Corp. Secretarial Deptt.

ISO 9001 BUREAU VERITAS Certification

bilt

23rd May, 2017

The Secretary The National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No. C/1, G Block Bandra - Kurla Complex, Bandra (E) MUMBAI - 400 051	Department of Corporate Services BSE Limited 1st Floor, New Trading Ring, Rotunda Building P J Towers, Dalal Street, Fort, MUMBAI - 400 001

Sub: Outcome of Board Meeting.

Dear Sir,

This is to inform you that the Board of Directors of the Company in its meeting held today has:

1. Approved the Audited Financial Results (Standalone and Consolidated) of the Company for the quarter and year ended 31st March, 2017, which is enclosed for your information.

2. In the view of mandatory requirement of rotation of Statutory Auditors in terms of Section 139 of the Companies Act, 2013 and rules made thereunder, recommended appointment of M/s Sharp & Tannan, Chartered Accountants, Chennai (FRN 003792S) as Statutory Auditors of the Company from the conclusion of forthcoming Annual General Meeting (AGM) till the conclusion of 77th AGM of the Company, subject to approval of members at the forthcoming AGM.

   Their brief profile is as follows:

   M/s Sharp & Tannan (S&T) are into Assurance, Tax and Advisory services. The S&T Group has a pan India presence and have an experienced team. They also have several other prominent Indian companies as their clients in a variety of sectors like Construction, Infrastructure, Manufacturing, Power transmission and distribution, Oil & Gas, Automotive components, Insurance etc.

3. Authorised a Committee of Directors (comprising majority Independent Directors) to consider and recommend fund raising in the form of Equity and/or Quasi Equity and conversion of debt into equity under the SDR Scheme of the Reserve Bank of India (subject to approvals from Banks and/or Financial Institutions).

The meeting of Board of Directors of the Company commenced at 2:30 p.m. and concluded at 8:40 p.m.

We request you to kindly take the information on record.

Thanking you,

Yours faithfully,
for **BALLARPUR INDUSTRIES LIMITED**

AKHIL MAHAJAN
CHIEF GENERAL MANAGER & COMPANY SECRETARY
Encl : a/a.

BALLARPUR INDUSTRIES LIMITED

STATEMENT OF CONSOLIDATED/STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED 31ST MARCH, 2017

Part II

(Rs. in Lacs)

Sl. No.	Particulars	Consolidated					Standalone				
		Quarter ended			Year Ended		Quarter ended			Year Ended	
		31.03.17	31.12.16	31.03.16	31.03.17	31.03.16	31.03.17	31.12.16	31.03.16	31.03.17	31.03.16
		Audited	Unaudited	Audited	Audited	Audited	Audited	Unaudited	Audited	Audited	Audited
	Income										
1	Revenue from Operations	37,722	34,756	114,475	212,139	428,901	8,226	776	19,387	22,307	58,405
2	Other Income	3,471	4,135	2,430	11,101	11,113	712	3,977	1,073	7,050	6,138
3	Total income	41,193	38,891	116,905	223,240	440,014	8,938	4,753	20,460	29,357	64,543
4	Expenses										
	(a) Cost of Material Consumed	22,802	18,553	56,183	107,508	216,601	1,516	168	3,736	6,829	14,665
	(b) Purchases of stock-in-trade	3,383	1,312	5,715	5,655	10,752	446	423	731	2,007	2,753
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(879)	1,927	7,429	23,028	8,431	(957)	400	5,916	2,638	7,145
	(d) Excise Duty	1,971	1,951	5,799	11,317	23,842	531	2	700	1,124	3,005
	(e) Employee benefits expense	7,143	6,067	7,709	30,621	29,957	1,300	1,618	2,337	7,502	6,910
	(f) Finance costs	29,153	24,078	12,645	90,084	45,917	4,868	4,166	912	15,319	5,193
	(g) Depreciation and amortisation expense	6,304	6,905	6,474	27,399	26,480	943	1,420	1,313	5,269	5,810
	(h) Other Expenditure										
	(i) Power and Fuel	6,335	4,781	10,814	25,050	48,459	2,700	327	2,519	6,343	11,628
	(ii) Store and Spares	692	548	1,216	3,542	6,612	198	18	136	418	586
	(iii) Other Expenditure	4,470	7,323	3,627	25,434	18,577	1,268	1,161	2,364	6,355	4,858
	Total expenses	81,374	73,445	117,611	349,638	435,628	12,813	9,703	20,664	53,804	62,553
5	Profit/(loss) before Exceptional Items and tax (3-4)	(40,181)	(34,554)	(706)	(126,398)	4,386	(3,875)	(4,950)	(206)	(24,447)	1,990
6	Exceptional items	10,530	-	-	30,630	(31)	5,049	-	-	25,149	-
7	Profit/(loss) before tax (5-6)	(50,711)	(34,554)	(706)	(157,028)	4,417	(8,924)	(4,950)	(206)	(49,596)	1,990
	Current Tax	0	-	49	0	283	-	-	-	-	218
	Deferred Tax	(1,489)	(1,500)	(110)	(13,541)	(965)	-	-		(2,542)	(393)
9	Profit/(loss) for the period from continuing operations (7-8)	(49,222)	(33,054)	(645)	(143,487)	5,099	(8,924)	(4,950)	(206)	(47,054)	2,165

