



31st January, 2019

The Secretary The National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor Plot No. C/1, G Block Bandra - Kurla Complex, Bandra (E) MUMBAI - 400 051	Department of Corporate Services BSE Limited 1 st 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 and nine months ended 31st December, 2018.

Dear Sir,

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at its meeting held today has approved the Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and nine months ended 31st December, 2018.

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 2:30 p.m. and concluded at 6:15 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



AVANTHA
GROUP COMPANY

Ballarpur Industries Limited

BALLARPUR INDUSTRIES LIMITED
STATEMENT OF CONSOLIDATED/STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTH ENDED 31ST DECEMBER 2018

Part I		Consolidated						Standalone					(Rs. in Lacs)
Sl. No.	Particulars	Quarter ended			Nine Month ended		Year Ended	Quarter ended			Nine Month ended		Year Ended
		31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Income												
1	Revenue from Operations	95,513	93,673	69,932	271,629	178,152	250,469	12,008	11,215	8,231	33,697	19,555	30,326
2	Other Income	3,728	2,389	1,060	8,064	3,182	6,745	1,079	4,587	1,155	6,863	3,301	5,483
3	Total income	99,241	96,062	70,992	279,693	181,334	257,214	13,087	15,802	9,386	40,560	22,856	35,809
4	Expenses												
	(a) Cost of Material Consumed	52,061	51,738	37,589	149,271	95,342	130,751	4,661	4,568	3,248	13,294	5,770	12,059
	(b) Purchases of stock-in-trade	37	138	114	307	2,053	2,162	-	-	6	-	16	427
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(5,167)	(1,444)	737	(6,414)	(5,745)	(4,126)	(120)	1,023	(223)	934	(39)	(1,689)
	(d) Excise Duty	-	-	-	-	2,743	2,744	-	-	-	-	437	437
	(e) Employee benefits expense	8,139	6,990	5,734	21,224	18,461	22,730	2,085	1,662	1,779	5,424	5,424	6,670
	(f) Finance costs	20,523	21,556	31,430	60,273	92,446	91,559	5,175	5,675	6,177	16,098	19,580	24,434
	(g) Depreciation and amortisation expense	6,569	6,520	7,303	20,168	20,745	27,667	1,592	1,604	1,812	4,781	4,666	5,971
	(h) Other Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
	(i) Power and Fuel	12,350	12,800	10,456	36,210	26,635	37,582	3,719	3,875	3,642	11,198	7,951	11,649
	(ii) Store and Spares	2,068	1,528	1,365	5,393	3,495	5,018	318	277	195	873	444	639
	(iii) Other Expenditure	8,654	7,886	6,053	23,022	16,107	25,169	2,855	1,281	754	4,928	3,126	4,014
	Total expenses	105,234	107,712	100,781	309,454	272,282	341,256	20,285	19,965	17,390	57,530	47,375	64,611
5	Profit/(loss) before Exceptional Items, tax and Discontinued Operations(3-4)	(5,993)	(11,650)	(29,789)	(29,761)	(90,948)	(84,042)	(7,198)	(4,163)	(8,004)	(16,970)	(24,519)	(28,802)

