP period. The RP is expected to make every endeavour to protect and preserve the value of the property of the Company and manage the operations of the Company as a going concern. Pending outcome of the CIRP, the standalone financial statements have been prepared on a going concern basis.

##### Going Concern at BILT Graphic Paper Products Limited (BGPPPL)

As at the year end, the accumulated losses of the Company exceed its share capital and have a net outflow of cash during the current year and the immediately preceding previous year. The manufacturing units at Ballarpur and Bhigwan continue to operate at 80% capacity and generated an EBITDA of ₹ 42,659/- Lakhs and ₹ 13,672/- Lakhs in the current year respectively. The net profit of the Company continued to be impacted by the working capital constraints and delay in settlement with its lenders. However, the performance of the Company is likely to be impacted in the financial year 2020-21 due to COVID 19 and is likely to result in reduced cash flows.

The ability of the Company to continue as a going concern is dependent on the following:

- The ability of the Company to operate at optimal capacity and revival of demand in the post COVID environment.
- Realisation of receivables from Sabah Forest Industries (SFI); and
- The Successful outcome of the cases surrounding the MRA.

Based on evaluation of the projected cash flows from operations, potential savings in finance costs arising upon signing of the "Master Restructuring Agreement" with its lenders, realisation of advances paid to SFI for purchases and sale of other noncore assets, the management is confident of overcoming the aforesaid challenges and expects to meet its obligations as and when they arise for at least next one year.

##### Going Concern at Ballarpur Paper Holdings B.V. (BPH)

During the year the Company has total comprehensive loss of Rs. 5,637,022,187/- (Previous year total comprehensive loss of Rs. 1,489,407,738). As at 31st March, 2020, the accumulated losses (including other comprehensive loss) of the Company was Rs. 22,595,784,006/- (Previous year Rs. 16,958,761,818/-), which have fully eroded the net worth of the Company and the Company's current liabilities exceeded its current assets by Rs. 10,809,865,697/- (Previous year Rs. 7,226,077,466/-). As the management believes that, negative working capital would not cause economic difficulties. In view of the Management's expectation of above the financial statements have been prepared on a going concern basis.

##### Going Concern at Ballarpur International Holdings B.V. (BIH)

During the year the Company has total comprehensive loss of Rs. 18,607,372,094/- (Previous year total comprehensive loss of Rs. 409,982,357/-). As at 31st March, 2020, the accumulated losses (including other comprehensive loss) of the Company was Rs. 20,728,104,068/- (Previous Year Rs. 2,120,531,974/-), which have fully eroded the net worth of the Company and the Company's current liabilities exceeded its current assets by Rs. 10,812,576,764/- (Previous Year Rs. 11,406,778,917/-). As the management believes that, negative working capital would not cause economic difficulties. In view of the Management's expectation of above the financial statements have been prepared on a going concern basis.

##### Going Concern at Ballarpur Speciality Paper Holdings B.V. (BSPH)

Further, during the year the Company has Total Comprehensive loss of Rs. 2,692,359/- (Previous year Total Comprehensive Income of Rs. 2,780,596/-). As at 31st March, 2020, the accumulated losses (including other comprehensive loss) of the Company was Rs. 28,898,323/- (Previous Year Rs. 26,205,964/-), which have fully eroded the net worth of the Company and the Company's current liabilities exceeded its current assets by Rs. 27,625,520/- (Previous Year Rs. 24,933,161/-). As the management believes that, negative working capital would not cause economic difficulties. In view of the Management's expectation of above the financial statements have been prepared on a going concern basis.

##### Going Concern at Bilt Paper B.V. (BPBV)

During the year the Company has total comprehensive loss of Rs. 25,396,296,807/- (Previous year total comprehensive Income of Rs. 3,208,827,257/-). As at 31st March, 2020, the accumulated (losses)/ Profit (including other comprehensive loss) of the Company was Rs. (19,734,996,070)/- (Previous Year Rs. 7,886,843,590/-) which have fully eroded the net worth of the Company and the Company's current liabilities exceeded its current assets by Rs. 7,593,348,919/- (Previous Year Rs. 1,481,268,223/-). As the management believes that, negative working capital would not cause economic difficulties. In view of the Management's expectation of above the financial statements have been prepared on a going concern basis.



## 5 Put Options

The Parent had written options in favour of investors of Bilt Paper B.V, a step down subsidiary of the Parent, which requires the Parent to comply with certain conditions within a stipulated time. Since the conditions were not met, the Parent is required to acquire the shares from the investors of Bilt Paper B.V. at a premium of 20% internal rate of return (IRR) on the value of the Options as per the terms of the Option upon exercise of these options.

The exercise period has commenced and the option holders have not exercised the option as at 31 March 2020. Pending conclusion of the CIRP proceedings, the Parent is unable to determine the potential outflow arising from exercise of the option by the holder and has accordingly not recognised any liability in these financial statements for the option. Also as per the Resolution plan approved by the Hon'ble National Company Law Tribunal Bench, Mumbai on 31 March, 2023 there is no Provision for the satisfaction of such claim.

- 6 **Gratuity:** In accordance with applicable Indian laws, the Parent provides for gratuity, a defined benefit plan, covering eligible employees. This Plan provides for a lump sum payment to vested employees on retirement, death, incapacity or termination of employment of amounts that are based on salary and tenure of employment. Liability with regard to this plan are determined by actuarial valuation.

The Parent has taken actuarial valuation of the gratuity obligation pertaining to Shreegopal Unit. The actuarial valuation of gratuity obligation pertaining to Kamalapuram Unit and Head Office have not been done as at 31 March 2020 and provision has been recognized based on management's internal estimation. The provision as at 31 March 2020 created based on management's internal estimation is Rs. 924 Lakhs. Further, disclosure pursuant to Ind AS 19 "Employee Benefits" is not provided since actuarial valuation is not done for Kamalapuram Unit and Head Office. The disclosure pursuant to Ind AS 19 for the financial year 2018-19 is given.

The Parent has taken actuarial valuation of the compensated absences obligation pertaining to Shreegopal Unit. The actuarial valuation of compensated absences obligation pertaining to Kamalapuram Unit and Head Office have not been done as at 31 March 2020 and provision has been recognized based on management's internal estimation. The provision as at 31 March 2020 created based on management's internal estimation is ` 296 Lakhs.

- 7 In view of the ongoing Corporate Insolvency Resolution Process ("CIRP") of the Parents, investments as at 31 March 2020 have not been tested for impairment.
- 8 Freehold land held for sale represents 540.64 acres of land at Choudwar, Odisha acquired by the Holding Company from the Government of Odisha during the year 1990-91 under a scheme approved by Board for Industrial and Financial Reconstruction (BIFR). During the year, the Holding Company observed certain inconsistencies in the title documents with respect to the freehold nature of the land. The Holding Company is in the process of correcting these inconsistencies in the title documents.

## 9 COVID -19

The pandemic caused by COVID-19 disease impacted adversely the economy . It also impacted every component of the business of the Company including sales, liquidity, supply chain management and production due to nation wide lockdown from 24 March 2020. The Company has considered impact of present and future economic conditions which may result from COVID-19 Pandemic while assessing carrying amount of Receivables, Inventory, Property Plant & Equipment and Provisions based on information available till the date of approval of these financial statements.

Further, physical counting of inventories as at 31 March 2020 could not be completed due to the lockdown and other restrictions imposed by COVID-19 pandemic.

A countrywide lockdown was announced on 24 March 2020 due to COVID 19 pandemic and the production was temporarily suspended until 11 May 2020. Despite the challenges faced due to COVID 19 pandemic, the manufacturing units at Ballarpur and Bhigvan resumed operations with effect from 12 May 2020 and have been operating since then with minor disruptions. The manufacturing unit at Ashti continues to be shut.

The Company's production, despatches, sales and market collections remained largely unaffected during the year ended March 31, 2020. The Company has taken pro-active measures in terms of mobilization of its critical work force, adopting stringent social distancing procedures and safety measures to overcome the manpower challenges faced by the Company due to lockdown.

The Company has made an assessment of its capital and financial resources including liquidity position and its ability to service debt and other financing arrangements for next one year. Though there is no impact of COVID 19 as at the year-end, the Company is continuously engaged with its lenders on steps to be taken to overcome the challenges arising due to COVID 19 in servicing its debt obligations in the next 12 months.

The Company has assessed the recoverability of the carrying values of its assets such as property plant and equipment, inventory, trade receivables, investments and other current assets as at the balance sheet date and has concluded that there is no notable impact of COVID 19 thereon.



## 10 Impairment of Assets

### Holding Company

The Company's operations were affected due to inadequate working capital facilities which resulted in shut downs and losses in earlier years. During the year the property, plant and equipment was tested for impairment based on value-in-use determined by management's internal assessment and an impairment loss of Rs. 35,400 lakhs is recognized and included in exceptional items in the statement of profit or loss.

### BILT Graphic Paper Products Limited (BGPPL)

The Company has tested the property, plant and equipment ('PPE') for impairment as at the end of the reporting period. The Company has identified the following Cash Generating Units (CGUs) for impairment testing:

- (a) Ballarpur Unit
- (b) Bhigwan Unit
- (c) Ashti Unit

The recoverable amount of the PPE at Ballarpur and Bhigwan Unit exceeded the carrying amount of the PPE at the respective Units and accordingly there is no impairment of PPE at these CGUs.

Ashti Unit has been shut since 2017 and the PPE at the Ashti Unit were utilised for limited purposes to support other CGUs. Since the Ashti Unit is non-operational, the recoverable amount of the CGU was determined based on an independent fair valuation of the PPE by M/s. Sapient Services Private Limited. The fair value of the PPE is determined based on the 'depreciated replacement cost' of the CGU and considering that plant has been shut for last 4 years, relevant factors such as non-maintenance factor, additional technical obsolescence factor, etc., have been considered in the fair valuation. Based on such fair valuation, the recoverable amount determined at ₹ 7,360 lakhs was lower than the carrying amount and an impairment loss of ₹ 6,521 lakhs is recognized for the year ended 31 March 2020. The impairment loss is included under 'Exceptional Item' in the statement of profit or loss.

11 Loan by the Parent to related parties includes Rs. 108,246 lakhs due from Ballarpur International Holdings BV ("BIH") and Rs. 6,359 lakhs due from Sabah Forest Industries ("SFI"), a step-down subsidiary of the Parent, which is under resolution process in Malaysia. The Parent had created provision for expected credit loss of Rs. 36,249 lakhs and Rs. 1,908 lakhs as at 31 March, 2020 towards the receivable from BIH and SFI respectively.

12 In case of the Holding Company (BILT), considering the ongoing CIRP, the certainty as to the realization of deferred tax assets cannot be ascertained at this stage. Consequently, adjustments to deferred tax (net) available have not been given effect to, during the year. No additional deferred tax assets have been recognized during the year.

Further, Step Down Subsidiary, BILT Graphic Paper Product Limited (BGPPL) has recognized deferred tax assets of Rs. 1,301 Lakhs (previous year Rs. 4,891 Lakhs) in excess over the taxable temporary differences (deferred tax liabilities) the recoverability of which is dependent on future taxable profits in excess of the profit arising from the reversal of deferred tax liabilities.

The BGPPL's operations have stabilised over the last two years. The significant loss for the financial year 2019-20 is on account of exceptional items and loss allowance of receivables from related parties. The BGPPL is taking various initiatives to optimize its operations and is confident that the BGPPL will be able to generate sufficient future taxable profits, in excess of the profit arising from the reversal of deferred tax liabilities, against which the aforesaid deferred tax assets can be realised.

13 The Parent had availed and utilized ineligible input credit of Goods & Service Tax amounting to Rs. 282 lakhs as at 31 March, 2020. The Parent had availed and utilized input credit of Rs. 282 lakhs on inward supplies of goods and services whereas the liability to the vendor had not been settled for more than 180 days (time limit specified in the second proviso to sub-section (2) of section 16 of Central Goods and Service Tax Act, 2017) as at 31 March, 2020. Accordingly, as per Rule 37 of Central Goods and Service Tax (CGST) Rules, 2017, the Parent was required to reverse the input credit and settle such input credit as outward tax liability.

14 Bank reconciliation statements as at 31 March 2020 have not been prepared for 4 bank accounts having a carrying amount of Rs. 8 Lakhs since the bank statements were not available for these bank accounts.

15 The confirmations and reconciliation of certain secured and unsecured loans, balances with banks, trade receivables, due to / from related parties, trade and other payables and loans and advances are pending. The management is in the process of obtaining confirmations and reconciliation of balances and ascertaining the impact of which is not ascertainable at present.