10	Profit/ (loss) from discontinued operation before tax	(229)	(10,446)	(17,473)	(25,408)	(32,931)	-	-	-	-	-
11	Tax expense on discontinued operation	17,287	-	94	17,287	94	-	-	-	-	-
12	Profit/ (loss) from discontinued operation after tax (10-11)	(17,517)	(10,446)	(17,566)	(42,695)	(33,026)	-	-	-	-	-
13	Profit/(loss) for the period (9+12)	(66,739)	(43,500)	(18,212)	(186,182)	(27,927)	(8,924)	(4,950)	(206)	(47,054)	2,165
14	Other Comprehensive income										
	(i) Items that will not be reclassified to profit or loss										
	(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	30	34.25	(533)	137	(789)	0.92	0.61	(104.00)	4	94
	(iv) Income tax relating to items that will be reclassified to profit or loss										
	Other Comprehensive income	30	34	(533)	137	(789)	1	1	(104)	4	94
	Total Comprehensive income for the period (13+14)	(66,709)	(43,466)	(18,745)	(186,045)	(28,716)	(8,923)	(4,949)	(310)	(47,050)	2,259
15	Net Profit attributable to										
	a) Owenrs of the Company	(45,813)	(32,750)	(14,645)	(136,179)	(21,001)	(8,924)	(4,950)	(206)	(47,054)	2,166
	b) Non - Controlling interest	(20,926)	(10,750)	(3,567)	(50,003)	(6,926)					
16	Other Comprehensive income										
	a) Owenrs of the Company	30	34	(533)	137	(789)	1	1	(104)	4	94
	b) Non - Controlling interest										
17	Total Comprehensive income attributable to										
	a) Owenrs of the Company	(45,783)	(32,716)	(15,178)	(136,042)	(21,790)	(8,923)	(4,949)	(310)	(47,050)	2,259
	b) Non - Controlling interest	(20,926)	(10,750)	(3,567)	(50,003)	(6,926)	-	-	-	-	-
18	Earnings per equity share (for continuing operation):										
	(a)Basic	(7.51)	(5.04)	(0.10)	(21.89)	0.78	(1.36)	(0.76)	(0.03)	(7.18)	0.33
	(b) Diluted	(7.51)	(5.04)	(0.10)	(21.89)	0.78	(1.36)	(0.76)	(0.03)	(7.18)	0.33
19	Earnings per equity share (for discontinuing operation):										
	(a)Basic	(2.67)	(1.59)	(2.68)	(6.51)	(5.04)	-	-	-	-	-
	(b) Diluted	(2.67)	(1.59)	(2.68)	(6.51)	(5.04)	-	-	-	-	-
20	Earnings per equity share										
	(a)Basic	(10.18)	(6.64)	(2.78)	(28.40)	(4.26)	(1.36)	(0.76)	(0.03)	(7.18)	0.33
	(b) Diluted	(10.18)	(6.64)	(2.78)	(28.40)	(4.26)	(1.36)	(0.76)	(0.03)	(7.18)	0.33

