



3rd October, 2017

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

Sub: Annual Report for the financial year 2016-17.

Dear Sir,

Pursuant to Regulation 34(1) of SEBI (LODR), 2015, please find attached herewith Annual Report of the Company for the financial year 2016-17, considered and adopted by the Members of the Company at the 72nd Annual General Meeting held on 26th September, 2017.

We request you to kindly take the information on record.

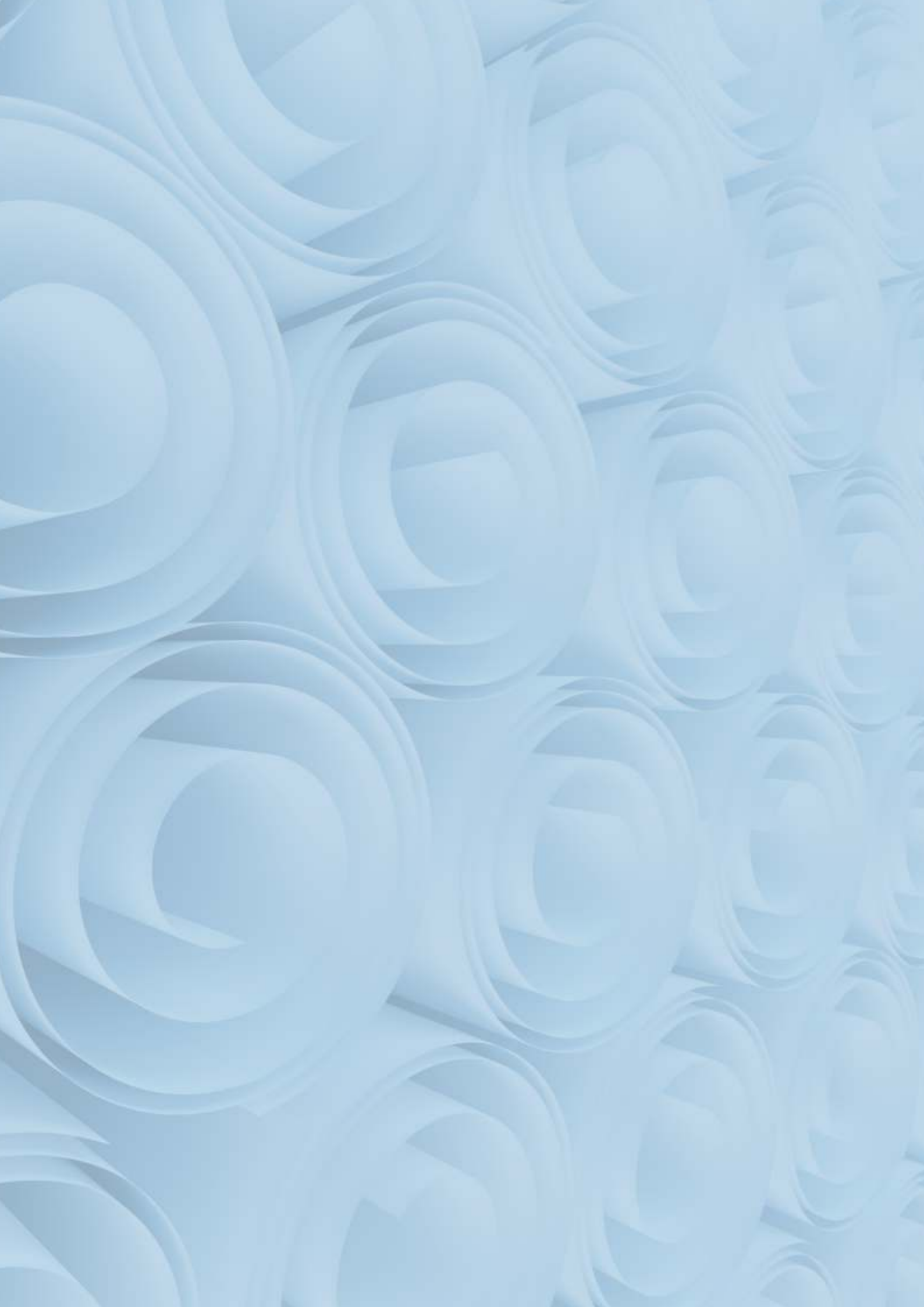
Thanking you,

Yours faithfully,
for **BALLARPUR INDUSTRIES LIMITED**

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







CONTENTS

**BOARD OF
DIRECTORS**

AWARDS

**CHAIRMAN'S
LETTER**

**MANAGEMENT
DISCUSSION &
ANALYSIS**

**CORPORATE
GOVERNANCE**

**BOARD'S
REPORT**

**INDEPENDENT
AUDITORS'
REPORT**

**BALANCE
SHEET**

**STATEMENT OF
PROFIT AND LOSS**

**CASH FLOW
STATEMENT**

**STATEMENT OF
CHANGES IN
EQUITY**

**SIGNIFICANT
ACCOUNTING
POLICIES AND
NOTES TO THE
FINANCIAL
STATEMENTS**

**CONSOLIDATED
FINANCIALS**

BOARD OF DIRECTORS

GAUTAM THAPAR

Chairman

R. R. VEDERAH

Non Executive Vice Chairman

B. HARIHARAN

Group Director (Finance)

SANJAY LABROO

A. S. DULAT

ASHISH GUHA

B. VENUGOPAL

Nominee of LIC

A. P. SINGH

SUDHIR MATHUR

COMPANY INFORMATION

REGISTERED OFFICE

P.O. Ballarpur Paper Mills – 442901,
District Chandrapur, Maharashtra

OPERATING OFFICE

First India Place, Tower-C, Block-A,
Sushant Lok I, Mehrauli Gurgaon Road,
Gurugram – 122002

HEAD OFFICE

Thapar House, 124 Janpath,
New Delhi – 110001

AUDITORS

K.K. Mankeshwar & Co.,
Chartered Accountants
Kingsway, Nagpur – 440001

LISTING ON STOCK EXCHANGES

The Equity Shares of the Company are listed on the following Stock Exchanges:

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Exchange Plaza, Plot No. C-1, G Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400051

BSE LIMITED

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001

AWARDS

UNIT BALLARPUR

National Energy Conservation Award 2015-16

First Prize from Bureau of Energy Efficiency (BEE), Ministry of Power, Government of India.

State Level Energy Conservation Award 2015-16

First Prize from Maharashtra Energy Development Agency, Pune (MEDA).

Energy Management Award 2015-16

Platinum Award by Society of Energy Engineers and Managers (SEEM) in Manufacturing Segments.

Energy Efficient Mill Award 2015-16

By Confederation of Indian Industries, GBC, Hyderabad (CII).

UNIT BHIGWAN

State Level Energy Conservation Award 2015-16

Second Prize from Maharashtra Energy Development Agency, Pune (MEDA).

UNIT SEWA

Kalinga Safety Award 2015 - Silver Category

From Odisha Safety Conclave.



CHAIRMAN'S LETTER

Dear Shareholder

I have always been frank with you. The financial situation of your Company is serious. Let me start by sharing with you the consolidated results; then explain why BILT has got to where it is today; then describe the plan that we are putting in place to financially re-engineer your Company; and conclude by commenting on what I believe should happen once a more viable financial structure is put in place.

First, the results for FY2017. Over the last few years, due to both external and internal factors, BILT's revenues have not been sufficient to service the debt that was incurred to make necessary capital intensive investments in capacity and technology. Consequently, your Company has been affected by liquidity constraints. It was difficult in the previous year; and became severe in FY2017. The effect of these constraints show up in the consolidated results for FY2017.

- Revenue from operations declined by 50.5% to ₹ 2,121 crore.
- Total income reduced by 49.3% to ₹ 2,232 crore.

- Finance costs increased by 96.2% to ₹ 901 crore.
- As a result of sharply reduced total income and rising finance costs, loss before tax was ₹ 1,570 crore, versus a profit of ₹ 44 crore in the previous year.
- Loss after tax was ₹ 1,862 crore for FY2017 compared to a loss of ₹ 279 crore in FY2016.

How did we get to this point? Over the last seven years, your Company made significant debt-financed investments to modernise and scale up capacities across most of its Indian manufacturing units as well as in Sabah Forest Industries (SFI), the pulp and paper producing facility acquired in Malaysia. These investments were necessary to make BILT globally competitive in a scenario of growing competition from paper manufacturers in China, the ASEAN and South Korea.

Some of these investments took longer than targeted to come on stream. In addition, the domestic paper market became far more competitive and price sensitive than before, thanks to India's free trade agreements with the ASEAN and South Korea which have brought down customs duty on paper

and paperboard to zero. Moreover, as I had mentioned in my last year's letter to you, SFI has not been able to generate sufficient returns, largely on account of an unrealistically strong Malaysian Ringgit. The consequences are what you see today: severe liquidity constraints that have come in the way of increasing production and revenues; and, given the high finance costs, profits turning into losses.

What are we doing about it? We had earlier tried to access equity capital markets twice; unfortunately without success due to the prolonged after-effects of the global financial crash.

This time around, for the standalone entity - BILT, your Company's Board of Directors authorised a Committee of Directors to consider and recommend a financial restructuring plan under the Strategic Debt Restructuring (SDR) scheme of the Reserve Bank of India. Based on the Committee's work, the Board recommended:

- Reclassification of the Company's authorised share capital by which it (a) doubled the number of ordinary equity shares having a face value of ₹ 2 each from 75 crore shares to 150 crore shares; and (b) reduced preference shares having a face value of ₹ 100 each from 2.5 crore shares to 1 crore shares.
- Converting a significant part of the outstanding debt to equity by issuing equity shares through preferential allotment to the accepting parties comprising the Joint Lenders Forum under the SDR scheme.

On 31 May 2017, these conditions were recommended to the shareholders for approval through a postal ballot. Over 99% of the shareholders who voted, approved the financial restructuring scheme.

Consequently, your Company is now empowered to create and issue up to 68.23 crore equity shares each with a face value of ₹ 2, at ₹ 15.83 per share, which is the price determined in the SDR scheme. These shares will be allotted to banks and financial institutions according to the proportion of their outstanding loan exposure to BILT. After the allotment, the Joint Lenders Forum will collectively own 51% of the fully paid up equity share capital of your Company.

While this debt-to-equity conversion sharply reduces the shareholding percentage of the promoter group, it is the correct thing to do to resuscitate the health of your Company. By significantly reducing the debt overhang even at the standalone level, BILT benefits from lower debt-servicing costs. All else being equal, it gets the necessary additional liquidity to ramp up production and revenues, which it could not earlier because of cash constraints.

I should also mention that your Company's step-down subsidiary, BILT Graphic Paper Products Limited, also has a large debt position. The Management is presently formulating a deep debt recasting plan, which includes working with an asset restructuring company. As I write, a process is actively being pursued to restructure the loan and infuse additional capital to turn around the business.

Once both these schemes go through, your Company will have financial headroom to get back to normal operations, which ought to generate higher sales and better results in the years to come. In addition, the Board remains on the lookout to sell SFI, a non-core asset that is now financially classified as a 'discontinued operation'. The Board will also be carefully looking at the financial viability of some other Units burden. If these remain questionable, even under an environment of a lower debt-servicing, the Board will take necessary steps to divest them as well.

I look forward to a financially viable and leaner BILT — one which can earn greater revenues despite tight competitive conditions and do so with lower unit costs. The breathing room has been given. It is now up to your Company's management to deliver, as I hope it shall in FY2018 and thereafter.

Thank you for your support in the last few challenging years. Let us hope that with your support and the Management's best efforts, your Company will profitably stride forth yet again.

With best wishes,



GAUTAM THAPAR
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

INTRODUCTION

BILT's businesses operate through two separate blocks: one under the standalone entity BILT, and the other under its step-down subsidiary Bilt Paper B.V.

Under the standalone entity, BILT, the businesses target the industrial and FMCG markets and include:

- Specialty paper business operating from the Shree Gopal facility in Haryana.
- Rayon grade pulp business operating from Kamalapuram in Andhra Pradesh.
- Tissue paper business operated through its subsidiary, Premier Tissues (India) Limited.

The other block of businesses comes under Bilt Paper B.V, which focuses on the wood-free printing and writing paper, coated and uncoated. This is the Company's primary business portfolio. Here, the focus is on the commercial printing business (both reel and sheet) and the desktop printing business through copier paper. There is also the production of high value bio-degradable high-end packaging. Bilt Paper B.V. has two step down subsidiaries, namely:

- BILT Graphic Paper Products Limited (BGPPL), which is an asset heavy entity, and has four plants in India: Ballarpur, Bhigwan and Ashti (all in Maharashtra) and Sewa (in Odisha).
- Sabah Forest Industries Sdn. Bhd. (SFI), which operates the pulp, uncoated wood-free and plantation businesses in Malaysia.

Through this structure, BILT addresses the following portfolio:

- Writing and Printing Paper – India and Malaysia
- Office Supplies and Stationery
- Retail under the brand P3

- Specialty Paper
- Tissue Paper
- Rayon Grade Pulp

Over the last few years, due to several factors external and internal to the Company, growth in revenue and in the scale of operations have not been in line to service the quantum of debt that was earlier incurred to make the necessary investments in capacity and technology. Consequently, during FY2017, BILT's operations and performance were severely affected by liquidity constraints. Given below are the consolidated results for FY2017.

- Revenue from operations declined by 50.5% to ₹ 2,121 crore.
- Total income reduced by 49.3% to ₹ 2,232 crore.
- Finance costs increased by 96.2% to ₹ 901 crore.
- As a result of sharply reduced total income and rising finance costs, loss before tax was ₹ 1,570 crore, versus a profit of ₹ 44 crore in the previous year.
- Net loss after tax was ₹ 1,862 crore for FY2017 compared to a loss of ₹ 279 crore in FY2016.

During the course of FY2017, two strategic asset sales of the Company did not materialise. The first was the SFI Malaysia stake sale to Pandawa Sakti (Sabah) of Malaysia; the second was the sale of the Ballarpur and Ashti Units to J K Paper. Consequently, the expected improvements in the balance sheet position did not happen and the financial condition of the Company was put under further stress. As of 31 March 2017, on a consolidated basis, total borrowings of the Company (including long and short term) were ₹ 7367 crore, and other financial liabilities stood at ₹ 2781 crore.

*The Company, therefore, has initiated efforts to restructure this unsustainable level of debt at two levels:

- A Strategic Debt Restructuring (SDR) effort with the banks for the stand-alone entity, namely BILT .
- A deep debt recasting initiative for the step-down subsidiary i.e. BILT Graphic Paper Products Limited (BGPPL)

Strategic Debt Restructuring: BILT

Given the growing debt burden of the Company, and its consequential impact on operations and cash flows, the Board of Directors, at its Board meeting on 23 May 2017, authorised a Committee of Directors — comprising a majority of Independent Directors — to consider and recommend a financial restructuring and fund raising plan under the Strategic Debt Restructuring (SDR) scheme of the Reserve Bank of India (RBI), subject to necessary approvals from the lending banks and financial institutions.

Subsequently, at a Board meeting on 31 May 2017, the Board of Directors recommended, subject to necessary approvals from the shareholders of the Company:

- Reclassification of the authorised share capital of the Company from ₹ 400 crore divided into (a) 75,00,00,000 equity shares having a face value of ₹ 2 each, and (b) 2,50,00,000 preference shares having a face value of ₹ 100 each to ₹ 400 crore divided into (a) 150,00,00,000 equity shares having a face value of ₹ 2 each, and (b) 1,00,00,000 preference shares having a face value of ₹ 100 each.
- Issue of such number of equity shares of the Company to the lenders upon conversion of debt into equity as approved by the Joint Lenders Forum under the SDR scheme of the RBI through the preferential route, in terms of applicable provisions of the Companies Act, 2013, as well as the regulations and guidelines given by the Securities and Exchange Board of India (SEBI).

These conditions were recommended for approval of shareholders of the Company through postal ballot. The postal ballot notice dated 31 May, 2017 was sent to all shareholders of the Company. The results of the postal ballot for the restructuring scheme were as follows:

- Shareholders representing 393,919,430 equity shares of the Company — or 60% of the total equity shares — voted on the postal ballot.
- Of these, 393,850,818 shares — or 99.98% of the equity shares that voted in the postal ballot — voted in favour of the restructuring scheme.

Consequently, the Company has been now empowered by its shareholders to create and issue up to 68,22,79,915 (sixty eight crore twenty two lakh seventy nine thousand nine hundred and fifteen) equity shares, each having a face value of ₹ 2, at ₹ 15.83 per equity share, which is the price determined in accordance with the SDR Scheme. These shares will rank pari passu in all respects with the existing fully paid up equity shares of the Company. These shares will be given through preferential allotment to banks and financial institutions (or the 'Proposed Allottees') according to the proportion of their outstanding loan exposure to the Company. After this allotment, the allottees shall collectively own 51% of the fully paid up equity share capital of the Company.

With this significant conversion of debt to equity in favour of the lenders, the Company will have a much lower and more serviceable debt burden. That should create the financial headroom needed to get back to higher revenues and better operational results in the years ahead.

Deep Debt Restructuring: BGPPL

For the step-down subsidiary, BGPPL, which also has a large debt position, the Company is working on a deep debt recasting plan. This includes working with several options including one that involves an asset restructuring company. A process is underway to restructure the loan and infuse additional capital to provide the necessary funds to effectively operate the plants and turnaround the business.

The Writing and Printing Paper Business

BILT is one of India's leading writing and printing paper manufacturer with some export foot print as well. It also has a material presence in the Malaysian market through a subsidiary, Sabah Forest Industries.

Over the years, the Company has developed a range of quality products supported by wide reaching and efficient distribution to build a strong market position. A key element of BILT's business has been continuous efforts on innovation and introduction of new products across applications. This wide range of diversified offerings has provided it with competitive impetus in the markets. Across the product spectrum, BILT has set a very high standard in terms of quality, which has emerged as a key differentiator in the competitive markets where it operates.

The product range is well supported by a strong and unique distribution mechanism. In its core market, India, BILT has a multi-tiered distribution network with a balanced mix of exclusive and multi-brand distributors. In Malaysia, sales are handled through some 40 distributors. In addition to these principal markets, the Company enjoys a good market presence in the Middle East and Africa.

The Paper & Pulp Industry and India Markets

Paper consumption in India has been below its potential. While India hosts 17% of the world's population, it accounts for only about 3% of global production of paper and paperboard. The gap between potential and actual demand is best seen in the per capita numbers. India's per capita consumption of paper is estimated at barely 11 kg compared to 75 kg in China, 158 kg each in the European Union, Korea, Taiwan, Hong Kong, Singapore and Malaysia, 218 kg in Japan, and 224 kg in North America. The global average itself is a healthy 56 kg.

This gap, however, has led to significant pent up demand in the country over the last decade — driven by rising levels of literacy, improving well-being of the people and surging aspiration levels. Thus, despite its low base, India is the fastest growing market for paper.

* This section contains material development post the approval of the MDNA by the Board of Directors.

Demand for paper has been growing at around 8% per year for some time. According to industry estimates, the domestic market or consumption of paper is over 16 million metric tons per annum (MTPA), with over 2 million MTPA being imported. By 2024-25, under the baseline scenario, domestic consumption is projected to rise to 23.5 million MTPA; and in the optimistic scenario, consumption is expected to rise to 36.9 million MTPA. What this means is that about 1 million MTPA of integrated pulp, paper and paperboard capacity has to be created in India on an annual basis over the current capacity to domestically meet the growing demand.

While the industry has already made significant capital investments to ramp-up capacities, the gestation period is long. Moreover, the economic viability of such investments are impacted significantly by availability and cost of raw materials and other inputs. In addition, with falling global paper prices, global players have targeted the Indian market. Consequently, imports have increased at lower prices.

India is a wood-fibre deficient country. Inadequate domestic supply of raw material is a major constraint for the Indian pulp and paper industry, especially in a milieu where there is no dedicated enabling policy for industrial plantation. The present demand for wood by the paper industry is about 11 million MTPA versus domestic availability of 9 million MTPA, and the demand is projected to rise to 15 million MTPA by 2024-25. Consequently, wood prices have gone up steeply, more than doubling in the last three to four years which, in turn, has seriously affected competitiveness of the Indian paper industry.

Increasing cost of raw material and energy has resulted in a substantial increase in the cost of domestic manufacture of paper and paperboard. Such input price pressures, coupled with relatively high cost of capital, have opened the Indian market to growing imports — leading to under-utilisation of the existing domestic production capacity. Imports of paper, paperboard and newsprint into India have been steadily increasing. In the last five years, imports have risen at a CAGR of 11.4% in value — from ₹ 7,152 crore in 2010-11 to ₹ 12,284 crore in 2015-16. These have increased at 7.9% per year in terms of volume, from 1.8 million MT in 2010-11 to 2.6 million MT in 2015-16.

Even as the industry is grappling with the issue of producing paper and paperboard at competitive costs, the problem has been exacerbated by the Government of India's policy of extending preferential tariff treatment to paper and paperboard under the free trade agreements (FTAs) and other bilateral and multilateral trade agreements. Thus, while domestic industry is operating under extremely challenging conditions, substantial quantities of paper and paperboard is imported into the country at significantly lower costs under the aegis of the FTAs.

Under these conditions, there is a very serious threat of several large scale investments in capacities in the recent past turning economically unviable. Domestic industry has invested huge amounts to upgrade and implement initiatives like clean technology, product quality and farm forestry. The inability to scale up production and supply as per plan has affected the industry considerably.

During FY2017, BILT was no exception to this difficult industrial condition. Given the gestation lag between large scale investments made in the recent past and the ability to scale up revenues — made worse by international competition — there have been major capital and fund constraints faced by the Company, which have adversely affected its operations. Thus, as mentioned earlier, revenue from operations fell considerably while finance costs rose to unviable levels, which led BILT to go in for the SDR scheme.

BILT's Writing and Printing Paper Business

BILT's writing and printing paper business can be divided into four categories: coated wood-free, uncoated wood-free, copier paper and creamwove.

Coated Wood-Free

In India, demand for this category of paper outstrips supply. However, much of the gap continues to be met by imports. In numeric terms, coated wood-free consumption in India increased by around 7% to 820,000 MTPA in FY2017. In terms of value addition, the segment has three categories: blade coated, air knife and cast coated products, ranked in decreasing order of technology. Growth has been higher in the premium

end of the market with the blade coated products growing by 8%, which is BILT's primary focus area.

The coated market can also be segregated in two ways. First, in terms of one-side coated (C1S) and both-sides coated (C2S). Second, in terms of paper and board products. Within the blade coated products segment, the C2S paper market grew by over 9.5% to 412,000 MTPA and the C2S board market grew by over 9% to 196,000 MTPA in FY2017.

Being a value-added product, coated wood-free paper traditionally enjoyed a price and quality premium. However, with rapid market expansion and rise in import volumes, especially from the ASEAN, China and South Korea, the segment is rapidly getting transformed into a competitive, commodity-like product space where price is becoming the critical factor.

BILT continued to enhance customer service through a multi-format distribution network, with a focus on reducing product costs through higher scale of operations and better efficiencies in production. However, some of these initiatives were affected by the non-availability of soft wood pulp and the Company's financial constraints.