16 During the year, an Order was received by the Parent (BILT) from the Hon'ble Supreme Court of India confirming the grid support charges payable to Transmission Corporation of Andhra Pradesh Limited ("APTRANSCO"), the liability for which is estimated to be ₹ 1,516 Lakhs. Since no demand is received from APTRANSCO, the liability is not accrued as at 31 March 2020 and the same is reported as contingent liability.



## 17 Debt restructuring

### Debt restructuring at BILT Graphic Paper Products Limited (BGPPL)

The Company was facing severe financial crunch during the financial years 2016-17 and 2017-18 and based on the negotiations with the lenders, the Board of Directors in its meeting held on 07 November 2017 approved a Corrective Action Plan (CAP) in the form of a debt restructuring scheme. The CAP was approved by the majority of the lenders (representing 85% of lenders by value and 84% by numbers based on the lenders who were presented and voted on the scheme) in the JLF meeting held on 28 July 2017. The Scheme was subsequently put up to the Independent Evaluation Committee (IEC) of the Reserve Bank of India (RBI), which also approved the same vide its order dated 13 November 2017.

The terms and conditions of the restructuring were executed between the lenders and the Company vide 'Master Restructuring Agreement' ("MRA") dated 06 December 2017. The MRA was signed by twenty-two lenders and the balance seven lenders either abstained from the voting or did not agree to the debt restructuring scheme as envisaged in the MRA. Meanwhile, based on a directive from RBI, IDBI Bank Limited, one of the non-assenting lenders, initiated Corporate Insolvency Resolution Process ("CIRP") against the Company under the provisions of the Insolvency & Bankruptcy Code, 2016. The Company had appealed to the Hon'ble High Court of Delhi and obtained a stay on RBI's directive to IDBI Bank for taking the Company to National Company Law Tribunal ("NCLT"). Further, considering that conditions stipulated in RBI Circular dated 05 May 2017 were satisfied, majority of the lenders had agreed to the MRA and as advised by the Company's legal counsel, the Company had given effect to the MRA in the financial statements for the year ended 31 March 2018.

The MRA envisaged the following restructuring scheme:

- Conversion of the outstanding financial obligations (including interest overdue) as at the cut off date ("COD") i.e., 31 March 2017, into 4 components based on the security cover held in the Company as (a) Rupee Term Loan ("RTL"), (b) Non-convertible debentures ("NCD"), (c) Compulsorily redeemable preference shares ("CRPS") and (d) Equity shares.
- One Time Settlement (OTS) option for unsecured lenders, thereby allowing exit for lenders who did not prefer to enter into a long term re-alignment with the Company.
- Upfront contribution from the promoters

Accordingly, the secured and unsecured borrowings (comprising of the term loans, non-convertible debentures, short-term borrowings, and other working capital facilities except ECB Loans) aggregating Rs. 310,694 Lakhs and Rs. 170,740 Lakhs respectively, outstanding as on the COD, were converted to RTL of Rs. 268,876 lakhs, NCD of Rs. 88, 211 lakhs, CRPS of Rs. 58,095 Lakhs and Equity Shares (ES) Rs. 44,109 lakhs (pending allocation of shares this was retained in a separate category under other equity). Further the interest accrual for the period 1 April 2017 to 20 February 2018 was converted into funded interest term loss (FITL) of Rs. 22,143 lakhs.

The One Time Settlement option was agreed by certain lenders ("OTS lenders") having outstanding indebtedness (principal + interest) of Rs. 152,798 lakhs as on the COD. As per the Restructuring scheme such financial obligation will be settled by the Company at a reduced value Rs. 45,840 lakhs and the balance of Rs. 106,958 lakhs was waived off by lenders and the same was recognized as an exceptional gain in financial year 2017-18.

Equity contribution of Rs. 3820 lakhs (including securities premium) was brought in by the promoters during financial year 2017-18.

The terms of the MRA were amended on 8 March 2018 to extend certain timelines specified in the MRA and the Company agreed to pay interest to OTS lenders on the restructured borrowings at rate of 9% p.a from 8 March 2018 till date of settlement. The MRA was further amended twice during financial year 2018-19 to extend the timeline for (i) Repayment of outstanding amount to OTS lenders, (ii) Allotment of Equity and Preference shares, and (iii) Security creation & authorisation, specified under various clauses in the MRA.

### During the financial year 2018-19

- unsecured borrowing facilities from DBS Bank (since assigned to EARC TrustSC-356) were revised by an aggregate amount (including interest) of Rs. 218 lakhs which resulted in an increase in the RTL 1 loan by Rs. 80 lakhs, NCD by Rs. 45 lakhs, CRPS by Rs. 64 lakhs, FITL by Rs. 7 lakhs and Equity share capital by Rs. 22 lakhs.
- the Company had entered into a settlement agreement with Finquest Financial Solutions Private Limited ("FFSPL") as per which FFSPL agreed to accept a reduced value of Rs. 5412 lakhs towards settlement of the total outstanding dues as on COD (before restructuring) resulting in a reduction in RTL 1 loan by Rs. 6,086 lakhs, NCD by Rs. 3,500 lakhs, CRPS by Rs. 1,356 lakhs, FITL by Rs. 503 lakhs, interest accrued on the restructured borrowings of Rs. 985 Lakhs, equity component of CRPS - Rs. 4,769 lakhs and other equity by Rs. 1,750 lakhs and an exceptional gain of Rs. 13,575 lakhs during the financial year 2018-19.
- the Company repaid Rs. 5,833 lakhs (including interest of Rs. 3,818 lakhs) to OTS lenders and the total amount outstanding as at 31 March 2019 due to lenders who have opted for OTS is Rs. 49,659 Lakhs.

### During the financial year 2019-20

- During the year IDBI has assigned their loan to EARC Trust - SC 382  
The Company has entered into settlement with various lenders during the year which has resulted in exceptional gain of Rs. 5,605 lakhs and entered into a partial settlement of outstanding with IDBI Bank Limited which resulted in loss of Rs. 5,854 Lakhs, Net loss of Rs. 249 lakhs recognized under exceptional loss in the statement of profit and loss (Refer note 38). and resulted in reduction in the RTL 1 loan by Rs. 3,769 lakhs, NCD by Rs. 2,154 lakhs, CRPS by Rs. 835 lakhs, FITL by Rs. 310 lakhs, interest accrued on the restructured borrowings of Rs. 1,003 Lakhs, equity component of CRPS Rs. 2,934 lakhs, other equity by Rs. 1,078 lakhs.
- During the year, the Company has paid OTS Lenders by Rs. 12,715 lakhs (excluding reversal of foreign exchange loss of Rs. 422 lakhs)
- The MRA was further amended to extend the timelines for (i) Allotment of Equity and Preference shares and (ii) Security creation & authorisation, specified under various clauses in the MRA.



- (d) As OTS Lenders were not settled within the stipulated timelines, the lenders and the Company agreed to amend and restate the MRA ("restated MRA") with all its amendments to restructure the financial obligation to OTS lenders. The terms and conditions of the restated MRA were agreed between the lenders and the Company by March 2020, however, due to restrictions on account of the pandemic and finalisation of the terms and conditions of the moratorium requested by the Company on 31 March 2020, the restated MRA was executed on 07 December 2020. Since all the terms were agreed prior to 31 March 2020, this is considered as an adjustment event after the reporting date and the impact of the restated MRA has been incorporated in the financial statements for the year 2019-20.

As per the restated MRA, outstanding indebtedness as on 31 March 2017 due to unsettled OTS lenders to be restructured into RTL, NCD, CRPS and equity shares resulting in the reversal of OTS gain recognized during financial year 2017-18 pertaining to those OTS lenders. Further, ECBs were also restructured as part of the restated MRA. The financial impact of the restated MRA is as follows:

**Debt Restructuring Scheme (Contd.)**

Particulars	Rs. in Lakhs
Dues to unsettled OTS lenders	36,522
Exceptional loss (reversal of OTS gain)	85,216
External commercial borrowings (ECB)*	29,675
<b>Total</b>	<b>1,51,413</b>

\* ECBs were part of restructuring in the original MRA dated 06 December 2017. However, since these were subject to the compliance with the Master Directions on ECB issued by the RBI, the impact of the restructuring was not given during FY 2017-18. Based on the advice of legal counsel during the year, the management has concluded that the Company has complied with the relevant requirements of Master Directions on ECB issued by RBI and accordingly accounted for restructuring of outstanding as at 31 March 2020.

The financial obligation as above is restructured as follows

Facility	Rs. in Lakhs		
	Secured	Unsecured	Total
Rupee Term Loans (RTL I)	20,986	42,608	63,594
Non convertible debentures (NCD)	6,064	24,348	30,412
Compulsorily Redeemable Preference Shares (CRPS)	-	42,608	42,608
Equity Shares (ES)	2,625	12,174	14,799
	<b>29,675</b>	<b>1,21,738</b>	<b>1,51,413</b>
Funded Interest term loans (FITL)*	854	3,110	3,963
	<b>30,529</b>	<b>1,24,848</b>	<b>1,55,377</b>

\* interest accrued restructured as FITL

Consequential net interest charge upto 31 March 2019, on the restructured borrowings as above, amounting to Rs. 6,280 lakhs is recognized as exceptional item in the statement of profit and loss and net interest charge for the year 2019-20, on the restructured borrowings as above, amounting to Rs. 3,875 lakhs is recognized as finance cost.

Other terms of the restated MRA

- (a) Equity shares shall be issued to the lenders at a price of Rs. 20.56 (face value of Rs. 10/- per equity share) on a preferential basis in compliance with the requirements of the Companies Act, 2013 and all other applicable laws to all lenders. The equity shares to be issued to the lenders were earmarked for the aforesaid purpose as on 31 March 2020 and the same is disclosed as a separate component under Other Equity.
- (b) the Promoters/management of the company is eligible for performance linked sweat equity shares of the company to the extent of 7.5% of the issued and paid up equity share capital of the company at the time of issuance of equity shares based on pre agreed milestones in three tranches. As on 31 March 2020, the Company is in the process of executing the corporate authorisation and resolutions required under the Companies Act 2013 for sweat equity. Once all the necessary authorisation and approvals are in place the same will be accounted in the books of account.
- (c) Priority loans aggregating Rs. 30,050 Lakhs obtained by the Company from ECL Finance Limited, Finquest Financial Solutions Private Limited and IndusInd Bank Limited are repayable as per repayment term agreed with Priority lenders.
- (d) In accordance with the RBI guidelines relating to the COVID-19 Regulatory Package dated 27 March 2020 and 23 May 2020 the Company had requested to the lenders to grant moratorium for all repayments of principal and payment of interest on loans and working capital facilities (except priority loans) falling due between 1 March 2020 and 31 August 2020 which was accepted by the lenders. The consequential changes to the terms of repayment were incorporated in the amended and restated MRA.
- (e) During the financial year 2018-19, the stay order from Hon'ble Delhi High Court, in relation to the CIRP initiated by IDBI Bank, was partially vacated and subsequently based on a transfer petition filed by the Company before the Hon'ble Supreme Court of India, the case was tagged with a similar case pending before Hon'ble Supreme Court. Subsequent to assignment of borrowings between IDBI Bank and EARC Trust – SC 382 during financial year 2019-20, based on a substitution application filed by EARC Trust – SC 382 before Hon'ble Supreme Court on 27 January 2021, all the rights and obligation under the suit now rest with EARC Trust – SC 382. The case is yet to be listed for hearing and the matter is sub-judice.



- (f) Further, during the financial year 2018-19, Kotak Mahindra Bank (KMB), one of the non-assenting lenders, filed a petition with NCLT to initiate Corporate Insolvency Resolution Process ("CIRP") against the Company under the provisions of the Insolvency & Bankruptcy Code, 2016 which is yet to be listed in the NCLT. Further, in pursuance of the defaults by the Company, facilities granted were recalled by KMB and an application for consideration as a secured lender was filed before Dispute Recovery Tribunal, Delhi which is pending for hearing and disposal as on date. During the year, KMB has initiated case before Delhi High Court to expedite the hearing process, Hon'ble Delhi High Court has reverted the matter to DRT.
- (g) Adjustments, if any, arising upon pronouncement of the aforesaid decisions by the relevant Courts / Authorities shall be given effect in the year in which the decision is pronounced.
- (h) Post execution of MRA, the Company is regular in servicing its debt of the assenting lenders as per the terms agreed in the MRA (amended) and amounts due to non-assenting lenders are being deposited in the Trust and Retention Account (TRA) upto 31 March 2020. The particulars of amount transferred to TRA for non assenting lenders towards RTL I and FTTL.
- (i) During the year, ECL Finance Limited claimed the charges unpaid by promoter group entity towards cash flow monitoring fees pertaining for the period March 2017 to October 2019 with the Company. During the year, the Company has agreed with ECL Finance Limited to assume this charge and accordingly Rs. 807 lakhs is recognized as finance cost.
- (j) The balances of borrowings and interest accrued in the books are subject to confirmation from all the lenders as at 31 March 2020.





