

12<sup>th</sup> August, 2019

The Secretary The National Stock Exchange of India Ltd. Exchange Plaza, 5 <sup>th</sup> Floor Plot No. C/1, G Block Bandra - Kurla Complex, Bandra (E) MUMBAI - 400 051	Department of Corporate Services BSE Limited 1 <sup>st</sup> Floor, New Trading Ring, Rotunda Building P J Towers, Dalal Street, Fort, MUMBAI - 400 001
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**Sub: Unaudited Financial Results of the Company for the quarter ended 30<sup>th</sup> June, 2019.**

Dear Sir,

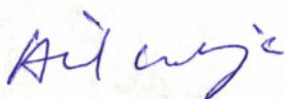
This is to inform you that the Board of Directors of the Company in its meeting held today have approved the Unaudited (Standalone & Consolidated) Financial Results of the Company for the quarter ended 30<sup>th</sup> June, 2019. A copy of the said results is enclosed for your information. The said results have been reviewed by the Statutory Auditors of the Company and Limited Review Report of Statutory Auditors on the said results is also enclosed herewith.

The meeting of Board of Directors of the Company commenced at 3:30 p.m. and concluded at 6:50 p.m.

You are requested to take the information on record.

Thanking you,

Yours faithfully,  
for **BALLARPUR INDUSTRIES LIMITED**



**AKHIL MAHAJAN**  
**CHIEF GENERAL MANAGER & COMPANY SECRETARY**  
Encl: as above



**BALLARPUR INDUSTRIES LIMITED**

**STATEMENT OF CONSOLIDATED/STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2019**

Part I		(Rs. in Lacs)							
Sl. No.	Particulars	Consolidated				Standalone			
		Quarter ended		Year Ended		Quarter ended		Year Ended	
		30.06.2019	31.03.2019	30.06.2018	31.03.2019	30.06.2019	31.03.2019	30.06.2018	31.03.2019
		Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	<b>Income</b>								
1	Revenue from Operations	87,239	87,946	82,443	359,575	11,319	11,261	10,476	44,958
2	Other Income	2,268	1,444	1,948	9,508	540	390	1,197	7,253
3	<b>Total income</b>	<b>89,507</b>	<b>89,390</b>	<b>84,391</b>	<b>369,083</b>	<b>11,859</b>	<b>11,651</b>	<b>11,673</b>	<b>52,211</b>
4	<b>Expenses</b>								
	(a) Cost of Material Consumed	50,703	42,478	45,470	191,749	5,189	4,943	4,065	18,237
	(b) Purchases of stock-in-trade	32	56	132	363	16	44	-	44
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,610)	2,780	197	(3,634)	(581)	(701)	32	233
	(d) Employee benefits expense	6,237	5,964	6,095	27,188	1,628	1,387	1,677	6,811
	(e) Finance costs	19,926	23,982	18,194	84,255	6,503	8,118	5,249	24,216
	(f) Depreciation and amortisation expense	6,208	6,387	7,079	26,555	1,579	1,567	1,586	6,348
	(g) Other Expenditure								
	(i) Power and Fuel	10,984	11,884	11,060	48,094	3,422	3,516	3,604	14,714
	(ii) Store and Spares	2,269	1,832	1,796	7,225	268	301	278	1,174
	(iii) Other Expenditure	6,377	7,577	6,482	30,599	1,075	1,350	792	6,278
	<b>Total expenses</b>	<b>99,126</b>	<b>102,940</b>	<b>96,505</b>	<b>412,394</b>	<b>19,099</b>	<b>20,525</b>	<b>17,283</b>	<b>78,055</b>
5	<b>Profit/(loss) before Exceptional Items, tax and Discontinued Operations(3-4)</b>	<b>(9,619)</b>	<b>(13,550)</b>	<b>(12,114)</b>	<b>(43,311)</b>	<b>(7,240)</b>	<b>(8,874)</b>	<b>(5,610)</b>	<b>(25,844)</b>
6	Share of Profit/(Loss) in Associate and Joint Venture	19	38		69	-	-		-
7	Exceptional items	(5,391)	33,641	-	36,941	-	34,697	-	37,707
8	<b>Profit/(loss) before tax (5+6-7)</b>	<b>(4,209)</b>	<b>(47,153)</b>	<b>(12,114)</b>	<b>(80,183)</b>	<b>(7,240)</b>	<b>(43,571)</b>	<b>(5,610)</b>	<b>(63,551)</b>
9	Tax Expense								
	Current Tax	38	(1,586)	-	(1,586)	-	-	-	-
	Deferred Tax	1,429	1,618	1,130	4,938	-	-	-	-
10	<b>Profit/(loss) for the period from continuing operations (8-9)</b>	<b>(5,676)</b>	<b>(47,185)</b>	<b>(13,244)</b>	<b>(83,535)</b>	<b>(7,240)</b>	<b>(43,571)</b>	<b>(5,610)</b>	<b>(63,551)</b>



