

Independent Auditors' Review Report on Quarterly and Year to date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To,
The Board of Directors of Ballarpur Industries Limited

We have reviewed the accompanying statement of unaudited standalone financial results of **Ballarpur Industries Limited ("the Company")** for the quarter and half year ended September 30, 2023 ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

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 Ind AS 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India and in compliance with the Regulations 33 and 52 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

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 financial results are free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 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. We have not performed an audit and accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

1. We are appointed as auditors of the Company on September 10, 2024 and therefore we are unable to satisfy ourselves by performing alternative procedures regarding the stores and spares quantities held and its valuation as at September 30, 2023, as per SA 501 'Audit Evidence - Specific Consideration for Selected Items'. Therefore, we are unable to conclude whether stores and spares of Rs. 1,316.81 lakhs (after providing for obsolescence) are fairly stated as at September 30, 2023, in the Statement.
2. The National Stock Exchange of India Limited (NSE) and BSE Ltd have imposed fines on the Company towards the delays in compliance pertaining to various regulations of the SEBI LODR Regulations, 2015. The said fines pertain to the financial period from June 30, 2020 to June 30, 2024. The Company has made the waiver application with both the stock exchanges for waiver of fines and as a result the NSE has waived off SOP fines for non-compliance till March 31, 2023 vide their letter ref: NSE/LIST/SOP/1123 dated October 9, 2024. According to the SEBI LODR guidelines, a penalty of Rs. 5,000 per day per stock exchange is imposed for non-adoption of financial results. The Company has not made provision for the said fines in its books of accounts. The Company has informed that they have filed an Interlocutory Application (IA) before Hon. National Company Law Tribunal (NCLT), Mumbai Bench for providing extension / exemption for statutory filings which includes the quarterly financial results for quarter ending June 30, 2023, September 30, 2023, December 31, 2023 and the financial statements for financial year 23-24. The aforesaid IA is pending with NCLT and the Company is hopeful to get the relief. They will be requesting for the waiver of this fine and hence have not made any provision for these fines in their books of accounts. Due to this the loss for the quarter and half year ended September 30,

2023 and the reserves & surplus have been understated and overstated respectively to that extent.

3. We have not been provided with the bank statements for 17 bank accounts maintained by the Company having a carrying amount of Rs. 9.20 Lakhs as at September 30, 2023. Also, the balance confirmation certificate has not been provided for any bank account maintained. Therefore, the consequential impact of balance confirmation and reconciliation, if any, on the Statement is not ascertainable. (Refer note no. 10)
4. We have not been provided with the bank statements for 5 bank accounts maintained by the Company relating to unpaid dividend having a carrying amount of Rs. 27.59 Lakhs as at September 30, 2023. Also, the balance confirmation certificate has not been provided for any of the accounts maintained. Therefore, the consequential impact of balance confirmation and reconciliation, if any, on the Statements is not ascertainable. (Refer note no. 13)
5. We have not been provided with the details of bank deposits with original maturity exceeding 3 months as at September 30, 2023. Also, neither the balance confirmation certificate nor Interest Certificate has been provided for any of the Bank Deposits. Therefore, the consequential impact of balance confirmation and reconciliation, if any, on the statement is not ascertainable. (Refer note no. 14)
6. The Company has not been able to identify and quantify the amounts of dues payable to MSME vendors. Therefore, we are unable to ascertain the necessary compliances with the provisions of the MSME Act, 2006 (as amended) and its impact on the Statement. (Refer note no. 12)
7. Based on our review of the books of accounts of the Company for the six months ended September 30, 2023 we have observed interest income on Fixed Deposits of Rs. 38.16 lakhs. We have not been provided with the interest certificate nor with Fixed Deposit receipts. Also, we could not obtain the confirmation from the Banks. Due to non-availability of required details of FDs, we are unable to confirm the reliability and authenticity of this interest income.
8. The company has not filed its Tax Audit Reports since Assessment Year 2021-22 and its Income Tax Returns (ITR) since Assessment Year 2021-22. Due to the absence of these tax filings, we are unable to obtain sufficient and appropriate audit evidence regarding the company's compliance with tax regulations, and any related financial impacts thereof. (Refer note no. 16)
9. The Company has not presented comparative financial information for the quarter ended June 30, 2022 and March 31, 2023, in the financial results for the quarter ended June 30, 2023. This is due to the Company's ongoing insolvency proceedings under the National Company Law Tribunal (NCLT), during which control over the company was vested with the Resolution Professional (RP) / the previous promoters. Given these circumstances, the company was unable to obtain the necessary historical financial records to ensure the accuracy and completeness of the comparative figures for the prior period. Also, the books of accounts have been transferred from the erstwhile oracle system to tally system. (Refer note no. 4)

Qualified Conclusion

Based on our review conducted as above, with the exception of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with applicable Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015 and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by SEBI Circular No. CIR/CFD/FAC/62/2016

dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Material uncertainty relating to Going Concern

The Statement has been prepared on the going concern basis considering the following points:

- The new Management is currently under the process of selling its existing inventory & assets held for sale and generating cash flows.
- As per the Resolution Plan approved by the Honorable NCLT Bench, Mumbai, the new Management has taken over the controls and operations of the Company and has infused substantial funds to settle the dues of the financial and operational creditors. Purchase orders have been placed with vendors for procurement of capital items and capex work has started at the factory to revive the operations of the factory and restart manufacturing soon. Recruitments are being planned for senior posts at different functions. These actions of the new Management indicate their intention to revive the company and generate cash flows for the company in the future.