Uncoated Wood-Free

During FY2017, the Indian uncoated market — comprising Low Bright and Hi Bright segments — grew by 2% to 12,93,000 MTPA, and the competition continued to be intense. The market remains largely restricted to domestic players and is highly fragmented with a multitude of products and manufacturers. However, in the last couple of years, imports from Indonesia and China have started making an impact in this market.

BILT maintains its strong position as an organised player in this space by offering a wide range of products. The Company has laid greater importance on optimising its product mix for greater profitability. With this objective, BILT has focused on the higher value Hi Bright paper, which accounts for around 74% of the entire uncoated maplitho segment. Hi Bright paper grew by 5.4% in FY2017.

BILT's major brands in this segment include Magna and Wisdom Print, which are used

for the notebook and publishing segment; Sunshine Super Printing Paper, which is used for offset printing; and Three Aces Natural Shade Deluxe (T.A.NSD), which is used for commercial printing.

Copier

Essentially, copier paper is a forward integration of the uncoated wood-free paper segment. It comprises maplitho paper cut in sizes with product characteristics that are best suited for desktop printing and copying.

Over the last few years, with rapid computer penetration in India, copier has been a fast growing segment. The mill-packed copier market in India grew by 12% during FY2017 to 940,000 MTPA. In this segment, too, there is increased supply due to imports from ASEAN countries. This has led to more intense competition among the major players in the Indian paper industry, with multiple brands at various price points. With four major brands in the market, Copy Power, Image Copier, Ten on Ten and BILT Matrix, BILT continues to maintain a strong presence in this segment.

Creamwove

This is a high volume, low value segment. In volume terms, it is by far the largest segment in India. It is characterised by several producers, each with sub-optimal capacities operating in a highly price sensitive market which has been stagnant and estimated at 1.5 million MTPA in FY2017. BILT has strategically maintained a minimal presence in this segment.

RETAIL

The Company's retail business has been merged with the primary operations. As a result, some product lines have been synergised with the main line business; and distribution channels have been realigned to best leverage the brand strengths in a re-structured format.

BILT's Operations in India

BILT's writing and printing paper manufacturing operations under its step-down subsidiary Bilt Paper has four production Units across India. These are: Ballarpur (in Maharashtra), Bhigwan (Maharashtra), Sewa (Odisha) and Ashti (Maharashtra). Across all four Units, there has been lower production primarily on

account of working capital constraints faced by the Company. Details of operational developments across the different Units are given below:

Unit: Ballarpur

At Ballarpur, total paper production was 147,321 MT in FY2017 against 247,649 MT in FY2016. The new pulp mill produced 122,379 air dry metric ton (ADMT) of bleached pulp in line with the captive pulp requirements. This mill was installed in 2013 with the latest process technology such as continuous cooking for pulping and ECF bleaching processes. The Ballarpur and Ashti mills are now fully integrated with this pulp mill for hard wood pulp supply.

In line with the Company's focus on product quality and servicing, the Ballarpur mill significantly improved the quality packing of paper reels by installing a new radial reel wrapping machine during the year.

Ballarpur: Environment Management and Resource Conservation

During FY2017, Ballarpur undertook several energy conservation initiatives which enabled the mill to successfully surpass the Perform, Achieve, Trade – I (PAT-I) cycle targets for energy reduction set by the Bureau of Energy Efficiency (BEE) of the Government of India. It is now fully geared up to meet the PAT-II targets as well. Consequently, the mill has received 16,587 E-Certificates from the BEE which can be sold in the energy exchange once trading begins.

During FY2017, the Unit has implemented several initiatives for reduction in water consumption. The latest process technologies incorporated in the new pulp mill such as continuous cooking and ECF bleaching also contributed significantly towards reducing the effluent load. The mill's Effluent Treatment Plant (ETP) is equipped with the most modern treatment systems like MBBR (Moving Bed Bio-film Reactor) and DAF (Dissolved Air Floatation) effluent treatment process technologies. These enable the mill to significantly improve the quality of final treated effluent. Online Continuous Emission Monitoring System (CEMS) and effluent quality monitoring system has been provided, which is connected to the MPCB/CPCB server for transmission of real time data.

Implementation of various energy conservation initiatives across the pulp and paper manufacturing process resulted in reduction in steam and power consumption.

Ballarpur: Awards

- First Prize in National Energy Conservation Award 2015-16 from the Bureau of Energy Efficiency (BEE), Ministry of Power, Government of India.
- First Prize in State Level Energy Conservation Award 2015-16 from Maharashtra Energy Development Agency (MEDA), Pune.
- Platinum Award in Energy Management 2015-16 by Society of Energy Engineers and Managers (SEEM) in Manufacturing Segments.
- Energy Efficient Mill Award 2015-16 by Confederation of Indian Industry (CII).

Unit: Bhigwan

At Bhigwan, total paper production was 102,614 MT in FY2017 against 275,628 MT in FY2016. In pursuing continuous cost reduction, new indigenous vendors were developed for acrylic latex, coating starches; and the use of ultrafine carbonates were introduced to reduce dependence on imported clay for coating formulations. These initiatives resulted in reduction in production cost. On the product development front, the mill successfully developed interleaving paper of 38 gsm for printing plates.

Bhigwan: Environment Management and Resource Conservation

The following key initiatives were undertaken during FY2017 to reduce energy consumption, which enabled the mill to successfully achieve the PAT- I targets.

- Installed additional air receiver at OMC to take care of instantaneous high volume requirements. This has resulted in reduction in mill-wide air pressure and consequently air consumption in the plant.
- Replaced conventional light with LED lights on all high tension panels.
- Optimised mill-wide drive frequency.

In terms of water conservation, the mill successfully recycled part of the ETP effluent

through the RO Plant to conserve fresh water during peak summer season. This resulted in savings of approximately 50 cubic metres per hour of fresh water.

Bhigwan: Awards and Achievements

- Second Prize in State Level Energy Conservation Award 2015-16 from Maharashtra Energy Development Agency (MEDA), Pune.
- Received 4 Star ratings (out of 5 Stars), from MPCB (Maharashtra State Pollution Control Board) for achieving low emission of Particulate Matter.
- Finalist for RISI PPI Award 2016 for the following categories :
 - Bio Strategy Award.
 - Water Efficiency Award.
- Re-certification of ISO Audit (ISO 9001, ISO 14001, OHSAS 18001 & ISO 50001) carried out in December, 2016.

Unit: Sewa

Sewa had very minimal production during FY2017 due to shortage of raw material and working capital. Under these conditions, in order to manage fixed costs, most of the management staff, barring the minimum required at Sewa, were relocated to other mills. Contract labour engagement was brought down to zero after discussions with labour unions and the office of the Deputy Labour Commissioner. There was particular focus on other fixed costs and these were brought down to the bare minimum.

Sewa: Award

Odisha State Prestigious "Kalings Safety Award-2015" in silver category from Safety Conclave held in September, 2016 at Bhubaneswar.

Unit: Ashti

Ashti produced only 5,974 MT of paper in FY2017 against 43,478 MT in FY 2016. An additional 5,000 MT of copier paper, produced at Ballarpur, was converted at Ashti to service the customers. Production was adversely affected since June 2016 due to working capital constraints. Under these adverse conditions, the mill focused on significantly cutting down fixed costs. It also stressed on preventive maintenance and future efficiency improvement activities.

Operations in Malaysia

Sabah Forest Industries Sdn.Bhd. (SFI)

During FY2017, SFI produced 22,498 MT of paper against 75,911 MT in FY2016. Out of this, 5,739 MT was exported. Total bleached pulp production was 20,279 ADMT in FY2017 against 93,128 ADMT in FY2016. Production was affected by shortage of raw material supply and financial liquidity constraints.

Initiatives were undertaken to improve product quality and reduce costs. The main focus was to maintain consistent pulp quality through usage of chemical additives in the pulping processes. Also, as part of the resource conservation initiatives, SFI continued with its efforts to maintain consistent and higher ash levels in the paper by using new technologies for saving fibre consumption. During SFI's low production period, the mill not only focused on significantly cutting down fixed costs but also on preventive maintenance.

Specialty Paper Business

The specialty paper business focuses on the industrial segment of the paper market that deals with specialised categories like bond paper, super cartridge, executive brief card, Matrix multipurpose paper, BCB etc. The assets of this business are directly under BILT and comprise the plant at Shree Gopal (Haryana).

Unit: Shree Gopal

Paper production at Shree Gopal was 27,026 MT in FY2017 versus 73,492 MT in FY2016. The Unit undertook the following initiatives to improve customer service:

- Developed BILT EDGE paper of 105 gsm for the carry bags segment.
- Modified the shade of BILT Maplitho Natural Shade paper in the 60-119 gsm range to meet customer demand.
- Developed REB on PM2.
- Mill switched from rosin-based sizing to AKD to produce alkaline sized paper on all paper machines. This will enable the use of PCC as the filler to further improve product quality.

Shree Gopal: Environment Management and Resource Conservation

At Shree Gopal, the achieved norms of 'treated effluent' and 'boiler stacks

emissions', comply with the norms laid down by Haryana State Pollution Control Board (HSPCB). On-Line real time monitoring of stacks emission and treated effluent has been installed and commissioned. The following resource conservation initiatives were implemented during the year:

- Reduced fresh water consumption by 34%.
- Improved bleached pulp yield by 0.3%.
- Reduced energy consumption in the plant which enabled the mill to achieve PAT-I targets. The mill also sold 14,906 Renewable Energy Credit (RECs) in FY2017 out of 34,830 RECs earned In FY2016.

In addition, the Unit successfully conducted surveillance audits of QMS (ISO 9001), EMS (ISO 14001), OHSAS 18001 and EnMS (ISO 50001).

TISSUE AND HYGIENE PRODUCT BUSINESS: PREMIER TISSUES (INDIA) LIMITED

Unit: Mysore

In the FY2017, Premier Tissues (India) Limited (PTIL) maintained its leadership position in the retail segment in a market which is gaining momentum but becoming more competitive with the entry of organised international players offering high quality products at extremely competitive prices. The market has also witnessed increased consumer awareness because of the exposure to superior and high quality products. PTIL is holding to its strength with increased focus on servicing retail and modern trade channels, and by introduction of some new high quality, innovative products made from imported tissue.

During FY2017, PTIL has made inroads to the online retail grocery segment, which is at a nascent stage, by bagging contracts with online grocery marketers. The overall contribution of sales from modern trade was at 32%.

In the last quarter of the FY2017, PTIL has taken steps to enhance its output capabilities by engaging in strategic tie-ups for outsourcing production of customised tissue products. This will ensure maintenance of demand and supply equilibrium in the medium to long term.

On the brand building front, PTIL has initiated some actions to further strengthen the brand with low cost and highly innovative consumer engagement modules by way of schemes and improved packaging. It remains focused on maintaining its dominant player status in the retail segment of the tissue industry.

RAYON GRADE PULP BUSINESS

Unit: Kamalapuram

The India-based pulp business operates out of facilities at Kamalapuram, in the district of Warangal in Telangana. It mainly produces rayon grade pulp for manufacture of Viscose Staple Fibre (VSF) and Viscose Staple Yarn (VSY).

Over the last three years, this market has been under severe pressure due to several reasons, which made the operations of this Unit unviable. Accordingly, the plant remained shut during FY2017. To make the plant operations viable, representation was made to the State Government for granting subsidies on inputs and power so that the manufacturing activities could be restarted. This has been considered favourably by the Government of Telangana, which has issued an order granting subsidy on power for a period of seven years and on wood for a period of five years. The final Memorandum of Understanding (MoU) with the Government of Telangana is under discussion. A plan for restarting the mill will be prepared after concluding this MoU.

Human Resource (HR)

HR plays a critical role in sustaining and supporting an organization in tough times. BILT's HR rose to the need of the hour and contributed in all relevant and related areas. The HR activities in FY2017 were largely oriented towards alignment with the business and market needs.

The strategic focus of the function in FY2017 was to bring efficiencies both in the approach and the process. Close coordination and synergy between the HR and Industrial Relations activities across geographies led to the desired harmony and results, which often required downsizing.

Employee engagement starts from right talent acquisition and this is ensured through deployment of the right resources

and tools for talent acquisition. This is further facilitated by correct utilisation of talent through different initiatives including job rotation, career progression and adequate succession planning. In alignment with the current business requirements, talent acquisition during the year was largely focused on business critical replacement positions.

Talent retention was another area of keen focus for the year. Despite the difficult business scenario, BILT managed to contain attrition and retain key talent.

Industrial relations continued to be peaceful in all the plant locations. During FY2017, the Company successfully managed to arrive at amicable solutions for workmen related issues at the various Units.

Information Technology (IT)

During FY2017, the IT team at BILT was very focused on technology consolidation, IT cost management and business continuity. The Oracle ERP landscape was augmented for manufacturing and order management, thereby enhancing the opportunity for better process integration and reliable decision support system. On the technology front, the Company has consolidated its core infrastructure at a data centre and initiated the cloud journey by adapting O-365 platform. These initiatives have helped to strengthen business continuity and manage IT cost.

Recognizing the paradigm shift towards global adoption of technologies on digital platforms, BILT has embarked on preparing a digital strategy for the organisation which pivots around the 'consumer' and the 'employee'. In the meanwhile, BILT continues its thrust on business continuity initiatives as well as people productivity for the finance function and the management team. This is being primarily addressed by implementing Oracle Financial Consolidation tools. The initiative will further strengthen the budgeting and planning process along with the decision support system.

Farm Forestry

Through its subsidiary, Avantha Agritech Limited (AAL), formerly Bilt Tree Tech Limited, BILT continues to work with the farming community to plant tree species that are suitable for pulpwood.

With activities spanning over a decade, there are thousands of farmers today who are associated with AAL's farm forestry programme. AAL has a strong network of qualified forestry staff to motivate the farmers and provide service support at their doorstep. It is currently operating its farm forestry programme in the states of Odisha, Madhya Pradesh, Chhattisgarh and Maharashtra.

To strengthen the programme and increase its acceptability among farmers, especially among tribal communities in the catchment areas of its mills, AAL supplies high quality, fast growing, site-specific planting stock with technical know-how. It has environmentally controlled global standard nurseries in Maharashtra and Odisha with a capacity to produce 20 million clonal plants of eucalyptus and casuarinas.

The production programme is supported by strong R&D to improve the genetic stock of planting material to yield more productivity. AAL has formed research collaborations with premier Indian research institutes like Institute of Forest Genetics and Tree Breeding (IFGTB), Coimbatore, and the Forest Research Institute (FRI), Dehradun.

The main objective of the AAL's farm forestry programme is to grow wood on a sustainable basis in the catchment area of the paper mills. To achieve this and to generate awareness, a series of exposure visits of farmers are conducted to the production nurseries and well established plantations. Regular training programmes are also conducted for farmers to educate and update them on the techniques of raising pulpwood plantations to yield maximum productivity from their land.

In FY2016-2017, AAL raised pulpwood plantations in 7,000 hectares of farmland, thus benefiting approximately 10,000 small and marginal farmers in the catchment area of BILT's paper mill units.

Internal Controls and their Adequacy

BGPPL/BILT has a wide-ranging system of internal controls to safeguard and protect all assets against loss from unauthorised use or disposition and to ensure accurate recording and reporting of all transactions. This framework is supported by a robust process of internal audits, review by the Management and the Audit Committee of the Board of Directors.

Annual Audit Plans are prepared at the beginning of the year, specifying areas to be covered and timing of the execution of the plan. This is reviewed and approved by the Audit Committee. Quarterly Audit Reports on observations and progress on the annual audit plan are submitted to the Management and the Audit Committee of the Board.

The internal controls are designed to ensure that financial and other records are reliable for preparing financial information and ensuring adequacy of backup and relevant approvals based on the formal Delegation of Authority matrix which is approved by the Board. For all critical processes, there exist documented policies, procedures and guidelines.

BGPPL/BILT has adopted preventive as well as Risk and Controls Matrix based audits to assess processes, validate effectiveness of controls and implement requisite corrective actions, which are reported and reviewed by Management and the Audit Committee of the Board of Directors.

BGPPL/BILT has also adopted the Group Risk Management policy. Accordingly, all operational processes are covered to assess the risk level. Enterprise risks are tracked and reviewed by the operational management team and steps are taken to reduce or mitigate the impact.

RISKS

Apart from regular business risks inherent in any business, there are some that are specific to the paper industry.

- **Digitisation:** With increased digitisation, paper is getting substituted. While such a trend is not expected to be seen in BILT's primary markets of India and South East Asia in the immediate future, the risk exists and can suddenly multiply.
- **Raw material:** Paper production at BILT/BGPPL is wood based. With forest and climate related restrictions, there is always the risk of scarcity of raw materials as well as volatility in prices. BILT/BGPPL has hedged against this risk with its initiatives in farm forestry and development of alternate sources.
- **Competition and pricing:** There is an increasing risk of having to face market pressures in an industry already characterised by zero customs duty on imports from all ASEAN countries. BILT/BGPPL has been proactively pre-empting this risk and its businesses strategy is geared to overcome this challenge.
- **Capital:** Due to the highly capital intensive nature of investments in this industry, the Company is constantly focused on driving down associated risks.

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downward trend in the paper industry, rise in input costs, exchange rate fluctuations, and significant changes in the political and economic environment in India, environment standards, tax laws, litigation and labour relations

For and on behalf of the Board of Directors

GAUTAM THAPAR

Chairman
DIN 00012289

B. HARIHARAN

Group Director (Finance)
DIN 00012432

Date 23 May, 2017
Place New Delhi

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

Sustainable business practices are the cornerstone of Ballarpur Industries Limited ('the Company' or 'BILT') business philosophy to deliver long term value to all stakeholders including shareholders, customers, partners, employees and society at large. The Company's Corporate Governance system provides the fundamental framework for the Company to execute its business in line with such a business ethos.

The Corporate Governance philosophy is enforced on the principles of adhering to strong value systems, integrity and fairness in all dealings and a strong commitment to objectivity in decision making. This is firmly established through a high degree of transparency in disclosures and engagement across the organization and with all stakeholders.

At BILT, the Corporate Governance systems are anchored by a strong and Independent Board of Directors providing the Company oversight and strategic counsel. The Company's established systems and procedures ensure that the Board remains well-informed and well-equipped to fulfill its governance responsibilities and provide management with the strategic direction for sustainable value creation.

The corporate secretarial department and the internal audit function of the Company remains committed to adopting best-in-class practices of Corporate Governance and internal controls. In FY2017, as BILT focused on executing its business plans, the Company remained focused on regular monitoring of strategic issues and risk management, which included both evaluation and mitigation.

In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 {Listing Regulations}. BILT remains

committed to maintaining strict compliance with the letter and spirit of Chapter IV aforesaid.

This chapter, along with the chapters on Management Discussion & Analysis and General Shareholders' Information, reports BILT's compliance with Schedule V of Listing Regulations.

BOARD OF DIRECTORS

COMPOSITION

As on 31 March, 2017, the Company had ten members on the Board of Directors. The Board comprises a non-executive Chairman, Mr. Gautam Thapar, who is a Member of the Promoter Group; one executive Director — Mr. B. Hariharan, who is Group Director (Finance); six Independent Directors: Mr. Sanjay Mohan Labroo, Mr. A. S. Dulat, Mr. Ashish Guha, Mr. A. P. Singh, Ms. Nandini Adya and Mr. Sudhir Mathur (appointed w.e.f. 7 February, 2017); and two non-Independent non-executive Directors: Mr. R. R. Vederah — non-executive Vice Chairman, an ex-employee and Mr. Bhaskaran Nayar Venugopal {Nominee Director of the Life Insurance Corporation of India (LIC)}. Ms. Nandini Adya resigned from the Directorship of Company w.e.f 19 May, 2017. All the Directors are eminent personalities and experienced professionals in business, law, finance and corporate management.

The composition of the Board of Directors of the Company is in conformity with Regulation 17 of Listing Regulations. Table 1 gives the details of the Directors on the Board.

None of the Directors of the Company are related to each other.

BOARD MEETINGS

There were four Board Meetings held in 2016-17 (1 April, 2016-31 March, 2017): 30 May, 2016, 1 September, 2016, 5 December, 2016 and 7 February, 2017. The Board of Directors of the Company is provided with all the statutory and other significant

and material information to enable it to discharge its responsibilities as trustees of the Shareholders. A Meeting of Independent Directors was held on 23 May, 2017.

Table 1 gives the details of Directors' attendance at the Board Meetings and the Annual General Meeting held during the year, the number of Directorships and Committee Chairmanships /Memberships held by them in other public limited companies. Other Directorships do not include alternate Directorship, Directorship of private limited companies, Section 8 companies and companies incorporated outside India.

The Board meetings calendar of the Company is scheduled in advance and appropriate notice is being served for convening Board

meetings. Although the Directors are familiar with the operations of BILT, the Company arranges plant visits, presentations on different operations by functional heads, which further provides better insight to the Board on the Company's operations and interaction with the Management as well as to familiarize the Directors about the Company.

The Board regularly discusses and reviews the Company's strategy, risks and opportunities, management reports, operational and financial performance, annual budget, compliance, internal control systems, regulatory updates including those related to Companies Act, Listing Regulations and Insider Trading Regulations besides other agenda items.

DIRECTORS' COMPENSATION

The Directors are paid compensation, as approved by the Board and Shareholders within the ceilings prescribed under the Companies Act, 2013. The Non Executive Directors are paid sitting fees for attending meetings of the Board and its Committees and profit related commission, if any. The remuneration paid to the Directors for 2016-2017 is given in Table 2.

NON EXECUTIVE DIRECTORS' SHAREHOLDING

As on 31 March, 2017, Mr. Gautam Thapar held 1,188,218 Equity Shares and Mr. Sanjay Labroo held 495,802 Equity Shares in the Company.

The Company has not issued any convertible instrument to any Non Executive Director.

TABLE 1 DETAILS OF THE BOARD

NAME OF THE DIRECTORS	DESIGNATION	CATEGORY	ATTENDANCE PARTICULARS			NO. OF DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS / CHAIRMANSHIPS IN OTHER PUBLIC LIMITED COMPANIES*		
			NUMBER OF BOARD MEETINGS UNDER TENURE			DIRECTORSHIPS	COMMITTEE	
			HELD	ATTENDED	LAST AGM#		MEMBERSHIP	CHAIRMANSHIP
Mr. Gautam Thapar	Chairman	Non Executive, Promoter	4	4	No	8	2	1
Mr. R. R. Vederah	Vice Chairman	Non-Executive	4	4	No	5	3	-
Mr. B. Hariharan	Group Director (Finance)	Executive	4	4	Yes	9	5	2
Mr. Sanjay Labroo	Director	Independent	4	4	No	8	3	1
Mr. A. S. Dulat	Director	Independent	4	4	Yes	2	1	1
Mr. A. P. Singh	Director	Independent	4	4	Yes	-	-	-
Mr. Ashish Guha	Director	Independent	4	4	No	1	1	-
Mr. B. Venugopal	Director (LIC nominee)	Non-Executive	4	1	No	-	-	-
Ms. Nandini Adya^	Director	Independent	4	3	No	1	1	-
Mr. Sudhir Mathur@	Additional Director	Independent	1	1	N.A	-	-	-

* Committees included are Audit and Stakeholders Relationship Committee.

71st Annual General Meeting held on 29 September, 2016.

^ Resigned from directorship with effect from 19 May, 2017.