Sl. No.	Particulars	Consolidated				Standalone			
		Quarter ended		Year Ended		Quarter ended		Year Ended	
		30.06.2019 Unaudited	31.03.2019 Audited	30.06.2018 Unaudited	31.03.2019 Audited	30.06.2019 Unaudited	31.03.2019 Audited	30.06.2018 Unaudited	31.03.2019 Audited
11	Profit/ (loss) from discontinued operation before tax	(4,630)	(4,945)	(7,128)	(23,635)	-	-	-	-
12	Tax expense on discontinued operation	-	-	-	-	-	-	-	-
13	Profit/ (loss) from discontinued operation after tax (11-12)	(4,630)	(4,945)	(7,128)	(23,635)	-	-	-	-
14	Profit/(loss) for the period (10+13)	(10,306)	(52,130)	(20,372)	(107,170)	(7,240)	(43,571)	(5,610)	(63,551)
15	Other Comprehensive income								
	(i) Items that will not be reclassified to profit or loss	(35)	(621)	325	(191)	4	(17)	35	17
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	(iii) Items that will be reclassified to profit or loss	426	1,438	(13,002)	(13,743)	-	(8,300)	-	(8,300)
	(iv) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Other Comprehensive income	391	817	(12,677)	(13,934)	4	(8,317)	35	(8,283)
16	Total Comprehensive income for the period (14+15)	(9,915)	(51,313)	(33,049)	(121,104)	(7,236)	(51,888)	(5,575)	(71,834)
17	Net Profit attributable to								
	a) Owners of the Company	(9,788)	(48,576)	(15,020)	(93,095)	(7,240)	(43,571)	(5,610)	(63,551)
	b) Non - Controlling interest	(518)	(3,554)	(5,352)	(14,075)	-	-	-	-
18	Other Comprehensive income								
	a) Owners of the Company	480	1,006	(9,932)	(9,185)	4	(8,317)	35	(8,283)
	b) Non - Controlling interest	(89)	(189)	(2,745)	(4,749)	-	-	-	-
19	Total Comprehensive income attributable to								
	a) Owners of the Company	(9,308)	(47,570)	(24,952)	(102,280)	(7,236)	(51,888)	(5,575)	(71,834)
	b) Non - Controlling interest	(607)	(3,743)	(8,097)	(18,824)	-	-	-	-
20	Paid-Up Equity Share Capital (Face Value of Rs. 2 each)				25,871				25,871
21	Reserve excluding Revaluation Reserve				(99,645)				(19,259)
22	Earnings per equity share (for continuing operation):								
	(a) Basic	(0.54)	(3.52)	(0.83)	(6.09)	(0.56)	(3.37)	(0.43)	(4.91)
	(b) Diluted	(0.54)	(3.52)	(0.83)	(6.09)	(0.56)	(3.37)	(0.43)	(4.91)
23	Earnings per equity share (for discontinuing operation):								
	(a) Basic	(0.22)	(0.23)	(0.33)	(1.11)	-	-	-	-
	(b) Diluted	(0.22)	(0.23)	(0.33)	(1.11)	-	-	-	-
24	Earnings per equity share								
	(a) Basic	(0.76)	(3.75)	(1.16)	(7.20)	(0.56)	(3.37)	(0.43)	(4.91)
	(b) Diluted	(0.76)	(3.75)	(1.16)	(7.20)	(0.56)	(3.37)	(0.43)	(4.91)