18 The Financial Statements of 3 step down foreign subsidiaries (Mirabelle Trading Pte. Ltd., Sabah Forest Industries and Bilt Graphic Trading FZE) which have a total assets base of Rs. 2,91,037 lakhs and which are material to the group are unaudited and have not been certified by their Management.

19 In case of step-down subsidiary company Bilt Graphic Paper Products Limited ("BGPPL"), dues from related parties includes Rs. 44,723 lakhs net due from Sabah Forest Industries ("SFI"), a fellow subsidiary of BGPPL, which is under resolution process in Malaysia. BGPPL had created provision for expected credit loss of Rs. 13,424 lakhs as at 31st March, 2020 towards the receivable from SFI.

**20 Disclosures pursuant to Ind AS 10, 'Events after the reporting period'**

**(a) Bilt Graphic Paper Products Limited**

(i) On 15th June 2020, Company has converted 3,00,00,000 Nos. of Compulsory convertible debentures (CCD) in equity shares by allotting 15,00,00,000 equity shares of face value 10 each at a premium of 10 per share to Ballapur Paper Holding B.V.

(ii) As per the terms and conditions of the restated 'Master restructuring agreement' (MRA) were agreed between the lenders and the Company by March 2020, however, due to announcement of countrywide lockdown on 24 March, 2020 due to Covid 19 pandemic and finalisation of the terms and conditions of the moratorium requested by the Company on 31 March 2020, Restated MRA was no executed by 31 March 2020. Finally the restated MRA was executed on 07 December 2020. Since all the terms and conditions were agreed prior to 31 March 2020, this is considered as an adjustment event after the reporting date and the impact of the restated MRA has been incorporated in the financial statements for the year 2019-20.

(iii) On 22 May 2022, a fire occurred in wood depot maintained by Unit Ballapur of the Company, The fire had destroyed wood valuing approximately Rs. 2,758 Lakhs. The same is covered under insurance and claim is being lodged. This being a non adjusting subsequent event, no adjustment is made in these financial statement.

(iv) Serious Fraud Investigation Office (SFIO) had launched an investigation into the affairs of M/s CG Power and Industrial Solutions Limited and fifteen related/group companies, including Bilt Graphic Paper Products Limited, under section 212(1)(c) of the Companies Act 2013. In this regard, SFIO has sought certain information/documents from the company which are being furnished.

(v) Subsequent to the reporting period, considering the exceptional financial performance of the Company for the financial year 2022-23, the Company, vide a circular resolution of the Board of Directors dated 18 May 2023, have authorised to pay:

(a) A one-time lumpsum aggregating to Rs. 1,075 lakhs to 2 erstwhile directors of the Company; and

(b) A one-time lumpsum reward of Rs. 3,25 lakhs to the whole time director in addition to the salary and other benefits to him.

Further, the shareholders of the Company, vide a resolution in the Extra Ordinary General held on 29 May 2023, has approved the payment to the whole-time director as per the requirements of the Companies Act, 2013.

(vi) On 15th November 2021, The High Court of Sabah and Saravak had passed order for winding up of Sabah Forest Industries SDN. BHD. (SFI), a fellow subsidiary of the Company. SFI has also appealed the winding up orders in the Court of Appeal of Malaysia on 10th December-2021. The Company on a prudent basis has considered the Order in its assessment of expected credit loss provision for advance recoverable from SFI as at 31st March 2021.

**(b) Bilt International Holding B.V**

Bilt Paper BV (BPBV), Subsidiary of BIH and erstwhile Parent Company of Ballapur Paper Holdings BV (BPH), had pledged 70% of its shareholding in BPH with certain lenders towards financial facilities provided by the lenders to BPH. In February 2021, the pledge was invoked by the lenders and the voting rights attached to the pledged shares has been transferred to the lenders. The Company has reassessed the relationship status and concluded that BPBV ceased to control the BPH consequent to invocation of the pledge in February 2021. The current Management of the Parent is under the process of assessing the legality of this transaction and would be taking final decision regarding this matter in due course of time.



- 21 One of the foreign subsidiary Ballarpur Speciality Paper Holdings B.V. has fully written off its investment in BILT General Trading FZE, UAE ("BGT") as BGT does not carry on any operations and there is no intention to carry on the business in future also the license of BGT was expired.
- 22 (a) In Bilt Paper B.V., certain Balances of Related Parties and other Parties shown in other Payables are subject to reconciliation/confirmation and also the said Company has not received direct confirmation thereof. The consequential impact of confirmation/reconciliation/ adjustment of such Balance is not ascertainable. However, in the opinion of the management, these will not have any significant impact on the loss (including other comprehensive loss), other equity, assets, and liabilities as on the balance sheet date.
- (b) In Ballarpur Speciality Paper Holdings B.V., certain Balances of Related Parties and other Parties shown in other Payables are subject to reconciliation/confirmation and also the said Company has not received direct confirmation thereof. The consequential impact of confirmation/reconciliation/adjustment of such Balance is not ascertainable. However, in the opinion of the management, these will not have any significant impact on the loss (including other comprehensive loss), other equity, assets, and liabilities as on the balance sheet date.
- (c) In Ballarpur International Holdings B.V. (BIH), certain Balances of Related Parties and other Parties shown in other Payables are subject to reconciliation/confirmation and also the said Company has not received direct confirmation thereof. The consequential impact of confirmation/reconciliation/adjustment of such Balance is not ascertainable. However, in the opinion of the management, these will not have any significant impact on the loss (including other comprehensive loss), other equity, assets, and liabilities as on the balance sheet date.
- (d) In Ballarpur Paper Holdings B.V., certain Balances of Related Parties and other Parties shown in other Payables are subject to reconciliation/confirmation and also the said Company has not received direct confirmation thereof. The consequential impact of confirmation/reconciliation/adjustment of such Balance is not ascertainable. However, in the opinion of the management, these will not have any significant impact on the loss (including other comprehensive loss), other equity, assets, and liabilities as on the balance sheet date.
- 23 During the year M/s. Suraksha Assets Reconstruction Limited ("SARL") invoked its pledge on certain brands / trademarks, pledged by Ballarpur Industries Limited ("the Company"), against the financial facilities provided by SARL. Subsequent to the invocation required documentation was effected during the year ended 31 March 2020 to transfer the said brands / trademarks to SARL for a consideration of Rs. 1,793 Lakhs. However, the transfer of the said brands / trademarks could not be completed before the commencement of CIRP and by virtue of moratorium issued by Hon'ble NCLT, Mumbai vide its Order dated 17 January 2020, no effect of the same has been recorded in the books of account and financial statements for the year ended 31 March 2020.
- 24 The Receiver and Manager of Sabah Forest Industries Sdn. Bhd.(SFI), a step down subsidiary, had entered into a binding agreement with a bidder in financial year 2018-19 for sale of assets of SFI. In financial year 2019-20 the government of Malaysia has initiated rebidding on the assets of SFI which has been legally contested / disputed by the original bidder. Pending outcome of the legal dispute the Receiver and Manager of SFI has confirmed that the minimum rebid base price will not be lower than the original bid amount of MYR 1.20 billion which is more than the carrying value of the assets held for sale. Accordingly, assets held for sale pertaining to SFI are continued to be reported at carrying value.



- 25 The Company has during the year reversed the following transactions aggregating Rs. 83,193 Lakhs, which were given effect in the financial statements for the year 2018-19 and were subject to approvals from relevant authorities/ stakeholders.
- Tripartite agreement for settlement of amounts due from subsidiary against dues to step-down subsidiary amounting Rs. 17,393 Lakhs.
  - Assignment of its rights, title and interest in freehold land to the step-down subsidiary whose loans were secured against this land for a consideration of Rs. 39,400 Lakhs.
  - Renewal of the License agreement granting "Right to use" "BILT logo and other trademarks" to its step-down subsidiary amounting Rs. 26,400 Lakhs in respect of which lenders/ certain investors have initiated reevaluation of the pricing.
- 26 Exceptional loss / gain for the year ended 31 March 2020 includes;  
 'Exceptional items for the financial year 2019-20 represents exceptional loss of Rs, 35,400 lakhs arising from impairment in the carrying value of Property, plant and equipment net of exceptional gain of ` 32 Lakhs on disposal of investment in Premier Tissues (India) Limited.
- 'Exceptional items for the financial year 2019-20 includes exceptional loss of Rs. 98,266 Lakhs (Previous year Rs. 12,507 Lakhs) and exceptional gain of Rs Nil (Previous year Rs 13,576 Lakhs).
- 'Exceptional loss for the financial year 2019-20 represents loss arising on impairment in the carrying value of Property, Plant and Equipment of ` 6,521 Lakhs, net loss of Rs 249 Lakhs towards settlement reached with lenders during the year towards settlement/assignment of borrowings, and loss arising from execution of amendment to 'Master restructuring agreement' aggregating ` 91,496 Lakhs.
- 27 Effective 1st April 2019, the Parent had adopted Ind AS 116 "Leases", applied to all lease contracts existing as on 1st April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended 31st March 2019 have not been retrospectively adjusted. The cumulative effect of applying the standard resulted in a charge of Rs. 12 Lakhs (net of tax) to retained earnings as at 1st April 2019 in the standalone financial results. The effect of this adoption is insignificant on the loss for the current period and earnings per share.
- 28 During the year the Group has sold SEWA Unit on a slump sale basis for a consideration of Rs. 1,500 Lakhs and has recognized a gain on disposal of Rs. 289 Lakhs
- 29 The Parent had during the year entered into a Job work agreement with 'M/s BSFC Distributor Private Limited' to manufacture paper and other paper products at Unit Shree Gopal on job work basis. However, upon initiation of CIRP and nationwide lockdown, the job work arrangement was discontinued with effect from 24 March 2020.
- 30 (a) **Discontinued operations**
- SEWA Unit  
 Pursuant to the 'Master Restructuring Agreement' (MRA) entered into with the lenders during financial year 2017-18 (Refer note 44) the management has decided to dispose off the Unit SEWA located at Odisha to ease the financial stress and to step up the operations of the Company. In line with these, Unit SEWA was classified as 'discontinued operations' as at 31 March 2019.  
 During the year the Company has sold SEWA Unit on a slump sale basis for a consideration of Rs. 1,500 Lakhs and has recognized a gain on disposal of Rs. 289 Lakhs.
  - SFI  
 The disposal of the operations of SFI is in progress and pending delay in the closure of the previous bid, the receiver initiated the re-bidding process. The company expects no reduction in the bid value as confirmed by the Receiver and Manager



31 Ballapur Industries Limited ("BILT/Company") has been acquired by Finquest Financial Solutions Private Limited on an "as-is where-is" basis, pursuant to a resolution plan approved by the Hon'ble NCLT vide order dated 31st March 2023. The Closing Date in terms of the Resolution Plan occurred on 12th June 2023 and a new Board of Directors have been appointed vide resolution dated 12th June 2023. The Company's Financial Statements for the financial years 2019-20, 2020-21, 2021-22 & 2022-23 have not been prepared, audited, approved & Filed with the jurisdictional registrar of companies ("ROC"), as is required under the relevant provisions of the Companies Act, 2013 ("Companies Act") and requisite documentation & information to enable preparation of the same is not currently available. Accordingly, fulfilling these compliance requirements involves certain inherent limitations for the Current Board of Directors & Management of the Company ("Inherent Limitations"). The directors of the company are required to approve the accounts of the company for the financial years ended 31st March 2020. The said accounts pertain to the period prior to the appointment of the current directors of the company and the current directors had no role to play during the period covered by the said accounts either in the management of the Company or perusing or scrutinising the accounts. However, the financial accounts of the Company for the said period are required to be signed and filed in order to fulfil various compliances and hence the directors are signing the said financial statements without incurring any responsibility or liability for the same or any part thereof. The New Board & KMPs have, in this regard, relied solely and exclusively on the books, papers, records and other information, documents, clarifications, representations, communications, notices &/or certifications (Collectively, "Books & Records") furnished to them by or on behalf of the Resolution Professional. The New Board and KMPs have approved and signed the Subject Accounts on the basis that the Books and Records provided to them: (i) are genuine, correct and accurate; (ii) are complete; (iii) have been prepared and maintained in accordance with the applicable accounting standards, policies and conventions which have also been disclosed to the New Board and KMPs, and the New Board and KMPs are not aware of any significant exercise of judgment which has not been disclosed to them in writing in this regard; and (iv) are not in any way fraudulent or misleading. However, the financial accounts of the Company for the said period are required to be signed and filed in order to fulfil various compliances and hence the directors are signing the said financial statements.