@ Appointed as an Additional Director(Independent) by the Board on 7 February, 2017

TABLE 2 DETAILS OF REMUNERATION OF THE DIRECTORS

AMOUNT IN ₹

NAME OF THE DIRECTORS	SALARY AND PERQUISITES	PROVIDENT FUND AND SUPERANNUATION FUND	COMMISSION PAYABLE	SITTING FEES	TOTAL
Mr. Gautam Thapar	-	-	-	1,20,000	1,20,000
Mr. R. R. Vederah	-	-	-	1,00,000	1,00,000
Mr. B. Hariharan	-	-	-	-	-
Mr. Sanjay Labroo	-	-	-	80,000	80,000
Mr. A. S. Dulat	-	-	-	2,60,000	2,60,000
Mr. Ashish Guha	-	-	-	2,20,000	2,20,000
Mr. B. Venugopal	-	-	-	20,000	20,000
Mr. A. P. Singh	-	-	-	2,20,000	2,20,000
Ms. Nandini Adya^	-	-	-	80,000	80,000
Mr. Sudhir Mathur@	-	-	-	20,000	20,000

^ Resigned from Directorship with effect from 19 May, 2017.

@ Appointed as an Additional Director (Independent) by the Board on 7 February, 2017.

TABLE 3 COMPOSITION OF BOARD-LEVEL COMMITTEES

NAME OF THE DIRECTORS	CATEGORY	AUDIT COMMITTEE	STAKEHOLDERS RELATIONSHIP COMMITTEE	CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE	RISK MANAGEMENT COMMITTEE
Mr. Gautam Thapar	Non Executive	-	Member	Chairman	Member	-
Mr. R. R. Vederah	Non-Executive	-	-	Member	-	Chairman
Mr. B. Hariharan	Executive	-	Member	-	-	Member
Mr. Sanjay Labroo	Independent	-	-	-	-	-
Mr. A. S. Dulat	Independent	Chairman	Chairman	-	Chairman	Member
Mr. Ashish Guha	Independent	Member	-	-	Member	Member
Mr. A. P. Singh	Independent	Member	-	-	-	-
Mr. B. Venugopal	Non-Executive	-	-	-	-	-
Ms. Nandini Adya^	Independent	-	-	Member	-	-
Mr. Sudhir Mathur@	Independent	-	-	-	-	-

^ Resigned from directorship with effect from 19 May, 2017.

@ Appointed as an Additional Director (Independent) by the Board on 7 February, 2017.

CODE OF CONDUCT

The Company has a Code of Conduct for its Directors and Senior Management Personnel. The Code of Conduct is available on the website of the Company (www.bilt.com). All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for 2016-2017.

A declaration signed by Mr. Neehar Aggarwal, Chief Executive Officer, to this effect is annexed to this Report.

COMMITTEES OF THE BOARD

The composition of BILT's Audit, Nomination and Remuneration, Stakeholder's Relationship, Corporate Social Responsibility and Risk Management Committees as on 31 March, 2017 is given in Table 3.

Apart from the details provided in Table 3, BILT also has other Board level committees to manage the day to day decisions pertaining to operations / business of the Company. All decisions pertaining to the mandate of these

Committees and appointment of members are taken by the Board of Directors.

AUDIT COMMITTEE

During the year, the Audit Committee met seven times: 30 May, 2016, 31 August, 2016, 1 September, 2016, 5 October, 2016, 2 December, 2016, 5 December, 2016 and 7 February, 2017. The attendance record is given in Table 4.

TABLE 4 ATTENDANCE RECORD OF THE AUDIT COMMITTEE

NAME OF MEMBERS	DESIGNATION	NO. OF MEETINGS ATTENDED
Mr. A. S. Dulat	Chairman	7
Mr. A. P. Singh	Member	7
Mr. Ashish Guha	Member	6

All members of the Audit Committee have accounting and financial management expertise. The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company and has full access to financial information. The Company Secretary of the Company acts as the Secretary to the Committee. The Group Director (Finance), Chief Executive Officer, Head of Internal Audit, other relevant officials of the Company and the representatives of the Statutory Auditors had attended the meeting(s) as invitees, whenever required.

In addition to review of the financial results of the Company, update on internal audits of various functions, review of internal control systems, applicability and compliance of various laws, related party transactions, reappointment and remuneration of statutory auditors / branch auditors / cost auditors, cost accounting systems and audit reports features on the Audit Committee's Agenda.

Further, the Committee also oversees the vigil mechanism, as required by the provisions of the Companies Act, 2013.

NOMINATION AND REMUNERATION COMMITTEE

During the year ended 31 March, 2017, the Committee met on 7 February, 2017. All Committee members had attended the same. The Board has constituted the Committee, with the composition as provided in Table 3 with the mandate in compliance of the requirements of the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations. The Committee has formulated criteria and policy for the identification / appointment of Directors, key managerial personnel and senior management, their remuneration and evaluation. An excerpt of the said policy is annexed herewith.

RISK MANAGEMENT COMMITTEE

The Board had constituted the Committee to understand and assess various kinds of risks associated with the running of business and

suggesting / implementing ways and means for eliminating / minimizing risks to the business of the Company and periodic review of the management control procedures / tools used to mitigate such risks.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted the Stakeholders Relationship Committee, with the composition as provided in Table 3.

A meeting was held on 19 May, 2017 and was attended by all its members.

During the financial year ended 31 March, 2017, 9 complaints were received from the Investors / Shareholders and all of them were redressed / resolved.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board has constituted the Committee, with the composition as provided in Table 3. The mandate of the Committee is in compliance with the requirements of the provisions of Section 135 of the Companies Act, 2013. The Committee has formulated and recommended to the Board of Directors, a Corporate Social Responsibility Policy, guidance on the activities to be undertaken by the Company, amount to be spent on CSR and shall monitor the same from time to time. The Corporate Social Responsibility Committee meeting has been held on 30 May, 2016 and was attended by Ms. Nandini Adya and Mr. R.R Vederah.

The Board of Directors in its meeting held on 21 April, 2017 changed the constitution of the Committee. Consequently following are the members of the Committee:

Mr. Gautam Thapar- Chairman

Mr. R.R. Vederah

Mr. Sudhir Mathur

MANAGEMENT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This is given as a separate Chapter in the Annual Report.

DISCLOSURES OF MATERIAL TRANSACTIONS

Considering the size and nature of operations, there were no related party transactions of a materially significant nature in terms of the Listing Regulations that could have a potential conflict with the interests of the Company at large. Other related party transactions, which were in ordinary course of business and on arm's length basis, are disclosed in the Notes to the Financial Statements.

ACCOUNTING POLICIES

The Company has adopted accounting treatments, which are in conformity with those prescribed by the applicable Accounting Standards.

INSIDER TRADING

In compliance with the SEBI regulations on prevention of insider trading, the Company has a Code of conduct to regulate, monitor & report trading by Insiders (The Code). The Code lays down guidelines, which provides procedures to be followed and disclosures to be made, while dealing in securities of the Company by persons governed by the code.

INFORMATION FOR SHAREHOLDERS

DISCLOSURE REGARDING APPOINTMENT AND / RE-APPOINTMENT

Mr. Sudhir Mathur, aged 55 Years, was appointed as an Additional Director (Independent) by the Board of Directors in its meeting held on 7 February, 2017. His appointment is recommended for approval of members at the forthcoming Annual General Meeting of the Company. A brief profile of Mr. Mathur is given hereunder:

Mr. Sudhir Mathur holds an MBA degree from Cornell University, USA. Mr. Mathur has about 30 years of experience and was associated with the Company till 2004 as President & CFO. He has also worked for Idea Cellular, Aircel, GMR and Cairn at various senior level positions of increasing responsibility. Mr. Mathur does not have any relationship with any Director inter-se.

TABLE 5 DETAILS OF OTHER DIRECTORSHIPS AND MEMBERSHIPS OF COMMITTEES OF BOARDS

DIRECTORSHIPS IN OTHER PUBLIC LIMITED COMPANIES	OTHER COMMITTEE MEMBERSHIP / CHAIRMANSHIP	
	AUDIT	STAKEHOLDERS RELATIONSHIP COMMITTEE
Talbro's Automotive Components Limited	-	-
Bilt Graphic Paper Products Limited	-	-
Solaris Chemtech Industries Limited	Member	-
Bilt Industrial Packaging Company Limited	Member	-
Premier Tissues (India) Limited	Member	-

As per the provisions of the Companies Act, 2013, Mr. R. R. Vederah retires by rotation at the forthcoming Annual General Meeting. Mr. Vederah does not have any relationship with any Director inter-se. The details of his other Directorships and memberships of committees of Board in other public limited companies are given in Table 5.

A brief profile of Mr. Vederah is given hereunder:

Mr. R. R. Vederah has more than 43 years of experience in the paper and other industries, and had been part of the Senior Management of several paper companies, including more than 33 years with BILT. Mr. Vederah is the Non Executive Vice Chairman of BILT and is also Director on the boards of various subsidiaries of Avantha and BILT. Further, Mr. Vederah is the Chairman of Thapar University, Patiala (India).

Mr. Vederah is an Independent Director of Talbro's Automotive Components Limited (India), a company listed at BSE Limited and the National Stock Exchange of India Limited.

Mr. Vederah began his career at M/s. Larsen & Toubro Ltd in 1971, where his last position with the company was Senior Manager. In 1981, Mr. Vederah joined BILT, and served in various positions until his departure in 1993 as a Vice President, Operations. He joined Sinar Mas Pulp & Paper (India) Ltd. as an Executive Director, heading the strategy function until 1996. In 1996, Mr. Vederah joined Shree Rayal-Seema Paper Mills Ltd.

as joint Chief Executive Officer, overseeing the management and operations of the company until 1997.

From 1997, Mr. Vederah served in various senior management positions within BILT, holding the last position as Managing Director and Executive Vice Chairman until June 2014 and was responsible for overall management operations, implementation of business strategy, new technology and quality initiatives aimed at achieving market leadership position in the South Asian Region, acquisitions & integration of SFI and major expansions at Units Bhigwan, Ballarpur and SFI.

Mr. Vederah was named as Asian CEO for the Year 2011 by RISI, the definitive source for information on the global forest products industry and was consecutively ranked in Global Pulp and Paper Industry Power 50 list of RISI from 2009 to 2012. Mr. Vederah is a Bachelor of Technology (Chemical) from the Indian Institute of Technology, New Delhi (India) and a Master of Science from the University of Aston, Birmingham (United Kingdom).

COMMUNICATION TO SHAREHOLDERS

Full and complete disclosure of information regarding the Company's financial situation and performance is an important part of the Company's Corporate Governance ethics. The Company has demonstrated this commitment by sending its Shareholders a full version of its Annual Report, despite a regulatory exemption.

The Company sends its Annual Report including Standalone and Consolidated financials as well as other shareholder correspondence by email, to those shareholders whose e-mail addresses are registered with the Company / their depository participants. However, in case Shareholders desire to receive a physical copy of the Annual Report, the Company will be happy to provide the same upon request.

The financial results of the Company are published in The Financial Express (all editions) and LokSatta (Nagpur: Marathi edition) and are simultaneously uploaded on the Company's website (www.bilt.com). The Company also sends the results and announcements to the Luxembourg Stock Exchange for the benefit of the GDS holders. The weblink for matters detailed in this report is <http://bilt.com/investor-relations/>.

GENERAL MEETINGS

Table 6 gives the details of General Meetings, held in the last three years.

The following Special Resolutions were taken up in the previous AGMs and approved by Shareholders with requisite majority.

2014: Offer, issue and allot, in one or more tranches, upto 2.50 crore cumulative non-convertible compulsorily redeemable preference shares of the face value of ₹ 100.00 each for cash at par or at a premium aggregating upto a nominal value of ₹ 250.00 crores on a private placement basis.

TABLE 6 DETAILS OF GENERAL MEETINGS HELD DURING THE LAST THREE YEARS

YEAR	CATEGORY	PLACE	DATE
2014	AGM	P.O. Ballarpur Paper Mills – 442901, Distt. Chandrapur, Maharashtra	19 December, 2014
2015	AGM	P.O. Ballarpur Paper Mills – 442901, Distt. Chandrapur, Maharashtra	30 September, 2015
2016	AGM	P.O. Ballarpur Paper Mills – 442901, Distt. Chandrapur, Maharashtra	29 September, 2016

AGM — Annual General Meeting, Time of Meetings — 12.00 Noon

TABLE 7 UNCLAIMED DIVIDENDS

DATE OF DECLARATION OF DIVIDEND	DIVIDEND FOR THE FINANCIAL YEAR	TENTATIVE SCHEDULE FOR TRANSFER TO IEPF
1 December, 2010	2009–10	December 2017
16 December, 2011	2010–11	January 2019
18 December, 2012	2011–12	January 2020
12 December, 2013	2012–13	January 2021
19 December, 2014	2013–14	January 2022
30 September, 2015	2014–15	October 2022

Offer, issue and allot secured and/or unsecured redeemable Non-convertible Debentures (NCDs), in one or more series/tranches upto an aggregate amount of ₹ 250.00 crores, on a private placement basis.

Mortgage and /or charge, in addition to the mortgages /charges created / to be created by the Company, amounting in aggregate to a sum not exceeding the paid-up Share Capital of the Company and its free reserves by ₹ 1,600 crores on all or any of the movable and/or immovable properties of the Company. The said limit remained unchanged, as approved by the Members at the Extraordinary General Meeting held on 7 November, 2001 by an ordinary resolution.

2015: Nil

2016: Nil

POSTAL BALLOT

No resolution through postal ballot was passed during the year under review.

CAPITAL MARKET COMPLIANCE

The Company has complied with all requirements of the Listing Regulations as well as other applicable regulations and guidelines prescribed by SEBI. There were no penalties or strictures imposed on the Company by any statutory authorities for non compliance on any matter related to capital markets, during the last three years.

UNCLAIMED SHARES

The Company has completed the process of intimation to shareholders, as per Regulation 39(4) of Listing Regulations for unclaimed shares for transfer in the Unclaimed Suspense Account.

GOVERNANCE OF SUBSIDIARIES

The subsidiaries of the Company are managed by experienced Board of Directors. The minutes of the subsidiaries are reviewed by the Board of Directors of the Company on a regular basis.

CEO/CFO CERTIFICATION

The Chief Executive Officer and Chief Financial Officer have certified to the Board with respect to accuracy of the financial statements, adequacy of internal controls and other matters, as required by Regulation 17(8) of Listing Regulations for the financial year ended 31 March, 2017.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance for the FY2016-17, as prescribed by Schedule V of Listing Regulations, which is attached herewith.

GENERAL SHAREHOLDERS' INFORMATION

ANNUAL GENERAL MEETING

Date 26 September, 2017

Time 11.00 a.m.

Venue P.O. Ballarpur Paper Mills – 442901, Distt. Chandrapur, Maharashtra

FINANCIAL CALENDAR 2017-18

Financial year April–March.

Financial results normally within 45 days of end of the respective quarter, except last

quarter and audited annual results which are considered and approved within 60 days.

BOOK CLOSURE

The dates of book closure are from 20 September, 2017 to 26 September, 2017, both days inclusive.

UNCLAIMED DIVIDENDS

Dividends pertaining to the financial years 2009–10 onwards, as detailed in Table 7, which remain unclaimed and unpaid for a period of seven years, will be transferred to the Investor Education and Protection Fund (IEPF), as required statutorily. To enable the members to claim their dividend before its transfer to the above Fund, the tentative schedule for transfer is given in Table 7. The details are also available on the website of the Company i.e. www.bilt.com under the Investor relations section.

UNCLAIMED BUY BACK CONSIDERATION

The shareholders, who have not received their buy back consideration, are requested to notify the Company of non-receipt and claim the same.

LISTING DETAILS

At present, the Equity Shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in India. The annual listing fee for the financial year 2017-18 has been paid to both the Stock Exchanges. The Company's stock codes at various exchanges are given in Table 8.

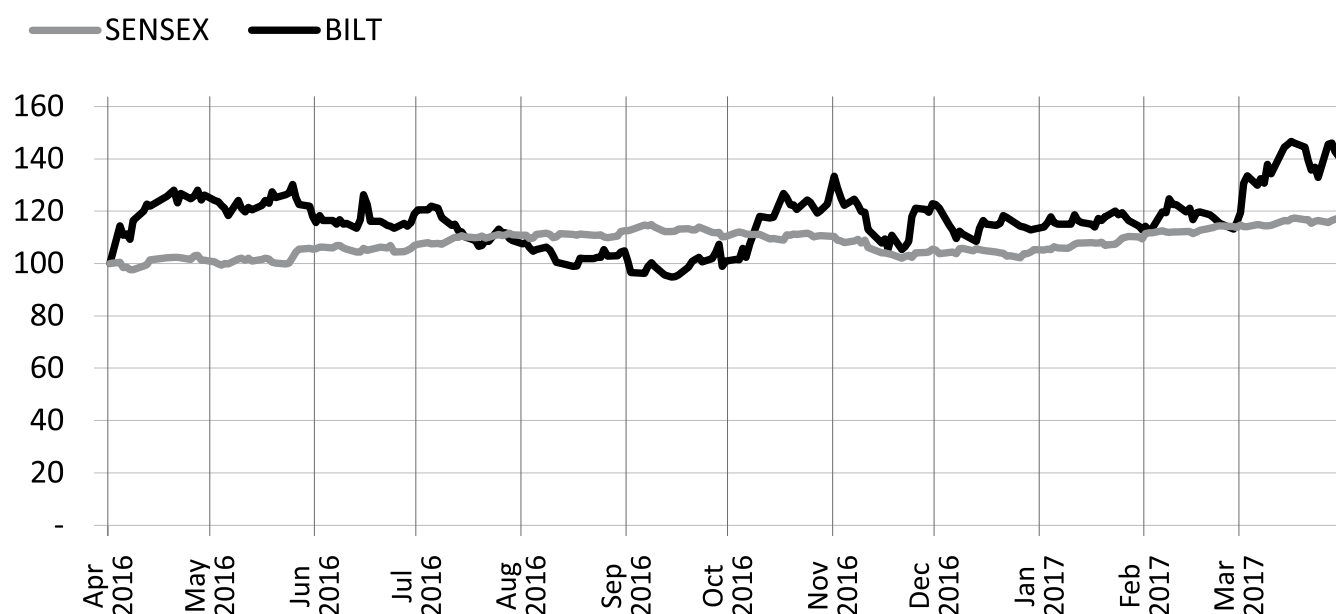
Table 9 gives the details of monthly price and volumes traded of BILT's shares at the BSE and the NSE, while Charts A and B compare the price movements of BILT's share with respect to the BSE SENSEX and the NSE NIFTY, respectively.

TABLE 8 BILT'S STOCK CODES

ISIN	INE294A01037
BSE	500102
NSE	BALLARPUR
Luxembourg Stock Exchange	US0585883020
Bloomberg	BILT:IN
Reuters Code	BILT.BO for BSE, BILT.NS for NSE

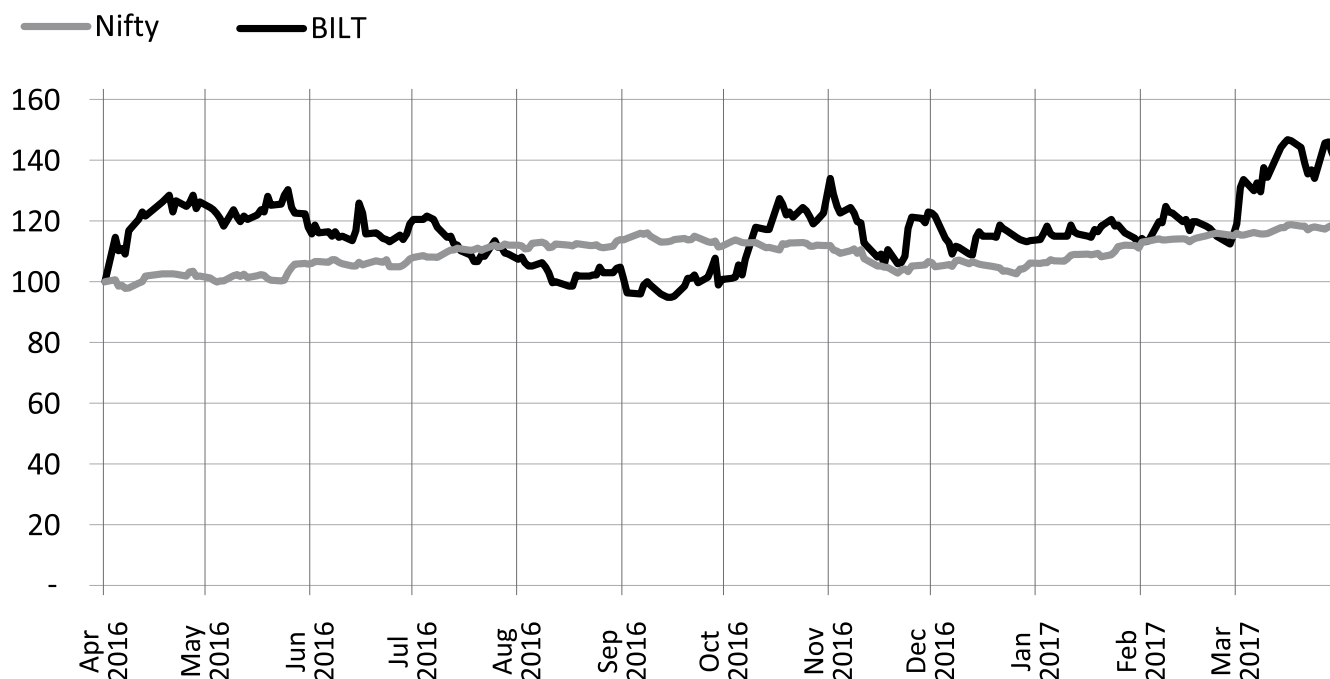
TABLE 9 MONTHLY PRICE AND VOLUMES OF BILT'S SHARES FOR 2016-17 AT BSE AND NSE, INCLUDING INDICES

MONTH	BSE LIMITED				NATIONAL STOCK EXCHANGE OF INDIA LIMITED			
	HIGH (RS.)	LOW (RS.)	VOLUME	SENSEX (CLOSE)	HIGH (RS.)	LOW (RS.)	VOLUME	NIFTY (CLOSE)
Apr-16	18.19	13.60	11717385	25606.62	17.90	13.50	29520110	7849.80
May-16	18.30	16.05	7166849	26667.96	18.05	16.05	18498670	8160.10
June-16	17.60	15.00	5214912	26999.72	17.50	15.00	15292865	8287.75
July-16	17.40	14.40	7078078	28051.86	17.45	14.50	24062852	8638.50
Aug-16	15.10	13.45	3689795	28452.17	15.15	13.50	11646581	8786.20
Sep-16	15.15	12.87	5833215	27865.96	14.10	13.00	15530635	8611.15
Oct-16	18.10	13.72	18620040	27930.21	18.20	13.50	69036123	8625.70
Nov-16	18.55	14.18	9864091	26652.81	18.60	14.10	37072527	8224.50
Dec-16	17.35	14.45	6748820	26626.46	17.35	14.40	21750324	8185.80
Jan-17	17.40	15.40	5137502	27655.96	16.45	15.30	18228639	8561.30
Feb-17	17.30	15.10	6190798	28743.32	17.25	15.00	26651124	8879.60
Mar-17	21.05	15.85	23106137	29620.50	20.85	15.90	77398685	9173.75

Chart A: BILT SHARE WITH RESPECT TO BSE SENSEX


Note: Both Bilt's share price at BSE and the SENSEX have been indexed to 100 as on 1 April, 2016.

