

Independent Auditor's Report on Special Purpose Financial Statements prepared for Consolidation Purposes for the year ended 31 March 2018

From: D B M S & Associates

Date: 19th May 2018

Subject: Component Audit of Bilt Paper B.V. for the Year Ended 31st March 2018

To: Mr. Viswanathan, Sharp and Tannan, Chennai, India

In accordance with the instructions in your letter dated 11 May 2018, we have audited, for purposes of your audit of the consolidated financial statements of Ballarpur Industries Limited ("BILT"), the accompanying special purpose financial statements of Bilt Paper B.V. as of and for the year ended 31 March 2018.

Management's Responsibility for the Special Purpose Financial Information

Management is responsible for the preparation and presentation of these special purpose financial statements in accordance with the instructions issued by BILT's management and the policies contained in the BILT's disclosed accounting policies. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the special purpose financial information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies that are consistent with the recognition and measurement principles and the disclosure requirements of Ind AS and presentation requirements of the Group as contained in the special purpose financial statements and making accounting estimates that are reasonable in the circumstances. This special purpose financial information has been prepared solely to enable BILT to prepare its consolidated financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on this special purpose financial statement based on our audit. We conducted our audit with the Group audit instructions issued by you and in accordance with auditing standards generally accepted in India and/or International Standards on Auditing, our audit procedures also included the additional procedures outlined by you in your audit instructions. International Standards on Auditing / Standards on auditing issued by ICAI require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the special purpose financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the special purpose financial information in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness



of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the special purpose financial information.

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

Opinion

In our opinion, the accompanying special purpose financial statements for Bilt Paper B.V. as of March 31, 2018 and for the year then ended, relating to the consolidated financial statements of BILT has been prepared, in all material respects, in accordance with the instructions issued by BILT Group's management and the policies contained in the BILT Group's accounting policies which have been intimated to us by you through the Group audit Instructions.

Further, these special purpose financial statements are in compliance with the recognition and measurement principles and disclosure requirements of the Ind AS as specified under Section 133 of the Companies Act, 2013.

Emphasis of Matter

We draw attention to Note 2.1 in the financial statements, which indicates that the company's current liabilities exceeded its current assets position. This condition indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Restriction on Use and Distribution

This special purpose financial statement has been prepared for purposes of providing information to BILT to enable it to prepare the consolidated financial statements of the group. As a result, the special purpose financial statement is not a complete set of financial statements of Bilt Paper B.V. in accordance with *Ind AS* and is not intended to present fairly, in all material respects, the financial position of Bilt Paper B.V. as of March 31, 2018. The financial information may, therefore, not be suitable for another purpose.

NAMITA AGGARWAL

Membership No. 535704

Partner

For and on behalf of

D B M S & ASSOCIATES,

Chartered Accountants

FRN: 026573N

Date: 19th May 2018

Place: Gurugram