**CONSOLIDATED/STANDALONE SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER ENDED 30TH JUNE 2019**

Sl. No.	Particulars	Consolidated				Standalone			
		Quarter ended		Year Ended		Quarter ended		Year Ended	
		30.06.2019	31.03.2019	30.06.2018	31.03.2019	30.06.2019	31.03.2019	30.06.2018	31.03.2019
		Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
1	<b>Segment Revenues</b>								
	(a) Uncoated Paper	51,501	53,445	47,241	207,155	11,319	11,261	10,476	44,958
	(b) Coated Paper	35,426	34,291	33,720	148,184	-	-	-	-
	(c) Others	312	210	1,509	4,263	-	-	-	-
	<b>Total</b>	<b>87,239</b>	<b>87,946</b>	<b>82,470</b>	<b>359,602</b>	<b>11,319</b>	<b>11,261</b>	<b>10,476</b>	<b>44,958</b>
	Less: Inter Segment Revenue	-	-	27	27	-	-	-	-
	<b>Revenue from Operation</b>	<b>87,239</b>	<b>87,946</b>	<b>82,443</b>	<b>359,575</b>	<b>11,319</b>	<b>11,261</b>	<b>10,476</b>	<b>44,958</b>
2	<b>Segment Results ((Profit)(+)/ Loss (-) before Tax and Interest)</b>								
	(a) Uncoated Paper	8,584	10,557	6,097	32,664	43	144	469	1,805
	(b) Coated Paper	2,515	783	873	11,884	-	-	-	-
	(c) Others	(792)	(908)	(890)	(3,604)	(780)	(900)	(830)	(3,433)
	<b>Total</b>	<b>10,307</b>	<b>10,432</b>	<b>6,080</b>	<b>40,944</b>	<b>(737)</b>	<b>(756)</b>	<b>(361)</b>	<b>(1,628)</b>
	Less: i) Interest	19,926	23,982	18,194	84,255	6,503	8,118	5,249	24,216
	ii) Other un-allocable expenditure net of un-allocable income	(5,410)	33,603	-	36,872	-	34,697	-	37,707
	<b>Total Profit Before Tax</b>	<b>(4,209)</b>	<b>(47,153)</b>	<b>(12,114)</b>	<b>(80,183)</b>	<b>(7,240)</b>	<b>(43,571)</b>	<b>(5,610)</b>	<b>(63,551)</b>
	(Based on reasonable estimates )								
		Consolidated				Standalone			
		As on	As on	As on	As on	As on	As on	As on	As on
		30.06.2019	31.03.2019	30.06.2018	31.03.2019	30.06.2019	31.03.2019	30.06.2018	31.03.2019
3	<b>Segment Assets</b>								
	(a) Uncoated Paper	780,238	786,470	845,017	786,470	226,709	221,515	263,237	221,515
	(b) Coated Paper	227,004	230,554	228,084	230,554	-	-	-	-
	(c) Others	28,906	29,071	41,665	29,071	27,850	28,020	29,348	28,020
	(d) Un-allocable assets	46,473	54,549	36,135	54,549	107,119	107,414	118,180	107,414
	<b>Total Segment Assets</b>	<b>1,082,621</b>	<b>1,100,644</b>	<b>1,150,901</b>	<b>1,100,644</b>	<b>361,678</b>	<b>356,949</b>	<b>410,765</b>	<b>356,949</b>
4	<b>Segment Liabilities</b>								
	(a) Uncoated Paper	349,517	337,502	269,793	337,502	173,618	167,829	156,303	167,829
	(b) Coated Paper	32,215	28,719	23,269	28,719	-	-	-	-
	(c) Others	13,261	12,693	18,545	12,693	11,359	10,830	8,458	10,830
	(d) Un-allocable liabilities	7,924	7,166	8,842	7,166	6,105	6,105	5,705	6,105
	<b>Total Segment Liabilities</b>	<b>402,917</b>	<b>386,080</b>	<b>320,449</b>	<b>386,080</b>	<b>191,082</b>	<b>184,764</b>	<b>170,466</b>	<b>184,764</b>

Note: Segment assets and liabilities above includes assets and liabilities associated with group of assets and liabilities classified as held for sale and discontinued operations.  
Segment liabilities above also includes interest accrued on borrowings.