CONSOLIDATED/STANDALONE SEGEMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER/YEAR ENDED 31ST MARCH, 2017

Rs in Lacs

Sl. No.	Particulars	Consolidated					Standalone				
		Quarter ended			Year Ended		Quarter ended			Year Ended	
		31.03.17	31.12.16	31.03.16	31.03.17	31.03.16	31.03.17	31.12.16	31.03.16	31.03.17	31.03.16
		Audited	(Unaudited)	Audited	Audited	Audited	Audited	(Unaudited)	Audited	Audited	Audited
1	**Segment Revenues**										
	(a) Paper	34,271	31,661	98,834	188,992	365,957	8,226	60	15,202	19,040	41,126
	(b) Paper Products & Office Supplies	-	841	11,848	9,695	47,715		712	3,905	3,267	15,915
	(c)Pulp Rayon Grade	-	4	280	-	1,364	-	4	280	-	1,364
	(d)Pulp Paper Grade	-	-	-	-	-	-	-	-	-	-
	(e) Unallocated	3,451	3,391	3,513	13,452	13,865	-	-	-	-	-
	Total	37,722	35,897	114,475	212,139	428,901	8,226	776	19,387	22,307	58,405
	Less: Inter Segment Revenue	-	1,141	-	-	-	-	-	-	-	-
	Revenue from Operation	37,722	34,756	114,475	212,139	428,901	8,226	776	19,387	22,307	58,405
2	**Segment Results ((Profit)(+)/ Loss (-) before Tax and Interest)**										
	(a) Paper	(16,981)	(9,293)	13,339	(37,032)	55,585	383	269	2,158	(3,992)	12,857
	(b) Paper Products & Office Supplies	-	13	124	97	829	-	7	39	33	159
	(c) Pulp Rayon Grade	(4,439)	(957)	(1,388)	(30,009)	(5,525)	(4,439)	(957)	(1,388)	(30,009)	(5,525)
	(d) Unallocated	(138)	(136)	(136)	-	(555)	-	-	-	-	-
	Total	(21,558)	(10,373)	11,939	(66,944)	50,334	(4,056)	(681)	809	(33,969)	7,491
	Less: i) Interest	29,153	24,078	12,645	90,084	45,917	4,868	4,166	912	15,319	5,193
	ii) Other un-allocable expenditure net of un-allocable income	-	103	-	-	-	-	103	103	309	308
	Total Profit Before Tax	(50,711)	(34,554)	(706)	(157,028)	4,417	(8,924)	(4,950)	(206)	(49,596)	1,990
	(Based on reasonable estimates)										
		Consolidated					Standalone				
3		As on 31.03.17	As on 31.12.16	As on 31.03.16	As on 31.03.17	As on 31.03.16	As on 31.03.17	As on 31.12.16	As on 31.03.16	As on 31.03.17	As on 31.03.16
	Segment Assets										
	(a) Paper	1,132,141	1,207,942	974,449	1,132,141	974,449	253,261	273,854	191,893	253,261	191,893
	(b) Paper Products & Office Supplies	37,256	17,783	53,794	37,256	53,794	6,983	6,864	10,936	6,983	10,936
	(c) Pulp Rayon Grade	31,044	36,559	54,555	31,044	54,555	31,044	36,559	54,555	31,044	54,555
	(d) Unallocated	48,510	32,612	71,781	48,510	71,781	107,033	107,790	112,422	107,033	112,422
	Total Segment Assets	1,248,951	1,294,896	1,154,579	1,248,951	1,154,579	398,321	425,067	369,806	398,321	369,806
4	**Segment Liabilities**										
	(a) Paper	118,073	116,194	27,947	118,073	27,947	13,822	11,995	17,545	13,822	17,545
	(b) Paper Products & Office Supplies	6,724	1,603	12,710	6,724	12,710	1,957	3,572	4,595	1,957	4,595
	(c) Pulp Rayon Grade	6,554	6,718	4,166	6,554	4,166	6,554	6,718	4,166	6,554	4,166
	(d) Unallocated	1,025	736	9,734	1,025	9,734	6,117	5,237	6,651	6,117	6,651
	Total Segment Liabilities	132,376	125,251	54,557	132,376	54,557	28,450	27,522	32,957	28,450	32,957