■ Chart B: BILT SHARE WITH RESPECT TO NSE NIFTY



Note: Both Bilt's share price at NSE and NIFTY have been indexed to 100 as on 1 April, 2016.

NON CONVERTIBLE DEBENTURES (NCDs)

The Company had raised ₹ 150 Crore by private placement of Secured redeemable non-convertible debentures (NCDs) of face value of ₹ 10 lac each in 2014. These NCDs are in dematerialised form and listed on BSE Limited. As on date of this report, the same are outstanding.

REGISTRAR AND TRANSFER AGENT

The Registrar and Transfer Agent for the securities, both in physical and electronic form of the Company is:

M/s. RCMC Share Registry (P) Limited
B-25/1, First Floor, Okhla Industrial Area,
Phase II, New Delhi-110020
Phone 011 26387320 / 21
Fax 011 26387322
Email investor.services@rcmcdelhi.com

SHARE TRANSFER SYSTEM

The Committee of Directors for Shares approves the transfer of shares and other related issues regularly on a weekly basis. The share transfer is processed within 15 days, from the receipt of complete documents.

DEMATERIALISATION OF SHARES

The Equity Shares of the Company are compulsorily traded on the Stock Exchanges, in dematerialised form and are available

for holding in the depository systems of National Securities Depository Limited and Central Depository Services (India) Limited. As on 31 March, 2017, 98.49 percent of the total Equity Shares of the Company were held in dematerialised form, as compared to 98.48 percent last year.

OUTSTANDING GLOBAL DEPOSITORY SHARES (GDS)

As on 31 March, 2017, there were 41 outstanding GDS which represent 123 underlying equity shares.

DISTRIBUTION OF SHAREHOLDING

Tables 10 and 11 give the distribution of shareholding of the equity shares of the Company by size and ownership as on 31 March, 2017.

REGISTERED OFFICE

Ballarpur Industries Limited
P.O. Ballarpur Paper Mills-442901
Distt. Chandrapur, Maharashtra
Tel +91 7172 240262 / 200
Extn. 234 / 339
Fax +91 7172 240548
Email sectdiv@bilt.com

PLANT LOCATIONS

UNIT SHREE GOPAL

P.O. Yamunanagar, Distt. Yamunanagar,
Haryana – 135001

UNIT KAMALAPURAM

Mangapet Mandal, Distt. Warangal –
506172, Telangana

ADDRESS FOR CORRESPONDENCE

For share transfer, dematerialisation of shares, payment of dividend and any other related queries of Analysts, FIIs, Institutions, Mutual Funds, Banks and Fixed Deposits is:

Corporate Secretarial Department,
Ballarpur Industries Limited, First India
Place, Tower-C, Block-A, Sushant Lok-1,
Mehrauli-Gurgaon Road, Gurugram – 122002.
Tel +91 124 2804242 / 43
Tel +91 124 4099208
Fax +91 124 2804261
Email sectdiv@bilt.com

For and on behalf of the Board of Directors

GAUTAM THAPAR

Chairman
DIN 00012289

B. HARIHARAN

Group Director (Finance)
DIN 00012432

Date 23 May, 2017
Place New Delhi

TABLE 10 SHAREHOLDING PATTERN BY SIZE AS ON 31 MARCH, 2017.

NUMBER OF EQUITY SHARES HELD	NUMBER OF SHARE HOLDERS#	PERCENT OF SHARE HOLDERS	NUMBER OF SHARES#	PERCENT OF SHAREHOLDING
1-1000	63,866	85.70	16,370,126	2.50
1001-5000	7,970	10.70	19,196,664	2.92
5001-10,000	1,302	1.75	9,998,029	1.53
10,001 and above	1,377	1.85	609,959,020	93.05
Total	74,515	100.00	655,523,839	100.00

#55442 shareholders hold 645,604,918 equity shares in demat form.

TABLE 11 SHAREHOLDING PATTERN BY OWNERSHIP AS ON 31 MARCH, 2017

CATEGORY	NO. OF SHARES HOLDERS	PERCENT OF SHARE HOLDERS	NO. OF SHARES HELD	PERCENT OF SHAREHOLDING
Promoters and Promoter Group	6	0.01	324010667	49.43
FII and FFI	16	0.02	359517	0.05
Mutual Funds	20	0.03	6003664	0.92
Central Govt/State Govt.	2	0.00	1521	0.00
Foreign Portfolio Investor	22	0.03	80672727	12.31
Financial Institutions / Banks	40	0.05	584675	0.09
Insurance Companies	5	0.01	57971178	8.84
NBFCs registered with RBI	7	0.01	328735	0.05
NRI	1166	1.56	3280814	0.50
Bodies Corporate	790	1.06	54118039	8.26
Individuals and Others	72441	97.22	128192302	19.55
Total	74515	100.00	655523839	100.00

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

Declaration for compliance of code of conduct required pursuant to Schedule V of Listing Regulations is given below:

THE MEMBERS OF BALLARPUR INDUSTRIES LIMITED

This is to certify that all Board members and senior management personnel have affirmed to the compliance with the 'Code of Conduct for Directors and Senior Management'.

For Ballarpur Industries Limited

NEEHAR AGGARWAL

Chief Executive Officer

Date 23 May, 2017

Place New Delhi

CERTIFICATE

THE MEMBERS OF BALLARPUR INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by M/S Ballarpur Industries Limited, (the "Company"), for the year ended 31 March,

2017, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

ASHWIN MANKESHWAR

Partner

Membership No. 046219

For and on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

Date 23 May, 2017

Place New Delhi

EXCERPT OF NOMINATION & REMUNERATION POLICY

The Policy has been formulated in compliance with Section 178 of the Companies Act, 2013 (read with applicable rules thereto) and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations). The Policy provides for appointment / removal / remuneration of Directors, Key Managerial Personnel & Senior Management and Board diversity.

I. APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Nomination and Remuneration Committee (NRC) plays an important role in the appointment of Directors, KMPs and Senior Management, review of evaluation processes and senior management's compensation.

NRC shall identify and ascertain the qualification, expertise and experience of the persons being considered for appointment as a Director, KMP or at Senior Management level and recommend the appointment to the Board.

At the time of appointment of an Independent Director, the Committee shall ensure that the appointee shall meet with the requirements of the Companies Act, 2013, Regulation 25 of Listing Regulations and conditions stipulated in the Policy from time to time, for determining independence of a director. Further, the continuity of such Independent Director shall be on the basis of a yearly review process.

II. REMUNERATION OF DIRECTORS, KMP AND OTHER EMPLOYEES

A. Remuneration to Non-Executive Directors (Including Independent Directors)

The remuneration / sitting fee / commission payable to directors shall be in accordance with the statutory provisions of the Companies Act, 2013, and the Rules made thereunder for the time being

in force. Review of remuneration of executive directors shall be made by NRC and shall be recommended to the Board for approval, if required. Further, the Board shall apportion the commission amongst the Non Executive Directors out of available profits in compliance with statutory provisions, on the basis of their involvement and role played for the Company's initiatives and strategic direction. An Independent Director shall not be entitled to any stock option of the Company.

B. CEO and Executive Director

The remuneration of the CEO / Whole-time director / Managing Director (including revisions) are in line with the HR Policy of the Company and recommended by the NRC and approved by the Board in accordance with the applicable statutory provisions of the Companies Act, 2013, and the Rules made thereunder for the time being in force. The remuneration is on the basis of the the Company's overall performance, individual's contribution towards Company's performance and trends in the industry in general and comprises a fixed salary, allowances / reimbursements / perquisites, performance incentive.

C. Key Managerial Personnel, Senior Management and other executives

Remuneration comprises fixed salary, allowances / reimbursements / perquisites, performance incentive as per HR policy of the Company and is also subject to NRC / Board approval wherever required statutorily. The remuneration is related to the desired skill set, experience, expertise and long term relationships.

D. Workmen

Workmen will be paid wages in accordance with the settlement with the recognized union of the

workers as per industry practice, as applicable. Where there is no union, workmen wages are as per the industry practice and applicable law. All remuneration components would be in accordance with applicable statutory compliances.

III. LOANS AND ADVANCES TO EMPLOYEES

Any loan and advance is governed by the applicable HR policies, Rules of Procedure for Management and applicable provisions of the Companies Act, 2013, and Rules made thereunder.

IV. DEVIATIONS FROM THIS POLICY

Deviations from the Policy, in extraordinary circumstances, are possible in the interests of the Company if there are specific reasons to do so in an individual case.

V. EXTERNAL ASSISTANCE

NRC may, at its sole discretion, seek advice of external experts / consultants to discharge its duties and responsibilities.

BOARD'S REPORT

Your Directors hereby present the Seventy Second Annual Report together with the Audited Financial Statements for the financial year ended 31 March, 2017.

FINANCIAL PERFORMANCE

The Companies (Indian Accounting Standards) Rules, 2015 were notified on 16 February, 2015. In view of the said rules, the Company has prepared the Financial Statements (both stand-alone and consolidated) for the year ended 31 March, 2017 as per Indian Accounting Standards, as amended.

The financial performance of your Company for the financial year ended 31 March, 2017 is as under:

₹ IN CRORE

Particulars	STANDALONE		CONSOLIDATED	
	2016-17	2015-16	2016-17	2015-16
Revenue from Operations (Net of Excise duty)	211.83	554	2008.22	4050.59
EBIDTA	(38.60)	129.93	(89.15)	767.80
Less: Finance Cost	153.19	51.93	900.84	459.17
Less: Depreciation	52.69	58.10	273.99	264.80
Profit/(Loss) before Exceptional Items and Taxes	(244.47)	19.90	(1263.98)	43.86
Exceptional Items	251.49	-	306.30	(0.31)
Profit / (Loss) before Tax	(495.96)	19.90	(1570.28)	44.17
Less: Tax	(25.42)	(1.75)	(135.41)	(6.82)
Profit/(Loss) After Tax	(470.54)	21.65	(1434.87)	50.99
Profit/ (loss) from discontinued operation before tax	-	-	(254.08)	(329.31)
Tax expense on discontinued operation	-	-	172.87	0.94
Net profit/ (loss) from discontinued operations after tax	-	-	(426.95)	(330.26)
Net profit/ (loss) after tax	(470.54)	21.65	(1861.82)	(279.27)

OPERATIONS

A detailed review of the operations and performance of the Company and its subsidiaries is provided in the Management Discussion and Analysis Report, which is given as a separate chapter in the Annual Report.

DIVIDEND

In view of losses during the year, your Directors have not recommended any dividend on the equity share capital of the Company for the financial year ended 31 March, 2017.

FIXED DEPOSITS

No amount of principal or interest on erstwhile fixed deposits was outstanding as on 31 March, 2017. Further, the Company has not invited any fresh deposits.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

To strengthen the leadership at the Board level with independent professionals, in accordance with the provisions of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company, Mr. Sudhir Mathur was appointed as an Additional Director (Independent) by the Board of Directors on 7 February, 2017. His appointment as an Independent Director is recommended for approval by the Members of the Company at the forthcoming Annual General Meeting (AGM) of the Company for a term of 5 years. His profile is provided in the Corporate Governance Report.

As per the provisions of the Act, Mr. R.R. Vederah retires by rotation at the forthcoming AGM and being eligible, offers himself for re-appointment. His profile is provided in the Corporate Governance Report. The Directors recommend his re-appointment as Non Executive Director of the Company.

The Nomination and Remuneration Committee has formulated criteria and policy for the identification / appointment of Directors, Key Managerial Personnel & Senior Management, their remuneration and evaluation. The same is also briefed in the Corporate Governance Report.

The Board has carried out annual evaluation as per criteria laid down by the Nomination and Remuneration Committee.

Further, Mr. Bimal Khandelwal was appointed as Chief Financial Officer of the Company with effect from 21 April, 2017.

Ms. Nandini Adya resigned from the directorship of Company w.e.f 19 May, 2017. The Board places on record its appreciation of her contribution during her tenure as Director.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have given a declaration confirming that they meet the criteria of independence, as provided in Section 149(6) of the Act and Regulation 16(1)(b) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 {Listing Regulations}.

MEETINGS OF THE BOARD

The details of meetings of the Board of Directors of the Company are contained in the Corporate Governance Report.

PROMOTER GROUP

The Company is a part of the Avantha Group, the business conglomerate led by the Chairman, Mr. Gautam Thapar. The Avantha Group has global presence. As required by the Listing Regulations, the Company periodically discloses its Promoter, Promoter Group and persons acting in concert in the shareholding pattern and other filings with the Stock Exchanges.

SUBSIDIARY COMPANIES

The Company has three Indian subsidiaries viz. BILT Graphic Paper Products Limited (BGPPL), Avantha Agritech Limited {(AAL), (formerly BILT Tree Tech Limited)} and Premier Tissues (India) Limited (PTIL) and six foreign subsidiaries viz. four based in The Netherlands namely Ballarpur International Holdings B.V. (BIH), Bilt Paper B.V. (BPBV), Ballarpur Paper Holdings B.V. (BPH), Ballarpur Speciality Paper Holdings B.V. (BSPH), Sabah Forest Industries Sdn. Bhd. (SFI) based in Malaysia and BILT General Trading (FZE), based in UAE. AAL and PTIL are direct subsidiaries and BGPPL is a step down subsidiary of the Company.

Management Discussion and Analysis Report, as annexed herewith comprises

a note on the performance of each of the subsidiaries. The audited accounts of Company's subsidiaries are available on the website of the Company and are not enclosed to this Annual Report and the same may be provided to any member on request.

The Company has no joint venture or associate company.

CONSOLIDATION OF ACCOUNTS

Consolidated Financial Statement of the Company and its aforesaid 9 subsidiaries are annexed to this Report.

The performance and financial position of each of the subsidiaries are detailed in 'Statement containing salient features of the financial statement of subsidiaries in Form AOC I, pursuant to Section 129 of the Act'.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. 31 March, 2017, and the date of the Board's report i.e. 23 May, 2017.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 134(5) of the Companies Act, 2013, your Board of Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed and there is no material departure;
- They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the financial year;
- They had taken proper and sufficient care for maintenance of adequate accounting records as provided in the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

- The annual accounts of the Company have been prepared on a “going concern” basis;
- They had laid down internal financial controls to be followed by the Company and that such controls are adequate and were operating effectively; and
- They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS & AUDITORS’ REPORTS

The tenure of M/s. K. K. Mankeshwar & Co., Chartered Accountants, Statutory Auditors of the Company, expires at the conclusion of the forthcoming Annual General Meeting (AGM) of the Company. In view of the requirement of mandatory rotation, the Board of Directors on the recommendation of the Audit Committee propose to appoint M/s Sharp & Tannan, Chartered Accountants (FRN 003792S), as Statutory Auditors for a period of five years. M/s Sharp & Tannan, Chartered Accountants, if appointed at forthcoming AGM, shall hold office till the conclusion of 77th AGM of the Company and their re-appointment shall be subject to ratification by the Members at every AGM to be held during the period of their appointment. The Board places on record its appreciation for contributions of M/s K.K. Mankeshwar & Co. as Statutory Auditors of the Company.

M/s Sharp & Tannan, Chartered Accountants, Chennai (FRN 003792S) are into Assurance, Tax and Advisory services. They have 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.

The Company has received requisite certificate to the effect that their appointment, if made at the forthcoming Annual General Meeting, would be in accordance with Section 141 of the Act and that they hold a valid certificate issued by Peer review board of The Institute of Chartered Accountants of India.

Board’s explanation to Auditor’s qualification & emphasis of matter

“The qualified opinion on the liability for the put option on the Company pertaining

to subsidiaries and emphasis of matter regarding invocation of Strategic Debt Restructuring by the Lenders due to non fulfillment of debt obligations given by Statutory Auditors in their report are self explanatory and also suitably explained in Note Nos. 44 and 45 respectively of the Notes to the Financial Statements of the Company and does not require any additional comment(s).”

The Board had appointed M/s PDS & Co., Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2016–2017. The Secretarial Audit Report for the said financial year is annexed to this report.

The Board of Directors, on recommendation of Audit Committee have appointed M/s. Bahadur Murao & Co., Cost Accountants, (Registration No. 000008), as Cost Auditors of the Company, to carry out the cost audit of paper manufactured in relation to the financial year ending 31 March, 2018. The Company has received their written consent to act as Cost Auditors of the Company and that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder. The remuneration of the Cost Auditors has been approved by the Board of Directors on the recommendation of the Audit Committee and the requisite resolution for ratification of remuneration of the Cost Auditors by the members has been set out in the Notice of the Seventy Second Annual General Meeting of your Company.

CORPORATE GOVERNANCE

The Statutory Auditors, M/s. K. K. Mankeshwar & Co., have certified compliance of the Company with the provisions of Corporate Governance, in terms of Listing Regulations. Pursuant to the requirement of the Listing Regulations, the report on Corporate Governance together with the said Compliance certificate is attached and forms part of this Report.

RELATED PARTY TRANSACTIONS AND LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

During the period under review, all transactions with related parties, referred to in sub-section (1) of Section 188 and Regulation 23 of Listing Regulations were in the ordinary course of business and at arm’s length, duly reviewed/approved by the Audit Committee of the Company. Further, there were no material contracts, arrangements

or transactions with related parties which require disclosure in Form AOC–2.

Details of loans / guarantees / investments by the Company under Section 186 of the Companies Act, 2013 are provided in the financial statements of the Company.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has designed and implemented a process driven framework for internal financial controls within the meaning of explanation to Section 134(5) (e) of the Companies Act, 2013. For the year ended 31 March, 2017, the Board is of the opinion that the Company has sound internal financial controls commensurate with the nature and size of its business operations; wherein controls are in place, operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the existing controls and identify gaps, if any, and implement new and / or improved controls, wherever the effect of such gaps would have a material effect on the Company’s operation.

RISK MANAGEMENT

BILT has adopted the group risk management policy. Accordingly, all operational processes are duly covered to assess the risk level. Business risks are assessed by operational management and steps are taken for minimization of the same.

STATUTORY COMMITTEES

Details of various Committees of the Board viz. Audit, Nomination & Remuneration, Stakeholders Relationship, Corporate Social Responsibility and Risk Management constituted in compliance with the provisions of the Companies Act, 2013 and Listing Regulations, viz. constitution, purpose, attendance etc. has been provided in the Corporate Governance Report, as annexed with this Report.

The Board has accepted recommendations of the Committees, wherever made.

STATUTORY POLICIES

In compliance of the various provisions of the Companies Act, 2013 and Listing Regulations, the Company has made the following policies which are available on the website of the Company:

- Policy on materiality of and dealing with related party transactions

- Policy for determining material subsidiaries of the Company
- Corporate Social Responsibility Policy
- Policy for preservation of documents
- Policy relating to remuneration of Directors/Key Managerial Personnel
- Policy on determination of materiality of events
- Policy for fair disclosure of Unpublished Price sensitive information
- Whistle Blower Policy, covering all employees and Directors, for the vigil mechanism inter alia providing a direct access to a whistle blower to the Chairman of the Audit Committee.
- Policy on “Prevention of Sexual Harassment of Women at Workplace” in line with the requirement of “The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013”. There was no incident during the year.

SIGNIFICANT/ MATERIAL ORDERS PASSED BY REGULATORS

There are no significant/ material orders passed by any Regulator/Courts/Tribunal impacting the going concern status of the Company or impacting its operations in future.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required by the Companies Act, 2013, read with Companies (Accounts) Rules, 2014, particulars pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the prescribed format, as annexed with this Report as **Annexure 1**.

PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is annexed with this Report as **Annexure 2**.

EXTRACT OF THE ANNUAL RETURN

An extract of the Annual Return as of 31 March, 2017, pursuant to sub-section (3) of Section 92 of the Companies Act, 2013 and forming part of the report is annexed with this Report as **Annexure 3**.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company have constituted a CSR Committee. A report on CSR activities

undertaken by the Company as per CSR Policy of the Company in terms of said section and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended is annexed with this Report as **Annexure 4**.

ACKNOWLEDGEMENT

The Directors wish to convey their gratitude and appreciation to all of the Company's employees for their professionalism, creativity, integrity and efforts in effective utilisation of available resources for the Company's performance.

The Directors would also like to thank the employee unions, shareholders, customers, dealers, suppliers, bankers, government and all other business associates for their continued support extended to the Company.

For and on behalf of the Board of Directors

GAUTAM THAPAR

Chairman
DIN 00012289

B. HARIHARAN

Group Director (Finance)
DIN 00012432

Date 23 May, 2017
Place New Delhi

ANNEXURE TO BOARD'S REPORT

ANNEXURE 1

Pursuant to clause (m) of sub-section 3 of section 134 of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014

Unit: Shree Gopal

1. CONSERVATION OF ENERGY:

A) ENERGY CONSERVATION MEASURES TAKEN:

Unit Shree Gopal continued its efforts to improve energy usage efficiency and increase contributions from renewable sources of energy. Innovative ways and new technologies were explored to reduce energy consumption. Some of the measures adopted across the company for energy conservation were:-

Unit: Shree Gopal

1. Reduced power consumption by 60 kWh/hr as per below details:

- Replaced 30 Pcs. of 400 Watt HPSV/HPMV fixtures with 10 LED of 80W each lighting fixtures resulted reduction in power consumption to the tune of 11 kWh/Hr.
- Replaced 200 nos. of double tube lighting fixtures in transformer/PCC rooms mill wide with 9W LEDs resulted reduction in power consumption to the tune of 10 kWh/Hr.
- Replaced energy inefficient de-aerator pump & motor in Old Power Plant with energy efficient ones resulted in reduction in power consumption to the tune of 5 kWh/Hr.
- Replaced energy in-efficient 110kW/6 pole motor with new energy efficient motor of the fire pump resulted in reduction in power consumption to the tune of 2.5 kW/Hr.
- Replaced HPSV (High Pressure Sodium Vapor), HPMV (High Pressure Mercury Vapor), MH (Metal Halide) lamps of 400W, 250W, 125W, 70W with CFL (Compact fluorescent lamp) of 85W, 45W, 35W & 20 watt respectively resulted in reduction in power consumption to the tune of 30 kWh/ Hr.

- Provided auto-off timer circuit switch for 15 minutes in 18 nos. of soda recovery evaporators gauge glass lighting. It has resulted in reduction in power consumption to the tune of 1.5 kWh/hr.

2. Monetary benefits due to energy conservation drive in the mills:

- Unit Shree Gopal Sold 14,906 REC (Renewable Energy Credit) in FY2016-17 out of 34,830 REC earned In FY2015-16, resulted a monetary gain to the tune of Rs 220 Lac.

3. Enhanced safety & Plant housekeeping by following actions:

- Eliminated 8 Nos of mill wide identified Power Distribution Boards (i.e. DB No.3 of vacuum pumps PM-4, DB of pump house, Stock preparation PM-4, Errection shop DB, Soda recovery DB 4, DB of MOL plant, ClO2 plant pump house DB & Hospital DB) from flash prone area, after shifting all equipments on newly installed MCCs.
- Provided motorized 'cross travel operation' instead of manual at 8T hoist at PM-7 crane.
- Repaired existing mill wide earthing pits & also made new pits wherever required.
- Mill wide damaged electric cable trays repaired / replaced.