Our conclusion is not modified in respect of this matter.

Other Matter

We draw attention to our audit report dated October 25, 2024 on the audited standalone financial statements for the year ended March 31, 2024, wherein we had issued a modified opinion on several matters including non-compliance by the Company with the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) as the Company had not filed its quarterly financial results pertaining to the financial year ended March 31, 2024, with the stock exchanges.

Subsequently, the Company has prepared and filed the quarterly financial results pertaining to the financial year ended March 31, 2024 addressing the previously reported non-compliance. This Limited Review Report for the quarter and half year ended September 30, 2023 is issued in respect of the standalone financial results so prepared and filed.

Our conclusion is not modified in respect of this matter.

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

PARAG
RAMAN
HANGEKAR
Digitally signed by
PARAG RAMAN
HANGEKAR
Date: 2024.11.14
23:48:57 +05'30'



Parag Hangekar
Partner
Membership No: 110096
UDIN: 24110096BKCXSE1756
Place: Mumbai
Date: November 14, 2024

BALLARPUR INDUSTRIES LIMITED

CIN: L21010MH1945PLC010337

STANDALONE STATEMENT OF ASSET AND LIABILITIES AS AT 30 SEPTEMBER 2023



₹ in Lakhs

| Particulars | As at 30 September 2023 | As at 31 March 2023 |
|---|----------------------------|------------------------|
| ASSETS | | |
| (1) Non-Current Assets | | |
| (a) Property, Plant and Equipment | 59,891 | 60,455 |
| (b) Capital work-in-progress | - | - |
| (c) Other intangible assets | - | - |
| (d) Financial assets | - | - |
| (i) Investments | 5 | 5 |
| (ii) Loans | - | - |
| (iii) Others | 538 | 538 |
| (e) Deferred tax assets (net) | 11,924 | 11,924 |
| (f) Other non-current assets | 85 | 29 |
| (2) Current Assets | - | - |
| (a) Inventories | 2,220 | 1,668 |
| (b) Financial assets | - | - |
| (i) Trade receivables | 0 | 583 |
| (ii) Cash and cash equivalents | 1,849 | 45 |
| (iii) Bank balances other than (ii) above | 20 | 46 |
| (iv) Loans | - | - |
| (v) Others | 40 | 345 |
| (c) Other current assets | 537 | 1,229 |
| (d) Assets classified as held for sale | 58,950 | 58,950 |
| Total Assets | 1,36,059 | 1,35,817 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| (1) Equity share capital | 5,500 | 25,871 |
| (2) Other equity | 58,597 | 46,914 |
| Liabilities | | |
| (1) Non-Current Liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 59,644 | - |
| (ii) Other financial liabilities | - | - |
| (b) Provisions | 0 | - |
| (c) Other non-current liabilities | - | - |
| (2) Current Liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 40 | 53,248 |
| (ii) Trade payables | - | - |
| a) Total outstanding dues of micro and small enterprises | - | - |
| b) Total outstanding dues of creditors other than micro and small enterprises | 8,834 | 8,802 |
| (iii) Other financial liabilities | 42 | 949 |
| (b) Other current liabilities | 3,402 | 33 |
| (c) Provisions | - | - |
| (d) Current tax liabilities(net) | - | - |
| Total Equity and Liabilities | 1,36,059 | 1,35,817 |

For and on Behalf of the Board of Directors,

For Ballarpur Industries Limited
Hardik
Bharat Patel

 Digitally signed by
 Hardik Bharat Patel
 Date: 2024.11.14
 23:43:53 +05'30'
Hardik Bharat Patel

Chairman & Whole-Time Director

DIN: 00590663

14 November 2024

Mumbai

BALLARPUR INDUSTRIES LIMITED

CIN: L21010MH1945PLC010337

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE
QUARTER & HALF YEAR ENDED 30 SEPTEMBER 2023**

