

Ref: OPS: BPML: SEC&LEGAL: BM_OC: 2025-26 Date: 23rd December 2025

To,
BSE Limited
Listing Department
P.J. Tower, Dalal Street,
Mumbai – 400 001

Scrip Code: **539251**
ISIN: **INE875R01011**

To,
National Stock Exchange of India Limited
Listing Department
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

Symbol: **BALKRISHNA**

Dear Sir/Madam,

**Sub: Outcome of the meeting of Board of the Directors of the Company held on
Tuesday, 23rd December 2025**

**Ref: Disclosure under Regulation 30 read with Schedule III of the Listing
(Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing
Regulations').**

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we wish to inform you that a meeting of the Board of Directors of the Company held on Tuesday, 23rd December 2025 commenced at 2:00 P.M. and concluded at 6:00 P.M. at the registered office of the Company situated at A/7, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai, India – 400013. The Board based on the recommendations of the Audit Committee and the Independent Directors of the Company, considered and approved the Scheme of Reduction of Share Capital between the Company and its Shareholders ("**Scheme**") under Section 66 read with Section 52 and other applicable provisions of the Companies Act, 2013 ("**Act**") read with National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("**Rules**").

At this meeting, the Board, inter alia, considered and approved / took on record, the following:

- a. The Scheme of Reduction of Share Capital between the Company and its Shareholders;
- b. Report from the Audit Committee of the Company recommending the Scheme;
- c. Report from the Committee of Independent Directors of the Company;
- d. Valuation Report dated 23rd December 2025 received from the Registered Valuer, M/s SSPA & Co., having registration No. IBBI/RV-E/06/2020/126;
- e. Fairness opinion report dated 23rd December, 2025 obtained from SEBI Registered Merchant Banker, M/s. Rarever Financial Advisors Private Limited, SEBI Reg. No: INM000013217, a SEBI Registered Merchant Banker;

- f. Certificate from the Statutory Auditor of the Company, D S M R & Co, Chartered Accountants, certifying that the accounting treatment is in compliance with the applicable accounting standards specified under Section 133 of the Companies Act, 2013 and other generally accepted accounting principles in India.
- g. Material Related Party Transaction pursuant to Scheme of capital reduction wherein the entire issued, subscribed and paid-up preference share capital held by preference shareholders being related parties shall be reduced against which consideration payable as and when adequate funds become available with the Company until such time it shall be treated as an unsecured non-interest-bearing loan payable in the books of account of the Company, subject to approval of Shareholders;
- h. Draft Postal Ballot Notice along with the Explanatory Statement for seeking approval of the Members by way of postal ballot through remote e-voting.

The Board further noted that the Scheme is beneficial to the interests of the stakeholders and is subject to the necessary statutory and regulatory approvals of (i) the shareholders and other parties to the Scheme, as may be directed by the National Company Law Tribunal, Mumbai Bench; (ii) BSE Limited; (iii) National Stock Exchange of India Limited; (iv) Securities and Exchange Board of India; (v) National Company Law Tribunal, Mumbai Bench and (vi) any other regulatory approvals, permissions, consents, sanctions, exemption as may be required under applicable laws, regulations, guidelines in relation to the Scheme.

The proposed Scheme has also been reviewed, approved and recommended by the Audit Committee and reviewed by the Independent Directors at their meetings held on 23rd December, 2025.

The disclosure with respect to the Scheme in accordance with Regulation 30 of SEBI Listing Regulations read with relevant SEBI circulars, is annexed herewith as **Annexure A.**

We request you to take the same on record. Further, the same shall be treated as compliance under the applicable provisions of the SEBI Listing Regulations and SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.