BALLARPUR INDUSTRIES LIMITED

Statement of Audited Standalone / Consolidated Assets and Liabilities

₹ in Lacs

	Particulars	Consolidated		Standalone	
		As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
A	**ASSETS**				
1	**Non Current Assets**				
(a)	Property ,Plant and equipment	955,799	1,026,266	233,538	258,319
(b)	Capital Work-in-Progress	35,710	35,259	28,112	26,711
(c)	Other Intangible assets	6,581	7,854	3,351	4,978
(d)	Intangible assets under development	3,144	4,300	3,144	3,144
(e)	Biological Assets other than bearer plants	68,257	70,472	-	-
(f)	Financial assets	-		-	
	i) Investments	4,083	5,016	106,535	106,535
	ii) Loans	-	-	-	-
	ii) Others	5,044	5,302	171	223
(g)	Other Non-Current Assets	34,048	39,821	28	29
	Total Non-Current Assests	1,112,665	1,194,292	374,879	399,939
2	**Current Assets**				
(a)	Inventories	68,093	153,952	32,468	28,478
(b)	Financial assets	-		-	
	i) Trade receivables	7,060	36,588	537	1,555
	ii) Cash and cash equivalents	11,014	24,242	253	5,627
	iii) Bank balances other than (ii) above	1,284	979	246	260
	iv) Loans	59,620	43,398	52,764	48,772
	v) Others	2,647	6,072	875	771
(c)	Current Tax Assets (Net)	806	9,964	0	-
(d)	Other Current Assets	56,976	39,296	6,300	6,358
	Total Current Assests	207,499	314,490	93,443	91,822
	TOTAL ASSETS	**1,320,164**	**1,508,782**	**468,321**	**491,761**
B	**EQUITY AND LIABILITIES**				
1	**Equity**				
(a)	Equity Share Capital	13,112	13,112	13,112	13,112
(b)	Other Equity	106,190	272,073	109,302	154,475
(c)	Non-Controlling Interest	48,262	98,256	-	-
	Total Equity	167,565	383,442	122,414	167,588
2	**Non Current Liabilities**	-			
(a)	Financial Liabilities	-			
	i) Borrowings	351,076	413,724	75,209	90,774
	ii) Trade payables	-	-	-	-
	iii) Other financial liabilities	3,834	4,740	52,243	93,189
(b)	Provisions	9,025	8,925	1,701	1,963
(c)	Deferred Tax Liabilities (Net)	13,306	8,837	2,698	5,240
(d)	Other Non-Current Liabilities	22	23	-	-
	Total Non Current Liabilities	377,263	436,248	131,851	191,165
3	**Current Liabilities**				
(a)	Financial Liabilities	-			
	i) Borrowings	385,608	305,974	158,893	100,477
	i) Trade payables	97,532	250,383	13,437	12,526
	ii) Other financial liabilities	274,282	114,125	35,794	15,545
(b)	Other Current Liabilities	9,997	11,934	1,740	844
(c)	Provisions	4,498	5,264	4,192	3,616
(d)	Current Tax Liabilities (Net)	3,420	1,411	-	-
	Total Current Liabilities	775,337	689,091	214,056	133,008
	TOTAL EQUITY AND LIABILITIES	1,320,164	1,508,782	468,321	491,761

BALLARPUR INDUSTRIES LIMITED

Regd. Office: P.O. Ballarpur Paper Mills-442901, Distt.- Chandrapur(Maharshtra)

Notes for the Quarter/Year ended 31st March 2017

1 The above results have been reviewed by the Audit Committee in their meeting held on 22nd May, 2017, approved by the Board of Directors in their meeting held on 23rd May, 2017 and have been audited by the Statutory Auditors of the Company.

2 The Company has adopted Indian Accounting Standards (Ind AS) from 1st April, 2016 as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India. The Company has adopted all standards under Ind-AS, and the adoptions were carried out in accordance with Ind AS-101, First-time adoption of Indian Accounting Standards. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34, Interim Financial Reporting. The reconciliation of Net Profit and Other equity as per Ind AS and previous Indian GAAP for the corresponding quarter/year ended 31st March 2016 is given below:-

₹ in Lacs

Nature of Adjustments	Consolidated			Standalone		
	Profit Reconciliation		Other Equity	Profit Reconciliation		Other Equity
	Quarter Ended 31st March, 2016	Year Ended 31st March, 2016	As at 31st March, 2016	Quarter Ended 31st March, 2016	Year Ended 31st March, 2016	As at 31st March, 2016
Net profit / Other Equity as per Previous GAAP	(11,513)	(22,941)	263,523	6	1,777	149,714
Fair valuation of Assets, Financial Assets & Financial Liabilities	(6,410)	(6,410)	26,374			5,243
Impact of effective interest rate on borrowings.	1,015	4,059	(15,049)	80	295	372
Incremental depreciation due to fair valuation	214	427	427			
Unwinding of discount related to deferred sales tax liability	(35)	(70)	(70)			
Reclassification of acturail gains/losses, arising in respect of employee benefit schemes, to Other Comprehensive Income(OCI)	(533)	(789)	(1,203)	(292)	94	(854)
Deferred tax liabilities net	(629)	(629)	(629)			
Others	(322)	(1,574)	(1,300)			
Total	(6,690)	(4,986)	8,550	(212)	389	4,761
Net profit / Other Equity as per Ind AS	(18,003)	(27,927)	272,073	(206)	2,166	154,475

3 Exceptional Items includes impairment of assets and penal interest.

4 The liability for the put option of subsdiaries, if any, shall be determined and provided on settlement in view of on-going discussions with banks.