₹ in Lakhs

| Particulars | Quarter ended | | | Half yearly | | Year ended |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| | As at 30 Sept 2023 | As at 30 June 2023 | As at 30 Sept 2022 | As at 30 Sept 2023 | As at 30 Sept 2022 | As at 31 March 2023 |
| Revenue from operations | - | - | - | - | - | 0 |
| Other income | 25 | 27 | - | 52 | - | 26 |
| Total Income | 25 | 27 | - | 52 | - | 26 |
| Expenses | - | - | - | - | - | - |
| Cost of materials consumed | - | - | - | - | - | - |
| Purchase of stock in trade | 365 | 0 | - | 365 | - | - |
| Changes in inventories of finished goods, | (850) | (112) | - | (962) | - | - |
| | (485) | (112) | - | (597) | - | - |
| Employee benefits expense | 120 | 113 | - | 233 | - | 136 |
| Finance costs | 1,037 | 200 | - | 1,237 | - | 47,882 |
| Depreciation and amortisation expense | 282 | 281 | - | 564 | - | 3,756 |
| Other expenses | 531 | 649 | - | 1,180 | - | 1,180 |
| Total Expenses | 1,485 | 1,131 | - | 2,617 | - | 52,954 |
| Profit/ (loss) before exceptional items and tax | (1,460) | (1,104) | - | (2,564) | - | (52,928) |
| Exceptional items | - | - | - | - | - | 4,98,237 |
| Profit/ (loss) before tax | (1,460) | (1,104) | - | (2,565) | - | 4,45,309 |
| Tax expense: | - | - | - | - | - | - |
| (1) Current tax | - | - | - | - | - | - |
| (2) Deferred tax | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| Profit/ (loss) for the year | (1,460) | (1,104) | - | (2,565) | - | 4,45,309 |
| Earnings per equity share | - | - | - | - | - | - |
| (1) Basic *(₹) | (0.27) | (0.42) | - | (0.69) | - | 34.43 |
| (2) Diluted *(₹) | (0.27) | (0.42) | - | (0.69) | - | 34.43 |

For and on Behalf of the Board of Directors,

For Ballarpur Industries Limited**Hardik
Bharat Patel**Digitally signed by
Hardik Bharat Patel
Date: 2024.11.14
23:45:08 +05'30'**Hardik Bharat Patel**

Chairman & Whole-Time Director

DIN: 00590663

14 November 2024
Mumbai

BALLARPUR INDUSTRIES LIMITED

CIN: L21010MH1945PLC010337

**STANDALONE STATEMENT OF CASH FLOWS FOR
YEAR ENDED 30 SEPTEMBER 2023**

HALF



₹ in Lakhs

| Particulars | As at Sept 2023 | As at Sept 2022 |
|---|--------------------|--------------------|
| Cashflow from operating activities | | |
| Profit/(Loss) before tax | 2,564 | - |
| Adjustment for: | - | - |
| Depreciation and Amortisation Expense | 564 | - |
| Provisions for Gratuity | - | - |
| Provisions for Bonus | - | - |
| Provisions for Leave encashment | 3 | - |
| Finance Costs | 1,237 | - |
| Provisions/Liabilities no longer required written back | - | - |
| Profit on disposal of Non-current Assets held for Sales | - | - |
| (Profit)/Loss on sale of Property, Plant & Equipment (Net) | - | - |
| Assets Discarded | - | - |
| Sundry Balances written off | (11,252) | - |
| Provision for Doubtful Trade Receivables and Bad Debts written off | 179 | - |
| | - | - |
| | - | - |
| | - | - |
| Operating profit before working capital changes | (6,706) | - |
| Adjustment for working capital | - | - |
| Decrease/(Increase) in Inventories | (552) | - |
| Decrease in Trade Receivables | 583 | - |
| Increase in Other Financial Assets | 303 | - |
| (Increase)/Decrease in Other Current Assets | 692 | - |
| (Increase)/Decrease in Other Non Current Assets | (56) | - |
| Increase in non-current Provisions | - | - |
| Decrease in Other non-current Liabilities | - | - |
| Decrease in Other Financial Liabilities | (906) | - |
| (Decrease) in Provisions | 0 | - |
| Increase in Other Current Liabilities | 3,370 | - |
| Decrease in Trade Payables | 32 | - |
| | - | - |
| Cash generated from / (used in) operations | (3,239) | - |
| Direct taxes (paid) / refund (net) | - | - |
| | - | - |
| Net cash generated from / (used in) operating activities of continuing operations | (3,239) | - |
| Net cash generated from / (used in) operating activities of discontinued operations | - | - |
| Net cash generated from / (used in) operating activities | (3,239) | - |
| | - | - |

| | | |
|---|--------------|----------|
| Cashflow from investing activities | - | - |
| | - | - |
| Payment for acquisition of property, plant and equipment and intangible assets | - | - |
| Proceeds from Sale of Property, Plant and Equipment | 1 | - |
| Insurance Claim Received | - | - |
| Net cash generated from / (used in) investing activities of continuing operations | 1 | - |
| Net cash generated from / (used in) investing activities of discontinued operations | - | - |
| | - | - |
| Net cash generated from / (used in) investing activities | 1 | - |
| | - | - |
| Cashflow from financing activities | - | - |
| | - | - |
| Finance Cost | (1,237) | - |
| Proceeds from Long Term Borrowings | - | - |
| Repayment of Long Term Borrowings | 6,436 | - |
| | - | - |
| Net cash generated from / (used in) financing activities of continuing operations | 5,199 | - |
| Net cash generated from / (used in) financing activities of discontinued operations | - | - |
| Net cash generated from / (used in) financing activities | 5,199 | - |
| | - | - |
| Net increase / (decrease) in cash and cash equivalents | 1,961 | - |
| Cash and cash equivalents at the beginning of the year | 92 | - |
| Cash and cash equivalents at the end of the year | 1,869 | - |