Thanking You,

Yours faithfully,

For Balkrishna Paper Mills Limited

Omprakash Singh
Company Secretary and Compliance Officer

Encl: As above



ANNEXURE – A

Sr. No.	Particulars	Remarks
1	Brief Details and reasons for the Scheme	<p>1. The Company has, over the years, incurred losses in its paper business, resulting in an erosion of its net worth. As on 30th September, 2025, the accumulated losses stand at ₹ 278,39,19,643/- (Rupees Two Hundred Seventy-Eight Crores Thirty-Nine Lakhs Nineteen Thousand Six Hundred and Forty-Three Only). Consequently, the existing share capital no longer reflects the true financial position and performance of the Company.</p> <p>2. The management is, however, evaluating and considering new business opportunities, including the commencement of real estate-related activities</p> <p>3. Owing to Company's current financial condition, reduced business operations and significant accumulated losses, the Company will not have adequate profits, reserves or liquidity to redeem its the 1,10,00,000 6.5% Non-Cumulative Redeemable Preference Shares of Rs.100/- each in the foreseeable future.</p> <p>4. Accordingly, in order to:</p> <p>a. Adjust the accumulated losses against the paid-up share capital so that the capital employed reflects its actual and realistic value</p> <p>b. Present a true and fair view of financial health and position of the Company;</p> <p>c. Enable reduction of the preference share capital and payment, as and when sufficient funds become available;</p>



		<p>it is necessary to undertake a reduction of the share capital of the Company.</p> <p>5. The reduction of share capital in the manner proposed herein would enable the Company to rationalize its capital structure and present a true and fair view of the financial position of the Company, commensurate with its business and assets.</p> <p>6. The proposed reduction of share capital would not have any adverse effect on the creditors or employees of the Company or the Company's ability to fulfil its commitment or meet its obligations in the ordinary course of business.</p> <p>7. Hence, the proposed reduction is in the best interests of the Company, its shareholders, creditors, and all stakeholders as a whole</p>
2	Quantitative and/ or qualitative effect of Reduction of Share Capital	<p>1. Accumulated losses to the extent of Rs 52,28,37,029 (Rupees Fifty-Two Crores Twenty-Eight Lakhs Thirty-Seven Thousand Twenty-Nine Only), shall be first adjusted against the available Securities Premium Reserve amounting to Rs.23,28,61,241/- (Rupees Twenty-Three Crore Twenty-Eight Lakhs Sixty-One Thousand Two Hundred and Forty-One Only).</p> <p>2. The remaining balance of the Accumulated losses to the extent of shall be adjusted against equity share capital by reducing the face value of equity shares from Rs. 10/- each to Re. 1/- each viz. issued, subscribed and paid-up equity share capital shall stand reduced from Rs. 32,21,95,320/- divided into 3,22,19,532 Equity Shares with face value of Rs. 10/- each to Rs. 3,22,19,532/- divided into 3,22,19,532 Equity Shares with face value</p>

		<p>of Re. 1/- each, without payment of any consideration to the equity shareholders.</p> <p>3. Accordingly, Revised Equity Share Capital would be 3,22,19,532 Equity Shares of Re. 1/- each.</p> <p>4. Further, the issued, subscribed and paid-up preference share capital of the Company amounting to Rs. 1,10,00,00,000 shall stand cancelled and extinguished. The consideration payable to the Preference Shareholders pursuant to such reduction shall be discharged as and when the funds become available with the Company. Until such time, the said amount shall be recorded as unsecured non-interest-bearing loan in the books of accounts of the Company.</p>
3	Details of benefit, if any, to the promoter/ promoter group/ group companies from such proposed restructuring.	The Scheme does not result in any benefits to the promoter/ promoter group/ group companies to the exclusion of the other shareholders.
4	Brief details of change in shareholding pattern (if any) of all entities.	There will be no change or reduction in the number of equity share capital of the Company (except for the face value of equity shares) hence, the proportion of the equity shares held by the equity shareholders of the Company and which are also listed on BSE Limited and National Stock Exchange of India Limited will remain unchanged and no prejudice will be caused to the equity shareholders of the Company by the aforesaid reduction of equity and preference share capital. However, the 6.5% Non-Cumulative Redeemable Preference Shares shall stand extinguished pursuant to the Scheme as on the Effective Date.

For Balkrishna Paper Mills Limited

Omprakash Singh
Company Secretary and Compliance Officer