Sl. No.	Particulars	Quarter ended			Nine Month ended		Year Ended	Quarter ended			Nine Month ended		Year Ended
		31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
6	Share of Profit/(Loss) in Associate and Joint Venture	31	-	-	31	-	-	-	-	-	-	-	-
7	Exceptional items	3,300	-	-	3,300	-	19,012	3,010	-	-	3,010	-	16,929
8	Profit/(loss) before tax (5+6-7)	(9,262)	(11,650)	(29,789)	(33,030)	(90,948)	(103,054)	(10,208)	(4,163)	(8,004)	(19,980)	(24,519)	(45,731)
9	Tax Expense												
	Current Tax	-	-	13	-	13	12	-	-	-	-	-	-
	Deferred Tax	1,045	1,146	2	3,320	2	(16,655)	-	-	-	-	-	(14,622)
10	Profit/(loss) for the period from continuing operations (8-9)	(10,307)	(12,796)	(29,804)	(36,350)	(90,963)	(86,411)	(10,208)	(4,163)	(8,004)	(19,980)	(24,519)	(31,109)
11	Profit/ (loss) from discontinued operation before tax	(4,916)	(6,646)	(6,592)	(18,690)	(23,644)	(117,149)						
12	Tax expense on discontinued operation	-	-	-	-	-	-						
13	Profit/ (loss) from discontinued operation after tax (11-12)	(4,916)	(6,646)	(6,592)	(18,690)	(23,644)	(117,149)	-	-	-	-	-	-
14	Profit/(loss) for the period (10+13)	(15,223)	(19,442)	(36,396)	(55,040)	(114,607)	(203,560)	(10,208)	(4,163)	(8,004)	(19,980)	(24,519)	(31,109)
15	Other Comprehensive income												
	(i) Items that will not be reclassified to profit or loss	76	29	5	430	110	(3,741)	(6)	4	5	34	36	(491)
	(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	8,944	(11,123)	1,817	(15,181)	6,850	8,934	-	-	-	-	-	-
	(iv) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
	Other Comprehensive income	9,020	(11,094)	1,822	(14,751)	6,960	5,193	(6)	4	5	34	36	(491)
16	Total Comprehensive income for the period (14+15)	(6,203)	(30,536)	(34,574)	(69,791)	(107,647)	(198,367)	(10,214)	(4,159)	(7,999)	(19,946)	(24,483)	(31,600)
17	Net Profit attributable to												
	a) Owners of the Company	(15,232)	(14,264)	(26,299)	(44,519)	(82,593)	(139,495)	(10,208)	(4,163)	(8,004)	(19,980)	(24,519)	(31,109)
	b) Non - Controlling interest	9	(5,178)	(10,097)	(10,521)	(32,014)	(64,065)						
18	Other Comprehensive income												
	a) Owners of the Company	9,081	(9,340)	2,534	(10,191)	3,888	3,041	(6)	4	5	34	36	(491)
	b) Non - Controlling interest	(61)	(1,754)	(712)	(4,560)	3,072	2,152						
19	Total Comprehensive income attributable to												
	a) Owners of the Company	(6,151)	(23,604)	(23,765)	(54,710)	(78,705)	(136,454)	(10,214)	(4,159)	(7,999)	(19,946)	(24,483)	(31,600)
	b) Non - Controlling interest	(52)	(6,932)	(10,809)	(15,081)	(28,942)	(61,913)						
20	Paid-Up Equity Share Capital (Face Value of Rs. 2 each)						25,871						25,871
21	Reserve excluding Revaluation Reserve						5,576						52,576
22	Earnings per equity share (for continuing operation):												
	(a) Basic	(0.95)	(0.79)	(1.72)	(2.56)	(6.63)	(6.24)	(0.79)	(0.32)	(0.62)	(1.54)	(2.39)	(2.85)
	(b) Diluted	(0.95)	(0.79)	(1.72)	(2.56)	(6.63)	(6.24)	(0.79)	(0.32)	(0.62)	(1.54)	(2.39)	(2.85)
23	Earnings per equity share (for discontinuing operation):												
	(a) Basic	(0.23)	(0.31)	(0.31)	(0.88)	(1.41)	(6.53)	-	-	-	-	-	-
	(b) Diluted	(0.23)	(0.31)	(0.31)	(0.88)	(1.41)	(6.53)	-	-	-	-	-	-
24	Earnings per equity share												
	(a) Basic	(1.18)	(1.10)	(2.03)	(3.44)	(8.04)	(12.77)	(0.79)	(0.32)	(0.62)	(1.54)	(2.39)	(2.85)
	(b) Diluted	(1.18)	(1.10)	(2.03)	(3.44)	(8.04)	(12.77)	(0.79)	(0.32)	(0.62)	(1.54)	(2.39)	(2.85)

CONSOLIDATED/STANDALONE SEGEMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER/ NINE MONTH ENDED 31ST DECEMBER , 2018