For and on Behalf of the Board of Directors,

For Ballarpur Industries Limited

Hardik
Bharat Patel

Digitally signed by
Hardik Bharat Patel
Date: 2024.11.14
23:44:32 +05'30'

Hardik Bharat Patel

Chairman & Whole-Time Director
DIN: 00590663

14 November 2024
Mumbai

Compliance related to disclosure of certain ratios and other financial information as required under Regulation 52 (4) of the Listing Regulations

Analytical Ratios and other disclosures based on Standalone financial results:

| | Particulars | Quarter Ended | | | Half Year Ended | | Year Ended |
|----|---|----------------|----------------|----------------|-----------------|----------------|---------------|
| | | 30th Sept 2023 | 30th June 2023 | 30th Sept 2022 | 30th Sept 2023 | 30th Sept 2022 | 31st Mar 2023 |
| a) | Debt equity ratio (no. of times) | 0.93 | 0.88 | - | 0.93 | - | 0.73 |
| b) | Debt service coverage ratio | NA | NA | - | NA | - | NA |
| c) | Interest service coverage ratio | NA | NA | - | NA | - | NA |
| d) | Outstanding redeemable preference shares (quantity and value) | NA | NA | - | NA | - | NA |
| e) | Capital redemption reserve | NA | NA | - | NA | - | NA |
| f) | Debenture redemption reserve | - | - | - | - | - | 2101 |
| g) | Net worth (refer note ii) | 64,088 | 66,413 | - | 64,088 | - | 72785 |
| h) | Net profit/(loss) after tax | 1,460 | (1,104) | - | (2,565) | - | 445309 |
| i) | Earnings per share (face value of Rs.2/- each) | - | - | - | - | - | 0 |
| | -Basic | (0.42) | (0.42) | - | (0.69) | - | 34.43 |
| | -Diluted | (0.42) | (0.42) | - | (0.69) | - | 34.43 |
| j) | Current ratio | 5.16 | 5.40 | - | 5.16 | - | 1 |
| k) | Long term debt to working capital (refer note iii) | 1.16 | 1.12 | - | 1.16 | - | - |
| l) | Bad Debts to Accounts Receivables Ratio | - | - | - | - | - | - |
| m) | Current Liability Ratio (refer note iv) | 0.17 | 0.17 | - | 0.17 | - | 1 |
| n) | Total Debts to Total Assets (refer note v) | 0.44 | 0.43 | - | 0.44 | - | 0.39 |
| o) | Debtors Turnover Ratio | - | - | - | - | - | 0 |
| p) | Inventory Turnover Ratio | - | - | - | - | - | 0 |
| q) | Operating Margin (%) (refer note vi) | - | - | - | - | - | -824836% |
| r) | Net Profit Margin (%) (refer note vii) | -5745% | -4103% | - | -4900% | - | 1702285% |

Notes:

- i) Debt equity ratio: (Debts + Borrowings other than debts)/ (Equity+Other equity)
- ii) Net Worth: Equity + Other Equity
- iii) Long term debt to working capital: Short Term Debt + Long term debt/ Working Capital
- iv) Current Liability Ratio: Current Liability/ Total Liabilities
- v) Total Debts to Total Assets: (Debts + Borrowings)/ Total Assets
- vi) Operating Margin: Profit before tax/ Total Revenue from operations
- vii) Net Profit Margin: Profit after tax/ Total Revenue from operations

14 November 2024
Mumbai

For and on Behalf of the Board of Directors,

For Ballarpur Industries Limited

Hardik
Bharat Patel

Digitally signed by
Hardik Bharat Patel
Date: 2024.11.14
23:45:40 +05'30'

Hardik Bharat Patel
Chairman & Whole-Time Director
DIN: 00590663

Notes: -

1. The above standalone financial results of the Company have been prepared in accordance with Indian Accounting Standards (“Ind AS”), prescribed under Section 133 of the Companies Act, 2013 (“the Act”) and other recognized accounting practices generally accepted in India.
2. The above standalone financial results have been reviewed and recommended by the Audit committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on 14th November 2024.
3. The National Company Law Tribunal (“NCLT”), Mumbai bench, vide its order dated 17th January 2020 (“Insolvency Commencement Order”) had initiated Corporate Insolvency Resolution Process (“CIRP”) against the Company. Hon’ble NCLT vide its order dated 27th May 2020 had appointed Mr. Anuj Jain (IBBI / IPA-001/ IP-P00142 / 2017-2018 /10306) as Resolution Professional of the Company. The powers of the Board vested with Resolution Professional during the Resolution Process. During the Corporate Insolvency Resolution (CIR) Process (i.e. between 27th May 2020 and 31st March 2023) the RP was entrusted with the management of the affairs of the Company. The resolution plan was approved in accordance with Section 31 of the Insolvency and Bankruptcy Code, on 31st March 2023 with Finquest Financial Solutions Private Limited being the successful Resolution Applicant and all necessary statutory and regulatory approvals have been obtained.
4. The Company has not presented comparative financial information for the quarter and half year ended September 30, 2022, in the financial results for the quarter and half year ended September 30, 2023. This is due to the company's ongoing insolvency proceedings under the National Company Law Tribunal (NCLT), during which control over the company was vested with the Resolution Professional (RP) / the previous promoters. Given these circumstances, the company was unable to obtain the necessary historical financial records to ensure the accuracy and completeness of the comparative figures for the prior period. Also, the books of accounts have been transferred from the erstwhile Oracle system to Tally system. Consequently, the company has prepared the current period’s financials without comparative figures for the quarter and half year ended September 30, 2022.
5. The reconstituted Board of Directors of the Company is submitting this Report in compliance with the provisions of the Companies Act, 2013, the rules and regulations framed thereunder (“Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (“Listing Regulations”).
6. The Reconstituted Board is not to be considered responsible to discharge fiduciary duties with respect to the oversight on financial and operational health of the Company and performance of the management for the period prior to its reconstitution date i.e. 23rd November, 2023.