(B) ENERGY CONSERVATION MEASURES PLANNED:

1. **PAT-2 target given to Unit Shree Gopal:**

To reduce energy consumption by 5.9% or 4356 TOE (Tonnes of Oil Equivalent) in next two years i.e. up to FY2018-19.

2. The following jobs have been planned to achieve above target.

(A) Thermal Energy Saving Measures: (Coal saving 10,133 MT p.a.)

a) **Power Plant & Utilities**

1. **Reduction in steam consumption to the tune of 2.5 TPH by :-**

- controlling venting & distribution losses,
- improving insulation of steam lines,
- replacing faulty steam traps and
- arresting steam leakages.

Corresponding reduction in coal consumption to the tune of 4,300 TPA

2. **Improvement in Overall efficiency** of Coal fired boilers No. 1, 2 & 3 to the tune of 2% by installing PLC based automation system for boiler operations and hence an estimated reduction in coal consumption about 4,833 TPA.

b) **Paper Machines:**

To reduce steam consumption in paper machines by controlling moisture in paper at pope reel. It will be carried out by installing QCS on PM-2 & PM-7 both enabling improvement in paper quality vis a vis reduction in steam consumption on both machines to the tune of 0.2 MT/ MT of paper equivalent to reduction in coal consumption of 1000 MT p.a.

(B) Electrical Energy Saving Measures: (302 kWh/hr)

- 1) Replacement of old inefficient vacuum pumps with efficient vacuum pumps of Paper machine PM-1 & 2. Expected saving in power consumption to the tune of 100 kWh/hr.
- 2) Replacement of old inefficient air compressors with efficient screw type air compressors. Expected saving in power consumption to the tune of 34 kWh/hr.
- 3) Replacement of non star rated air conditioners with BEE star

rated Air conditioners. Expected saving in power consumption to the tune of 9 kWh/hr.

4) Replacement of inefficient lighting fixtures with new efficient LED fixtures Expected saving in power consumption to the tune of 9 kWh/hr.

5) Installation of VFDs at 20 nos. of identified locations to reduce power consumption to the tune of 150 kWh/hr.

C) CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS

Investment for FY2016-17: Nil

2. TECHNOLOGY ABSORPTION

A) EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION

1. Modified design of Krofta at PM-5 for fiber recovery and reduce fresh water consumption with advance flocculating agents.
2. Replaced Rosin based sizing with AKD (Alkyl ketene dimer) to produce alkaline sized paper on all paper machines enabling use of PCC as filler for improving product quality in terms of brightness, opacity, bulk and surface smoothness.
3. Installation of In-House PCC plant (in process).

B) BENEFITS DERIVED AS A RESULT OF THE ABOVE

Unit: Shree Gopal

- Reduction in Water Consumption from 76 m3/MT to 62 m3/MT of paper.
- Reliability improvement with repeated orders of new products from customers.
- Improvement in customer satisfaction with improved product quality.

C) In case of Imported Technology (imported during the last 3 years reckoned from the beginning of the financial year)

a)	Technology Imported	Year of Import
	1. Unit Shree Gopal : Nil	N. A.
b)	Has Technology been fully absorbed	N. A.
c)	If not fully absorbed areas where this has not taken place, reasons therefore and future plan of action	N. A.

D) Expenditure on R&D (including through approved agency)

a) Capital	:	Nil
b) Revenue	:	₹ 3.42 Lac
c) Total Expenses as a percent of turnover (Net)	:	0.016%

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Foreign exchange used	:	₹ 41.69 Lac
b) Foreign exchange earned	:	₹ 315.77 Lac

For and on behalf of the Board of Directors

GAUTAM THAPAR

Chairman
DIN 00012289

B. HARIHARAN

Group Director (Finance)
DIN 00012432

Date 23 May, 2017
Place New Delhi

ANNEXURE 2

THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND OTHER DETAILS IN TERMS OF SUB-SECTION 12 OF SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

Note: The information provided below is on standalone basis for Indian Listed entity.

- Ratio of the remuneration of each director to the median remuneration of all the employees of the Company for the financial year;

SL. NO.	NAME OF DIRECTOR	RATIO OF REMUNERATION TO MEDIAN REMUNERATION OF ALL EMPLOYEES
1	Mr. Gautam Thapar	0.29
2	Mr. R. R. Vederah	0.24
3	Mr. B. Hariharan	-
4	Mr. Sanjay Labroo	0.19
5	Mr. A.S. Dulat	0.63
6	Mr. Ashish Guha	0.53
7	Mr. B. Venugopal	0.05
8	Mr. A. P. Singh	0.53
9	Ms. Nandini Adya	0.19
10	Mr. Sudhir Mathur*	0.05

* Appointed as an Additional Director (Independent) w.e.f. 7th February, 2017.

For the aforesaid purposes, median remuneration has been computed by ascertaining the annualized median salary for all employees of the Company, employed at any time during the financial year 2016-2017, in all categories, whether workmen or white collar employees. Remuneration includes variable pay paid during the year.

- The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

a) Non-Executive Directors: No increase.

Remuneration for the financial year 2016-2017 comprises attendance based sitting fee only.

b) Key Managerial Personnel

SL. NO.	NAME	% INCREASE IN REMUNERATION IN THE FINANCIAL YEAR
1	Mr. B Hariharan (WTD)	-
2	Mr. Neehar Aggarwal (CEO)	-
3	Mr. Akhil Mahajan (CS)	-

- The percentage increase in the median remuneration of employees in the financial year 2016-17: Nil
- The number of permanent employees on the rolls of Company as on 31 March, 2017: 1284
- Average percentile Increase in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.- Not Applicable
- The remuneration is as per Remuneration Policy of the Company.
- Detail of top ten employees of the Company in terms of remuneration and name & details of other employees, who :
 - if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees;

S No.	Name	Designation/ Nature of duties	Remuneration Received (₹)	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment and Designation held before joining the Company	Period of last employment (years)
1	Anil Bhargava	Head- Corporate Affairs	23,001,509	B.Tech, PGDIT, TMP Cert	43	09.10.2000	65	Executive Director- Sales & Marketing, Punj Lloyd Ltd.	4
2	Kurian Joseph	Head - Legal	7,696,451	Bsc., LLB	26	10.06.2015	51	Group VP- CK Birla Corporate Services	1
3	M S Vishwanathan	Head - Insurance	6,456,576	MSc.	28	01.05.2015	52	Group Insurance Head - Cairn India Ltd	8
4	Akhil Mahajan	Company Secretary & Chief General Manager	5,040,735	ACS, MBA	25	19.05.2006	52	Manager – Gillette India Limited	10
5	M K Gupta	Unit Head	3,596,164	Dip in Electrical Engineering	38	01.12.1978	57	-	-
6	Narendra Rawal	Chief General Manager- Corp. Affairs	3,549,473	BSc.(H), LL.B	25	14.03.2005	49	Liaison Consultant- Proficient Technologies Ltd.	6
7	R Hariharan	Chief General Manager	3,393,427	B.Sc (Engineering Mech)	32	01.10.1998	55	Dy. Manager - Purchase Binani Zink Ltd	11
8	Atul Kumar Sharma	General Manager	1,900,941	Dip in Mech Engineering	28	15.11.2010	48	Maint. Head - Abhishek Industries Ltd.	4
9	L V Thapliyal	General Manager	1,715,785	Diploma in Pulp & Paper	36	15.01.1981	59	-	-
10	Sangotra Bhattacharjee	Deputy General Manager - Human Resources	2,278,956	MBA	24	05.11.2014	51	DGM - HR Subros Ltd.	3

Notes :

- a) Employment is contractual. Other terms and conditions as per Company's rules.
 - b) Remuneration includes salary, allowances, perquisites, medical expenses, leave travel concession, Company's contribution to provident and superannuation funds, gratuity paid (if any), rent paid in providing residential accommodation and performance incentive.
 - c) None of the employees is related to any Director of the Company.
- (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than [eight lakh and fifty thousand rupees per month]; Nil
 - iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-Time Director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: Nil

For and on behalf of the Board of Directors

GAUTAM THAPAR

Chairman

DIN 00012289

B. HARIHARAN

Group Director (Finance)

DIN 00012432

Date 23 May, 2017

Place New Delhi

ANNEXURE 3**FORM NO. MGT. 9 EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31 March, 2017.

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014].

I. REGISTRATION AND OTHER DETAILS

i	CIN	L21010MH1945PLC010337
ii	Registration Date	26 April, 1945
iii	Name of the Company	Ballarpur Industries Limited
iv	Category / Sub-Category of the Company	Public Company Limited by shares
v	Address of the Registered office and contact details	P.O. Ballarpur Paper Mills, District Chandrapur, Maharashtra-442901 Phone +91 07172 240200 Fax +91 07172 240548
vi	Whether listed company	Yes
vii	Name, address and contact details of registrar and transfer agent, if any	M/s. RCMC Share Registry Pvt. Ltd. B-25/1, First Floor, Okhla Industrial Area, Phase 2, New Delhi-110 020 Phone 011 26387320 / 21 Fax 011 26387322 Email investor.services@rcmcdelhi.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES	NIC CODE OF THE PRODUCT / SERVICE	% TO TOTAL TURNOVER OF THE COMPANY
Paper	1701	85.35
Paper Products & Office Supplies	1701	14.65

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL. No.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Premier Tissues (India) Limited	U85110KA1998PLC023512	Subsidiary (direct)	100	2(87)(ii)
2	BILT Graphic Paper Products Limited	U21000MH2007PLC172382	Subsidiary (Step down) ¹	100	2(87)(ii)
3	Avantha Agritech Limited (Formerly known as Bilt Tree Tech Limited)	U36999DL1989PLC034942	Subsidiary (direct)	91.67	2(87)(ii)
4	Ballarpur International Holdings B.V., The Netherlands (BIH)	N.A.	Subsidiary (direct)	100	2(87)(ii)
5	Bilt Paper B.V., The Netherlands (BPPV)	N.A.	Subsidiary (Step down) ²	62.21	2(87)(ii)
6	Ballarpur Paper Holdings B.V., The Netherlands (BPH)	N.A.	Subsidiary (Step down) ³	100	2(87)(ii)
7	Ballarpur Speciality Paper Holdings B.V., The Netherlands (BSPH)	N.A.	Subsidiary (direct)	100	2(87)(ii)
8	Sabah Forest Industries Sdn. Bhd., Malaysia (SFI)	N.A.	Subsidiary (Step down) ⁴	98.08	2(87)(ii)
9	Bilt General Trading(FZE), UAE	N.A.	Subsidiary (Step down) ⁵	100	2(87)(ii)

¹Held through BPH | ²Held through BIH | ³Held through BPPV | ⁴Held through BPH | ⁵Held through BSPH

IV. SHARE HOLDING PATTERN

Equity Share Capital Breakup as percentage of Total Equity

(I) CATEGORY-WISE SHARE HOLDING

	CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (1 April, 2016)				NO. OF SHARES HELD AT THE END OF THE YEAR (31 MARCH, 2017)				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
A	PROMOTERS									
1)	Indian									
a)	Individual / HUF	1,211,198	-	1,211,198	0.19	1,202,108	-	1,202,108	0.19	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	322,799,469	-	322,799,469	49.24	322,799,469	-	322,799,469	49.24	-
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	324,010,667	-	324,010,667	49.43	324,001,577	-	324,001,577	49.43	-
2)	Foreign									
a)	NRIs-Individuals	-	-	-	-	9090	-	9090	0.00	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2)	-	-	-	-	9090	-	9090	0.00	-
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	324,010,667	-	324,010,667	49.43	324,010,667	-	324,010,667	49.43	-
B	PUBLIC SHAREHOLDING									
1)	Institutions									
a)	Mutual Funds	4,691,169	7,566	4,698,735	0.72	5,996,098	7,566	6,003,664	0.92	0.20
b)	Banks / FI	647,551	24,009	671,560	0.10	559,982	24,693	5,846,75	0.09	(0.01)
c)	Central Govt.	4,866	684	5,550	0.00	1,521	-	1,521	0.00	0.00
d)	State Govt(s).	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	62,885,911	-	62,885,911	9.59	57,971,178	-	57,971,178	8.84	(0.75)
g)	FIIIs	99,360,560	48,342	99,408,902	15.16	311,175	48,342	359,517	0.05	(15.11)
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	FPI	-	-	-	-	80,672,727	-	80,672,727	12.31	12.31
j)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
k)	Foreign Financial Institution (JFC)	3,676,010	-	3,676,010	0.56	-	-	-	-	(0.56)
	Sub-total (B) (1)	171,266,067	80,601	171,346,668	26.13	145,512,681	80,601	145,593,282	22.21	(3.92)
2)	Non-Institutions									
a)	Bodies Corp.	35,906,181	49,287	35,955,468	5.48	54,071,752	46,287	54,118,039	8.26	2.77
i)	Indian									
ii)	Overseas									

	CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (1 April, 2016)				NO. OF SHARES HELD AT THE END OF THE YEAR (31 MARCH, 2017)				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	59,457,631	3,919,759	63,377,390	9.67	57,375,451	3,840,504	61,215,955	9.34	(0.33)
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	45,978,329	-	45,978,329	7.01	50,353,840	-	50,353,840	7.68	0.67
c)	NBFC Regd with RBI	-	-	-	-	328,735	-	328,735	0.05	0.05
d)	Others									
i)	Clearing Members	2,932,543	-	2,932,543	0.45	6,862,850	-	6,862,850	1.05	0.60
ii)	Non-Residents	5,690,419	159,555	5,849,974	0.89	3,122,363	158,451	3,280,814	0.50	(0.39)
iii)	Foreign Company		5,734,635	5,734,635	0.87	3,685,010	57,34,635	9,419,645	1.44	0.57
iv)	Trust	279,722	58,320	338,042	0.05	281,569	58,320	339,889	0.05	-
	Sub-total (B) (2)	150,244,825	9,921,556	160,166,381	24.43	176081570	98,38,197	18,59,19,767	28.36	3.92
	Total shareholding of Public (B) = (B) (1)+(B)(2)	321,510,892	10,002,157	331,513,049	50.57	321,594,251	99,18,798	331,513,049	50.57	-
C	SHARES HELD BY CUSTODIAN FOR GDRs& ADRs		123	123	0.00	-	123	123	0.00	0.00
	Grand Total (A+B+C)	645,521,559	10,002,280	655,523,839	100.00	645,604,918	99,18,921	655,523,839	100.00	0.00

(II) SHAREHOLDING OF PROMOTERS

SL. NO.	SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR			SHAREHOLDING AT THE END OF THE YEAR			
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED/ ENCUMBERED TO TOTAL SHARES	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED / ENCUMBERED TO TOTAL SHARES	% CHANGE IN SHARE HOLDING DURING THE YEAR
1	Avantha Holdings Ltd	322,689,019	49.23	322,674,019	322,689,019	49.23	322,689,019	0.00
2	Avantha Realty Ltd	110,000	0.02	-	110,000	0.02	-	0.00
3	Late Mr. B. M. Thapar	-	0.00	-	-	0.00	-	0.00
4	Blue Horizon Investments Ltd	450	0.00	-	450	0.00	-	0.00
5	Mr. Gautam Thapar	1,179,127	0.18	-	1,188,218	0.18	-	0.00
6	Ms. Nandini Kapur	4,800	0.00	-	13,890	0.00	-	0.00
7	Late Mrs. Sulochana Thapar	27,271	0.00	-	0.00	0.00	-	0.00
8	Ms. Shalini Waney	0	0.00	-	9,090	0.00	-	0.00
	Total	324,010,667	49.43	322,674,019	324,010,667	49.43	322,689,019	0.00

(III) CHANGE IN PROMOTERS' SHAREHOLDING

	Shareholding at the beginning of the Year		Increase/(Decrease) in shareholding			Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	Date/Reason	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Lt. Mrs. Sulochana Thapar	27271	0.00	29/07/2016-Transmission	(18881)	0.00	9090	0.00
Lt. Mrs. Sulochana Thapar	-	0.00	05/08/2016-Transmission	(9090)	0.00	Nil	0.00
Ms. Nandini Kapur	4800	0.00	29/07/2016-Transmission	9090	0.00	13890	0.00
Ms. Shalini Waney	Nil	0.00	05/08/2016-Transmission	9090	0.00	Nil	0.00
Mr. Gautam Thapar	1179127	0.18	11/11/2016-Transmission	9091	0.00	1188218	0.18

(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs)

SL. No.	NAME OF SHAREHOLDERS	SHAREHOLDING AS ON 1 APRIL, 2016		CHANGE IN SHAREHOLDING		SHAREHOLDING AS ON 31 MARCH, 2017	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	INCREASE	DECREASE	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	Samena Special Situations Mauritius	59,480,544	9.07		5,44,206	58,936,338	8.99
2	Life Insurance Corporation of India	43,872,365	6.69	-	-	43,872,365	6.69
3	FINQUEST Securities Pvt Ltd	14,728,000	2.25	21,348,550	-	36,076,550	5.50
4	General Insurance Corporation of India	12,001,050	1.83		300,000	11,701,050	1.78
5	Premier Investment Fund Limited	11,177,240	1.71		1,659,196	9,518,044	1.45
6	Citigroup Global Markets Mauritius Private Limited	10,225,367	1.56		1,769,922	8,455,445	1.29
7	The New India Assurance Company Limited	6,275,064	0.96		4,549,733	1,725,331	0.26
8	CIHL Private Equity Limited	5,710,989	0.87	-	-	5,710,989	0.87
9	HDFC Trustee Company Limited - HDFC Tax Saverfund	4,678,500	0.71		1,630,500	3,048,000	0.46
10	Dimensional Emerging Markets Value Fund	4,581,296	0.70		501,488	4,079,808	0.62
11	Platinum Asia Fund*	1,051,923	0.16	-	1,051,923	-	-

*Not in the list of top 10 shareholders as on 31 March, 2017 but is one of the top 10 shareholders as on 1 April, 2016.

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

SL. No.	FOR EACH OF THE DIRECTORS AND KMP	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
	At the beginning of the year				
1	Mr. Gautam Thapar	1,179,127	0.18	1,179,127	0.18
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	9091 acquired by Mr. Gautam Thapar on 11/11/2016 upon transmission of shares of Late Mrs. Sulochana Thapar	-	-	1,188,218	0.18
2	Mr. Sanjay Labroo	495,802	0.08	495,802	0.08
3	Mr. B. Hariharan	8,040	0.00	8,040	0.00
	At the end of the year				
1	Mr. Gautam Thapar	1,188,218	0.18	11,88,218	0.18
2	Mr. Sanjay Labroo	495,802	0.08	495,802	0.08
3	Mr. B. Hariharan	8,040	0.00	8,040	0.00

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment (₹ in Lacs)

	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the financial year				
i Principal Amount	96,945	100,477	-	197,422
ii Interest due but not paid	-	-	-	-
iii Interest accrued but not due	1,753	-	-	1,753
Total (i+ii+iii)	98,698	100,477	-	199,175
Change in Indebtedness during the financial year				
i Addition	-	65,220	-	65,220
ii Reduction	(5,076)	-	-	(5,076)
Net Change	(5,076)	65,220	-	60,144
Indebtedness at the end of the financial year				
i Principal Amount	92,444	158,893	-	251,337
ii Interest due but not paid	-	-	-	-
iii Interest accrued but not due	1,178	6,804	-	7,982
Total (i+ii+iii)	93,622	165,697	-	259,319

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A REMUNERATION OF MANAGING DIRECTOR (MD), WHOLE-TIME DIRECTORS (WTD) AND/OR MANAGER (in ₹) - Nil

SL. No.	PARTICULARS OF REMUNERATION	
1	Gross Salary	
i	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-
ii	Value of perquisites u/s 17(2) Income-tax Act, 1961	-
iii	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
i	as% of profit	-
ii	Others, specify	-
5	Others, please specify (Provident Fund and Superannuation)	-
	TOTAL	-

B REMUNERATION TO OTHER DIRECTORS (in ₹)

SL. No.	PARTICULARS OF REMUNERATION	NAME OF DIRECTOR						TOTAL
1	Independent Directors	MR. SANJAY LABROO	MR. ASHISH GUHA	MR. A. S. DULAT	MS. NANDINI ADYA	MR. A. P. SINGH	MR. SUDHIR MATHUR	
	Sitting Fee for attending board committee meetings	80,000	2,20,000	2,60,000	80,000	2,20,000	20,000	8,80,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	80,000	2,20,000	2,60,000	80,000	2,20,000	20,000	8,80,000
2	Other Non-Executive Directors	MR. GAUTAM THAPAR	MR. R. R. VEDERAH	MR. B. VENUGOPAL	-	-	-	-
	Fee for attending board committee meetings	1,20,000	1,00,000	20,000	-	-	-	2,40,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	1,20,000	100,000	20,000	-	-	-	2,40,000
	Total (B) = (1 + 2)	-	-	-	-	-	-	11,20,000

C REMUNERATION TO KEY MANAGERIAL PERSONNEL (KMP), OTHER THAN MD / MANAGER / WTD (in ₹)

SL. No.	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL		
		MR. NEEHAR AGGARWAL CEO	MR. AKHIL MAHAJAN CS	TOTAL
1	Gross salary			
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	4,885,011	4,885,011
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	Others, specify	-	-	-
5	Others, please specify (Provident Fund)	-	155,724	155,724
	TOTAL	-	5,040,735	5,040,735

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

TYPE	SECTION OF THE COMPANIES ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY / PUNISHMENT / COMPOUNDING FEES IMPOSED	AUTHORITY [RD / NCLT / COURT]	APPEAL MADE, IF ANY (GIVE DETAILS)
COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

GAUTAM THAPAR

Chairman

DIN 00012289

B. HARIHARAN

Group Director (Finance)

DIN 00012432

Date 23 May, 2017

Place New Delhi

ANNEXURE TO BOARD'S REPORT

ANNEXURE 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES FOR FY2016-17

1 A brief outline of the Company's CSR policy and a reference to the web-link to the CSR policy and projects or programs.

CSR at BILT has been operational long before the new Companies Act, 2013 came into force. CSR initiatives at BILT are carried out at the manufacturing units through active partnerships with 3 Non Governmental Organisations (NGOs). The Company is conducting CSR activities based on the philosophy of sustainable development & inclusive growth.

At BILT CSR is taken up with a commitment for the communities & environment. BILT uses CSR to integrate economic, environmental and social objectives with the Company's operations and growth. The details of the CSR initiatives are available at the Company's website at www.biltcsr.com.

The Company has been implementing CSR with a dedicated team and its CSR initiatives are part of the Company's well defined CSR policy.

EXCERPT OF CSR POLICY

BILT is committed to its stakeholders to conduct its business in a responsible manner that creates a sustained positive impact on society. At BILT, CSR is envisaged as a long term engagement with key stakeholders. Focussed programmes are implemented to

enable the disadvantaged communities to improve the quality of their life and preserve the ecosystem that supports the communities and the Company.

For BILT, being a socially responsible company means:

- Using environment friendly, energy efficient and safe processes in production.
- Making a sustained effort in preserving the environment.
- Building active and long term partnerships with the communities in which the Company operates to improve significantly the condition of the most disadvantaged amongst them.
- Contributing to inclusive growth and equitable development in society.
- Promoting organisational integrity and ethical business practices and transparency in disclosure and reporting procedures.
- Re-defining successful performance for company managers to include the environmental and social impact of how the company delivers growth and profitability.

