

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report To
The Board of Directors of
Madhya Bharat Papers Limited**

1. We have reviewed the accompanying statement of unaudited financial results of **Madhya Bharat Papers Limited** ("the Company"), for the quarter and nine months ended 31st December, 2022 ("the statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (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 Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the 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 this Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of person's responsible financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we could 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.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian accounting standards and other recognized practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement except as stated in para 5 herein below.



GSTN :
19AACFG8964F1Z2

+9133 46012771
+9133 46017361
+9133 66076831

www.gpaco.net

mail@gpaco.net

Unit 606, 6th Floor
Diamond Heritage
16, Strand Road
Kolkata - 700001 INDIA

5. We draw attention to the following notes to the statement:

- (i) Note 3 to the Statement regarding the Company has been incurring significant operational losses in previous years, whereby net worth of the Company has been completely eroded. We have not been able to corroborate the Management's contention of the steps taken for improvement in its future operational performance and preparation of the accounts of the Company on going concern basis in view of closer of production since July, 2019. Accordingly, we are unable to comment on the appropriateness of the going concern basis and its consequential impact on the financial results of the Company as at end for the quarter and nine months ended 31st December, 2022.
- (ii) Note 4 to the Statement regarding non-provision of interest on unsecured loans aggregating to Rs.236.73 lakh for the nine months ended 31st December, 2022 which constitutes a departure from the Ind AS prescribed under section 133 of the Act.
- (iii) Note 5 to the Statement regarding non-provision of interest on dealer deposits aggregating to Rs.33.99 lakh for the nine months ended 31st December, 2022 which constitutes a departure from the Ind AS prescribed under section 133 of the Act.
- (iv) Note 6 to the Statement regarding non-provision for interest, penalty for delay / default in payment of statutory liabilities (quantum unascertained) which constitutes a departure from the Ind AS prescribed under section 133 of the Act and the impact of which on loss for the quarter and nine months ended 31st December, 2022 could not be ascertained.
- (v) Note 7 to the Statement regarding Ind AS 19 on "Employee Benefits", accrued liability for gratuity and leave encashment has not been ascertained and necessary provision has not been made in the accounts and the impact of which on loss for the quarter and nine months ended 31st December, 2022 could not be ascertained.
- (vi) Note 8 to the Statement regarding non-provision for salary, bonus, gratuity and leave encashment payable to factory employees and workers, and in absence of employees wise working of the accrued liability in these respect, we are unable to comment on the impact of loss for the quarter and nine months ended 31st December, 2022.
- (vii) Note 9 regarding non-ascertainment and non-provision for the impairment of assets in accordance with Ind AS-36 on "Impairment of assets", the impact of which on the loss for the quarter and nine months ended 31st December, 2022 is presently not ascertainable.
- (viii) Note 10 regarding non-ascertainment of realizable value and valuation of inventory of finished goods "at cost" which is not in accordance with Ind AS-2 on "Valuation of Inventories"- quantum of over valuation, if any, in this respect not ascertainable.



- (ix) Note 11 to the Statement regarding not obtaining balance confirmations in respect of trade receivable, Loans and Advances, Deposits, Borrowings, Trade Payable and Other Liabilities not carrying out consequential reconciliation and adjustments, we are unable to comment on correctness of these balances and it's consequential impact which is presently not ascertainable.
- (x). Note 12 to the statement regarding non-provision of interest on amount payable to MSME (quantum unascertained) for the quarter and nine months ended 31st December, 2022 which constitute a departure from the Ind AS prescribed under section 133 of the Act.
- (xi) Note 14 to the statement regarding cases filed by the 2 Operational Creditors in National Company Law Tribunal, Cuttack Bench ("NCLT") which is pending before Hon'ble NCLT for consideration and its likely impact.

Our conclusion is modified in respect of matters mentioned under above para 5(i) to 5(xi).

6. The Statement includes the results for the quarter ended 31st December, 2022 being the balancing figure between the unaudited figures in respect of nine months ended 31st December, 2022 and the published unaudited figures to the half year ended of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For G.P. Agrawal & Co.
Chartered Accountants
Firm's Registration No. 302082E

Rakesh Singh
(CA. Rakesh Kumar Singh)
Partner
Membership No. 066421
UDIN: 23066421BGXCHB5365



Place of Signature: Kolkata
Date: The 13th day of February, 2023

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2022

(Rs. in Lakh)