With respect to the financial statements for the company for FY 31st March 2020 the same is being signed by Mr. Hardik B. Patel, Mr. BSP Murthy, Mr. Ruchit Patel, Mr. DG Ranjan, Mr. Shaukat H. Merchant and Ms. Bina D. Trivedi, Director of the Company ("Director") and Mr. Punit A. Bajaj, Company Secretary of the company (collectively "New Board and KMPs"), solely for the purpose of ensuring compliance by the Company with applicable laws, and subject to the following disclaimers:

- i. The KMPs are signing the financial statements in good faith without admitting any liability and accordingly, no suit, prosecution or other legal proceeding shall lie against him/them;
- ii. No statement, fact, information (whether current or historical) or opinion contained herein should be construed as a representation or warranty, express or implied, of the KMPs and the KMPs have assumed the same to be correct while signing the financial statements in good faith in order to cure/regularise the non-compliance of the Company with respect to its filing requirements under the Companies Act, 2013, including to make its status 'Active Compliant' in the MCA portal which is required for implementation of the Resolution Plan;
- iii. The KMPs, while signing the financial statements for the year ended 31st March 2020 (which pertains to the tenure prior to their date of appointment as a KMP in the Company), have assumed that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the annual return and that they give true and fair view of the position of the Company as of the dates and period indicated therein. Accordingly, the Directors are not. The New Board and KMPs further disclaim all responsibility as to matters regarding: (i) recording, disclosing and dissemination of matters set out in, and record-keeping and preservation of, the Books and Records; (ii) matters that require specific disclosure in the Subject Accounts, including (without limitation) identification of related parties and related party transactions; and (iii) matters concerning maintenance of internal controls, systems and processes; The New Board and KMPs have relied upon the accounts and financial statements of all the subsidiaries, joint ventures and related parties, being duly and properly prepared, verified and approved in accordance with applicable laws including the relevant accounting standards, for the purpose of consolidation of such financial statements and preparation of the Subject Accounts.

32 Previous period figures have been regrouped/reclassified wherever necessary, to conform to this period's classification.

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HANGEKAR

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For Ballapur Industries Limited



Mr. Hardik B Patel  
Whole time Director/CFO  
DIN: 00590663  
Date: 20-03-2024  
Place: Jalandhar

**ANNEXURE I**

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

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020</b> [See Regulation 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)  (Rs. In lakhs)	Adjusted Figures (audited figures after adjusting for qualifications)  (Rs. In lakhs)
	1.	Turnover / Total Income	3,35,620	Not Determinable
	2.	Total Expenditure (Incl. exceptional items)	5,41,230	
	3.	Net Profit / (Loss)	(2,48,685)	
	4.	Earnings Per Share	(14.89)	
	5.	Total Assets	10,27,799	
	6.	Total Liabilities	13,56,515	
	7.	Net Worth	(3,28,716)	
	8.	Any other financial item(s) (as felt appropriate by the management)	-	
<b>II.a</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	<b>Qualification 1</b>			
<b>a.</b>	<b>Details of Audit Qualification:</b> Even though the resolution plan of the Parent has been approved by the Hon'ble National Company Law Tribunal, Mumbai bench on 31 March, 2023, but still there exists material uncertainty related to going concern of the Group as we are unable to obtain sufficient and appropriate audit evidence to conclude on the appropriateness of the use of going concern assumption in the preparation of consolidated financial results. (Refer note no. 4 to the consolidated financial results).			
<b>b.</b>	<b>Type of audit Qualification:</b> Disclaimer of Opinion			
<b>c.</b>	<b>Frequency of qualification:</b> First time during the financial year under report			
<b>d.</b>	<b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b> Not Quantified by the Auditors			
<b>e.</b>	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>			
	<b>(i) Management's estimation on the impact of qualification: N.A.</b>			
	<b>(ii) If management is unable to estimate the impact, reasons for the same:</b> The Company's networth is negative as on the reporting date and it continues to incur heavy losses. There is persistent severe strain on the working capital and this has resulted in considerable decline in the level of operations of the Company. As stated in note 3 of financial results, pursuant to commencement of CIRP, the Board of Directors of the Company stand suspended and the management of the Company vested with the RP. The RP is expected to make every endeavour to protect and			



	<p>preserve the value of the property of the Company and manage the operations of the Company as a going concern.</p> <p>Further, the CIRP process of the Company has been concluded and Ballapur Industries Limited ("BILT/Company") has been acquired by Finquest Financial Solutions Private Limited on an "as-is where-is" basis, pursuant to a resolution plan approved by the Hon'ble NCLT vide order dated 31st March 2023. The Closing Date in terms of the Resolution Plan occurred on 12th June 2023 and a new Board of Directors have been appointed vide resolution dated 12th June 2023.</p>
	<b>(iii) Auditors comment on (i) and (ii) above:</b> Impact is not determinable.

<b>Qualification 2</b>	
<b>a.</b>	<p><b>Details of Audit Qualification:</b></p> <p>The Parent has not accrued the liability towards outstanding put options and the management is unable to quantify the liability with respect to the outstanding put options. Accordingly, the Parent's erstwhile auditors were unable to quantify the impact on the standalone financial statements &amp; hence we are also unable to quantify this impact on the Consolidated Financial Results (Refer note no. 5 to the consolidated financial results).</p>
<b>b.</b>	<b>Type of audit Qualification:</b> Disclaimer of Opinion
<b>c.</b>	<b>Frequency of qualification:</b> First time during the financial year under report
<b>d.</b>	<p><b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b></p> <p>Not Quantified by the Auditors</p>
<b>e.</b>	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>
	<b>(iv) Management's estimation on the impact of qualification:</b> N.A
	<p><b>(v) If management is unable to estimate the impact, reasons for the same:</b></p> <p>The Parent had written options in favour of investors of Bilt Paper B.V, a step down subsidiary of the Parent, which requires the Parent to comply with the certain conditions within a stipulated time. Since the conditions were not met, the Parent is required to acquire the shares from the investors of Bilt Paper B.V. at a premium of 20% internal rate of return (IRR) on the value of the Options as per the terms of the Option upon exercise of these options.</p> <p>The exercise period has commenced and the option holders have not exercised the option as at 31 March 2020. Pending conclusion of the CIRP proceedings, the Parent is unable to determine the potential outflow arising from exercise of the option by the holder and has accordingly not recognized any liability in these financial statements for the option. Also as per the Resolution plan approved by the Hon'ble National Company Law Tribunal Bench, Mumbai on 31.03.2023 there is no Provision for the satisfaction of such claim.</p>
	<b>(vi) Auditors comment on (i) and (ii) above:</b> Impact is not determinable.
<b>Qualification 3</b>	
<b>a.</b>	<b>Details of Audit Qualification:</b>



	<p>Pursuant to commencement of the CIRP on 17 January, 2020 under Insolvency and Bankruptcy Code, 2016 ('the Code'), the Resolution Professional (RP) has received various claims submitted by the financial creditors, operational creditors, employees and other creditors:</p> <p>a. With respect to the financial creditors, the Parent had recognized additional liability of Rs. 27,742 lakhs (net of reversals and write back of liabilities), which represents the difference between borrowings and corresponding interest claims of the financial creditors admitted by the RP and the borrowings and interest accrued in the books as at 31 March, 2020. The erstwhile auditors of Parent were not provided with reconciliation along with reasons for this difference in order to ascertain the completeness and valuation of liabilities recognized by the Parent and accordingly we are also not able to ascertain the same on the Consolidated Financial Results. (Refer note 3(b) to consolidated financial results)</p>
b.	<b>Type of audit Qualification:</b> Disclaimer of Opinion
c.	<b>Frequency of qualification:</b> First time during the financial year under report
d.	<b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b> Not Quantified by the Auditors
e.	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>
	<b>(vii) Management's estimation on the impact of qualification:</b> N.A
	<b>(viii) If management is unable to estimate the impact, reasons for the same:</b> Pursuant to commencement of CIRP, the Resolution Professional has received various claims submitted by the financial creditors, operational creditors, employees and other creditors. The company observed a difference of Rs. 27,742 lakhs between the carrying amount of borrowing (including interest accrued) in the books of account and the financial creditors claim admitted by the RP. The company has accrued this difference of Rs. 27,742 lacs as at 31 March 2020 and charged finance cost in statement of profit and loss. The overall obligations and liabilities regarding other claims submitted by operational creditors, employees and others shall be determined during CIRP. Pending final outcome of this, no accounting impact in the books of accounts has been made in respect of excess, short or non-receipts of claims for operational creditors, employees and other creditors.
	<b>(ix) Auditors comment on (i) and (ii) above:</b> Impact is not determinable.
<b>Qualification 4</b>	
a.	<b>Details of Audit Qualification:</b> Provision for gratuity and compensated absences pertaining to the Corporate Office and Kamalapuram Unit had been determined by the Parent's Management on an adhoc basis as at 31 March, 2020. Ind AS 19 'Employee Benefits' requires that the provision for long term employee benefits such as gratuity and compensated absences need to be determined based on actuarial valuation.  Accordingly, the provision for long term employee benefits as at 31 March, 2020 is not in compliance with Ind AS 19 and the erstwhile auditors of Parent were unable to conclude on the adequacy of the provision for gratuity and compensated absences as at 31 March, 2020 and accordingly, we are also not able to ascertain the same on the Consolidated Financial Results. The provision for gratuity and the provision for compensated absences which has been determined on an adhoc basis as at 31 March, 2020 is Rs. 924 lakhs and Rs. 296 lakhs respectively. (Refer note no. 6 to the consolidated financial results).



b.	<b>Type of audit Qualification:</b> Disclaimer of Opinion
c.	<b>Frequency of qualification:</b> First time during the financial year under report
d.	<b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b> Not Quantified by the Auditors
e.	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>
	<b>(x) Management's estimation on the impact of qualification: N.A.</b>
	<b>(xi) If management is unable to estimate the impact, reasons for the same:</b>  In accordance with applicable Indian laws, the Parent provides for gratuity, a defined benefit plan, covering eligible employees. This Plan provides for a lump sum payment to vested employees on retirement, death, incapacity or termination of employment of amounts that are based on salary and tenure of employment. Liability with regard to this plan are determined by actuarial valuation.  The Parent has taken actuarial valuation of the gratuity obligation pertaining to Shreegopal Unit. The actuarial valuation of gratuity obligation pertaining to Kamalapuram Unit and Head Office have not been done as at 31 March 2020 and provision has been recognized based on management's internal estimation. The provision as at 31 March 2020 created based on management's internal estimation is ₹ 924 Lakhs. Further, disclosure pursuant to Ind AS 19 "Employee Benefits" is not provided since actuarial valuation is not done for Kamalapuram Unit and Head Office. The disclosure pursuant to Ind AS 19 for the financial year 2018-19 is given.
	<b>(xii) Auditors comment on (i) and (ii) above:</b> Impact is not determinable.
<b>Qualification 5</b>	
a.	<b>Details of Audit Qualification:</b>  The Parent had not performed impairment assessment of its investments as at 31 March, 2020 in line with the requirements of Ind AS 109 'Financial Instruments' and Ind AS 36 Impairment of Assets'. Accordingly, the erstwhile auditors of Parent were unable to conclude on the carrying value of investments and the consequential impact, if any, on the standalone financial results and accordingly we are also not able to conclude the same on the Consolidated Financial Results. (Refer note no. 7 to the consolidated financial results).
b.	<b>Type of audit Qualification:</b> Disclaimer of Opinion
c.	<b>Frequency of qualification:</b> First time during the financial year under report
d.	<b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b> Not Quantified by the Auditors
e.	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>
	<b>(xiii) Management's estimation on the impact of qualification: N.A.</b>
	<b>(xiv) If management is unable to estimate the impact, reasons for the same:</b>  In view of the ongoing Corporate Insolvency Resolution Process ("CIRP"), investments as at 31 March 2020 have not been tested for impairment and same was not been carried by Resolution Professional.