2 Composition of the CSR Committee.

Mr. Gautam Thapar-Chairman

Mr. R. R. Vederah-Member

Mr. Sudhir Mathur-Member

3 Average net profit/(Loss) of the Company for last three financial years: (₹ 4.23 Cr.)

4 Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): (₹ 8.46 Lacs)

5 Details of CSR spent during the financial year:

a) Total amount to be spent for the financial year(April'16-March'17):

Nil

Actual Amount Spent (April'16-March'17): ₹ 13.17 Lacs

b) Amount unspent, if any; Nil

c) Manner in which the amount spent during the financial year: is detailed in Table.

Implementing Partner NGOs —

- Society for All Round Development (SARD)
- Vidya Pratisthan's Institute of Information Technology (VIIT)
- Bharatiya Agro Industries Foundation (BAIF)

6 In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report. Not applicable.

DETAILS OF THE CSR

AMOUNT IN ₹							
SL. NO.	CSR PROJECT OR ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED	PROJECTS OR PROGRAMS (1) LOCAL AREA OR OTHER (2) SPECIFY THE STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS WAS UNDERTAKEN	AMOUNT OULTAY (BUGDET PROJECT PROGRAM WISE)	AMOUNT SPENT ON THE PROJECTS OR PROGRAMS SUB-HEADS: (1) DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS (2) OVERHEADS	CUMULATIVE EXPENDITURE UPTO TO THE REPORTING PERIOD	AMOUNT SPENT: DIRECT OR THROUGH IMPLEMENTING AGENCY
1	Community Development Project	Eradicating Hunger, Poverty & Malnutrition	Local Area around the Plant located in the State of Haryana	8.65	8.65	8.65	Through Implementing Agencies (Partner NGO's)
2	Community Development Project	Promoting Education	Local Area around the Plant located in the State of Haryana	4.52	4.52	4.52	Through Implementing Agencies (Partner NGO's)
	Total Programme Cost			13.17	13.17	13.17	
	TOTAL			13.17	13.17	13.17	

7 This is to certify that the implementation of CSR initiatives and its monitoring has been carried out in compliance with the CSR objectives and Policy of the Company.

GAUTAM THAPAR
Chairman CSR Committee

NEEHAR AGGARWAL
Chief Executive Officer

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED
MRACH 31, 2017

To,
The Members
BALLARPUR INDUSTRIES LIMITED
P.O. Ballarpur Paper Mills – 442901
Distt. Chandrapur, Maharashtra

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Ballarpur Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made

thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable during audit period:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board Of India (Prohibition Of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines,

Standards, etc. mentioned above subject to the observation that the Company has Group Director (Finance) in the place of Chief Finance Officer.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to above observations. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors for the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For PDS & CO.

Company Secretaries

(Prashant Kumar Balodia)

Partner

Membership No. 6047

Certificate of Practice No. 6153

Date: 23.05.2017

Place: New Delhi

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

SECRETARIAL AUDIT REPORT

ANNEXURE A

The Members
BALLARPUR INDUSTRIES LIMITED
P.O. Ballarpur Paper Mills – 442901
Distt. Chandrapur, Maharashtra

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about

the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For PDS & CO.

Company Secretaries

(Prashant Kumar Balodia)

Partner

Membership No. 6047

Certificate of Practice No. 6153

Date: 23.05.2017

Place: New Delhi

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BALLARPUR INDUSTRIES LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Ballarpur Industries Limited ('the Company'), which comprise the balance sheet as at 31st March 2017, the statement of profit and loss (including other comprehensive income), cash flow statement and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements") in which are incorporated the audited financial statements for the year ended on that date of the Unit of the Company audited by other auditor.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation

of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Basis for Qualified Opinion

We draw attention to Note 44 of the standalone Ind AS financial statements 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 effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 45 of the standalone Ind AS financial statements 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 statements have been prepared on a going concern basis. These financial statements 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 opinion is not modified/qualified in respect of this matter.

Other Matter

We did not audit the Ind AS financial statements of Kamlapuram Unit of the Company included in the standalone Ind AS financial statements of the Company whose Ind AS financial statements reflect total assets of ₹ 31,043.98 lacs as at

31st March 2017 and total revenues of ₹ 118.38 lacs for the year ended on that date, as considered in the standalone Ind AS financial statements. The Ind AS financial statements of this Unit has been audited by the Unit Auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this Unit is solely on the report of such Unit Auditor.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and report of the Unit auditor;
 - c) *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, the reports on the accounts of the Unit Kamlapuram of the Company audited under Section 143 (8) of the Act by such Unit Auditor have been

sent to us and have been properly dealt with by us in preparing this report;

- d) The balance sheet, the statement of profit and loss (including other comprehensive income), cash flow statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account and report of the unit auditor;
- e) In our opinion, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
- f) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- g) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and

according to the explanations given to us:

- i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 40 to the standalone Ind AS financial statements;
- ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 22 & 27 to the standalone Ind AS financial statements;
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
- iv. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 43 to the standalone Ind AS financial statements.

ASHWIN MANKESHWAR
Partner

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

New Delhi, dated the
23rd May, 2017

“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

The Annexure referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirement” section of our Independent Auditors’ Report to the members of the Company on the Ind AS Financial Statements for the year ended 31st March 2017, we report that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The fixed assets were physically verified during the year by the Management.

No material discrepancies were noticed on such physical verification.
- c) On examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in Unit Kamlapuram, land value at Rs. 44 lacs acquired under agreements and under possession of the Unit are yet to be registered in the name of the Unit.
2. The inventory, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification

between the physical stocks and the book records were not material.

3. The Company has not granted any loan, secured or unsecured, to Companies, firms or other parties covered in the registers maintained in pursuance of Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
4. According to the information and explanation given to us, the Company has not granted any loans or made investment or provided any security/ guarantee as covered by provisions of Sections 185 and 186 of the Act. Accordingly, Paragraph 3(iv) of the Order is not applicable to the Company.
5. According to the information and explanation given to us and the examined by us, the Company has not accepted any deposits from the public during the year. Accordingly, Paragraph 3(v) of the Order is not applicable to the Company.
6. We have broadly reviewed the books of account and records maintained by the Company relating to the products of the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Sub-section (1) of Section 148 of the Act and we are of the opinion that prima facie

the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

7. a) According to the information and explanation given to us, undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other statutory dues as applicable to it were outstanding, as at 31st March 2017 for a period of more than six months from the date they became payable except as given below:-

NAME OF THE STATUTE	Amount in Lacs	Period	Actual date of payment
Provident Fund	138.10	May-16 to Aug- 16	Not Paid
Professional Tax	3.63	June-16 to Aug-16	Not Paid
Provident Fund	15.87	April-2016	Not Paid
Sale Tax	.32	June-2016	Not Paid
Excise Duty & Service Tax	5.43	Apr-16 to Sep-16	Not Paid
TDS	102.48	July-16 to Sep-16	Not Paid
Professional Tax	.07	Sep-16	Not Paid
Total	265.90		

- b) According to the information and explanations given to us, there are no dues of Income-Tax, Sales tax, Value added tax, Service Tax, Duty of Customs, Duty of Excise, Cess which have not been deposited

with the appropriate authorities on account of disputes other than those mentioned in “Annexure A (1)” to this report.

8. According to the information and explanations give to us and based

on our examination of the records of the Company, the company has not defaulted in repayments of loans or borrowing to a financial institutions, bank, government or dues to debenture holders except as given below:

Sr. No.	Bank/ Financial Institution	Amount of default as at the balance sheet date(In Lacs)	Due date of Repayment	Payment Status
1.	Exim Bank	714.28	31-Oct-2016	Not paid
2.	Exim Bank	714.28	31-Jan-2017	Not Paid
3.	State Bank of Travancore	125.00	23-Sep- 2016	Not Paid
4.	State Bank of Travancore	125.00	23-Dec- 2016	Not Paid
5.	State Bank of Travancore	125.00	23-Mar- 2017	Not Paid
6.	The South Indian Bank	500.00	26-Mar-2017	Not Paid
7.	IDBI Bank	125.00	31-Mar-2017	Not Paid
	Total	2,428.56		

9. The Company has not raised money by way of initial public offer or further public offer (including debt instruments). However the moneys raised by way of term loan which were applied for the purpose for which those were obtained.

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations given to us, no managerial remuneration has been paid or provided under the provisions of Section 197 read with Schedule V to the Act. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

12. As the Company is not a Nidhi Company, accordingly clause (xii) of paragraph

3 of the order is not applicable to the Company.

13. According to the information and explanation given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act, wherever applicable and the details have been disclosed in the Ind AS Standalone Financial Statements as required by the applicable accounting standards.

14. According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions

with directors or persons connected with him. Accordingly, clause (xv) of the paragraph 3 of the Order is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

ASHWIN MANKESHWAR

Partner

Membership No. 046219

For and on behalf of

K. K. Mankeshwar & Co.,

Chartered Accountants

FRN: 106009W

New Delhi, dated the

23rd May, 2017

ANNEXURE 'A (1)' TO PARA 7 (b) OF ANNEXURE – 'A' OF OUR REPORT OF EVEN DATE

Name of Statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Tariff Act 1985	Excise	21.6	1996-97; 2010-11;	Asst. Commissioner, Yamuna Nagar
Central Excise Tariff Act 1985	Excise	11.32	1996-97	Joint Commissioner, Panchkula
Central Excise Tariff Act 1985	Excise	38.48	2009-10; 2015-16	Commissioner Panchkula
Central Excise Tariff Act 1985	Excise	694.29	2003-04 to 2010-11	CESTAT, Delhi & Chandigarh
Central Excise Tariff Act 1985	Excise	232.67	2004-05 to 2009-10	Commissioner (Appeals), Delhi
Customs Act, 1962	Custom	36.47	2012-13	The Commissioner Custom (Apeals), Kandla
Customs Act, 1962	Custom	32.83	2012-13	Commissioner Custom (Apeals), Jam Nagar
Punjab General Sales Tax Act, 1948	Sales Tax	582.68	1989 to 1995	Punjab VAT Tribunal, Chandigarh
UP Trade Tax, 1948	Sales Tax	0.98	1997-98	Trade Tax Tribunal, Saharanpur
UP Trade Tax, 1948	Sales Tax	0.66	2002-03	Trade Tax Tribunal, Saharanpur
UP Tax on Entry of Goods Act, 2000	Entry Tax	1.92	2001-02	Trade Tax Tribunal, Saharanpur
UP VAT Act, 2008	Sales Tax	1.22	2008-09	Joint Commisioner Appeals-Saharanpur
UP VAT Act, 2008	Sales Tax	1.47	2008-09	Trade Tax Tribunal, Saharanpur
UP Trade Tax, 1948	Sales Tax	11.74	1994-95	Nainital High Court
Central Sales Tax Act, 1956	Sales Tax	0.53	2008-09	Dy. Commissioner (Appeals), Patiala
Central Sales Tax Act, 1956	Sales Tax	0.88	2011-12	Jt. Commissioner (Appeals), Ambala
Haryana VAT Act, 2003	Sales Tax	2.76	2015-16	Jt. Excise & Taxation Commissioner Appeals-Ambala
UP VAT Act, 2008	Sales Tax	5.99	2014-15	Addl. Commissioner (Appeal)-Saharanpur
UP VAT Act, 2008	Sales Tax	1.12	2010-11	Addl. Commissioner (Appeal)-Saharanpur
UP VAT Act, 2008	Sales Tax	35.1	2016-17	Dy. Commissioner Assessment-Saharanpur
UP VAT Act, 2008	Sales Tax	0.74	2009-10	Addl. Commissioner Gr-2, Saharanpur
Kerala Vat Act, 2005	Sales Tax	6.8	2011-12	Commissioner (Appeals), Kerala
Central Sales Tax, 1956	Sales Tax	14.7	2001-2002	Appellate Deputy Commissioner (CT), Secunderabad
Central Excise Act, 1944	Excise duty and Penalty	723.68	2012-2013	Customs, Excise and Service tax Appellate Tribunal Hyderabad
Income Tax Act, 1961	Income Tax	3,981.36	1981-82 to 1990-91, 1997-98, 1999-2000, 2000-01, 2002-03, 2003-04, 2004-05, 2006-07 to 2010-11	Pending before high court
Income Tax Act, 1961	Income Tax	1,785.38	1994-95, 2005-06, 2009-10	Pending before tribunal
Income Tax Act, 1961	Income Tax	3,954.81	2008-09	Pending before Supreme Court
Total		12,182.18		

ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ballarpur Industries Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants

of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles,

and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

ASHWIN MANKESHWAR

Partner

Membership No. 046219

For and on behalf of

K. K. Mankeshwar & Co.,

Chartered Accountants

FRN: 106009W

New Delhi, dated the
23rd May, 2017

BALANCE SHEET

AS AT MARCH 31, 2017

₹ in Lacs

	Note No.	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	5	233,538	258,319	263,439
(b) Capital work-in-progress	6	28,112	26,711	16,041
(c) Other intangible assets	7	3,351	4,978	5,785
(d) Intangible assets under development	8	3,144	3,144	-
(e) Financial assets				
(i) Investments	9	106,535	106,535	81,378
(ii) Others	10	171	223	350
(f) Other non-current assets	11	28	29	46
(2) Current Assets				
(a) Inventories	12	32,468	28,478	29,363
(b) Financial assets				
(i) Trade receivables	13	537	1,555	5,663
(ii) Cash and cash equivalents	14	253	5,627	746
(iii) Bank balances other than (ii) above	15	246	260	270
(iv) Loans	16	52,764	48,772	13,607
(v) Others	17	875	771	784
(c) Other current assets	18	6,299	6,359	5,546
Asset Held For Sale		-	-	11
Total Assets		468,321	491,761	423,029
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	19	13,112	13,112	13,112
(b) Other equity		109,302	154,475	153,793
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	20	75,209	90,774	42,550
(ii) Other financial liabilities	21	52,243	93,189	66,080
(b) Provisions	22	3,279	3,541	3,422
(c) Deferred tax liabilities (Net)	23	2,698	5,240	5,633
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	20	158,893	100,477	107,507
(ii) Trade payables	24	11,859	12,526	12,097
(iii) Other financial liabilities	25	35,794	15,545	16,173
(b) Other current liabilities	26	1,740	844	755
(c) Provisions	27	4,192	2,038	1,907
Total Equity and Liabilities		468,321	491,761	423,029
Significant Accounting Policies and Notes to Standalone Ind AS Financial Statements	1-47			

As per our report of even date attached

ASHWIN MANKESHWAR

Partner

Membership No. 046219

For and on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the

23rd May, 2017

For Ballarpur Industries Limited

R. R. VEDERAH

Vice Chairman

B. HARIHARAN

Group Director (Finance)

BIMAL KHANDELWAL

Chief Financial Officer

AKHIL MAHAJAN

Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

₹ in Lacs

	Note No.	Year Ended 31-March-2017	Year Ended 31-March-2016
I Revenue from operations	28	22,661	59,183
II Other income	29	6,696	5,360
III Total Income (I+II)		29,357	64,543
IV Expenses			
Cost of materials consumed	30	6,829	14,665
Purchase of stock in trade		2,007	2,753
Changes in inventories of finished goods, stock-in -trade and work- in-progress	31	2,638	7,145
Employee benefits expenses	32	7,502	6,910
Finance costs	33	15,319	5,193
Depreciation and amortisation expenses	5 & 7	5,269	5,810
Excise duty		1,124	3,005
Other expenses	34	13,116	17,071
Total expenses (IV)		53,804	62,552
V Profit/ (loss) before exceptional items and tax (III- IV)		(24,447)	1,991
VI Exceptional items	35	25,149	-
VII Profit/ (loss) before tax (V-VI)		(49,596)	1,991
VIII Tax expense:			
(1) Current tax		-	218
(2) Deferred tax		(2,542)	(393)
Total Tax Expense (VIII)		(2,542)	(175)
IX Profit/ (loss) for the year (VII-VIII)		(47,054)	2,166
X Other Comprehensive Income/(loss)			
Items that will not be reclassified to profit and loss			
(i) Re-measurement gains/(losses) on defined benefit plans		4	94
(ii) Income tax effect on above		-	-
(iii) Equity instruments through other comprehensive income		-	-
(iv) Income tax effect on above		-	-
Total Other comprehensive income/(loss)		4	94
XI Total Comprehensive Income/(loss) for the year (IX+X)		(47,050)	2,260
(Comprising profit and other comprehensive income for the year)			
XII Earnings per equity share			
(1) Basic (₹)		(7.18)	0.33
(2) Diluted (₹)		(7.18)	0.33
Significant Accounting Policies and Notes to Standalone Ind AS Financial Statements	1-47		

As per our report of even date attached

ASHWIN MANKESHWAR

Partner

Membership No. 046219

For and on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the

23rd May, 2017

For Ballarpur Industries Limited

R. R. VEDERAH

Vice Chairman

B. HARIHARAN

Group Director (Finance)

BIMAL KHANDELWAL

Chief Financial Officer

AKHIL MAHAJAN

Company Secretary

CASH FLOW STATEMENT

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

₹ in Lacs

	31ST MARCH 2017	31ST MARCH 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(49,596)	1,991
Adjustments for:		
(Profit) / Loss on sale of assets (net)	(3,436)	(2,786)
Depreciation & amortisation expenses	5,269	5,810
Impairment of assets	25,149	-
Bad Debts written off	564	-
Interest received	(3)	(10)
Dividends received	-	(1)
Finance costs (net)	15,319	5,193
	42,862	8,206
Operating Profit before Working Capital Changes	(6,734)	10,197
Adjustment for Working Capital Changes :		
(Increase)/decrease in trade receivable	454	4,106
(Increase)/decrease in loans, advances and other current assets	(4,264)	(35,845)
(Increase)/decrease in inventory	(8,761)	886
Increase/(decrease) in liabilities and provisions	(35,959)	2,252
	(48,530)	(28,601)
Cash generated from operations	(55,264)	(18,404)
Income tax refund/(paid)	2,009	(55)
Net cash flow from operating activities (A)	(53,255)	(18,459)
CASH FLOW FROM INVESTING ACTIVITIES		
Increase in fixed assets, capital work-in-progress and capital advances	(1,557)	(13,923)
Proceed from sale of property plant and equipment	4,615	3,057
Interest received	1,490	1,677
Investment in ZCCB	-	(25,157)
(Increase)/decrease in other bank balances	15	9
Dividend Income	-	1
Net cash flow from investing activities (B)	4,563	(34,336)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(decrease) in long-term borrowings	53,915	65,745
Payment for buy back (optional/convertible)	(2)	(4)
Interest paid (Net)	(10,582)	(6,482)
Dividend paid	(13)	(1,583)
Net cash flow from financing activities (C)	43,318	57,676
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(5,374)	4,881
Cash and cash equivalents at the beginning of reporting year	5,627	746
Cash and cash equivalents (closing balance)	253	5,627
Significant Accounting Policies and Notes to Standalone Ind AS Financial Statements	1-47	

As per our report of even date attached

ASHWIN MANKESHWAR

Partner

Membership No. 046219

For and on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the

23rd May, 2017

For Ballarpur Industries Limited

R. R. VEDERAH

Vice Chairman

B. HARIHARAN

Group Director (Finance)

BIMAL KHANDELWAL

Chief Financial Officer

AKHIL MAHAJAN

Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

A. EQUITY SHARE CAPITAL

₹ in Lacs		
Balance as at 01st April, 2015	Changes in Equity Share Capital during 2015-16	Balance as at 31st March, 2016
13,112	-	13,112
Balance as at 01st April, 2016	Changes in Equity Share Capital during 2016-17	Balance as at 31st March, 2017
13,112	-	13,112

B. OTHER EQUITY

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Preference share capital Redemption Reserve	Debt Redemption Reserve	General Reserve	Retained Earnings	
Balance as at April 1, 2015	1,515	27,607	7,385	5,000	80,809	32,425	153,793
Transfer from: Debenture Redemption Reserve				(1,250)		1,250	-
Profit / (Loss) for the year						2,166	2,260
Others (Refer Note 19(e))						(1,578)	(1,578)
Balance as at March 31, 2016	1,515	27,607	7,385	3,750	80,809	34,263	154,475
Profit / (Loss) for the year						(47,054)	(47,054)
Others (Refer Note 19(e))						1,877	1,877
Balance as at March 31, 2017	1,515	27,607	7,385	3,750	80,809	(10,914)	109,302

Significant Accounting Policies and Notes to Standalone Ind AS Financial Statements

As per our report of even date attached	For Ballarpur Industries Limited
ASHWIN MANKESHWAR <i>Partner</i>	R. R. VEDERAH Vice Chairman
Membership No. 046219 For and on behalf of	B. HARIHARAN Group Director (Finance)
K. K. MANKESHWAR & CO. <i>Chartered Accountants</i> FRN: 106009W	BIMAL KHANDELWAL Chief Financial Officer
New Delhi, dated the 23rd May, 2017	AKHIL MAHAJAN Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

1 COMPANY OVERVIEW

Ballarpur Industries Limited ("BILT" or the company) is in the business of manufacturing and selling of Paper, pulp and paper products and its manufacturing operations are spread over two units namely Kamlapuram (Telangana) and Shreegopal (Haryana).

The financial statements were authorised for issue in accordance with a resolution of the directors on 23rd May, 2017.

2 BASIS OF PREPARATION AND USE OF ESTIMATES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial statements (FS) of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Financial statements.

For all periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. These financial statements for the year ended 31st March 2017 are the first the Company has prepared in accordance with Ind-AS.

The Company has consistently applied the accounting policies used in the preparation of its opening IND-AS Balance Sheet at April 1, 2015 throughout all periods presented, as if these policies had always been in effect and are covered by IND AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Indian GAAP") which is considered as the previous GAAP, as defined in IND AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at April 1, 2015 and March 31, 2016 and on the net profit and cash flows for the year ended March 31, 2016 is disclosed in Note No 46 to these financial statements.

The Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Land and buildings classified as property, plant and equipment;
- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

2.2 USE OF ESTIMATES

The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities as at the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period/year. The difference between the actual results and estimates are recognised in the year in which the results are known/materialise.

All Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

3.2 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The fair value of plants and equipments as at transition date have been taken based on valuation performed by an independent technical expert. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

3.3 PROPERTY, PLANT AND EQUIPMENT

On transition to IND AS, the Company has adopted optional exception under IND AS 101 to measure Property, Plant and Equipment at fair value. Consequently the fair value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition. Subsequently, Property, Plant and Equipment, other than land, are carried at cost less accumulated depreciation and accumulated impairment losses, if any. In case of land, it shall be carried at revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

Assets are depreciated to the residual values on a straight line basis over the estimated useful lives based on technical estimates which are different from one specified in Schedule II of the Companies Act, 2013. Asset's depreciation methods, residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life. Freehold land is not depreciated. Estimated useful lives of the assets are as follows:

Categories of Assets	Estimated useful life in years
Factory Building	30
Office Buildings	40
Plant & Machinery	
Plant and Machinery	1-40
Equipments	1-15
Other equipment, operating and office equipment	
Computer equipment	1-6
Office furniture and equipment	1-20
Vehicles	1-10
Railway Siding	3-15

It is believed that the useful lives as given above represents the period over which management expects to use these assets.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Intangible Asset under development includes cost of development of new intangible assets to complete the assets as at the balance sheet date.