7. The Company has been taken over pursuant to the provisions of Insolvency & Bankruptcy Code, 2016 and its financial position has been restored to solvency through the implementation of the resolution plan duly approved by NCLT.
8. The company issued Non-Convertible Debentures (NCDs) and Cumulative Redeemable Preference Shares (CRPS) additionally over and above the funds raised in quarter ended 30th September, 2023 as per the NCLT order. The structure of these instruments is as follows:
 - Unlisted Unsecured Redeemable Non-Convertible Debentures issued amount to ₹228.73 crores with a tenor of 5 years and a coupon rate of 0% Redeemable at an IRR of 9%.
 - Compulsory Redeemable Preference Shares worth ₹21.32 crores with a tenor of 2 years at a coupon rate of 0.01%.
9. The share capital has been reduced significantly from ₹25,871 lakhs having face value of ₹ 2 per share to ₹5,500 lakhs having face value of ₹ 10 per share following the implementation of the resolution plan. The existing equity shares were extinguished and fresh equity shares were issued as part of the restructuring.
10. Bank reconciliation statements as at 30th September 2023 have not been prepared for 17 bank accounts having a carrying amount of Rs. 9.20 Lakhs since the bank statements were not available for these bank accounts. Also, no balance confirmation could be obtained from any of the banks.
11. The Company has valued stores and spares at ₹1,316.81 lakhs as at Sep 30, 2023. This valuation is subject to inherent limitations, given that certain inventory records and supporting documents are adopted as per the data provided by the RP/ previous management. If required appropriate provisioning shall be carried out at the end of the year.
12. The Company is currently in the process of identifying and confirming the status of its vendors to determine if they qualify as Micro, Small, and Medium Enterprises (MSME) under the Micro, Small and Medium Enterprises Development Act, 2006. Due to certain limitations/confirmations pending from the vendors, we have not been able to fully quantify the outstanding dues, if any, owed to MSME vendors as of the reporting date.
13. Bank statements for 5 bank accounts maintained by the Company relating to unpaid dividend are not available having a carrying amount of Rs. 27.59 Lakhs as at 30th September 2023.
14. Details of bank deposits with original maturity exceeding 3 months but less than 12 months as at 30th September, 2023 are not available. Also, neither the balance confirmation certificate nor interest on bank deposit certificate could be obtained from bank.
15. In accordance with Ind AS 108, "Operating Segments," the Company operates in a single business segment, i.e., manufacturing of Paper Products. As the Company's primary business activity is within one segment, the information required under Ind AS 108 regarding operating segments is not applicable. Accordingly, no further segment information has been disclosed.

16. The company has not filed its Tax Audit Reports and Income Tax Returns (ITR) from the Assessment Year 2021-22. As a result, there may be limitations in the available audit evidence regarding compliance with tax regulations and any related financial impacts arising from these pending filings.
17. Post takeover, the new Management has raised funds by way of issuance of Non-Convertible Debentures (NCDs). Further the Company envisages sale of old inventory & assets held for sale in order to generate appropriate cash flows. Pursuant to write back of the old liabilities in financial year 2022-23, financial position has been restored to solvency through the implementation of the resolution plan which the company is confident to adhere to. Based on the aforesaid plans, the Management believes that the Company will generate sufficient cash flows to meet its obligations and, accordingly, the financial results do not include any adjustments that might result from the outcome of this uncertainty. Thus, the accompanying financial results have been prepared assuming that the Company will continue as a going concern.
18. Management has determined that it is not required to recognize Deferred Tax Asset (DTA) in the financial results, as there is no certainty regarding sufficient taxable profits in the current quarter or expected in the foreseeable future to offset against carry forward business losses from previous years. As per Ind AS 12 "Income Taxes" a DTA can only be recognized if there is a reasonable certainty of future taxable profits against which these losses can be utilized.
19. Figures for the previous period/year have been regrouped/reclassified wherever necessary, to make them comparable with the current period's presentation.