	(xv) Auditors comment on (i) and (ii) above: Impact is not determinable.
<b>Qualification 6</b>	
a.	<p><b>Details of Audit Qualification:</b></p> <p>The Parent had reclassified the land situated at Choudwar, Odisha, from 'Assets held for sale' to 'Property, Plant and Equipment'. Ind AS 105 on 'Non-current assets held for sale and discontinued operations' which requires that when a non-current asset ceases to be classified as 'Assets held for sale', the same shall be measured at the lower of:</p> <ol style="list-style-type: none"> <li>it's carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale, and</li> <li>its recoverable amount at the date of the subsequent decision not to sell;</li> </ol> <p>The Parent had not determined the recoverable amount as at the date of reclassification and had reclassified the land at its carrying value of Rs. 39,951 lakhs. The same is not in compliance with Ind AS 105 and the erstwhile auditors of Parent were unable to ascertain on the financial impact of the same on the Standalone Financial Results and accordingly, we are also not able to ascertain this impact on the Consolidated Financial Results. (Refer note 8 to the consolidated financial results)</p>
b.	<b>Type of audit Qualification:</b> Disclaimer of Opinion
c.	<b>Frequency of qualification:</b> First time during the financial year under report
d.	<p><b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b></p> <p>Not Quantified by the Auditors</p>
e.	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>
	(xvi) Management's estimation on the impact of qualification: N.A
	<p>(xvii) If management is unable to estimate the impact, reasons for the same:</p> <p>Freehold land classified as "Assets held for sale" in the previous year have been reclassified as "Property Plant and Equipment" ("PPE") consequent to the initiation of CIRP proceedings against the Company. Pending conclusion of the CIRP proceedings, the recoverable amount of the freehold land is not determined and it has been reclassified to PPE at it carrying value in the books of account.</p>
	(xviii) Auditors comment on (i) and (ii) above: Impact is not determinable.
<b>Qualification 7</b>	
a.	<p><b>Details of Audit Qualification:</b></p> <p>On account of the COVID-19 related lockdown restrictions, the Parent's management was unable to perform the physical count of inventories as at 31 March, 2020. Further, on account of the suspension of the operations of the Parent, the erstwhile auditors of Parent were unable to perform any alternate procedures to audit the existence of the inventories as per SA 501 'Audit Evidence - Specific Consideration for Selected Items' and 'Physical inventory verification - Key audit considerations amid COVID-19' issued by the Institute of Chartered Accountants of India. Therefore, the erstwhile auditors of Parent were unable to conclude whether inventories of Rs. 1,678 lakhs were fairly stated as at 31 March, 2020 by the Parent and accordingly we are unable to conclude whether the inventories are fairly stated in the consolidated financial results. (Refer note no. 9 to consolidated financial results).</p>



b.	<b>Type of audit Qualification:</b> Disclaimer of Opinion
c.	<b>Frequency of qualification:</b> First time during the financial year under report
d.	<b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b> Not Quantified by the Auditors
e.	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>
	<b>(xix) Management's estimation on the impact of qualification:</b> N.A
	<b>(xx) If management is unable to estimate the impact, reasons for the same:</b> On account of the lockdown and restrictions imposed due to COVID-19 pandemic, the erstwhile management / Resolution Professional has not performed physical count of inventories as at 31 March 2020.
	<b>(xxi) Auditors comment on (i) and (ii) above:</b> Impact is not determinable.
<b>Qualification 8</b>	
a.	<b>Details of Audit Qualification:</b> The Parent had recognized an impairment loss of Rs. 35,400 lakhs on Property, Plant and Equipment as at 31 March, 2020. As per Ind AS 36 'Impairment of Assets', impairment loss is to be recognized at the excess of carrying amount of assets/cash generating unit (CGU) over their recoverable value. The Parent had not determined the recoverable amount as per the requirements of Ind AS 36 'Impairment of Assets' and had not provided the erstwhile auditors of Parent the basis for determining the impairment loss of Rs. 35,400 lakhs. Therefore, the erstwhile auditors of Parent were unable to conclude on the adequacy of impairment loss recognized by the Parent and according we are also unable to conclude whether the Property, Plant and Equipment are fairly stated in the Consolidated financial results. (Refer note no. 10 consolidated financial results).
b.	<b>Type of audit Qualification:</b> Disclaimer of Opinion
c.	<b>Frequency of qualification:</b> First time during the financial year under report
d.	<b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b> Not Quantified by the Auditors
e.	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>
	<b>(xxii) Management's estimation on the impact of qualification:</b> N.A.
	<b>(xxiii) If management is unable to estimate the impact, reasons for the same:</b> During the year, the property, plant and equipment of Unit Shree Gopal were tested for impairment based on value-in-use determined by management's internal assessment and an impairment loss of Rs. 35,400 lakhs is recognized and included in exceptional items in the statement of profit or loss. Pending outcome of CIRP, the property, plant and equipment pertaining to Kamalapuram Unit and Head Office were not tested for impairment as at 31 March 2020.



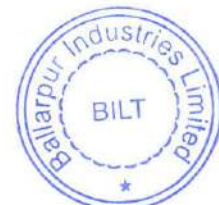
	(xxiv) Auditors comment on (i) and (ii) above: Impact is not determinable.
<b>Qualification 9</b>	
a.	<p><b>Details of Audit Qualification:</b></p> <p>Loan by the Parent to related parties includes Rs. 108,246 lakhs due from Ballarpur International Holdings BV ("BIH") and Rs. 6,359 lakhs due from Sabah Forest Industries ("SFI"), a step-down subsidiary, which is under resolution process in Malaysia. The Parent had created provision for expected credit loss of Rs. 36,249 lakhs and Rs. 1,908 lakhs as at 31 March, 2020 towards the receivable from BIH and SFI respectively. The erstwhile auditors of Parent had not been provided with the basis for determining the provision for expected credit loss. Therefore, the erstwhile auditors of Parent were unable to conclude on the adequacy of the provision for expected credit loss and the recoverability of the balance receivables from BIH and SFI and accordingly we are also unable to conclude on the same in the consolidated financial results.</p>
b.	<b>Type of audit Qualification:</b> Disclaimer of Opinion
c.	<b>Frequency of qualification:</b> First time during the financial year under report
d.	<p><b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b></p> <p>Not Quantified by the Auditors</p>
e.	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>
	(xxv) Management's estimation on the impact of qualification: N.A.
	<p>(xxvi) If management is unable to estimate the impact, reasons for the same:</p> <p>Loan by the Parent to related parties includes Rs. 108,246 lakhs due from Ballarpur International Holdings BV ("BIH") and Rs. 6,359 lakhs due from Sabah Forest Industries ("SFI"), a step-down subsidiary of the Parent, which is under resolution process in Malaysia. The Parent had created provision for expected credit loss of Rs. 36,249 lakhs and Rs. 1,908 lakhs as at 31 March, 2020 towards the receivable from BIH and SFI respectively.</p>
	(xxvii) Auditors comment on (i) and (ii) above: Impact is not determinable.
<b>Qualification 10</b>	
a.	<p><b>Details of Audit Qualification:</b></p> <p>The Parent had carried forward deferred tax assets (net) of Rs. 11,924 lakhs from earlier years. Based on the information and explanations and the supporting evidences provided to the erstwhile auditors of the Parent, they were unable to ascertain the realization of these deferred tax assets. (Refer note no. 12 to the consolidated financial results) and accordingly we are also unable to ascertain the realization of these deferred tax assets in the consolidated financial results.</p>
b.	<b>Type of audit Qualification:</b> Disclaimer of Opinion
c.	<b>Frequency of qualification:</b> First time during the financial year under report
d.	<p><b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b></p> <p>Not Quantified by the Auditors</p>



e.	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>
	<b>(xxviii) Management's estimation on the impact of qualification: N.A.</b>
	<b>(xxix) If management is unable to estimate the impact, reasons for the same:</b> The Company has carried forward deferred tax assets (net) of Rs. 11,921 Lakhs. considering the ongoing CIRP, the certainty as to the realization of deferred tax assets cannot be ascertained at this stage. Consequently, adjustments to deferred tax (net) available have not been given effect to, during the year. No additional deferred tax assets have been recognized during the year.
	<b>(xxx) Auditors comment on (i) and (ii) above: Impact is not determinable.</b>
<b>Qualification 11</b>	
a.	<b>Details of Audit Qualification:</b> The Parent had availed and utilized ineligible input credit of Goods & Service Tax amounting to Rs. 282 lakhs as at 31 March, 2020. The Parent had availed and utilized input credit of Rs. 282 lakhs on inward supplies of goods and services whereas the liability to the vendor had not been settled for more than 180 days (time limit specified in the second proviso to sub-section (2) of section 16 of Central Goods and Service Tax Act, 2017) as at 31 March, 2020. Accordingly, as per Rule 37 of Central Goods and Service Tax (CGST) Rules, 2017, the Parent was required to reverse the input credit and settle such input credit as outward tax liability. (Refer note no.13 to the consolidated financial results)
b.	<b>Type of audit Qualification: Disclaimer of Opinion</b>
c.	<b>Frequency of qualification: First time during the financial year under report</b>
d.	<b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b> Not Quantified by the Auditors
e.	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>
	<b>(xxxii) Management's estimation on the impact of qualification: N.A.</b>
	<b>(xxxiii) If management is unable to estimate the impact, reasons for the same:</b> Pursuant to commencement of CIRP, the Board of Directors of the Company stand suspended and the management of the Company vested with the Resolution Professional ('RP'). The RP is expected to make every endeavour to protect and preserve the value of the property of the Company and manage the operations of the Company as a going concern.  Further, the CIRP process of the Company has been concluded and Ballapur Industries Limited ("BILT/Company") has been acquired by Finquest Financial Solutions Private Limited on an "as-is where-is" basis, pursuant to a resolution plan approved by the Hon'ble NCLT vide order dated 31st March 2023. The Closing Date in terms of the Resolution Plan occurred on 12th June 2023 and a new Board of Directors have been appointed vide resolution dated 12th June 2023.  Due to resignation / or non-availability of process owners and other employees of the Company, it was not feasible or practical to provide requisite information for assessment of reversal of Input Tax Credit under Goods & Service Tax.
	<b>(xxxiv) Auditors comment on (i) and (ii) above: Impact is not determinable.</b>



Qualification 12	
a.	<p><b>Details of Audit Qualification:</b></p> <p>The erstwhile auditors of Parent had not been provided with the bank reconciliation statements for 4 bank accounts maintained by the Parent having a carrying amount of Rs. 8 Lakhs as at 31 March 2020. The consequential impact, if any, is not ascertainable. (Refer note no. 14 to the consolidated financial results).</p>
b.	<b>Type of audit Qualification:</b> Disclaimer of Opinion
c.	<b>Frequency of qualification:</b> First time during the financial year under report
d.	<p><b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b></p> <p>Not Quantified by the Auditors</p>
e.	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>
	<b>(xxxv) Management's estimation on the impact of qualification: N.A.</b>
	<p><b>(xxxvi) If management is unable to estimate the impact, reasons for the same:</b></p> <p>Pursuant to commencement of CIRP, the Board of Directors of the Company stand suspended and the management of the Company vested with the RP. The RP is expected to make every endeavour to protect and preserve the value of the property of the Company and manage the operations of the Company as a going concern.</p> <p>Further, the CIRP process of the Company has been concluded and Ballapur Industries Limited ("BILT/Company") has been acquired by Finquest Financial Solutions Private Limited on an "as-is where-is" basis, pursuant to a resolution plan approved by the Hon'ble NCLT vide order dated 31st March 2023. The Closing Date in terms of the Resolution Plan occurred on 12th June 2023 and a new Board of Directors have been appointed vide resolution dated 12th June 2023.</p> <p>Due to resignation / or non-availability of process owners and other employees of the Company, it was not feasible or practical to provide requisite information of balance bank statements.</p>
	<b>(xxxvii) Auditors comment on (i) and (ii) above: Impact is not determinable.</b>
Qualification 13	
a.	<p><b>Details of Audit Qualification:</b></p> <p>Confirmation of balances had not been received by the erstwhile auditors of Parent in respect of certain loans and advances, balances with banks, borrowings (including interest accrued thereon), dues to/from related parties, trade and other payables. (Refer note no. 15 to the consolidated financial results).</p>
b.	<b>Type of audit Qualification:</b> Disclaimer of Opinion
c.	<b>Frequency of qualification:</b> First time during the financial year under report
d.	<p><b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b></p> <p>Not Quantified by the Auditors</p>
e.	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>