Capital Expenditure on tangible assets for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

3.4 INTANGIBLE ASSETS

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses (if any). Costs include expenditure that is directly attributable to the acquisition of the intangible assets.

(i) Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

(iii) Amortization of intangible assets with finite useful lives

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Expenditure on specialised software are amortised over seven years.

3.5 RESEARCH & DEVELOPMENT COST

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- there is an ability to use or sell the asset;
- How the asset will generate future economic benefits;
- adequate technical, financial and other resources to complete the asset
- The ability to measure reliably the expenditure during development;

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses (if any). Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss.

During the period of development, the asset is tested for impairment annually.

3.6 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment and additionally whenever there is a triggering event for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount of cash generating units exceeds its recoverable amount. The recoverable amount of a cash generating unit is the higher of cash generating unit's fair value less cost of disposal and its value in use.

3.7 INVENTORIES

Inventories are valued at the lower of cost or net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- *Raw materials, Stores, Spare Parts, Chemicals:* are valued at cost, computed on weighted average basis.
- *Finished goods and work in progress:* are valued at cost or net realisable value, whichever is lower. In the case of finished goods and work in process cost comprises of material, direct labour and applicable overhead expenses. The cost of finished goods also includes applicable excise duty.
- *Traded goods:* cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.8 FOREIGN CURRENCIES

The Company's financial statements are presented in INR, which is functional currency of the Company.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

The Company has availed the exemption available in IND AS 101, to continue capitalisation of foreign currency fluctuation on long term foreign currency monetary liabilities outstanding on transition date.

3.9 FINANCIAL INSTRUMENTS – INITIAL RECOGNITION, SUBSEQUENT MEASUREMENT AND IMPAIRMENT

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

FINANCIAL ASSETS

(i) Initial recognition and measurement:

All financial assets are recognised initially at fair value and, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

(ii) Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

: Financial assets at fair value

: Financial assets at amortised cost

(iii) Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

(iv) Financial Assets measured at amortised cost:

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely for payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of profit and loss. This category generally applies to trade and other receivables.

(v) Financial Assets measured at fair value through other comprehensive income (FVTOCI):

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

(vi) Financial Assets measured at fair value through profit or loss (FVTPL):

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

(vii) Investment in Subsidiary and Associates:

Investment in equity instruments of Subsidiaries and Associates are measured at cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment which is other than temporary.

(viii) Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

(ix) Investment in Debt Instruments:

A debt instrument is measured at amortised cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

(x) Derecognition of Financial Assets:

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset, if an entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it shall recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation shall be recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset shall be recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

(xi) Impairment of Financial Assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and trade receivables. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

FINANCIAL LIABILITIES

(i) **Initial recognition and measurement:**

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(ii) **Classification & Subsequent measurement:**

If a financial instrument that was previously recognised as a financial asset is measured at fair value through profit or loss and its fair value decreases below zero, it is a financial liability measured in accordance with IND AS. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

(iii) **Loans and Borrowings:**

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. After initial recognition Gain and Liabilities held for Trading are recognised in statement of profit and Loss Account.

(iv) **Derecognition of Financial Liabilities:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(v) **Derivative Financial Instrument:**

The Company uses derivative financial instruments, such as interest rate swaps, to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis to realise the asset and settle the liability simultaneously. Subsequent recoveries of amounts previously written off are credited to Other Income.

3.10 COMPOUND FINANCIAL INSTRUMENTS

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

3.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet comprise cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.12 PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

(i) **General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, the amount of a provision shall be

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

the present value of expense expected to be required to settle the obligation. Provisions are therefore discounted, when effect is material. The discount rate shall be pre-tax rate that reflects current market assessment of time value of money and risk specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

(ii) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised, but are disclosed in the notes. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.13 SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

3.14 BORROWING COSTS

Borrowing costs specifically relating to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they are incurred.

3.15 REVENUE RECOGNITION

(i) Sale of goods

Revenue from the sale of goods is recognised, when the significant risks and rewards of ownership of the goods have passed to the buyer, as per the terms of Company and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods, usually on delivery of the goods. Revenue is recognized at the fair value of consideration received or receivable, net of returns and allowances trade discounts, volume rebates and outgoing sales tax and are recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods. Revenue is inclusive of excise duty.

(ii) Other operating income

(a) Incentives

Incentives on exports and other Government incentives related to operations are recognised in books after due consideration of certainty of utilization/receipt of such incentives.

Export incentives are recognised at the time of export when the Company will have certainly to comply with all attached conditions.

(b) Rental Income

Rental income is accrued on a time proportion basis by reference to the agreements entered into.

(iii) Other Income

(a) Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(b) Dividends

Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

3.16 EMPLOYEE BENEFITS

(i) **Short term employee benefits:**

Short term employee benefits are expensed as & when the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

(ii) **Defined benefit plans:**

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company and its subsidiaries, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other comprehensive income. Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset), the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

(iii) **Long-term employee benefits:**

The Company's net obligation in respect of long - term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement is recognised in Statement of Profit and Loss in the period in which they arise.

(iv) **Post - employment benefits - Defined contribution plans:**

The Company's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Company has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(v) **Termination benefits**

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either:

- (a) an entity's decision to terminate an employee's employment before the normal retirement date; or
- (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

3.17 LEASES

(i) **Lease payments:**

Payments made under operating leases are recognized in Statement of Profit and Loss. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(ii) **Lease assets:**

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

3.18 TAXES

(i) **Income tax**

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(iii) Deferred tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction.

Deferred tax assets and liabilities are offset only if:

- entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

3.19 DIVIDEND/DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

3.20 EARNING PER SHARE

As per Ind AS 33, Earning Per Share, Basic earnings per share are computed by dividing the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

4 Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

(a) Property, plant and equipment

On transition to Ind AS, the Company has adopted optional exemption under IND AS 101 for fair valuation of property, plant and equipment. The Company appointed external adviser to assess the fair value, remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned fair value, useful lives and residual value are reasonable.

(b) Impairment of tangible assets

As per Ind AS 36, Impairment of Assets, company shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset.

As Kamalapuram unit is not in operation for almost 36 months, management appointed an external valuer to determine the impairment amount, if any. The recoverable amount of the unit was determined based on calculations of net selling price as the respective unit is not in operation.

(c) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

(d) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(e) Allowance for uncollectable accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

5. PROPERTY, PLANT AND EQUIPMENTS

Particulars	Leasehold Land	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Railway Sidings, Trolley Lines, Tramway & tipping tups	Total
₹ in Lacs										
Cost:										
As at April 1, 2015	9	112,688	33,888	167,579	1,563	415	683	12	62	316,899
Additions	-	-	-	140	2	1	-	-	-	143
Disposal	-	65	280	1,793	5	61	1	0	-	2,205
As at March 31, 2016	9	112,623	33,608	165,926	1,560	355	682	12	62	314,837
Additions	-	-	-	140	-	-	-	-	-	140
Disposal	-	21	829	25	512	-	582	-	-	1,969
Impairment / Adjustments	-	-	155	19,934	3	3	4	1	-	20,100
As at March 31, 2017	9	112,602	32,624	146,107	1,045	352	96	11	62	292,908
Accumulated Depreciation										
As at April 1, 2015	1	-	4,983	47,056	1,037	145	199	9	30	53,460
Depreciation Charge for the Year	0	-	338	4,502	34	89	35	1	4	5,003
Disposal	-	-	125	1,780	3	37	0	0	-	1,945
As at March 31, 2016	1	-	5,196	49,778	1,068	197	234	10	34	56,518
Depreciation Charge for the Year	0	-	339	3,227	24	41	7	0	4	3,642
Disposal	-	-	495	13	133	-	149	-	-	790
As at March 31, 2017	1	-	5,040	52,992	959	238	92	10	38	59,370
Net Carrying Value										
As at April 1, 2015	8	112,688	28,905	120,523	526	270	484	3	32	263,439
As at March 31, 2016	8	112,623	28,412	116,148	492	158	448	2	28	258,319
As at March 31, 2017	8	112,602	27,584	93,115	86	114	4	1	24	233,538

Note: "0" represent amount below Rs. 50,000/-

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

₹ in Lacs

6. CAPITAL WORK IN PROGRESS		
PARTICULARS	As at 31st March-2017	As at 31st March-2016
Opening net carrying value	26,711	16,041
Additions	1,934	12,591
Transferred to Property, Plant & Equipment	140	141
Disposals	393	1,780
Closing net carrying value	28,112	26,711

7. INTANGIBLE ASSETS						
PARTICULARS	As at 31st March-2017			As at 31st March-2016		
	Product Development Expense	Others	Total	Product Development Expense	Others	Total
Opening net carrying value	2,707	2,271	4,978	3,401	2,384	5,785
Additions	-	-	-	-	-	-
Amortization charge during the year	694	933	1,627	694	113	807
Closing Carrying Value	2,013	1,338	3,351	2,707	2,271	4,978

8. INTANGIBLE ASSETS UNDER DEVELOPMENT		
PARTICULARS	As at 31st March-2017	As at 31st March-2016
Opening net carrying value	3,144	-
Additions	-	3,144
Disposals	-	-
Closing net carrying value	3,144	3,144

9. NON CURRENT INVESTMENTS						
Particulars	As at 31st March-2017		As at 31st March-2016		As at 1st April-2015	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
Unquoted, Non-trade investments:						
Investments Measured at Cost						
I) In equity shares of Subsidiary company:						
Unquoted, Non-trade investments:						
a) Bilt Tree Tech Limited	990,000	40	990,000	40	990,000	40
b) Ballarpur International Holdings B.V.	168,679,093	76,048	168,679,093	76,048	168,679,093	76,048
c) BILT Graphic Paper Products Limited	50,000	5	50,000	5	50,000	5
d) Ballarpur Speciality Paper Holdings B.V.	18,000	12	18,000	12	18,000	12
e) Premier Tissues (India) Limited	5,620,427	4,522	5,620,427	4,522	5,620,427	4,522
f) Ballarpur International Holdings B.V.	141	25,157	141	25,157	-	-
Total Investments Measured at Cost	175,357,661	105,784	175,357,661	105,784	175,357,520	80,627
Investments Measured at Fair Value through OCI						
II) In equity shares of Other companies:						
a) Blue Horizon Investments Limited	5,000	3	5,000	3	5,000	3
b) Avantha Power & Infrastructure Limited	8,654,186	748	8,654,186	748	8,654,186	748
Total Investments Measured at Fair Value through OCI	8,659,186	751	8,659,186	751	8,659,186	751

Note: 141 Zero Coupon Convertible Notes [ZCCN] of \$ 65789.5 of Premium \$ 214912.25 was purchased during the previous year.

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

₹ in Lacs

9.1 AGGREGATE AMOUNT OF NON CURRENT INVESTMENTS

Particulars	As at 31st March-2017		As at 31st March-2016		As at 1st April-2015	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
Quoted Investments	-	-	-	-	-	-
Unquoted Investments	184,016,847	106,535	184,016,847	106,535	184,016,706	81,378
Total	184,016,847	106,535	184,016,847	106,535	184,016,706	81,378

9.2 CATEGORY-WISE NON CURRENT INVESTMENTS

Particulars	As at 31st March-2017		As at 31st March-2016		As at 1st April-2015	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
Investments Measured at Cost	175,357,661	105,784	175,357,661	105,784	175,357,520	80,627
Investments Measured at Fair Value through OCI	8,659,186	751	8,659,186	751	8,659,186	751
Total	184,016,847	106,535	184,016,847	106,535	184,016,706	81,378

10 OTHER NON CURRENT FINANCIAL ASSETS

Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Unsecured, considered good			
Security Deposits	171	223	350
Total	171	223	350

11 OTHER NON CURRENT ASSETS

Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Unsecured, considered good			
(a) Capital advances	27	27	39
(b) Prepaid expenses	1	2	7
Total	28	29	46

12 INVENTORIES

Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Raw materials	2,201	1,640	5,245
Work in progress	123	359	1,890
Finished goods	17	2,419	8,033
Stores and spares	20,075	16,240	5,570
Chemicals	8,809	6,478	7,177
Packing material	1,243	1,342	1,448
Total	32,468	28,478	29,363

18.1) Includes stores & spares-in-transit of ₹ 11 Lacs (Previous Year As At 31 March, 2016 ₹ 8 Lacs & As At 01 April 2015 ₹ 5 Lacs)

18.2) Includes Chemicals-in-transit of ₹ 18 Lacs (Previous Year As At 31 March, 2016 ₹ 23 Lacs & As At 01 April 2015 ₹ 299 Lacs)

18.3) Includes Packing Material-in-transit of ₹ 11 Lacs (Previous Year As At 31 March, 2016 Nil & As At 01 April 2015 ₹ 36 Lacs)

13 TRADE RECEIVABLES

Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Secured, Considered good:-			
- Due from others (more than 6 months)	-	-	-
- Due from others (less than 6 months)	62	218	503
Total Secured	62	218	503
Unsecured, Considered good			
- Due from related parties	-	-	540
- Due from others (more than 6 months)	192	41	133
- Due from others (less than 6 months)	283	1,296	4,487
Total Unsecured	475	1,337	5,160
Total	537	1,555	5,663

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

₹ in Lacs

14 CASH AND CASH EQUIVALENTS			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Balances with Banks :			
- On current accounts	190	5,558	679
Fixed deposits with original maturity of less than three months	59	59	59
Cash on hand	4	10	8
Total Cash and cash equivalents	253	5,627	746
15 OTHER BANK BALANCES			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Bank Balances-Unpaid Dividend Account	67	80	85
Bank Balances-Unclaimed Compulsory /Optional Buy Back Consideration Accounts	179	180	185
Total	246	260	270
16 LOANS			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Unsecured, considered good :-			
(a) Loans to related parties	50,353	44,901	10,809
(b) Loans to others	2,411	3,871	2,798
Total	52,764	48,772	13,607
17 OTHER FINANCIAL ASSETS			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015"
Advances to Others	25	31	40
Security Deposit - Considered Good	850	740	744
Total	875	771	784
18 OTHER CURRENT ASSETS			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Prepaid expenses	668	586	61
Advances to employees	190	174	339
Advances to related parties	-	8	8
Advances to trade creditors	5,043	5,117	4,382
Balance with govt authorities*	398	473	755
Other assets	-	1	1
Total	6,299	6,359	5,546
* Pledged with banks, government departments and others.			
19 EQUITY SHARE CAPITAL :			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Authorised			
750,000,000 (March 31, 2016: 750,000,000, March 31, 2015: 750,000,000)	15,000	15,000	15,000
Equity shares of ₹ 2/- each			
25,000,000 (March 31, 2016: 25,000,000, March 31, 2015: 25,000,000)	25,000	25,000	25,000
Preference shares of ₹ 100/- each			
	40,000	40,000	40,000
Issued capital			
655,773,584 (March 31, 2016: 655,773,584, March 31, 2015: 655,773,584)	13,115	13,115	13,115
Equity shares of ₹ 2/- each			
	13,115	13,115	13,115

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

₹ in Lacs

Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Subscribed and Paid up capital			
655,773,584 (March 31, 2016: 655,773,584, March 31, 2015: 655,773,584) Equity shares of ₹ 2/- each	13,115	13,115	13,115
Less: Forfeited shares - 249,745 (March 31, 2016: 249,745, March 31, 2015: 249,745) Equity shares of ₹ 2/- each	5	5	5
655,523,839 (March 31, 2016: 655,523,839, March 31, 2015: 655,523,839) Equity shares of ₹ 2/- each	13,110	13,110	13,110
Add: Amount originally paid up on forfeited shares	2	2	2
	13,112	13,112	13,112

a) Reconciliation of the number of shares :-

Particulars	As at 31st March-2017		As at 31st March-2016		As at 1st April-2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	655,523,839	13,112	655,523,839	13,112	655,523,839	13,112
Add:- Issued during the Year	-	-	-	-	-	-
Balance as at the end of the year	655,523,839	13,112	655,523,839	13,112	655,523,839	13,112

b) Rights, preferences and restrictions attached to shares:

The company has one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of shareholders	As at 31st March-2017		As at 31st March-2016		As at 1st April-2015	
	No. of Shares	Holding %	No. of Shares	Holding %	No. of Shares	Holding %
a) Avantha Holdings Limited	322,689,019	49.23%	322,689,019	49.23%	322,689,019	49.23%
b) Life Insurance Corporation of India	43,872,365	6.69%	43,872,365	6.69%	44,134,423	6.73%
c) Samera Special Situations Mauritius	59,480,544	9.07%	59,480,544	9.07%	41,515,609	6.33%
d) Platinum Investment Management Ltd. A/c Platinum Asia Fund	-	-	35,282,244	5.38%	35,282,244	5.38%
e) Finquest Securities Private Limited	35,458,000	5.41%	-	-	-	-

d) Terms of securities convertible into equity shares:

123 (March 31, 2016: 123) equity shares of ₹ 2/- each represent 41 underlying Global Depository Receipts.

e) Under Previous GAAP, proposed dividend including dividend distribution tax (DDT), are recognised as liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company, usually when approved by shareholders in the general meeting, or paid, and its reversal impact thereof along with effect of dividend tax.

20 BORROWINGS:

Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Non-current Borrowings:			
Secured Loan:-			
a) Non convertible debentures	15,000	15,000	15,000
b) Term loan from :-			
Bank	47,709	67,381	14,586
Financial Institutions	12,500	8,393	12,964
Total	75,209	90,774	42,550
Current Borrowings:			
Working capital loan	158,893	100,477	107,507
Total	158,893	100,477	107,507

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

₹ in Lacs

- a) The Company had availed various secured financial facilities from the banks and financial institutions ("the Lenders"). The said loans are secured by way of a first pari-passu charge over all moveable / immoveable assets of the company both present and future.
- b) All the loans as mentioned above are in Indian Currency except working capital loan taken from Standard Chartered Bank of GBP 73.40 Lacs [O/s Amount as on 31.03.2017: ₹ 6123 Lacs.
- c) The Company is required to maintain ratios (including total debt to net worth, EBITDA to gross interest, debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios these loans become callable at the option of lenders, except where exemption is provided by lender.
- d) In the current financial year, due to delay in repayments of debts and payment of interest, the lenders of the company have invoked standstill provision. As of March 31, 2017, the Company had breached the financial covenants set by its bankers for outstanding term loans amounting to ₹ 2,429 Lacs. The details is as under:-

Borrowing Particulars	Default Outstanding Amount	Upto 3 Months	3 to 6 Months
Exim Bank	1,429	714	715
State Bank Of Travancore	375	125	250
The South Indian Bank	500	500	-
IDBI Bank	125	125	-
Total	2,429	1,464	965

Therefore, company is in discussions with banks to finalise & implement SDR/Other restructuring packages.

- e) The maturity profile of the company's borrowing at the reporting date based on contractual undiscounted repayment obligation are as follows :-

Year	Nature	As at 31st March-2017
2017-18	Current	17,235
2018-19		14,757
2019-20		17,773
2020-21		16,300
2021-22	Non-Current	16,200
2022-23		7,695
2023-24		3,000

- f) The term loans, working capital loans etc. are arranged at fixed & floating rates. The interest rates per annum are as follows:-

Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
a) Non convertible debentures	11.75%	11.75%	11.75%
b) Term loan from :-			
Bank	11.45% to 12.27%	11.45% to 12.27%	11.75% to 12.00%
Financial Institutions	11.20% to 12.00%	11.20% to 12.00%	11.75% to 12.01%
c) Working capital loan	11.50% to 14.00%	11.75% to 12.25%	11.75% to 12.25%

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

g) Loan from Bank/Financial Institutions :-

₹ in Lacs

Sl. No.	Name of Bank	Sanctioned Amount	As on date	Total Outstanding Amount	Current	Non-Current	Interest rate	Security	Repayment terms
a)	Exim Bank	15,000	31-March-17 31-March-16 1-April-15	9,222 10,690 13,534	4,286 3,571 2,857	4,936 7,119 10,677	Base Rate + 1.50% initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company both present and future.	Term loan is repayable in 21 equal quarterly installments starting from the end of 24 months from the date of first disbursement ie. 29Oct 2012. Therefore, Payment Due date starting from November 2014 to October 2019.
b)	Clix Capital P. Ltd. formerly known as GE Money Financial Services P. Ltd.	5,000	31-March-17 31-March-16 1-April-15	- 2,500 3,250	- 1,250 1,000	- 1,250 2,250	Benchmark Rate +2.70% initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company both present and future.	Term loan is repayable in 20 equal quarterly installments starting from September 2013 to June 2018.
c)	State Bank of Travancore	5,000	31-March-17 31-March-16 1-April-15	4,599 4,700 4,857	4,599 375 225	- 4,325 4,632	Base Rate + 1.50% initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company both present and future.	Term loan is repayable in 32 equal quarterly installments starting from September 2014 to June 2022.
d)	PHOENIX ARC PVT LTD*	10,000	31-March-17 31-March-16 1-April-15	9,991 9,993 9,991	2,500 500 -	7,491 9,493 9,991	Base Rate + 1.50% initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company.	Term loan is repayable in 20 equal quarterly installments starting from December 26, 2016 to September 26, 2021.
e)	IDBI BANK	10,000	31-March-17 31-March-16 1-April-15	9,522 9,882 -	875 475 -	8,647 9,407 -	Base Rate + 2% initially	The Loan is secured by way of a first pari-passu charge over freehold immovable property of units Kamlapuram & Shreegopal.	Term loan is repayable in 27 equal quarterly installments starting from December 2015 to June 2022.
f)	ICICI BANK	27,500	31-March-17 31-March-16 1-April-15	27,500 27,500 -	4,125 - -	23,375 27,500 -	Base Rate + 1.92% initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company.	Term loan is repayable in 20 equal quarterly installments starting from the end of 9th Quarter from the date of first disbursement/ drawdown i.e. September 2017 to June 2022.
g)	ICICI BANK	17,000	31-March-17 31-March-16 1-April-15	16,610 16,680 -	850 - -	15,760 16,680 -	Base Rate + 2.60% initially	The Loan is secured by way of a first pari-passu charge over all fixed assets of the company.	Term loan is repayable in 20 equal quarterly installments starting from the end of 9th Quarter from the date of first disbursement/ drawdown i.e. March 2018 to December 2022.
h)	NCD Yes Bank	-	31-March-17 31-March-16 1-April-15	- - 5,000	- - 5,000	- - -	- - 9.90%	-	-
i)	NCD LIC	-	31-March-17 31-March-16 1-April-15	15,000 15,000 15,000	- - -	15,000 15,000 15,000	11.75% 15,000 15,000	Debentures are secured by way of a first pari-passu charge over all moveable properties of the company both present and future.	These Debentures is repayable in 5 equal yearly installments starting from the F.Y. 19-20 to 23-24.

*Loan from South Indian Bank has been absolutely assigned and transferred to Phoenix ARC Private Limited. w.e.f. 17.03.2017 together with all securities, rights, title and intrests in all agreements, deeds and documents in relation to or about to the said debts and now company will deal directly with Phonix in all respects in relation to this debt.