ANNEXURE I

Statement on Impact of Qualifications (for audit report with modified opinion) submitted along-with Quarterly Un-audited Financial Results - Standalone

| Statement on Impact of Audit Qualifications for the Financial Year ended Dec 31, 2023 [See Regulation 33 and 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 | 124 | Not Determinable |
| | 2. | Total Expenditure (Incl. exceptional | (1935) | |
| | 3. | Net Profit / (Loss) | (1811) | |
| | 4. | Earnings Per Share (in INR) | (0.33) | |
| II.a | Audit Qualification (each audit qualification separately): | | | |
| | Qualification 1 | | | |
| | a. | Details of Audit Qualification: We have not been provided with the bank statements for 17 bank accounts maintained by the Company having a carrying amount of Rs. 9.20 Lakhs as at December 31, 2023. Also, the balance confirmation certificate has not been provided for any bank account maintained. Therefore, the consequential impact of balance confirmation and reconciliation, if any, on the Statement is not ascertainable. | | |
| | b. | Type of audit Qualification: Qualified Opinion | | |
| | c. | Frequency of qualification: The qualification is continuing since financial year 2020-21 in the standalone financial statements | | |
| | d. | For Audit Qualification(s) where impact is quantified by the auditor, Management's views: Not Quantified by the auditors | | |
| | e. | For Audit Qualification(s) where impact is not quantified by the auditor: | | |
| | | (i) Management's estimation on the impact of qualification: N.A. | | |
| | | (ii) If management is unable to estimate the impact, reasons for the same: The existing management has not yet been added as authorized signatories to these bank accounts, as they were maintained under the erstwhile management. In light of this, the company has opened new escrow/operational accounts for operational transactions, ensuring that all current transactions are being routed through these newly opened accounts. Most of these 17 bank accounts are either dormant or already in the process of being closed. However, obtaining balance confirmations and bank statements has been challenging since the signatories to these accounts belong to the previous management. Despite this, the company is actively working to resolve the matter and aims to complete the process shortly. | | |

| | |
|--|--|
| | (iii) Auditors comment on (i) and (ii) above: No Further comments |
|--|--|

| | |
|------------------------|--|
| Qualification 2 | |
| a. | Details of Audit Qualification: The Company has not been able to identify and quantify the amounts of dues payable to MSME vendors. Therefore, we are unable to ascertain the appropriate disclosures and its impact on the Statement. |
| b. | Type of audit Qualification: Qualified Opinion |
| c. | Frequency of qualification: The qualification is continuing since financial year 2021-22 in the standalone financial statements. |
| d. | For Audit Qualification(s) where impact is quantified by the auditor, Management's views: Not Quantified by the auditors. |
| e. | For Audit Qualification(s) where impact is not quantified by the auditor: |
| | (i) Management's estimation on the impact of qualification: N.A. |
| | (ii) If management is unable to estimate the impact, reasons for the same: The company has faced challenges in accurately identifying vendors classified under the MSME category due to incomplete or delayed submissions of MSME registration certificates by some vendors. Despite repeated requests, certain vendors have not provided the necessary documentation for classification under MSME. The company is actively reviewing its vendor database and has initiated additional efforts to obtain the required information from its suppliers. We are working closely with our procurement and accounts teams to ensure proper identification of MSME vendors and will update the records accordingly. Furthermore, the impact of the same is immaterial and majority of the vendors have been paid on time. |
| | (iii) Auditors comment on (i) and (ii) above: No Further Comments |
| Qualification 3 | |
| a. | Details of Audit Qualification: 1. We have not been provided with the bank statements for 5 bank accounts maintained by the Company relating to unpaid dividend having a carrying amount of Rs. 27.59 Lakhs as at December 31, 2023. Also, the balance confirmation certificate has not been provided for any of the accounts maintained. Therefore, the consequential impact of balance confirmation and reconciliation, if any, on the Statement is not ascertainable. |
| b. | Type of audit Qualification: Qualified Opinion |
| c. | Frequency of qualification: The qualification is continuing since financial year 2020-21 in the standalone financial statements. |

| | |
|--|---|
| | <p>d. For Audit Qualification(s) where impact is quantified by the auditor, Management's views:</p> <p>Not Quantified by the auditors</p> |
| | <p>e. For Audit Qualification(s) where impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of qualification:</p> <p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>The bank accounts in question were maintained under the erstwhile management, and the current management has not yet been added as authorized signatories. This has created challenges in obtaining the required balance confirmations and bank statements from the banks. Despite these challenges, the company is actively working to gain access to these accounts and secure the necessary documentation. We are in communication with the respective banks and expect to resolve this matter as soon as possible. It is important to note that these accounts pertain solely to unpaid dividends, and this issue does not affect the company's operational bank accounts or day-to-day transactions.</p> <p>(iii) Auditors comment on (i) and (ii) above: No Further Comments</p> |
| | <p>Qualification 4</p> |
| | <p>a. Details of Audit Qualification:</p> <p>We are appointed as auditors of the Company on September 10, 2024 and therefore we are unable to satisfy ourselves by performing alternative procedures regarding the stores and spares quantities held and its valuation as at December 31, 2023 as per SA 501 'Audit Evidence - Specific Consideration for Selected Items'. Therefore, we are unable to conclude whether stores and spares of Rs. 1166.81 lakhs (after providing for provision) are fairly stated as at December 31, 2023, in the Statement.</p> <p>b. Type of audit Qualification: Qualified Opinion</p> <p>c. Frequency of qualification: The qualification is continuing since financial year 2020-21 in the standalone financial statements.</p> <p>d. For Audit Qualification(s) where impact is quantified by the auditor, Management's views: Not Quantified by the auditors</p> <p>e. For Audit Qualification(s) where impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of qualification: N.A.</p> <p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>The Company has valued stores and spares at ₹1,316.81 lakhs as at December 30, 2023. This valuation is subject to inherent limitations, given that certain inventory records and supporting documents are adopted as per the data provided by the RP/ previous management. If required appropriate provisioning shall be carried out at the end of the year.</p> |