Rs in Lacs													
		Consolidated						Standalone					
Sl. No.	Particulars	Quarter ended			Nine Month ended		Year Ended	Quarter ended			Nine Month ended		Year Ended
		31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenues												
	(a) Uncoated Paper	54,502	51,966	46,507	153,709	122,333	169,642	12,008	11,215	8,231	33,697	19,555	30,326
	(b) Coated Paper	40,317	39,856	21,830	113,894	50,851	74,443	-	-	-	-	-	-
	(c) Others	694	1,851	1,595	4,053	6,511	7,928	-	-	-	-	-	-
	Total	95,513	93,673	69,932	271,656	179,695	252,013	12,008	11,215	8,231	33,697	19,555	30,326
	Less: Inter Segment Revenue	-	-	-	27	1,543	1,544	-	-	-	-	-	-
	Revenue from Operation	95,513	93,673	69,932	271,629	178,152	250,469	12,008	11,215	8,231	33,697	19,555	30,326
	2 Segment Results (Profit +)/ Loss (-) before Tax and Interest)												
	(a) Uncoated Paper	9,680	6,334	1,942	22,107	3,935	11,038	(1,187)	2,379	(855)	1,661	(2,276)	(753)
	(b) Coated Paper	5,714	4,514	735	11,101	436	183	-	-	-	-	-	-
(c) Others	(864)	(942)	(1,036)	(2,696)	(2,873)	(3,704)	(836)	(867)	(972)	(2,533)	(2,663)	(3,615)	
Total	14,530	9,906	1,641	30,512	1,498	7,517	(2,023)	1,512	(1,827)	(872)	(4,939)	(4,368)	
Less:													
i) Interest		20,523	21,556	31,430	60,273	92,446	91,559	5,175	5,675	6,177	16,098	19,580	24,434
ii) Other un-allocable expenditure net of un-allocable income		3,269	-	-	3,269	-	19,012	3,010	-	-	3,010	-	16,929
Total Profit Before Tax		(9,262)	(11,650)	(29,789)	(33,030)	(90,948)	(103,054)	(10,208)	(4,163)	(8,004)	(19,980)	(24,519)	(45,731)
(Based on reasonable estimates)													
3		Consolidated						Standalone					
		As on 31.12.2018	As on 30.09.2018	As on 31.12.2017 *	As on 31.12.2018	As on 31.12.2017 *	As on 31.03.2018	As on 31.12.2018	As on 30.09.2018	As on 31.12.2017 *	As on 31.12.2018	As on 31.12.2017 *	As on 31.03.2018
	Segment Assets												
	(a) Uncoated Paper	824,569	846,774	1,036,875	824,569	1,036,875	835,418	265,240	264,622	296,647	265,240	296,647	262,474
	(b) Coated Paper	234,303	229,374	235,732	234,303	235,732	235,493	-	-	-	-	-	-
	(c) Others	36,135	40,877	43,010	36,135	43,010	44,745	28,321	28,752	30,117	28,321	30,117	29,542
	(d) Un-allocable assets	60,878	59,740	33,168	60,878	33,168	36,060	115,944	118,596	107,292	115,944	107,292	118,710
	Total Segment Assets	1,155,885	1,176,765	1,348,785	1,155,885	1,348,785	1,151,716	409,505	411,970	434,056	409,505	434,056	410,726
	4 Segment Liabilities												
	(a) Uncoated Paper	311,052	310,284	390,095	311,052	390,095	249,608	167,734	162,182	158,452	167,734	158,452	149,367
(b) Coated Paper	28,636	24,808	20,685	28,636	20,685	23,383	-	-	-	-	-	-	
(c) Others	18,276	18,238	12,491	18,276	12,491	19,212	10,127	8,348	7,975	10,127	7,975	8,134	
(d) Un-allocable liabilities	8,801	8,819	19,627	8,801	19,627	7,088	6,147	5,705	8,378	6,147	8,378	5,705	
Total Segment Liabilities	366,765	362,149	442,898	366,765	442,898	299,291	184,008	176,235	174,805	184,008	174,805	163,206	

*Segment Assets and Segment Liabilities as at 31st December - 2017 have been restated in line with the prior period adjustment given in the financial statements for the year ended 31st March- 2018