#### Notes for the quarter ended 30<sup>th</sup> June- 2019

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 12<sup>th</sup> August 2019. Limited Review as required under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 has been completed by the statutory auditors of the Company.
2. 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 there under and other accounting principles generally accepted in India.
3. "Effective 1st April 2019, the Company /Group has 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 31 March 2019 have not been retrospectively adjusted. The cumulative effect of applying the standard resulted in a charge of ₹ 73 Lakhs (net of tax) to retained earnings as at 1 April-2019. The effect of this adoption is insignificant on the loss for the current period and earnings per share."
4. The Company has during the year improved its operational efficiency and is further evaluating new initiatives to improve the contribution from operations. The Company is in advanced stages of negotiations with its lenders for a second phase of restructuring as per its proposed revival plan. Further, the Company has taken steps to recommence operations at Kamalapuram Unit and has been assured of revenue incentives by the Government of Telengana. The ability of the Company to continue as a going concern is dependent on outcome of revival plan to further reduce its interest burden, optimize operational capacity and recommence its operating unit at Kamalapuram. In view of all the actions that are currently underway, these results have been prepared on a going concern basis.
5. The Master Restructuring Agreement (MRA) signed by BILT Graphic Paper Products Ltd (BGPPL), step down subsidiary, with majority of its lenders during the financial year 2017-18, entitles the subsidiary to certain reliefs / concessions. Considering that the subsidiary has complied with all the necessary conditions precedent in the MRA and, as advised by its legal counsel, the Company had given effect to the MRA in the financial statements for the year ended 31 March 2018 which comprised of debt restructuring including conversion of loans into equity, compulsory redeemable preference shares and issuance of fresh equity of ₹ 89,336 Lakhs, and recognition other gains aggregating ₹ 142,279 Lakhs.

However, IDBI bank, one of the non-assenting lenders had initiated Corporate Insolvency Resolution Process ("CIRP") against BGPPL under the provisions of the Insolvency and Bankruptcy Code, 2016, for which BGPPL had obtained an Order from Hon'ble High Court of Delhi to maintain status quo. During the previous financial year, the Hon'ble High Court of Delhi has partially vacated its stay Order and thereafter a transfer application has been filed by the BGPPL before the Hon'ble Supreme Court of India, which has stayed the proceedings and the matter is sub judice.

During the previous year, the subsidiary continues to accrue interest as per the terms agreed in the MRA with its lenders, as amended from time to time, and had ceased to accrue interest on those amounts against which equity and preference shares have been agreed to be issued,



which has resulted in savings of finance costs aggregating ₹ 8,618 Lakhs for the quarter ended 30<sup>th</sup> June-2019. The equity and preference shares are yet to be issued as the matter is pending with the Hon'ble Supreme Court.

Further the terms of the MRA provides for an annual reset of the interest rate and in the absence of confirmation from the lenders to the contrary, the subsidiary continues to accrue interest at the rates specified in the original MRA.

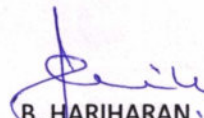
During the previous year, another non assenting lender, Kotak Mahindra Bank, filed an application before the NCLT, Mumbai initiating CIRP proceedings, which is pending admission by the relevant authorities

During the quarter, the step down subsidiary ("BGGPL") has entered into one-time settlement with lenders and settled loans (including interest accrued) at a reduced value and gain of ₹ 5,391 lakhs has been recognized as an exceptional item in the consolidated financial results for the quarter ended 30th June 2019.

Further, the ability of BGPPL to continue as a going concern is dependent on the outcome of the legal proceedings arising on account of MRA as stated above.

6. In view of the ongoing restructuring of its borrowings and negotiations with its lenders, the penal interest and other differences in interest have not been recognised in the financial results for the quarter ended 30 June 2019.
7. In view of the prevailing uncertainties arising from ongoing financial restructuring and ongoing litigations, the potential liability arising from put option cannot be determined with certainty and has accordingly not been recognized in these financial results.
8. The Receiver and Manager appointed in case of Sabah Forest Industries Sdn. Bhd., a step down subsidiary, has advised that no reduction is expected during re-bidding process in the bid value of the subsidiary.
9. Exceptional items for the quarter ended 30<sup>th</sup> June 2019 in the consolidated financial results represents gains arising from one-time settlements with lenders in the step-down subsidiary (BGPPL) of the Company. Exceptional items for the year ended 31<sup>st</sup> March 2019 represents loss on dilution of shareholding in Premier Tissues India Limited, impairment of assets, loss on sale of land (surplus assets) and is net of gain arising on one time settlement agreement with lenders.
10. Previous period figures have been regrouped/reclassified wherever necessary, to conform to this period's classification.