	<b>(xxxviii) Management's estimation on the impact of qualification: N.A.</b>
	<p><b>(xxxix) If management is unable to estimate the impact, reasons for the same:</b></p> <p>Pursuant to commencement of CIRP, the Board of Directors of the Company stand suspended and the management of the Company vested with the RP. The RP is expected to make every endeavour to protect and preserve the value of the property of the Company and manage the operations of the Company as a going concern.</p> <p>Further, the CIRP process of the Company has been concluded and Ballapur Industries Limited ("BILT/Company") has been acquired by Finquest Financial Solutions Private Limited on an "as-is where-is" basis, pursuant to a resolution plan approved by the Hon'ble NCLT vide order dated 31st March 2023. The Closing Date in terms of the Resolution Plan occurred on 12th June 2023 and a new Board of Directors have been appointed vide resolution dated 12th June 2023.</p> <p>Due to resignation / or non-availability of process owners and other employees of the Company, the confirmations and reconciliation of certain secured and unsecured loans, balances with bank, trade receivables, due to / from related parties, trade and other payable and loans and advances are pending.</p>
	<b>(xl) Auditors comment on (i) and (ii) above: Impact is not determinable.</b>
<b>Qualification 14</b>	
<b>a.</b>	<p><b>Details of Audit Qualification:</b></p> <p>During the year, the Parent had received an Order from the Hon'ble Supreme Court of India confirming the grid support charges payable to Transmission Corporation of Andhra Pradesh Limited ("APTRANSCO"). The Parent had estimated the liability to be Rs. 1,516 Lakhs. However, pending receipt of demand from APTRANSCO, the Parent had not recognized the liability as at 31<sup>st</sup> March, 2020 and had considered the same as contingent liability. (Refer note no. 16 to the consolidated financial results). As we have also not been provided with the receipt of the demand from APTRANSCO, the said amount has been disclosed as contingent liability in the consolidated financial statements of the Group.</p>
<b>b.</b>	<b>Type of audit Qualification:</b> Disclaimer of Opinion
<b>c.</b>	<b>Frequency of qualification:</b> First time during the financial year under report
<b>d.</b>	<p><b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b></p> <p>Not Quantified by the Auditors</p>
<b>e.</b>	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>
	<b>(xli) Management's estimation on the impact of qualification:</b>
	<p><b>(xlii) If management is unable to estimate the impact, reasons for the same:</b></p> <p>During the financial year 2019-20, an Order was received from the Hon'ble Supreme Court of India confirming the grid support charges payable to Transmission Corporation of Andhra Pradesh Limited ("APTRANSCO"), the liability for which is estimated to be Rs. 1,516 Lakhs. Since no demand is received from APTRANSCO, the liability is not accrued and considered as a contingent liability as at 31 March 2020. As per the NCLT, Mumbai Order dated 31 March 2023 (updated on 13 April 2023), this was considered as an operational debt with an estimated liquidation value of nil. Therefore, no amount is payable in relation thereto.</p>



	(xliii) Auditors comment on (i) and (ii) above: Impact is not determinable.
<b>Qualification 15</b>	
a.	<p><b>Details of Audit Qualification:</b></p> <p>In the case of step-down subsidiary company Bilt Graphic Paper Products Limited ("BGPPPL"), the auditors of subsidiary had not been provided with the direct confirmation of balances from lenders for the balances outstanding as on 31 March, 2020 subsequent to accounting for the impact of the amendment to Master Restructuring Agreement. (Refer Note No.17 to the consolidated financial results) The impact of the same on the standalone financial statement is not ascertainable and accordingly we are also not able to ascertain the impact of this in the consolidated financial results.</p>
b.	<b>Type of audit Qualification:</b> Disclaimer of Opinion
c.	<b>Frequency of qualification:</b> First time during the financial year under report
d.	<p><b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b></p> <p>Not Quantified by the Auditors</p>
e.	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>
	(xliv) Management's estimation on the impact of qualification: N.A.
	<p>(xlv) If management is unable to estimate the impact, reasons for the same:</p> <p>Pursuant to commencement of CIRP, the Board of Directors of the Company stand suspended and the management of the Company vested with the RP. The RP is expected to make every endeavour to protect and preserve the value of the property of the Company and manage the operations of the Company as a going concern.</p> <p>Further, the CIRP process of the Company has been concluded and Ballapur Industries Limited ("BILT/Company") has been acquired by Finquest Financial Solutions Private Limited on an "as-is where-is" basis, pursuant to a resolution plan approved by the Hon'ble NCLT vide order dated 31st March 2023. The Closing Date in terms of the Resolution Plan occurred on 12th June 2023 and a new Board of Directors have been appointed vide resolution dated 12th June 2023.</p> <p>Due to resignation / or non-availability of process owners and other employees of the Company, it was not feasible or practical to provide with confirmation of balances from lenders.</p>
	(xlvii) Auditors comment on (i) and (ii) above: Impact is not determinable.
<b>Qualification 16</b>	
a.	<p><b>Details of Audit Qualification:</b></p> <p>The Financial Statements of 3 step down foreign subsidiaries (Mirabelle Trading Pte. Ltd., Sabah Forest Industries and Bilt Graphic Trading FZE) which have a total assets base of Rs. 2,91,037 lakhs and which are material to the group are unaudited. We also did not receive the management certified financial statements of these subsidiaries hence we are unable to comment upon the authenticity of the data and the reasonableness of consolidation of these subsidiaries in the consolidated financial results. (Refer note no. 18 to the consolidated financial results)</p>
b.	<b>Type of audit Qualification:</b> Disclaimer of Opinion



c.	<b>Frequency of qualification:</b> First time during the financial year under report
d.	<b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b> Not Quantified by the Auditors
e.	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>
	<b>(xlvii) Management's estimation on the impact of qualification: N.A.</b>
	<b>(xlviii) If management is unable to estimate the impact, reasons for the same:</b>  During the year under review, pursuant to commencement of CIRP, the Board of Directors of the Company stand suspended and the management of the Company vested with the RP. The RP is expected to make every endeavour to protect and preserve the value of the property of the Company and manage the operations of the Company as a going concern.  Further, the CIRP process of the Company has been concluded and Ballapur Industries Limited ("BILT/Company") has been acquired by Finquest Financial Solutions Private Limited on an "as-is where-is" basis, pursuant to a resolution plan approved by the Hon'ble NCLT vide order dated 31st March 2023. The Closing Date in terms of the Resolution Plan occurred on 12th June 2023 and a new Board of Directors have been appointed vide resolution dated 12th June 2023.
	<b>(xlix) Auditors comment on (i) and (ii) above:</b> Impact is not determinable.

#### Qualification 17

a.	<b>Details of Audit Qualification:</b>  In case of step-down subsidiary company Bilt Graphic Paper Products Limited ("BGPPL"), dues from related parties includes Rs. 44,723 lakhs net due from Sabah Forest Industries ("SFI"), a fellow subsidiary of BGPPL, which is under resolution process in Malaysia. BGPPL had created provision for expected credit loss of Rs. 13,424 lakhs as at 31 March, 2020 towards the receivable from SFI. The auditors of BGPPL had not been provided with the basis for determining the provision for expected credit loss. Therefore, the auditor of BGPPL was unable to conclude on the adequacy of the provision for expected credit loss and the recoverability of the balance receivables from SFI and accordingly we are also unable to conclude on the adequacy of the provision for expected credit loss and the recoverability of the balance receivables from SFI in the consolidated financial results. The impact of the same on the consolidated financial results cannot be determined. (Refer note no. 19 to the consolidated financial results)
b.	<b>Type of audit Qualification:</b> Disclaimer of Opinion
c.	<b>Frequency of qualification:</b> First time during the financial year under report
d.	<b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b> Not Quantified by the Auditors
e.	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>
	<b>(i) Management's estimation on the impact of qualification: N.A.</b>
	<b>(ii) If management is unable to estimate the impact, reasons for the same:</b>  In case of step-down subsidiary company Bilt Graphic Paper Products Limited ("BGPPL"), dues from related parties includes Rs. 44,723 lakhs net due from Sabah Forest Industries ("SFI"), a fellow





	subsidiary of BGPPL, which is under resolution process in Malaysia. BGPPL had created provision for expected credit loss of Rs. 13,424 lakhs as at 31st March, 2020 towards the receivable from SFI.
	(iii) Auditors comment on (i) and (ii) above: Impact is not determinable.
<b>Qualification 18</b>	
a.	<b>Details of Audit Qualification:</b> One of the step-down subsidiary BGPPL has entered into Master restructuring arrangement with the lenders wherein one of the non-assenting lender IDBI bank has filed a case in Supreme Court. The said matter is subjudice in the supreme court. (Refer note 17(e) of consolidated financial results). The Impact could not be determined by the auditor of the BGPPL and hence we have also not been able to determine the impact on the consolidated financial results.
b.	<b>Type of audit Qualification:</b> Disclaimer of Opinion
c.	<b>Frequency of qualification:</b> First time during the financial year under report
d.	<b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b> Not Quantified by the Auditors
e.	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>
	(iii) Management's estimation on the impact of qualification: N.A.
	(liv) If management is unable to estimate the impact, reasons for the same: During the financial year 2018-19, the stay order from Hon'ble Delhi High Court, in relation to the CIRP initiated by IDBI Bank, was partially vacated and subsequently based on a transfer petition filed by the Company before the Hon'ble Supreme Court of India, the case was tagged with a similar case pending before Hon'ble Supreme Court. Subsequent to assignment of borrowings between IDBI Bank and EARC Trust – SC 382 during financial year 2019-20, based on a substitution application filed by EARC Trust – SC 382 before Hon'ble Supreme Court on 27 January 2021, all the rights and obligation under the suit now rest with EARC Trust – SC 382. The case is yet to be listed for hearing and the matter is sub-judice.
	(iv) Auditors comment on (i) and (ii) above: Impact is not determinable.
<b>Qualification 19</b>	
a.	<b>Details of Audit Qualification:</b> During the year two erstwhile related parties of BGPPL, CG Power and Industrial Solutions Limited (CG PISL) and CG Power Solutions Limited (CG PSOL), had initiated legal suit against BGPPL before Bombay High Court for Rs. 81,123 Lakh pertaining to the transactions originating from earlier years before the auditors of the subsidiary were appointed as auditors of the said subsidiary. Further the affairs of the erstwhile related parties are being investigated by Serious Fraud Investigation Office (SFIO). As a part of investigation, SFIO has been seeking information from BGPPL on transactions and other matters which are being furnished by BGPPL. The auditors of the BGPPL were unable to determine the impact of the pending legal claim and the outcome of the investigation by SFIO and hence we are also unable to determine the impact of the pending legal claim and the outcome of the investigation by SFIO on these consolidated financial results. (Refer note no.20(a)(iv) to the consolidated financial results)
b.	<b>Type of audit Qualification:</b> Disclaimer of Opinion



c.	<b>Frequency of qualification:</b> First time during the financial year under report
d.	<b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b> Not Quantified by the Auditors
e.	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>
	<b>(Ivi) Management's estimation on the impact of qualification: N.A.</b>
	<b>(Ivii) If management is unable to estimate the impact, reasons for the same:</b>  Serious Fraud Investigation Office (SF10) had launched an investigation into the affairs of M/s CG Power and Industrial Solutions Limited and fifteen related/group companies, including Bilt Graphic Paper Products Limited, under section 212(1)(c) of the Companies Act 2013. In this regard, SFIO has sought certain information/documents from the company which are being furnished.
	<b>(Iviii) Auditors comment on (i) and (ii) above:</b> Impact is not determinable.
<b>Qualification 20</b>	
a.	<b>Details of Audit Qualification:</b>  One of the foreign subsidiary Ballarpur Speciality Paper Holdings B.V. has fully written off its investment in BILT General Trading FZE, UAE ("BGT") as BGT does not carry on any operations and there is no intention to carry on the business in future also the license of BGT was expired. However, we were not provided with sufficient information and documents related to closure of business of BGT and therefore, we are unable to comment upon reasonableness of consolidation of BGT in the consolidated financial results. (Refer note no. 21 to the consolidated financial results)
b.	<b>Type of audit Qualification:</b> Disclaimer of Opinion
c.	<b>Frequency of qualification:</b> First time during the financial year under report
d.	<b>For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</b> Not Quantified by the Auditors
e.	<b>For Audit Qualification(s) where impact is not quantified by the auditor:</b>
	<b>(lix) Management's estimation on the impact of qualification: N.A.</b>
	<b>(Iix) If management is unable to estimate the impact, reasons for the same:</b>  One of the foreign subsidiary Ballarpur Speciality Paper Holdings B.V. has fully written off its investment in BILT General Trading FZE, UAE ("BGT") as BGT does not carry on any operations and there is no intention to carry on the business in future also the license of BGT was expired.
	<b>(Ixi) Auditors comment on (i) and (ii) above:</b> Impact is not determinable.