Notes for the quarter and nine months ended 31st December-2018

1. The above results were reviewed by the Audit Committee and then approved by the Board of Directors in their meeting held on 31st January 2019. A Limited review of these financial results has been carried out by the Statutory auditors of the Company.
2. These financial results have been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standards 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.
3. Effective 1st April 2018, Ind AS 115 "Revenue from contracts with customers" has been adopted using the cumulative effect method. Accordingly, the comparatives have not been retrospectively adjusted. The adoption of the standard did not have any material impact to the financial results of the Company.
4. During the quarter, the Company executed the Share Subscription Agreement (SSA) for dilution of shareholding in M/s Premier Tissues India Limited (PTIL). Post execution of the SSA, the Group retained 50% of the shareholding in PTIL and is classified as a Joint Venture w.e.f. 8 November 2018. The loss on dilution to shareholding / loss of control and the loss on fair valuation of the retained investment is recognized in profit or loss under exceptional items.
5. The Company has taken steps to reduce the financial burden by restructuring its financial liabilities during the previous financial year and is in the process of further negotiating the terms with the lenders for the second phase of restructuring as per its proposed revival plan. The Company has also improved its operational efficiency during the current period and is actively evaluating new initiatives to improve the contribution from operations. Further, during the period the Government of Telangana has sanctioned certain incentives for re-commencing the operations of its manufacturing Unit at Kamalapuram. Considering the above, management is confident of the positive outcome of the above assumptions and developments and has accordingly prepared the financial results on a going concern basis.
6. Under the Master Restructuring Agreement (MRA) signed by the step down subsidiary, BILT Graphic Paper Products Ltd (BGPPL), during the financial year 2017-18, as per which BGPPL is entitled to various reliefs / concessions granted by the majority lenders. However, IDBI bank, one of the non-assenting lenders had initiated 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. Considering that BGPPL has complied with all necessary conditions precedent in accordance with

MRA, based on opinion from legal counsel, BGPPL had given effect to the MRA in the financial statements for the year ended 31st March 2018 which consisted of debt restructuring including conversion of loan into equity, compulsory redeemable preference shares & issuance of fresh equity of Rs. 89,336 Lakhs, and other gains of Rs. 142,279 Lakhs.

During the quarter, the Hon'ble Delhi High Court has partially vacated the stay and thereafter a transfer application has been filed by BGPPL before the Hon'ble Supreme Court, which has stayed the proceeding pending before the Hon'ble Delhi High Court and the matter is sub judice.

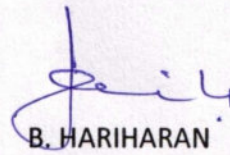
During the quarter and period ended 31st December-2018 the Company continues to accrue interest as per the terms agreed in the MRA with its lenders and has ceased to accrue interest on those amounts against which equity and preference shares have been agreed to be issued, which has resulted in savings of finance costs aggregating Rs. 8,972 Lakhs and Rs. 27,016 Lakhs for the quarter and period ended 31st December-2018 respectively. The equity and preference shares have not been issued since the case is pending at Hon'ble Supreme Court.

During the quarter the Company has entered into an amendment (3rd) to the MRA and the impact of the same has been included in the results. Further the MRA provides for an annual reset of the interest rate and in the absence of confirmation from the lenders, the Company continues to accrue interest at the rate as per the original MRA.

7. In view of the prevailing uncertainties arising from ongoing financial restructuring and pending litigations, the potential liability arising from put option cannot be determined with certainty and has accordingly not been recognized in these financial results.
8. With the applicability of Goods and Services Tax (GST) effective 1st July, 2017, revenue from operations is disclosed net of GST w.e.f. 1st July, 2017.
9. Pursuant to the Sale and Purchase Agreement for sale of SFI assets the Group had recognized an impairment loss of Rs. 69,077 lakhs in the consolidated financial statements for the year ended March 31, 2018. The SFI sale of assets is pending completion and further financial impact, if any, shall be recorded at the time of final settlement and conclusion of the transaction.
10. Exceptional items for the period ended 31st December 2018 includes loss on dilution of shareholding in Premier Tissues India Limited and loss on sale of land. Exceptional items for the year ended 31st March 2018 include provisions made in relation to Inventories, write off of Loans & Advances, Other receivables & impairment of assets pertaining to Sabah Forest Industries Sdn. Bhd., Malaysia and gain on implementation of MRA.