| | |
|------------------------|---|
| | (iii) Auditors comment on (i) and (ii) above: No Further comments |
| Qualification 5 | |
| a. | <p>Details of Audit Qualification:</p> <p>The National Stock Exchange of India Limited (NSE) and BSE Ltd have imposed fines on the Company towards the delays in compliance pertaining to various regulations of the SEBI LODR Regulations, 2015. The said fines pertain to the financial period from June 30, 2020 to June 30, 2024. The Company has made the waiver application with both the stock exchanges for waiver of fines and as a result the NSE has waived off SOP fines for non-compliance till March 31, 2023 vide their letter ref: NSE/LIST/SOP/1123 dated October 9, 2024. According to the SEBI LODR guidelines, a penalty of Rs. 5,000 per day per stock exchange is imposed for non-adoption of financial results. The Company has not made provision for the said fines in its books of accounts. The Company has informed that they have filed an Interlocutory Application (IA) before Hon. National Company Law Tribunal (NCLT), Mumbai Bench for providing extension / exemption for statutory filings which includes the quarterly financial results for quarter ending June 30, 2023, September 30, 2023, December 31, 2023 and the financial statements for financial year 23-24. The aforesaid IA is pending with NCLT and the Company is hopeful to get the relief. They will be requesting for the waiver of this fine and hence have not made any provision for these fines in their books of accounts. Due to this the loss for the current quarter and half year ended September 30, 2024 and the reserves & surplus have been understated and overstated respectively to that extent.</p> |
| b. | Type of audit Qualification: Qualified Opinion |
| c. | Frequency of qualification: First time during the financial year under review. |
| d. | For Audit Qualification(s) where impact is quantified by the auditor, Management's views: Not Quantified by Auditors |
| e. | For Audit Qualification(s) where impact is not quantified by the auditor: |
| | (i) Management's estimation on the impact of qualification: N.A. |
| | <p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>The delay in the submission of financials was not due to any intentional non-compliance or negligency on the part of the Company. The availability of certain crucial documents was a challenge, and despite our best efforts to expedite the process, the finalization of financials was delayed.</p> <p>As mentioned above, we have filed an Interlocutory Application (IA) before Hon. National Company Law Tribunal (NCLT), Mumbai Bench for providing extension/ exemption for statutory filings which includes financial statement for FY23-24. The aforesaid IA is pending with NCLT and the Company is quite optimistic to get the relief. Consequent to receiving the affirmation from NCLT the company shall further seek the waiver of the aforesaid penalty from NSE which the company anticipates waiver from the respective Stock Exchange. The imposition of this fine under the current scenario appears to be disproportionate, considering the unique complications and the challenges posed due to non-availability of data from the Erstwhile Promoters / Resolution Professional. Charging such a significant penalty under these circumstances would be unfair to the Company, as the delays were purely procedural and unintended.</p> |

| | |
|------------------------|---|
| | In light of this, we are hopeful that the NSE will favorably consider our waiver request, and thus, no provision has been made for the penalty in our books. We firmly believe that the Company has acted in good faith, and with due diligence, and the imposition of this penalty is not reflective of any negligence or disregard for compliance on our part. |
| | (iii) Auditors comment on (i) and (ii) above: No further Comments |
| Qualification 6 | |
| a. | Details of Audit Qualification: We have not been provided with the details of bank deposits with original maturity exceeding 3 Months as at December 31, 2023. Also, neither the balance confirmation certificate nor Interest Certificate has been provided for any of the Bank Deposits. Therefore, the consequential impact of balance confirmation and reconciliation, if any, on the Statement is not ascertainable. |
| b. | Type of audit Qualification: Qualified Opinion |
| c. | Frequency of qualification: The qualification is continuing since financial year 2021-22 in the standalone financial statements. |
| d. | For Audit Qualification(s) where impact is quantified by the auditor, Management's views: Not Quantified by the auditors |
| e. | For Audit Qualification(s) where impact is not quantified by the auditor: |
| | (i) Management's estimation on the impact of qualification: |
| | (ii) If management is unable to estimate the impact, reasons for the same: The bank accounts in question were maintained under the erstwhile management, and the current management has not yet been added as authorized signatories. This has created challenges in obtaining the required balance confirmations and bank statements from the banks. Despite these challenges, the company is actively working to gain access to these accounts and secure the necessary documentation. We are in communication with the respective banks and expect to resolve this matter as soon as possible. |
| | (iii) Auditors comment on (i) and (ii) above: No further Comments |
| Qualification 7 | |
| a. | Details of Audit Qualification: Based on our review of the books of accounts of the Company for the nine months ended December 31, 2023 we have observed interest income on Fixed Deposits of Rs. 57.24 lakhs. We have not been provided with the interest certificate nor with Fixed Deposit receipts. Also, we could not obtain the confirmation from the Banks. Due to non-availability of required details of FDs, we are unable to confirm the reliability and authenticity of these interest income. |
| b. | Type of audit Qualification: Qualified Opinion |