III.	<b>Signatories:</b>
	<p>For Ballarpur Industries Limited</p> <p>Hardik B. Patel  Whole Time Director &amp; CFO  DIN: 00590663  Date: 20-03-2024  Place: Jalandhar</p> 
	<p>For Batliboi &amp; Purohit  Chartered Accountants  Firm Registration No.: 101048W</p> <p><b>PARAG RAMAN HANGEKAR</b></p> <p>Parag Hangekar  Partner  Membership No: 110096  Date: 20-03-2024  Place: Mumbai</p>  <p><small>Digitally signed by PARAG RAMAN HANGEKAR  DN: c=IN, ou=CA, ou=400801, ou=MANHANGESTRA, ou=204 DND  FLOOR NATIONAL INSURANCE BUILDING DADARBY NAVROJI ROAD  FORT MAHARASHTRA, MUMBAI, o=BATLIBOI AND PUROHIT,  ou=BATLIBOI AND PUROHIT,  serialNumber=02202838c3c33c33aac045eb6b7219f8e614978666076  3d2d8f9e703e4b35,  email=par@175.588646520858467464ab74  254414a47, email=PRH@BATLIBOIPUROHIT.COM, o=PARAG  RAMAN HANGEKAR  Date: 202403.20 18:29:48 +05'30'</small></p>

**Independent Auditors' Report on Quarterly and Year to date Consolidated Financial Results of Ballarpur Industries Limited pursuant to Regulation 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors  
Ballarpur Industries Limited

**Disclaimer of Opinion**

We were engaged to audit the accompanying Consolidated Financial results of Ballarpur Industries Limited ('the Company'), for the quarter and year ended 31 March, 2020 ('the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 & 52 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 as amended ("Listing Regulations"). In accordance with the Insolvency and Bankruptcy Code, 2016 ("the Code"), the Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT") admitted a petition for corporate insolvency resolution process ("CIRP") filed by M/s. Finquest Financial Solutions Private Limited against the Parent. Mr. Divyesh Desai (IBBI/PA-001/IP-P00169/2017-2018/10338) was appointed as an Interim Resolution Professional ("IRP") to manage affairs of the Company in accordance with the provisions of the Code. Subsequently, Hon'ble NCLT vide its Order dated 27 May, 2020 had appointed Mr. Anuj Jain (IBBI/PA-001/IP-P00142/2017-2018/10306) as Resolution Professional ("RP") of the Parent. Pursuant to the Insolvency Commencement Order and in line with the provisions of the Code, the powers of the Board of Directors were suspended and the same were exercised by IRP/RP.

Because of the significance of the matters described in basis for disclaimer of opinion, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether the Statement:

- is presented in accordance with the requirements of Regulation 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and total comprehensive income and other financial information of the Company for the year ended 31 March, 2020.

**Basis for Disclaimer of Opinion**

1. Even though the resolution plan of the Parent has been approved by the Hon'ble National Company Law Tribunal, Mumbai bench on 31 March, 2023, but still there exists material uncertainty related to going concern of the Group as we are unable to obtain sufficient and appropriate audit evidence to conclude on the appropriateness of the use of going concern assumption in the preparation of consolidated financial results. (Refer note no. 4 to the consolidated financial results).

**BRANCHES :**

NAVI MUMBAI : 302 / 304 Arenja Corner, Sector 17, Vashi, Navi Mumbai - 400 703. • Tel. : +91-22-2766 6478  
DELHI : 505, Nirmal Tower, 26, Barakhamba Road, New Delhi -110 001. • Tel. : +91-11-4019 0200



2. The Parent has not accrued the liability towards outstanding put options and the management is unable to quantify the liability with respect to the outstanding put options. Accordingly, the Parent's erstwhile auditors were unable to quantify the impact on the standalone financial statements & hence we are also unable to quantify this impact on the Consolidated Financial Results (Refer note no. 5 to the consolidated financial results).
3. Pursuant to commencement of the CIRP on 17 January, 2020 under Insolvency and Bankruptcy Code, 2016 ('the Code'), the Resolution Professional (RP) has received various claims submitted by the financial creditors, operational creditors, employees and other creditors:
  - a. With respect to the financial creditors, the Parent had recognized additional liability of Rs. 27,742 lakhs (net of reversals and write back of liabilities), which represents the difference between borrowings and corresponding interest claims of the financial creditors admitted by the RP and the borrowings and interest accrued in the books as at 31 March, 2020. The erstwhile auditors of Parent were not provided with reconciliation along with reasons for this difference in order to ascertain the completeness and valuation of liabilities recognized by the Parent and accordingly we are also not able to ascertain the same on the Consolidated Financial Results. (Refer note 3(b) to consolidated financial results)
4. Provision for gratuity and compensated absences pertaining to the Corporate Office and Kamalapuram Unit had been determined by the Parent's Management on an adhoc basis as at 31 March, 2020. Ind AS 19 'Employee Benefits' requires that the provision for long term employee benefits such as gratuity and compensated absences need to be determined based on actuarial valuation.

Accordingly, the provision for long term employee benefits as at 31 March, 2020 is not in compliance with Ind AS 19 and the erstwhile auditors of Parent were unable to conclude on the adequacy of the provision for gratuity and compensated absences as at 31 March, 2020 and accordingly, we are also not able to ascertain the same on the Consolidated Financial Results. The provision for gratuity and the provision for compensated absences which has been determined on an adhoc basis as at 31 March, 2020 is Rs. 924 lakhs and Rs. 296 lakhs respectively. (Refer note no. 6 to the consolidated financial results).
5. The Parent had not performed impairment assessment of its investments as at 31 March, 2020 in line with the requirements of Ind AS 109 'Financial Instruments' and Ind AS 36 'Impairment of Assets'. Accordingly, the erstwhile auditors of Parent were unable to conclude on the carrying value of investments and the consequential impact, if any, on the standalone financial results and accordingly we are also not able to conclude the same on the Consolidated Financial Results. (Refer note no. 7 to the consolidated financial results).



6. The Parent had reclassified the land situated at Choudwar, Odisha, from 'Assets held for sale' to 'Property, Plant and Equipment'. Ind AS 105 on 'Non-current assets held for sale and discontinued operations' which requires that when a non-current asset ceases to be classified as 'Assets held for sale', the same shall be measured at the lower of:
- its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale, and
  - its recoverable amount at the date of the subsequent decision not to sell;

The Parent had not determined the recoverable amount as at the date of reclassification and had reclassified the land at its carrying value of Rs. 39,951 lakhs. The same is not in compliance with Ind AS 105 and the erstwhile auditors of Parent were unable to ascertain on the financial impact of the same on the Standalone Financial Results and accordingly, we are also not able to ascertain this impact on the Consolidated Financial Results. (Refer note 8 to the consolidated financial results)

7. On account of the COVID-19 related lockdown restrictions, the Parent's management was unable to perform the physical count of inventories as at 31 March, 2020. Further, on account of the suspension of the operations of the Parent, the erstwhile auditors of Parent were unable to perform any alternate procedures to audit the existence of the inventories as per SA 501 'Audit Evidence - Specific Consideration for Selected Items' and 'Physical inventory verification - Key audit considerations amid COVID-19' issued by the Institute of Chartered Accountants of India. Therefore, the erstwhile auditors of Parent were unable to conclude whether inventories of Rs. 1,678 lakhs were fairly stated as at 31 March, 2020 by the Parent and accordingly we are unable to conclude whether the inventories are fairly stated in the consolidated financial results. (Refer note no. 9 to consolidated financial results).
8. The Parent had recognized an impairment loss of Rs. 35,400 lakhs on Property, Plant and Equipment as at 31 March, 2020. As per Ind AS 36 'Impairment of Assets', impairment loss is to be recognized at the excess of carrying amount of assets/cash generating unit (CGU) over their recoverable value. The Parent had not determined the recoverable amount as per the requirements of Ind AS 36 'Impairment of Assets' and had not provided the erstwhile auditors of Parent the basis for determining the impairment loss of Rs. 35,400 lakhs. Therefore, the erstwhile auditors of Parent were unable to conclude on the adequacy of impairment loss recognized by the Parent and according we are also unable to conclude whether the Property, Plant and Equipment are fairly stated in the Consolidated financial results. (Refer note no. 10 consolidated financial results).



9. Loan by the Parent to related parties includes Rs. 108,246 lakhs due from Ballarpur International Holdings BV ("BIH") and Rs. 6,359 lakhs due from Sabah Forest Industries ("SFI"), a step-down subsidiary, which is under resolution process in Malaysia. The Parent had created provision for expected credit loss of Rs. 36,249 lakhs and Rs. 1,908 lakhs as at 31 March, 2020 towards the receivable from BIH and SFI respectively. The erstwhile auditors of Parent had not been provided with the basis for determining the provision for expected credit loss. Therefore, the erstwhile auditors of Parent were unable to conclude on the adequacy of the provision for expected credit loss and the recoverability of the balance receivables from BIH and SFI and accordingly we are also unable to conclude on the same in the consolidated financial results.
10. The Parent had carried forward deferred tax assets (net) of Rs. 11,924 lakhs from earlier years. Based on the information and explanations and the supporting evidences provided to the erstwhile auditors of the Parent, they were unable to ascertain the realization of these deferred tax assets. (Refer note no. 12 to the consolidated financial results) and accordingly we are also unable to ascertain the realization of these deferred tax assets in the consolidated financial results.
11. The Parent had availed and utilized ineligible input credit of Goods & Service Tax amounting to Rs. 282 lakhs as at 31 March, 2020. The Parent had availed and utilized input credit of Rs. 282 lakhs on inward supplies of goods and services whereas the liability to the vendor had not been settled for more than 180 days (time limit specified in the second proviso to sub-section (2) of section 16 of Central Goods and Service Tax Act, 2017) as at 31 March, 2020. Accordingly, as per Rule 37 of Central Goods and Service Tax (CGST) Rules, 2017, the Parent was required to reverse the input credit and settle such input credit as outward tax liability. (Refer note no.13 to the consolidated financial results)
12. The erstwhile auditors of Parent had not been provided with the bank reconciliation statements for 4 bank accounts maintained by the Parent having a carrying amount of Rs. 8 Lakhs as at 31 March 2020. The consequential impact, if any, is not ascertainable. (Refer note no. 14 to the consolidated financial results).
13. Confirmation of balances had not been received by the erstwhile auditors of Parent in respect of certain loans and advances, balances with banks, borrowings (including interest accrued thereon), dues to/from related parties, trade and other payables. (Refer note no. 15 to the consolidated financial results).



14. During the year, the Parent had received an Order from the Hon'ble Supreme Court of India confirming the grid support charges payable to Transmission Corporation of Andhra Pradesh Limited ("APTRANSCO"). The Parent had estimated the liability to be Rs. 1,516 Lakhs. However, pending receipt of demand from APTRANSCO, the Parent had not recognized the liability as at 31<sup>st</sup> March, 2020 and had considered the same as contingent liability. (Refer note no. 16 to the consolidated financial results). As we have also not been provided with the receipt of the demand from APTRANSCO, the said amount has been disclosed as contingent liability in the consolidated financial statements of the Group.
15. In the case of step-down subsidiary company Bilt Graphic Paper Products Limited ("BGPPL"), the auditors of subsidiary had not been provided with the direct confirmation of balances from lenders for the balances outstanding as on 31 March, 2020 subsequent to accounting for the impact of the amendment to Master Restructuring Agreement. (Refer Note No.17 to the consolidated financial results) The impact of the same on the standalone financial statement is not ascertainable and accordingly we are also not able to ascertain the impact of this in the consolidated financial results.
16. The Financial Statements of 3 step down foreign subsidiaries (Mirabelle Trading Pte. Ltd., Sabah Forest Industries and Bilt Graphic Trading FZE) which have a total assets base of Rs. 2,91,037 lakhs and which are material to the group are unaudited. We also did not receive the management certified financial statements of these subsidiaries hence we are unable to comment upon the authenticity of the data and the reasonableness of consolidation of these subsidiaries in the consolidated financial results. (Refer note no. 18 to the consolidated financial results)
17. In case of step-down subsidiary company Bilt Graphic Paper Products Limited ("BGPPL"), dues from related parties includes Rs. 44,723 lakhs net due from Sabah Forest Industries ("SFI"), a fellow subsidiary of BGPPL, which is under resolution process in Malaysia. BGPPL had created provision for expected credit loss of Rs. 13,424 lakhs as at 31 March, 2020 towards the receivable from SFI. The auditors of BGPPL had not been provided with the basis for determining the provision for expected credit loss. Therefore, the auditor of BGPPL was unable to conclude on the adequacy of the provision for expected credit loss and the recoverability of the balance receivables from SFI and accordingly we are also unable to conclude on the adequacy of the provision for expected credit loss and the recoverability of the balance receivables from SFI in the consolidated financial results. The impact of the same on the consolidated financial results cannot be determined. (Refer note no. 19 to the consolidated financial results)





18. One of the step-down subsidiary BGPPL has entered into Master restructuring arrangement with the lenders wherein one of the non-assenting lender IDBI bank has filed a case in Supreme Court. The said matter is subjudice in the supreme court. (Refer note 17(e) of consolidated financial results). The Impact could not be determined by the auditor of the BGPPL and hence we have also not been able to determine the impact on the consolidated financial results.
19. During the year two erstwhile related parties of BGPPL, CG Power and Industrial Solutions Limited (CG PISL) and CG Power Solutions Limited (CG PSOL), had initiated legal suit against BGPPL before Bombay High Court for Rs. 81,123 Lakh pertaining to the transactions originating from earlier years before the auditors of the subsidiary were appointed as auditors of the said subsidiary. Further the affairs of the erstwhile related parties are being investigated by Serious Fraud Investigation Office (SFIO). As a part of investigation, SFIO has been seeking information from BGPPL on transactions and other matters which are being furnished by BGPPL. The auditors of the BGPPL were unable to determine the impact of the pending legal claim and the outcome of the investigation by SFIO and hence we are also unable to determine the impact of the pending legal claim and the outcome of the investigation by SFIO on these consolidated financial results. (Refer note no.20(a)(iv) to the consolidated financial results)
20. One of the foreign subsidiary Ballarpur Speciality Paper Holdings B.V. has fully written off its investment in BILT General Trading FZE, UAE ("BGT") as BGT does not carry on any operations and there is no intention to carry on the business in future also the license of BGT was expired. However, we were not provided with sufficient information and documents related to closure of business of BGT and therefore, we are unable to comment upon reasonableness of consolidation of BGT in the consolidated financial results. (Refer note no. 21 to the consolidated financial results)

### **Material Uncertainty relating to Going Concern**

We draw attention to Note 4 of the accompanying consolidated financial results of the Group, which contains conditions along with other matters which indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

- **BILT Holding Company's** net worth is negative as on the reporting date and it continues to incur heavy losses. There is persistent severe strain on the working capital and this has resulted in considerable decline in the level of operations of the Company. As stated in note 4 to the consolidated financial results pursuant to commencement of CIRP, the Board of Directors of the Company stood suspended and the management of the Company vested with the Resolution Professional (RP). The RP was expected to make every endeavour to protect and preserve the value of the property of the Company and manage the operations of the Company as a going concern. Even though the Resolution Plan has been approved by the



Hon'ble National Company Law Tribunal, Mumbai on the 31 March, 2023 but still there exists Material Uncertainty on Going concern of the company as we are unable to obtain sufficient and appropriate audit evidence to conclude on the appropriateness of use of going concern assumption in the preparation of consolidated financial results.