For and on behalf of Board of Directors  
For Ballarpur Industries Limited



B. HARIHARAN

Chairman & Executive Director

Place: Gurugram

Date: 12<sup>th</sup> August, 2019



# SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 003792S

Independent auditor's review report on review of standalone unaudited quarterly financial results of the Company pursuant to regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of  
Ballarpur Industries Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results of **Ballarpur Industries Limited** (the "Company") for the quarter ended 30 June 2019 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirements of regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. *We draw reference to Note 7 to the Statement, wherein the Company has not accrued the liability towards outstanding Put Option. As stated in the note, the Company is unable to quantify the impact and accordingly, we are unable to quantify the impact. The Company has not estimated the liability that might arise due to outstanding Put Option.*
5. *The interest expense on borrowings recognized by the Company for the quarter ended 30 June 2019 as compared to the interest computed in terms of the loan agreement with the lenders is lower by ₹ 1,982 Lakhs. Had the Company accrued the said interest, the finance cost and loss for the quarter would have increased by ₹ 1,982 Lakhs.*

CAH



6. Based on our review conducted as stated above, *except to the effects / possible effects of matter described in paragraph (4) and (5) above*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We draw attention to Note 4 to the Statement which contains conditions along with other matters that indicate existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern depends on its ability to restructure its borrowings and to recommence its operating Unit at Kamalapuram. The management is confident that the Company will be able to continue as a going concern.

Our report on the Statement is not modified in respect of this matter.

for SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 003792S



V. Viswanathan  
Partner

Membership No. 215565

UDIN: 19215565AAAAAM6316

Place: Chennai

Date: 12 August 2019





# SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 003792S

Independent auditor's review report on review of consolidated unaudited quarterly financial results of the Company pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of  
Ballarpur Industries Limited

1. We have reviewed the accompanying statement of consolidated unaudited financial results of Ballarpur Industries Limited (the "Parent" or the "Holding Company") and its subsidiaries (the Parent and its subsidiaries together referred to as the "Group"), and its share of the net profit / (loss) after tax and total comprehensive income of its joint venture for the quarter ended 30 June 2019 (the "Statement"), attached herewith, being submitted by the Parent pursuant to the requirements of regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the entities listed in Annexure A
5. *We draw reference to Note 7 to the Statement, wherein the Holding Company has not accrued the liability towards outstanding Put Option. As stated in the note, the Holding Company is unable to quantify the impact and accordingly, we are unable to quantify the impact. The Holding Company has not estimated the liability that might arise due to outstanding Put Option.*