| | |
|-----------------------------|--|
| c. | Frequency of qualification: The qualification is continuing since financial year 2021-22 in the standalone financial statements. |
| d. | For Audit Qualification(s) where impact is quantified by the auditor, Management's views: Not Quantified by the auditors |
| e. | For Audit Qualification(s) where impact is not quantified by the auditor: |
| | Management's estimation on the impact of qualification: |
| | (iv) If management is unable to estimate the impact, reasons for the same: The bank accounts in question were maintained under the erstwhile management, and the current management has not yet been added as authorized signatories. This has created challenges in obtaining the required balance confirmations Fixed Deposit Receipts and bank statements. Despite these challenges, the company is actively working to gain access to these accounts and secure the necessary documentation. We are in communication with the respective banks and expect to resolve this matter as soon as possible. |
| | (v) Auditors comment on (i) and (ii) above: No further Comments |
| (vi) Qualification 8 | |
| a. | Details of Audit Qualification: The company has not filed its Tax Audit Reports since Assessment Year 2021-22 and its Income Tax Returns (ITR) since Assessment Year 2021-22. Due to the absence of these tax filings, we were unable to obtain sufficient and appropriate audit evidence regarding the company's compliance with tax regulations, and any related financial impacts thereof. |
| b. | Type of audit Qualification: Qualified Opinion |
| c. | Frequency of qualification: The qualification is continuing since financial year 2021-22 in the standalone financial statements. |
| d. | For Audit Qualification(s) where impact is quantified by the auditor, Management's views: Not Quantified by the auditors |
| e. | For Audit Qualification(s) where impact is not quantified by the auditor: |
| | Management's estimation on the impact of qualification: |
| | (vii) If management is unable to estimate the impact, reasons for the same: The previous management failed to maintain proper records and ensure timely filings of tax audit reports and ITRs during their tenure. This neglect resulted in significant delays that carried over into the company's subsequent operations. During the corporate insolvency process, the Resolution Professional (RP) was tasked with overseeing the company's financial and regulatory affairs. However, tax filings for AY 2020-21 and subsequent years were not completed under the RP's supervision. Additionally, the handover of financial records to the new management was incomplete, creating difficulties in gathering the necessary documentation to bring the company into compliance. Upon the transition of management, the incoming team faced significant gaps in the availability of financial and compliance-related information. Key financial records, documentation, and details required |

| | |
|-----------------------------|--|
| | for accurate tax filings were not properly handed over, which further delayed our ability to address the issue in a timely manner. The existing management is actively working to prepare and file the outstanding tax audit reports and ITRs. |
| | (viii) Auditors comment on (i) and (ii) above: No further Comments |
| (ix) Qualification 9 | |
| a. | Details of Audit Qualification: The Company has not presented comparative financial information for the quarter ended December 31, 2022, in the financial results for the quarter and nine months ended December 31, 2023. This is due to the company's ongoing insolvency proceedings under the National Company Law Tribunal (NCLT), during which control over the company was vested with the Resolution Professional (RP)/ the previous promoters. Given these circumstances, the company was unable to obtain the necessary historical financial records to ensure the accuracy and completeness of the comparative figures for the prior period. Also, the books of accounts have been transferred from the erstwhile oracle system to tally system. |
| b. | Type of audit Qualification: Qualified Opinion |
| c. | Frequency of qualification: The qualification is continuing since quarter ended 30.6.23 |
| d. | For Audit Qualification(s) where impact is quantified by the auditor, Management's views: Not Quantified by the auditors |
| e. | For Audit Qualification(s) where impact is not quantified by the auditor: |
| | Management's estimation on the impact of qualification: |
| | (x) If management is unable to estimate the impact, reasons for the same: The delay in finalizing the financial results is attributable to the unavailability of comparative figures for previous quarters, as the books of accounts maintained in the Oracle accounting system by the previous management were inaccessible. |
| | (xi) Auditors comment on (i) and (ii) above: No further Comments |

| | |
|------|--|
| III. | Signatories: |
| | <p>For Ballarpur Industries Limited Hardik Bharat Patel Digitally signed by Hardik Bharat Patel Date: 2024.11.14 23:46:14 +05'30'</p> <p>Hardik B. Patel Whole Time Director & CFO DIN: 00590663 Date: 14th November 2024 Place: Mumbai.</p> |
| | <p>For Batliboi & Purohit Chartered Accountants Firm Registration No.: 101048W PARAG RAMAN HANGEKAR Digitally signed by PARAG RAMAN HANGEKAR Date: 2024.11.14 23:51:14 +05'30'</p> <p>Parag Hangekar Partner Membership No: 110096 Date: 14th November 2024 Place: Mumbai.</p> |