| Sl. No. | Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
|---------|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| | | 31.12.2022 (Unaudited) | 30.09.2022 (Unaudited) | 31.12.2021 (Unaudited) | 31.12.2022 (Unaudited) | 31.12.2021 (Unaudited) | 31.03.2022 (Audited) |
| I. | Revenue from operations | - | - | - | - | - | - |
| II. | Other Income | 8.74 | 8.74 | 9.59 | 29.26 | 27.50 | 137.11 |
| III. | Total Income (I + II) | 8.74 | 8.74 | 9.59 | 29.26 | 27.50 | 137.11 |
| IV. | Expenses | | | | | | |
| | Cost of materials consumed | - | - | - | - | - | 119.42 |
| | Changes in inventories of finished goods and work-in-progress | - | - | - | - | - | 6.51 |
| | Employee benefits expense | - | 2.60 | - | 2.60 | - | 167.65 |
| | Finance costs | 6.14 | 8.65 | 8.12 | 20.80 | 24.15 | 24.13 |
| | Depreciation and amortization expense | 23.68 | 23.68 | 24.21 | 71.04 | 72.68 | 96.90 |
| | Other expenses | 13.98 | 11.05 | 12.93 | 42.85 | 27.34 | 63.70 |
| | Total Expenses | 43.80 | 45.98 | 45.25 | 137.29 | 124.17 | 478.32 |
| V. | Profit/(loss) before tax (III- IV) | (35.06) | (37.25) | (35.65) | (108.03) | (96.67) | (341.20) |
| VI. | Tax Expense | | | | | | |
| | (a) Current Tax | - | - | - | - | - | - |
| | (b) Deferred Tax | - | - | - | - | - | - |
| VII. | Net Profit/(Loss) after tax (V - VI) | (35.06) | (37.25) | (35.65) | (108.03) | (96.67) | (341.20) |
| VIII. | Exceptional item | | | | | | |
| IX. | Net Profit/(Loss) after tax (VII - VIII) | (35.06) | (37.25) | (35.65) | (108.03) | (96.67) | (341.20) |
| X. | Other Comprehensive Income (net of tax) | | | | | | |
| | I. Items that will not be reclassified to Profit or Loss | - | - | - | - | - | - |
| | II. Tax relating to items will not be reclassified to Profit or Loss | - | - | - | - | - | - |
| XI. | Total Comprehensive income (Net of tax) (IX + X) | (35.06) | (37.25) | (35.65) | (108.03) | (96.67) | (341.20) |
| XIV. | Paid-up Equity Share Capital of Rs. 10/- each | 341.00 | 341.00 | 341.00 | 341.00 | 341.00 | 341.00 |
| | Other equity | NA | NA | NA | NA | NA | (2771.02) |
| XIII. | Earning per Share (of Rs.10/- each) (not annualised): | | | | | | |
| | a) Basic | (1.03) | (1.09) | (1.05) | (3.17) | (2.83) | (10.01) |
| | b) Diluted | (1.03) | (1.09) | (1.05) | (3.17) | (2.83) | (10.01) |



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Notes:

- 1 The above unaudited financial results for the quarter 31st December, 2022 were reviewed by the Audit Committee and thereafter the Board of directors has approved the above results at their respective meetings held on 13th February, 2023.
- 2 These unaudited standalone financial results will be made available on Company's website viz., www.mbpl.in and on Stock Exchange website i.e. www.cse-india.com
- 3 The financial statements indicates that the Company has accumulated losses and its net worth has been fully eroded. It is felt that the status of the Company will improve in the following years. The Management is in the process of rationalizing the expenses as well as considering the measures to generate revenue and it is expected that the overall financial health of the Company would improve considerably. Accordingly, the Company continues to prepare its accounts on a "Going Concern" basis.
- 4 Interest accrued aggregating to Rs.236.73 lakh for the nine months ended 31st December, 2022 on unsecured loans as estimated by the management (without considering additional interest, if any, on non-payment of principal interest) has not been provided for and the same will be accounted for as and when paid/settled.
- 5 Interest accrued aggregating to Rs. 33.99 lakh for the nine months ended 31st December, 2022 on deposit from dealer as estimated by the management (without considering additional interest, if any, on non-payment of principal interest) has not been provided for and the same will be accounted for as and when paid/settled.
- 6 Pending ascertainment of the amounts, no provision has been made in these financial statements for interest, penalty for delay / default in payment of statutory liabilities including in respect of provident fund and TDS. Due to huge losses and non - availability of sufficient cash, the company is in the process of making payment of statutory dues as and when the sufficient funds will be available.
- 7 Actuarial valuation could not be carried out in respect of employees existing as on 31st December, 2022. In absence of actuarial valuation as per Ind AS - 19, Employees Benefits in respect of gratuity and leave encashment has not been ascertained and necessary provision has not been made in this respect.
- 8 The provision for salary, bonus, gratuity and leave encashment payable to factory employees and workers, could not be done. Necessary adjustment in respect of such portion will be made after working and ascertaining out the actual liabilities in these respect.
- 9 The management could not carry out any exercise with regard to measurement and recognition of loss on impairment of assets in accordance with Ind AS-36 on "Impairment of assets", the impact thereof is presently not ascertainable.
- 10 The management could not carry out estimate of realizable value and provision for the shortfall, if any, in the value of inventory of finished goods in accordance with Ind AS-2 on "Valuation of Inventories.
- 11 Balances Confirmations in respect of trade receivable, Loans and Advances, Deposits, Borrowings, Trade Payable and Other Liabilities could not be obtained. Necessary adjustments in this respect will be carried out on ascertainment of amount thereof, if any.
- 12 Pending ascertainment of the amounts, no provision has been made in these financial statements for interest on delay in payment to MSME Creditors.
- 13 The Company's business activity primarily falls within a single business segment i.e. manufacturing of Writing and Printing Papers, in terms of Ind AS 108 on Operating Segment.
- 14 M/s SKS Enterprises and M/s Grasim Industries Ltd., Operational Creditors have filed applications with Hon'ble NCLT, Cuttack Bench to initiate Corporate Insolvency Resolution process under the Insolvency and Bankruptcy Code, 2016. Presently, applications are pending with NCLT, Cuttack Bench. The Company has disputed the claims and has represented before Hon'ble NCLT that no amount is due and payable by the Company to the said Operational Creditors.
- 15 The figures of previous periods have been regrouped / reclassified wherever necessary to make them comparable with those of the current period.

For and on behalf of the Board of Directors



Jaydeep Chitlangia

Jaydeep Chitlangia
Managing Director
(DIN : 00094002)

Place of Signature : Kolkata
Dated: 13th February, 2023