5 The standalone and consolidated results of the Company for the current quarter and year have been impacted due to lack of adequate working capital. The lenders of the Company have invoked standstill provision due to delays in repayment of debts and payment of interest. The Company is in discussions with Banks for finalising the implementation of SDR / other restructuring packages.

6 The Company has brought in working capital funds to start its operations. Currently operations at units - Yaumanagar, Ballarpur, Bhigwan and Ashti are getting ramped up and are expected to operate at full capacity from July 2017. Operations at SFI are also expected to start from early June, 2017.

7 Formulae for Computation of Ratios are as follows:
Debt Service Coverage Ratio = (Earnings before Depreciation, Amortisation, Interest and Tax – Current Cash Taxes) / (Interest Expense + Principal Repayments made during the period for long term loans).
Interest Service Coverage Ratio = Earnings before Depreciation, Amortisation, Interest and Tax / Interest Expense.

8 The figures for the quarter ended 31st March, 2017 and 2016 are the balancing figures between the audited figures in respect of full financial year and the published year to date figures up to third quarter of the respective financial year. Previous period figures have been re-grouped / reclassified wherever necessary, to conform to this period's classification.

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

B. HARIHARAN
Group Director (Finance)

Place : New Delhi
Date : 23rd May, 2017

K.K. MANKESHWAR & CO.
CHARTERED ACCOUNTANTS

KINGSWAY, NAGPUR - 440 001
PH. : 91-712- 6629946 / 47,2554223
FAX No.: 91-712- 6629948 / 6613404
E-mail : mail@kkmindia.com

Independent Auditor's Report

To

The Board of Directors
Ballarpur Industries Limited

We have audited the accompanying Statement of Standalone Financial Results of Ballarpur Industries Limited ('the Company') for the year ended 31st March 2017("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related Standalone financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.

We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

***We draw attention to Note 4 of the Statement regarding the liability* for the put option on the Company pertaining to subsidiaries to be provided on the settlement.**



Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us *except for the possible effects of the matter specified under 'Basis for Qualified Opinion'* in above paragraph, the Statement:

i. is presented in accordance with the requirements of regulation of 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.; and

ii. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and total comprehensive loss , and other financial information of the Company for the year ended 31st March 2017.

The statement includes the results for the quarter ended 31st March 2017 being the balancing figures between audited figures in respect of the full financial year and the published year to date figure up to the third quarter of the current financial year which were subject to limited review by us.

Emphasis of Matter

We draw attention to Note 5 of the Statement regarding invocation of Strategic Debt Restructuring by the Lenders due to non-fulfillment of debt obligations. On the basis of projected business plan as agreed with the lenders, these financial results have been prepared on a going concern basis. These financial results do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that may be necessary if the Company is unable to continue as going concern.

Our report is not modified/qualified in respect of this matter.

ASHWIN MANKESHWAR
Partner
Membership No. 046219
For and on behalf of
K. K. Mankeshwar & Co.,
Chartered Accountants
FRN: 106009W

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS

New Delhi, dated the
23rd May, 2017

Statement on Impact of Audit Qualification (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - Standalone

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2017]

	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
I.	1.	Turnover / Total income	-	-
	2.	Total Expenditure	-	-
	3.	Net Profit/(Loss)	-	-
	4.	Earnings Per Share	-	-
	5.	Total Assets	-	-
	6.	Total Liabilities	-	-
	7.	Net Worth	-	-
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification (each audit qualification separately):

a. **Details of Audit Qualification:**

Attention to note 4 of Audited Standalone Financial results for the Quarter / Year ended 31st March, 2017 regarding the liability for the put option, if any, on the Company pertaining to subsidiaries to be provided on the settlement.

b. **Type of Audit qualification**: Qualified Opinion

c. **Frequency of qualification**: First time during the financial year under report.

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: N.A.**

e. **For Audit Qualification(s) where the impact is not quantified by the auditor**:

(i) Management's estimation on the impact of audit qualification: N. A.

(ii) If management is unable to estimate the impact, reasons for the same:

The impact of qualification in the Auditors' Report on the financial statements of the Company is at present not ascertainable in view of on-going discussions with banks.