11. 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

Place: Gurugram

Date: 31st January, 2019

Group Director (Finance)



SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 003792S

Independent auditor's review report on standalone financial results

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 and nine months ended 31 December 2018 (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 modified by circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016.
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, which the management is unable to quantify, regarding liability with respect to the outstanding Put Options which forms basis for our qualified conclusion. Accordingly, we are unable to quantify the impact.*
5. Based on our review conducted as stated above, *except to the effects / possible effects of matter described in paragraph (4) 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 modified by circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

SHARP & TANNAN

LETTER No. : _____

SHEET No. : _____

6. We draw attention to Note 5 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 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

Place: Gurugram

Date: 31 January 2019



SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 003792S

Independent auditor's review report on consolidated financial results

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 "Company" or the "Parent" or the "Holding Company") and its subsidiaries (the Parent and its subsidiaries together referred to as the "Group"), and its share of joint venture for the quarter and nine months period ended 31 December 2018 (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 modified by circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016.
2. This Statement, which is the responsibility of the Parent'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's 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. The Statement includes the results of the entities listed in Annexure A
5. *We draw reference to Note 7 to the Statement, which the Management is unable to quantify, regarding liability with respect to the outstanding Put Options which forms basis for our qualified conclusion. Accordingly, we are unable to quantify the impact.*
6. a. *We draw reference to Note 6 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 current period, 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 and nine months ended 31 December 2018 when the matter is sub judice.

- b. As stated in the Note, the Subsidiary has not accrued interest for the quarter and nine months ended 31 December 2018 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 Rs. 3,173 lakhs and Rs. 9,427 lakhs for the quarter and nine months ended 31 December 2018 respectively.*
- 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 Rs. 8,972 lakhs and Rs. 27,016 lakhs for the quarter and nine months ended 31 December 2018.

- 7. Based on our review conducted as stated above and based on the consideration of the review reports of the other auditors referred to in paragraph (9) below, *except to the effects / possible effects of matter described in paragraph (5) & (6) 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 modified by circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
- 8. We draw attention to Note 5 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 Management is confident that the Holding Company will be able to continue as a going concern.

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

- 9. The Statement includes the interim financial information / results of six subsidiaries (including one subsidiary classified as discontinuing operations) which have not been reviewed by us, whose

unaudited financial results reflect total revenue from continuing operations of Rs. 33 lakhs and Rs. 275 lakhs and from discontinuing operations of Rs. 229 lakhs and Rs. 1,208 lakhs for the quarter and nine months ended 31 December 2018 respectively and net loss (after tax) from continuing operations of Rs. 6,453 lakhs and Rs. 7,747 lakhs and net loss (after tax) from discontinuing operations of Rs. 3,322 lakhs and Rs. 16,102 lakhs for the quarter and nine months ended 31 December 2018 respectively, as reported by the respective companies and which have been considered in the consolidated unaudited financial results. 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 report on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

10. The Statement includes the interim financial information / results of one subsidiary which has not been reviewed by its auditor, whose interim financial information reflect total revenue of Rs. Nil and Rs. Nil for the quarter and nine months ended 31 December 2018 respectively and profit/loss of Rs. Nil and Rs. Nil for the quarter and nine months ended 31 December 2018, as reported by the subsidiary and which have been considered in the Statement. This interim financial information has 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 the subsidiary is solely based on the interim financial information certified by the Management of the Parent. According to the information and explanations given to us by the Management, the interim financial information is not material to the Group.

Our report 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

Place: Gurugram
Date: 31 January 2019

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	Premier Tissues India Limited	Subsidiary upto 7 November 2018 and Joint Venture thereafter
3	Avantha Agritech Limited	Subsidiary
4	Ballarpur Speciality Paper Holdings B V	Subsidiary
5	Bilt General Trading FZE	Subsidiary
6	Ballarpur International Holdings B V	Subsidiary
7	Bilt Paper B V	Subsidiary
8	Ballarpur Paper Holdings B V	Subsidiary
9	Sabah Forest Industries SDN BHD	Subsidiary