6. *The interest expense on borrowings recognized by the Holding Company for the quarter ended 30 June 2019 as compared to the interest computed in terms of the loan agreement with the lenders is lower by ₹ 1,982 Lakhs. Had the Holding Company accrued the said interest, the finance cost and loss for the quarter would have increased by ₹ 1,982 Lakhs.*
7. a. *We draw reference to Note 5 to the Statement wherein one of the subsidiaries (BILT Graphic Paper Products Limited) consolidated in the accompanying Statement has entered into a Master Restructuring Agreement (MRA) with its lenders. During the year 2017-18, one of the non-assenting lenders had issued Corporate Insolvency and Resolution Process Notice against which the subsidiary had obtained stay Order from the Hon'ble High Court of Delhi. During the year 2018-19, the stay Order has been partially vacated by the Hon'ble High Court of Delhi. Subsequently, pursuant to a transfer petition filed by the Subsidiary, the case has been transferred to and is pending at the Hon'ble Supreme Court of India. We are not in a position to comment on the appropriateness of giving effect to the MRA and accrual of interest based on MRA for the quarter ended 30 June 2019 as the matter is sub judice. Further, the management has informed us that the Subsidiary has entered into amendments to the MRA, for which official documents have not been provided to us to verify the accounting implications, if any.*
- b. *As stated in the Note, the Subsidiary has not accrued interest for the quarter ended 30 June 2019 on the amounts due to lenders towards which shares were agreed to be allotted under the MRA. However, the Subsidiary has not received a confirmation from the lenders on waiver of the interest. Had the Subsidiary accrued the said interest, the finance cost and loss would have been greater by ₹ 2,778 lakhs for the quarter ended 30 June 2019.*
- c. *Further, as per the terms of the MRA, there is an annual reset of interest rate. The Subsidiary continues to accrue interest at the original rate as per MRA in the absence of confirmation from the lenders to the contrary.*
- d. *The balances of borrowings and interest accrued in the books are subject to confirmation and/or reconciliation from the lenders.*
- The accounting of finance cost as per the MRA and not accruing interest on amounts for which shares are yet to be allotted has resulted in lower finance cost and losses by ₹ 8,618 lakhs for the quarter ended 30 June 2019. The impact of accounting implications, if any, warranted by the amendments to the MRA cannot be quantified.*
8. *Based on our review conducted as stated above in paragraph (3) above and based on the consideration of the review reports of the other auditors referred to in paragraph (10) below, except to the effects / possible effects of matters described in paragraph (5), (6) & (7) above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.*



9. We draw attention to Note 4 to the Statement which contains conditions along with other matters that indicate existence of a material uncertainty that may cast significant doubt on the Holding Company's ability to continue as a going concern. The ability of the Holding Company to continue as a going concern depends on its ability to restructure its borrowings and to recommence its operating Unit at Kamalapuram. The Management is confident that the Holding Company will be able to continue as a going concern.

We also draw reference to Note 5 which indicate existence of a material uncertainty that may cast significant doubt on Bilt Graphic Paper Products Limited's (BGPPL) a material subsidiary of the Parent) ability to continue as a going concern. The ability of BGPPL to continue as a going concern depends on the outcome of the legal proceedings arising on account of MRA.

Our conclusion on the Statement is not modified in respect of this matter.


10. The Statement includes the interim financial information / results of 5 subsidiaries (1 domestic and 4 foreign subsidiaries) which have not been reviewed by us, whose unaudited financial results reflect total revenue of ₹ 69 Lakhs, net loss (after tax) of ₹ 747 Lakhs, and total comprehensive income (net loss) of ₹ 3,798 Lakhs for the quarter ended 30 June 2019, as reported by the respective companies and which have been considered in the Statement. These interim financial information / results have been reviewed by another auditor whose reports have been furnished to us by the Management of the Parent and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of another auditor.

Our conclusion on the Statement is not modified in respect of the above matter.

11. The consolidated unaudited financial results includes the interim financial information of one subsidiary which has not been reviewed by its auditor, whose interim financial information reflect total revenue of ₹ Nil, net profit (after tax) of ₹ Nil and total comprehensive income (Loss) of ₹ 1 Lakh for the quarter ended 30 June 2019, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, the interim financial information is not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

for **SHARP & TANNAN**  
Chartered Accountants  
Firm's Registration No. 003792S

  
V. Viswanathan  
Partner

Membership No. 215565  
UDIN: 19215565AAAAAN2353

Place: Chennai  
Date: 12 August 2019



# SHARP & TANNAN

LETTER No. : \_\_\_\_\_

SHEET No. : \_\_\_\_\_

Annexure A to the independent auditor's review report on consolidated financial results of Ballarpur Industries Limited

The Statement includes the results of the entities listed below

Sl. No	Name of the entity	Relationship
1	Bilt Graphic Paper Products Limited	Subsidiary
2	Avantha Agritech Limited	Subsidiary
3	Ballarpur Speciality Paper Holdings B V	Subsidiary
4	Bilt General Trading FZE	Subsidiary
5	Ballarpur International Holdings B V	Subsidiary
6	Bilt Paper B V	Subsidiary
7	Ballarpur Paper Holdings B V	Subsidiary
8	Sabah Forest Industries SDN BHD	Subsidiary
9	Premier Tissues India Limited	Joint Venture

*SM*