(ii) Auditors' Comments on (i) or (ii) above:

Quantification is not possible

III.	**Signatories:**	
	A.S. Dulat Audit Committee Chairman	
	Neehar Aggarwal Chief Executive Officer	
	Bimal Khandewal Chief Financial Officer	
	Ashwin Mankeshwar Partner (Membership No.046219) For and on behalf of K. K. Mankeswar & Co. Chartered Accountants FRN- 106009W (Statutory Auditors)	K.K. MANKESWAR & CO. CHARTERED ACCOUNTANTS
	Place: New Delhi	
	Date: 23rd May, 2017	

K.K. MANKESHWAR & CO.
CHARTERED ACCOUNTANTS

KINGSWAY, NAGPUR - 440 001
PH. : 91-712- 6629946 / 47,2554223
FAX No.: 91-712- 6629948 / 6613404
E-mail : mail@kkmindia.com

Independent Auditor's Report

To

The Board of Directors
Ballarpur Industries Limited

We have audited the accompanying Statement of Consolidated Financial Results of Ballarpur Industries Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group') for the year ended 31st March 2017("the statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related Consolidated Financial Statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.

We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the statement in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

***We draw attention to Note 4 of the Statement regarding the liability* for the put option on the Company pertaining to a subsidiary to be provided on the settlement.**

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us *except for the possible effects of the matter specified under 'Basis for Qualified Opinion'* in above paragraph, the Statement:

(i) Include the results of the following entities:

- Ballarpur Industries Limited
- Avantha Agritech Limited (formerly known as Bilt Tree Tech Limited)
- Ballarpur International Holdings B.V.
- Ballarpur Speciality Paper Holdings B.V.
- Premier Tissues India Limited
- Bilt Paper B.V. (formerly known as Ballarpur International Graphic Paper Holdings B.V.)
- Ballarpur Paper Holdings B.V.
- Bilt Graphic Paper Products Limited
- Sabah Forest Industries SDN. BHD.
- Bilt General Trading (FZE)

(ii) is presented in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.; and

(iii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and total comprehensive loss and other financial information of the Company for the year ended 31st March 2017.

The statement includes the results for the quarter ended 31st March 2017 being the balancing figures between audited figures in respect of the full financial year and the published year to date figure up to the third quarter of the current financial year which were subject to limited review by us.

Emphasis of Matter

We draw attention to Note 5 of the Statement regarding invocation of Strategic Debt Restructuring by the Lenders due to non-fulfillment of debt obligations. On the basis of projected business plan as agreed with the lenders, these financial results have been prepared on a going concern basis. These financial results do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that may be necessary if the Company is unable to continue as going concern.

Our report is not modified/qualified in respect of this matter.

ASHWIN MANKESHWAR
Partner
Membership No. 046219
For and on behalf of
K. K. Mankeshwar & Co.,
Chartered Accountants
FRN: 106009W

K. K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS

New Delhi, dated the
23rd May, 2017

Statement on Impact of Audit Qualification (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - *Consolidated*

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2017]

	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
I.	1.	Turnover / Total income	-	-
	2.	Total Expenditure	-	-
	3.	Net Profit/(Loss)	-	-
	4.	Earnings Per Share	-	-
	5.	Total Assets	-	-
	6.	Total Liabilities	-	-
	7.	Net Worth	-	-
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification (each audit qualification separately):

a. **Details of Audit Qualification:**

Attention to note 4 of Audited Consolidated Financial results for the Quarter / Year ended 31st March, 2017 regarding the liability for the put option, if any, on the Company pertaining to subsidiaries to be provided on the settlement.

b. **Type of Audit qualification**: Qualified Opinion

c. **Frequency of qualification**: First time during the financial year under report.

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: N.A.**

e. **For Audit Qualification(s) where the impact is not quantified by the auditor**:

(i) Management's estimation on the impact of audit qualification: N. A.

(ii) If management is unable to estimate the impact, reasons for the same:

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(ii) Auditors' Comments on (i) or (ii) above:

Quantification is not possible

III.	**Signatories:**	
	A.S. Dulat Audit Committee Chairman	
	Neehar Aggarwal Chief Executive Officer	
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	Ashwin Mankeshwar Partner (Membership No.046219) For and on behalf of K. K. Mankeswar & Co. Chartered Accountants FRN- 106009W (Statutory Auditors)	K. K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS
	Place: New Delhi	
	Date: 23rd May, 2017	