- **BILT Graphic Paper Products Limited (BGPPL)** - As at the year end, the accumulated losses of the Company exceed its share capital and has a net outflow of cash during the financial year 2019-20 and the immediately preceding previous year. The manufacturing units at Ballarpur and Bhigwan continued to operate at 80% capacity and generated an EBITDA of Rs. 42,659 Lakhs and Rs. 13,672 Lakhs in the financial year 2019-20 respectively. The net profit of the Company continued to be impacted by the working capital constraints and delay in settlement with its lenders. However, the performance of the Company is likely to be impacted in the financial year 2020-21 due to COVID 19 and is likely to result in reduced cash flows. The ability of the Company to continue as a going concern is dependent on the following:
  - a) The ability of the Company to operate at optimal capacity and revival of demand in the post COVID environment.
  - b) Realisation of receivables from Sabah Forest Industries (SFI); and
  - c) The successful outcome of the cases surrounding the MRA.

Based on evaluation of the projected cash flows from operations, potential savings in finance costs arising upon signing of the "Master Restructuring Agreement" with its lenders, realisation of advances paid to SFI for purchases and sale of other noncore assets, the management is confident of overcoming the aforesaid challenges and expects to meet its obligations as and when they arise for at least next one year.

- **Ballarpur Paper Holdings B.V. (BPH)** - During the year the Company has total comprehensive loss of Rs. 56,370.22 Lakhs (Previous year total comprehensive loss of Rs. 1,48,940.77 Lakhs. As at 31 March, 2020, the accumulated loss (including other comprehensive loss) of the Company was Rs. 2,25,957.84 Lakhs (Previous year Rs. 1,69,587.61 Lakhs). which have fully eroded the net worth of the Company and the Company's current liabilities exceeded it's current assets by Rs. 1,08,098.65 Lakhs (Previous year Rs. 72,260.77 Lakhs). The management believes that, negative working capital would not cause economic difficulties. In view of the Management's expectation of above, the financial statements have been prepared on a going concern basis.
- **Ballarpur International Holdings B.V. (BIH)** - During the year the Company has total comprehensive loss of Rs. 1,86,075.72 Lakhs (Previous year total comprehensive loss of Rs. 4,099.82 Lakhs). As at 31 March, 2020, the accumulated losses (including other comprehensive loss) of the Company is Rs. 2,07,281.04 Lakhs (Previous Year Rs. 21,205.31Lakhs). which have fully eroded the net worth of the Company and the Company's current liabilities exceeded it's current assets by Rs. 1,08,125.76Lakhs (Previous Year Rs. 1,14,067.78Lakhs).



The management believes that, negative working capital would not cause economic difficulties. In view of the Management's expectation of above the financial statements have been prepared on a going concern basis.

- **Ballarpur Speciality Paper Holdings B.V. (BSPH)** - During the year the Company has Total Comprehensive loss of Rs. 26.92Lakhs (Previous year Total Comprehensive Income of Rs. 27.80Lakhs). As at 31<sup>st</sup> March, 2020, the accumulated losses (including other comprehensive loss) of the Company is Rs. 288.98Lakhs (Previous Year Rs. 262.05Lakhs). which have fully eroded the net worth of the Company and the Company's current liabilities exceeded it's current assets by Rs.276.25Lakhs (Previous Year Rs.249.33Lakhs). The management believes that, negative working capital would not cause economic difficulties. In view of the Management's expectation of above the financial statements have been prepared on a going concern basis.
- **Bilt Paper B.V. (BPBV)** - During the year the Company has total comprehensive loss of Rs. 2,53,962.96Lakhs (Previous year total comprehensive Income of Rs. 32,088.27Lakhs). As at 31st March, 2020, the accumulated (losses)/ Profit (including other comprehensive loss) of the Company was Rs. (1,97,349.96Lakhs) (Previous Year Rs. 78,868.43Lakhs) which have fully eroded the net worth of the Company and the Company's current liabilities exceeded its current assets by Rs. 75,933.48Lakhs (Previous Year Rs. 14,812.68Lakhs). The management believes that, negative working capital would not cause economic difficulties. In view of the Management's expectation of above the financial statements have been prepared on a going concern basis.

The Statement includes the results of following entities:

- Parent :  
Ballarpur Industries Limited
- Subsidiaries :  
Avantha Agritech Limited  
Ballarpur International Holdings B.V.  
Ballarpur Speciality Paper Holdings B.V.
- Step-down Subsidiaries:  
BILT Graphic Paper Products Ltd. India  
Ballarpur Paper Holdings B.V.  
BILT Paper B.V.  
Sabah Forest Industries Sdn. Bhd.  
Mirabelle Trading Pte. Ltd  
BILT General Trading FZE



### **Emphasis of Matter**

- a) We draw attention to note no. 22 (a, b, c & d) of the consolidated financial results, which states that certain balances of related parties and other parties shown in other payables are subject to reconciliation/ confirmation. Consequential impact of confirmation/ reconciliation/ adjustment of such balances is not ascertainable. The opinion of auditors of Bilt Paper B.V., Ballarpur Speciality Paper Holdings B.V., Ballarpur International Holdings B.V. (BIH) and Ballarpur Paper Holdings is not modified in respect of this matter.
- b) We draw attention to note. no. 22 (a, b, c & d) of the consolidated financial results, which states that the auditors of the 4 foreign subsidiary companies have not received direct confirmation from certain related parties and other parties shown in other payables for the balances outstanding. Subsequent consequential impact, if any, on the loss (including other comprehensive loss), other equity and assets and liabilities as on 31 March, 2020, are accordingly not ascertainable and cannot be commented upon. The opinion of auditors of Bilt Paper B.V., Ballarpur Speciality Paper Holdings B.V., Ballarpur International Holdings B.V. (BIH) and Ballarpur Paper Holdings B.V.'s Auditors is not modified in respect of this matter.

### **Responsibilities of Management and those charged with Governance for the consolidated financial results**

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation and presentation of these consolidated financial results that give a true and fair view of the consolidated state of affairs, consolidated profit/loss, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies and the joint venture included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint venture 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 consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial results, the respective management and Board of Directors of the companies included in the Group and its joint venture are responsible for assessing the ability of Group and its joint venture 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 Group or cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group and its joint venture are also responsible for overseeing the financial reporting process of the Group and its joint venture.



### **Auditor's responsibility for the audit of the consolidated financial results**

Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 consolidated financial results. 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 consolidated financial results, 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group and joint venture company incorporated in India have adequate internal financial controls system 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 ability of the Group and its joint venture 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 consolidated 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 auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial results. For the financial year 2019-20, we have not audited any of the entities including the Parent comprising the group. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial results 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 consolidated financial results. 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 consolidated financial results of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

However, because of the matters described in the basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial results. We are independent of the group in accordance with the code of ethics and provisions of the Act that are relevant to our audit of consolidated financial results in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the code of ethics and the requirements under the Act.



## Other Matters

1. The Standalone Financial Statements of Parent for the FY 2019-20 were audited by the erstwhile auditor who had issued Disclaimer of Opinion vide their report dated 8<sup>th</sup> December, 2020. We were appointed as statutory auditor for Consolidated Financial Statements on 7 August, 2023 due to casual vacancy of erstwhile auditor caused pursuant to Resolution Plan approved by Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated 31 March, 2023 which provides that, on the closing date (i.e; 60 days from the approval of resolution plan), the statutory auditor of the corporate debtor shall be deemed to have vacated its office and a person nominated by the Resolution Applicant, shall be designated and appointed as the Statutory Auditor of the corporate Debtor on the same day.
2. We did not audit the financial statements/Information of 5 subsidiaries (1 domestic step down subsidiary, 2 foreign subsidiaries and 2 step down foreign subsidiaries), included in the consolidated Ind AS financial results, whose financial statements reflect total assets (before Consolidation adjustments) of Rs. 10,95,979 lakhs as at 31 March 2020, total revenue (before Consolidation adjustments) of Rs. 3,13,754 lakhs and net cash outflows (before Consolidation adjustments) of Rs. 4340 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial results.

The financial statements/information of the above-mentioned subsidiaries has been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it related to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

3. We did not audit the financial statements/Information of 1 domestic subsidiary, whose financial statements reflect total assets (before Consolidation adjustments) of Rs. 671 Lakhs as at 31 March, 2020, total revenue (before Consolidation adjustments) of Rs. 518 Lakhs and net cash outflow (before Consolidation adjustments) of Rs. 2 Lakhs for the year ended on that date, as considered in the consolidated financial results. The financial statements of the subsidiary are unaudited and have been furnished to us by the management of the subsidiary and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial statements which is certified by the management.

In our opinion and according to the information and explanations given to us by the Parent's management, financial statements of this subsidiary is not material to the Group.



4. The financial statements/information of 3 step-down foreign subsidiaries (Mirabelle Trading Pte. Ltd., Sabah Forest Industries and Bilt Graphic Trading FZE) have not been prepared neither audited nor certified by the management of the respective step-down subsidiaries. Based on the financial information provided to us by the Parent, these reflects total assets (before Consolidation adjustments) of Rs. 2,91,037 Lakhs as at 31 March 2020, total revenue (before Consolidation adjustments) of Rs. Nil; the net cash outflows cannot be ascertained as the same have not been prepared neither provided to us for the purpose of consolidation of the financial results for the year ended on that date, as considered in the consolidated financial results. The financial statements of these subsidiaries are not audited nor certified by the management of these subsidiaries and have been furnished to us by the Parent's management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements which are furnished to us by the management of the Parent entity.

In our opinion and according to the information and explanations given to us by the Parent's management, financial statements of these subsidiaries are material to the Group. (Refer note no. 16 of Disclaimer of Opinion Paragraph of our Report)

5. The unaudited financial results of the group for the quarter & nine months ended December 31, 2019, were reviewed by the erstwhile auditors of the Parent, who had expressed their qualified opinion on those results.

The consolidated financial results of the Group for the quarter & year ended March 31, 2019, included in this statement, were audited by the erstwhile auditors, who had expressed a qualified opinion on the standalone financial statements.

The standalone financial results of the parent for the year ended March 31, 2020, included in this statement, were audited by the erstwhile auditors of the Parent, who had expressed a disclaimer of opinion on the standalone financial statements.





Our Opinion on the above statement is not modified in respect of the above matters with respect to our reliance on the work done & the reports of the other auditors & the financial statements certified by the management & the financial statements neither audited nor certified by the management.

The statement includes the results for the quarter ended 31 March, 2020 being the balancing figures between the audited figures in respect of the full financial year ended 31 March, 2020 and the published unaudited year-to-date figures up to the end of third quarter of the current financial year, which were subjected to a limited review by the erstwhile auditors as required under the listing regulations.

**For Batliboi & Purohit**  
**Chartered Accountants**  
Firm Reg. No. 101048W



**Parag Hangekar**  
Partner

**M. No. 110096**

**UDIN: 24110096BKCXXFX3659**

Place: Mumbai

Date: 20/3/2024