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

₹ in Lacs

21 OTHER FINANCIAL LIABILITIES			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Due to Related Parties	52,243	93,189	66,080
Total	52,243	93,189	66,080

22 PROVISIONS			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Provisions for employee benefits :-			
- Provision for gratuity	2,582	2,667	2,572
- Provision for leave encashment	697	874	850
Total	3,279	3,541	3,422

23 DEFERRED TAX LIABILITY			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Deferred tax liability (net)			
Diffrence in Tax Base of Property, Plant and Equipments	2,698	5,240	5,633
Total	2,698	5,240	5,633

23.1 Reconciliation of tax expenses and the accounting profit multiplied by domestic tax rate:

Since the Company has incurred Business loss during the year 2016-17 and previous year 2015-16 therefore no tax is payable for these years as per provisions of Income Tax Act, 1961, Hence calculation of effective tax rate is not required.

23.2 The Company has recognised deferred tax assets on carry forward business losses as sufficient future taxable income will be available against which deferred tax assets can be realised considering its present order book and anticipated orders.

24 TRADE PAYABLES			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
For Acceptances			
To micro,small and medium enterprises	155	106	87
Payable to related parties	0	12	3
Other payables	11,704	12,408	12,007
Total	11,859	12,526	12,097

Micro and Small Enterprises under the Micro and Small Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Principal amount due & remaining unpaid	-	-	-
Interest due thereon	-	-	-
Interest paid by the Company in terms of Section 16	-	-	-
Interest due and payable for the period of delay in payment	-	-	-
Interest accrued and remaining unpaid	-	-	-
Interest remaining due and payable even in succeeding years	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

₹ in Lacs

25 OTHER FINANCIAL LIABILITIES			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Current maturities of long term debt	17,235	6,171	9,082
Interest accrued but not due on borrowings	7,982	1,753	958
Security deposits	177	743	680
Interest accrued on security deposits	35	40	30
Unpaid dividends	67	80	85
Liability for compulsory / optional Buyback	179	181	185
Payables for capital goods	43	61	39
Bank book overdrawn	-	5	232
Statutory dues	4,399	3,406	3,044
Payable to employee	5,661	3,089	1,782
Due to related parties	16	16	56
Total	35,794	15,545	16,173

26 OTHER CURRENT LIABILITIES			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Advance received from customers	134	110	89
Security deposit	494	465	492
Other payable	1,112	269	174
Total	1,740	844	755

27 PROVISIONS			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Provisions for employee benefits :			
- Provision for gratuity	442	390	396
- Provision for leave encashment	260	172	203
Provision for tax including MAT	3,419	1,410	1,247
Others provisions (Net of payment) (Refer Note 27.1)	71	66	61
Total	4,192	2,038	1,907

27.1 The Company is carrying provision for obligation as on Balance Sheet date, which may result in outflow of resources. The following is the disclosure of such provisions covered under Ind AS 37.

	As at 1st April-2015	Provision During the Year	Provision Utilised/Reversed During the Year	As at 31st March- 2016
Provision For Sales Tax*	61	5	-	66

	As at 1st April-2016	Provision During the Year	Provision Utilised/Reversed During the Year	As at 31st March- 2017
Provision For Sales Tax	66	5	-	71

*Represents provisions against sales tax cases for which appeal has been filed before Punjab VAT Tribunal at Chandigarh.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

₹ in Lacs

28 REVENUE FROM OPERATIONS		
Particulars	Year ended 31-March-2017	Year ended 31-March-2016
Sale of products		
Paper (including coated)	22,142	55,606
Pulp	115	1,445
Others	50	1,353
Sub Total	22,307	58,404
Other operating revenue		
Scraps sale	354	779
Sub Total	354	779
Total	22,661	59,183
29 OTHER INCOME		
Particulars	Year ended 31-March-2017	Year ended 31-March-2016
Profit on sale of Property, Plant & Equipments (Net)	3,436	2,786
Gain on foreign currency fluctuations	3	-
Rent and license fee	1	1
Interest earned	3	10
Other non operating income (net of expenses directly attributable to such income)	3,253	2,562
Dividend Income	-	1
Total	6,696	5,360
30 COST OF MATERIAL CONSUMED		
Particulars	Year ended 31-March-2017	Year ended 31-March-2016
Bamboo	780	1,878
Wood and wood species	2,834	6,493
Chemicals	2,737	5,069
Wood pulp	-	229
Packing materials	478	709
Others	-	287
Total	6,829	14,665
31 INCREASE/DECREASE IN STOCK		
Particulars	Year ended 31-March-2017	Year ended 31-March-2016
Stock at the beginning of the Period/year		
Finished Goods		
Paper	2,362	7,332
Pulp	57	701
	2,419	8,033
Work in Progress		
Paper	356	873
Pulp	3	1,017
	359	1,890
Total (A)	2,778	9,923
Stocks at the end of the period/year		
Finished Goods		
Paper	17	2,362
Pulp	-	57
	17	2,419
Work in Progress		
Paper	123	356
Pulp	-	3
	123	359
Total (B)	140	2,778
Increase /(Decrease) (A-B)	2,638	7,145

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

₹ in Lacs

32 EMPLOYEE BENEFIT EXPENSES		
Particulars	Year ended 31-March-2017	Year ended 31-March-2016
Salaries and wages	6,540	5,930
Contribution to provident and other funds	519	503
Staff welfare expenses	443	477
Total	7,502	6,910

33 FINANCE COSTS		
Particulars	Year ended 31-March-2017	Year ended 31-March-2016
Interest expenses	16,291	10,799
Other borrowing costs	562	3
Net loss / (gain) in foreign currency transaction and translation	(47)	(49)
Less: Interest earned	(1,487)	(5,560)
Total	15,319	5,193

34 OTHER EXPENSES		
Particulars	Year ended 31-March-2017	Year ended 31-March-2016
Consumption of stores and spare parts	419	586
Power and fuel	6,343	11,624
Excise duty on year end inventory of finished goods	(33)	(48)
Rent	2,080	1,242
Repairs to buildings	63	71
Repairs to machinery	475	604
Repairs others	70	84
Insurance	143	145
Rates and taxes	154	90
Other manufacturing expenses	195	542
Office & other expenses	584	1,005
CSR Expenses	13	29
Selling expenses	1,274	52
Bad Debts	564	-
Carriage and freight	629	899
*Legal and professional charges	132	134
Directors sitting fees	11	12
Total	13,116	17,071
*Legal & Professional Expenses includes amount of payment to Auditor (Refer Note. 39).		

35 EXCEPTIONAL ITEMS		
Particulars	Year ended 31-March-2017	Year ended 31-March-2016
Impairment of Property, Plant & Equipments	20,100	-
Others	5,049	-
Total	25,149	-

Impairment of Asset Review of one unit at 'Kamplapuram'

- Due to non-operation of unit at 'Kamplapuram', this plant was not serviced / maintained in satisfactory running condition, thereby requiring impairment testing under Ind AS 36. The unit had appointed a registered valuer and based on his report an impairment loss amounting to ₹ 20,100/- Lacs has been charged to Profit & Loss Account under exceptional item. To arrive at the impairment amount, Valuer have adopted Fair Market Value using Cost Approach, applying relevant index and relevant reduction factors as the plant was not in operation for almost last 36 months.
- Further, company has also written off the inventory of ₹ 4,771/- Lacs & Advance to Supplier of ₹ 278/- Lacs under exceptional item of Kamplapuram Plant.

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

36 FINANCIAL INSTRUMENTS

a) Capital Risk Management

The company manages its capital to ensure the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirement of the financial covenants. The funding requirement is met through a mixture of equity, internal accrual, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

₹ in Lacs

Particulars	As at 31st March-2017	As at 31st March-2016
Loans and borrowings	234,102	191,251
Less: cash and cash equivalents	253	5,627
Net debt	233,849	185,624
Equity	122,414	167,587
Capital and net debt	356,263	353,211
Gearing ratio	0.66	0.53

b) Categories of financial instruments

Particulars	March 31, 2017	March 31, 2016
Financial Assets		
at amortised cost:		
Loans and receivables:		
Investments in subsidiaries, associates and joint ventures	105,784	105,784
Investments other	751	751
Trade and other receivables	537	1,555
Refundable deposits	1,021	963
Loans	52,764	48,772
Cash and bank balances	499	5,887
Financial Liabilities		
Other financial liabilities		
Bank borrowings (including current maturities)	251,337	197,422
Interest accrued but not due on borrowings	7,982	1,753
Due to related party	52,259	93,205
Trade payables	11,859	12,526
Payable to employees	5,661	3,089
Statutory Dues	4,399	3,406
Security deposits including interest there on	211	783
Liability For Compulsory / Optional Buyback	179	181
Other financial liability	111	146

c) Financial Risk Management Objectives and Policies

The operations of the Company are subject to a variety of financial risks, including market risk, foreign currency risk, credit risk, interest rate risk and liquidity risk. The Company has formulated a financial risk management framework whose principal objective is to minimise the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Company.

Various risk management policies are approved by the Board for monitoring on the day-to-day operations for the control and management of the risks associated with financial instruments.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

(a) Foreign exchange risk and sensitivity

The Company transacts business primarily in Indian Rupee and no material transactions have been done in foreign currency, accordingly the company is not exposed to any material foreign exchange risk.

(b) Interest rate risk and sensitivity

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

Interest rate risk is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk arises primarily because of the bank borrowings comprising term loans, loans against import and revolving credits which are at the aggregate of Base rate / MCLR and the applicable margin. The interest rates for the said bank borrowings are disclosed in Note No. 20.

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Interest rate sensitivity	March 31, 2017	March 31, 2016
INR borrowings	(1,257)	(987)

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Commodity price risk and sensitivity

The Company has in place policies to manage the Company's exposure to fluctuation in the prices of the key materials and commodities used in the operations. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continually upgrading its expertise and range of products to meet the needs of its customers. The company enters into fixed price contracts to establish determinable prices for raw materials and consumables used. The management does not consider the Company's exposure to market risk significant as on March 31, 2017. Therefore, sensitivity analysis for market risk is not disclosed.

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligation as agreed. To manage this, Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable, individual risk limits are set accordingly. The company does not hold any collateral on the balance outstanding.

Trade Receivables

The Company extends credit to customers in normal course of business based upon careful evaluation of the customer's financial condition and credit history. Outstanding customer receivables are regularly monitored. The ageing of trade receivable is as below:

Particulars	Past due		Total
	upto 6 months	more than 6 months	
Trade Receivables			
As at March 31, 2017			
Secured	62	-	62
Unsecured	283	192	475
Gross Total	345	192	537
Provision for doubtful receivables	-	-	-
Net Total	345	192	537
As at March 31, 2016			
Secured	218	-	218
Unsecured	1,296	41	1,337
Total	1,514	41	1,555
Provision for doubtful receivables	-	-	-
Net Total	1,514	41	1,555

Financial instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The results of the Company for the current year have been impacted due to lack of adequate working capital. The lenders of the company have invoked standstill provision due to delay in repayments of debts and payment of interest. The company is in discussions with banks to finalise & implement SDF / Other restructuring packages.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

The Company is required to maintain ratios (including total debt to net worth, EBITDA to gross interest, debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios these loans become callable at the option of lenders, except where exemption is provided by lender.

Maturity profile of financial liabilities

The table below provides regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

₹ in Lacs

Particulars	As at 31st March-2017			As at 31st March-2016		Total
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	
Due to related party	16	52,243	52,259	16	93,189	93,205
Trade payables	11,859	-	11,859	12,526	-	12,526
Payable to employees	5,661	-	5,661	3,089	-	3,089
Statutory Dues	4,399	-	4,399	3,406	-	3,406
Security deposits including interest there on	705	-	705	1,249	-	1,249
Liability For Compulsory / Optional Buyback	179	-	179	181	-	181
Other financial liability	111	-	111	146	-	146
Total	22,930	52,243	75,173	20,613	93,189	113,802

37. SEGMENT REPORTING

Segments have been identified taking into account nature of product and differential risk and returns of the segment. These business segments are reviewed by the Chief Operating Officer of the Company (Chief operating decision maker).

The Expenses, which are not directly identifiable to a specific business segment are clubbed under "Unallocated Corporate Expenses" and similarly, the common assets and liabilities, which are not identifiable to a specific segment are clubbed under "Unallocated Corporate Assets/ Liabilities" on the basis of reasonable estimates.

₹ in Lacs

Particulars	Year	Paper	PAPER PRODUCTS & OFFICE SUPPLIES	PULP	TOTAL
Revenues					
Gross Sale to External Customers	2016-17	18,925	3,267	115	22,307
	2015-16	41,126	15,915	1,364	58,404
Excise Duty	2016-17	(1,026)	(98)	-	(1,124)
	2015-16	(2,453)	(470)	(82)	(3,005)
Total Segment Revenues (Net of Excise)	2016-17	17,899	3,169	115	21,183
	2015-16	38,673	15,445	1,282	55,399
Segment Results	2016-17	(3,993)	33	(4,860)	(8,820)
	2015-16	12,858	159	(5,525)	7,492
Less: Unallocated Corporate Expenses	2016-17				309
	2015-16				308
Profit Before Interest, Tax and exceptional items	2016-17				(9,129)
	2015-16				7,184
Interest & Finance Cost (Net)	2016-17				15,319
	2015-16				5,193
Profit Before Tax & Exceptional Items	2016-17				(24,447)
	2015-16				1,991
Exceptional Items	2016-17				25,149
	2015-16				-
Provision For Tax	2016-17				-
- Current Tax (Net of MAT Credit Entitlement)	2015-16				218
- Deferred Tax	2016-17				(2,542)
	2015-16				(393)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

₹ in Lacs

Particulars	Year	Paper	PAPER PRODUCTS & OFFICE SUPPLIES	PULP	TOTAL
Net Profit before OCI	2016-17				(47,054)
	2015-16				2,166
Other Information					
Segmental Assets	2016-17	323,261	6,983	31,044	361,288
	2015-16	313,038	11,747	54,554	379,339
Unallocated Corporate assets	2016-17				107,033
	2015-16				112,422
Total Assets	2016-17				468,321
	2015-16				491,761
Segmental Liabilities	2016-17	77,244	1,957	6,554	85,755
	2015-16	106,099	4,595	4,166	114,860
Unallocated Corporate Liabilities	2016-17				6,117
	2015-16				6,651
Total Liabilities	2016-17				91,872
	2015-16				121,511
Capital Expenditure during the period/year	2016-17				1,557
	2015-16				13,923
Depreciation	2016-17				5,269
	2015-16				5,810
Total Liabilities Exclude					
Long Term Borrowings	2016-17				75,209
	2015-16				90,774
Short Term Borrowings	2016-17				158,893
	2015-16				100,477
Current Maturities of Long Term Debts	2016-17				17,235
	2015-16				6,171
Deferred tax liabilities	2016-17				2,698
	2015-16				5,240

38. EMPLOYEE BENEFITS

As per Ind AS-19 "Employee Benefits", the disclosure of employee benefits as defined in the accounting standard are given below:

Defined Contribution Plan*

Contribution to defined contribution Plan is recognized and charged off for the year, are as under :

Particulars	For The Year Ended	For The Period Ended
	2017	2016
Employer's contribution to provident fund	222	197
Employer's contribution to pension scheme	258	243

* Includes charged to other accounts

Defined Benefit Plan

a) Gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit plan, covering eligible employees. This Plan provides for a lump sum payment to vested employees on retirement, death, incapacity or termination of employment of amounts that are based on salary and tenure of employment. Liability with regard to this plan are determined by actuarial valuation.

b) Leave Encashment

The Company permits encashment of leave accumulated by their employees on retirement, separation and during the course of service. The liability for encashment of leave is determined and provided on the basis of actuarial valuation performed by an independent actuary at each balance sheet date. This Plan is completely unfunded.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

c) Reconciliation of opening and closing balances of the present value of the defined benefit obligations

Particulars	2016-17		2015-16	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	(Unfunded)	(Unfunded)	(Unfunded)	(Unfunded)
Present value of obligation as at the beginning of the period	3,057	1,046	2,968	1,052
Current service cost	120	120	149	56
Interest Expense or cost	235	93	280	93
Acquisition	-	-	-	-
Re-Measurement (or Actuarial) (gain) / (loss) arising from:				
- change in demographic assumptions	-	-	(10)	(0)
- change in financial assumptions	50	17	(30)	(14)
- experience variance (i.e. Actual experience vs assumptions)	(21)	(41)	120	28
- others	-	-	-	-
Past service cost	-	-	-	-
Effect of change in foreign exchange rates	-	-	-	-
Benefits paid	(417)	(278)	(420)	(169)
Effects of business combinations or disposals	-	-	-	-
Exchange differences	-	-	-	-
Present value of obligation as at the end of the period	3,024	957	3,057	1,046

d) The Components of Amounts Recognised and Charges off for the year are as under:

Particulars	2016-17		2015-16	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	(Unfunded)	(Unfunded)	(Unfunded)	(Unfunded)
Current service cost	120	120	149	56
Past service cost	-	-	-	-
Loss / (Gain) on settlement	-	-	-	-
Net interest income / (cost) on the net defined benefit liability (Assets)	235	93	280	93
Less Recovered from Holding Company	-	-	-	-
Net Cost recognised in Statement of Profit/Loss	356	214	429	149
Other Comprehensive Income:				
Actuarial (gain) / losses				
- change in demographic assumptions	-	-	(10)	(0)
- change in financial assumptions	50	17	(30)	(14)
- experience variance (i.e. Actual experience vs assumptions)	(21)	(41)	120	28
- others	-	-	-	-
Components of defined benefit costs recognised in other comprehensive income	29	(24)	80	14

e) Balance Sheet Obligations

Particulars	2016-17		2015-16	
	Gratuity	Leave	Gratuity	Leave Encashment
	(Unfunded)	(Unfunded)	(Unfunded)	(Unfunded)
Present value of obligation as at the end of the period	3,024	957	3,057	1,046
Fair value of plan assets as at the end of the period	-	-	-	-
Liabilities/ (Assets) recognised in the Balance Sheet	3,024	957	3,057	1,046

f) Economic Assumptions

Particulars	2016-17		2015-16	
	Gratuity	Leave	Gratuity	Leave Encashment
	(Unfunded)	(Unfunded)	(Unfunded)	(Unfunded)
Discount rate	7.25%	7.25%	7.70%	7.70%
Salary growth rate	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	0.00%	0.00%	0.00%	0.00%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

g) Demographic assumptions

Particulars	2016-17		2015-16	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	(Unfunded)	(Unfunded)	(Unfunded)	(Unfunded)
Retirement age (years)	60	60	60	60
Mortality Rate (as % of IALM 06-08)	100%	100%	100%	100%
Withdrawal rate	2%	2%	2%	2%
Rate of leave availment	0.00%	0.00%	0.00%	0.00%

h) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	Changes in Assumption	2016-17					
		PAID LEAVE		Grat. On Roll		Grat. On Contractor	
		% Impact on defined benefit obligation due to increase in assumption	% Impact on defined benefit obligation due to Decrease in assumption	% Impact on defined benefit obligation due to increase in assumption	% Impact on defined benefit obligation due to Decrease in assumption	% Impact on defined benefit obligation due to increase in assumption	% Impact on defined benefit obligation due to Decrease in assumption
Discount rate	1%	-3%	4%	-4%	4%	0%	0%
Salary growth rate	1%	4%	-4%	4%	-4%	0%	0%
Attrition Rate	1%	1%	-1%	1%	-1%	0%	0%
Mortality rate	1%	0%	0%	0%	0%	0%	0%

Particulars	Changes in Assumption	2015-16					
		PAID LEAVE		Grat. On Roll		Grat. On Contractor	
		% Impact on defined benefit obligation due to increase in assumption	% Impact on defined benefit obligation due to Decrease in assumption	% Impact on defined benefit obligation due to increase in assumption	% Impact on defined benefit obligation due to Decrease in assumption	% Impact on defined benefit obligation due to increase in assumption	% Impact on defined benefit obligation due to Decrease in assumption
Discount rate	1%	-3%	3%	-4%	4%	0%	0%
Salary growth rate	1%	3%	-3%	4%	-4%	0%	0%
Attrition Rate	1%	1%	-1%	1%	-1%	0%	0%
Mortality rate	1%	0%	0%	0%	0%	0%	0%

i) Maturity Profile of defined benefit obligation (Weighted average)

Particulars	2016-17		2015-16	
	Gratuity	Leave Encashment"	Gratuity	Leave Encashment
	(Unfunded)	(Unfunded)	(Unfunded)	(Unfunded)
Expected Cash Flows Over the next (Valued on undiscounted basis)				
1 year	442	259	390	165
2 - 5 year	1,827	427	1,874	577
6 - 10 year	1,106	354	1,227	415
More than 10 year	903	338	981	402

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

₹ in Lacs

39 OTHER DISCLOSURES

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a) Auditors Remuneration		
Statutory Auditors		
i. Audit Fee (Incl. Cost Audit Fees)	41	40
ii. Tax Audit Fee	8	8
iii. Limited Review	8	8
iv. Other capacity	4	11
iv. Reimbursement of Expenses	1	1
Total	62	68

(b) Expenditure on Corporate Social Responsibility :

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of the Companies Act, 2013 read with schedule III are as below:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Rural development	2	-
Livelihood Enhancement Projects	11	29
Total	13	29

40 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31-March-2017	As at 31-March-2016	As at 1-April-2015
(to the extent not provided for)			
1) Contingent Liabilities:			
Claims against the Company not acknowledged as debts	23,648	15,130	18,263
Guarantees	1,524	2,131	1,828
TOTAL (A)	25,172	17,261	20,091
2) Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	1	171
TOTAL (B)	-	1	171
TOTAL (A+B)	25,172	17,262	20,262

3) In respect of loan availed by its foreign wholly owned subsidiary, Ballarpur International Holding B.V

- i) The Company has granted to the lender a corporate guarantee of USD 97.75 Million.
- ii) The Company has executed an indemnity and undertaking for stand-by Letter of credit facility of USD 55 Million.

4) In respect of loan availed by its stepdown subsidiary, Bilt Graphic Paper Product Limited

- i) The Company has granted to the lender a corporate guarantee of Rs. 510 Crore.

5) In respect of loan availed by its subsidiary, Avantha Agritech Limited

- i) The Company has provided a Put Option to the lender, Yes Bank Limited of Rs. 65 Crore against his facility provide to borrower Avanth Agritech Limited.

Note:- It is not possible to predict the outcome of the pending litigations with accuracy, the Company believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

41 RELATED PARTY TRANSACTIONS

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationships, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported year are:

a) List of Related Parties over which control exists

Subsidiary Companies (Including Step Down Subsidiaries)

Ballarpur International Holdings B.V.
BILT Paper B.V.(Previously known as BILT Graphic Paper Holdings B.V.)
Ballarpur Paper Holdings B.V.
Ballarpur Speciality Paper Holdings B.V.
BILT Graphic Paper Products Limited
Avantha Agritech Ltd (BILT Tree Tech Limited name change w.e.f. 30-07-2016)
Sabah Forest Industries Sdn. Bhd.
Premier Tissues (India) Limited
BILT General Trading (FZE)- UAE (w.e.f 14-06-2016)

b) Key Management Personnel

Mr. Gautam Thapar
Mr. B Hariharan
Mr Anup Kansal (upto 14-10-2015)

c) Name of the Related Parties with whom transactions were carried out during the period and nature of Relationship

Name of the Related Party	Nature of relationship
Ballarpur International Holdings B.V.	Subsidiary
Avantha Agritech Ltd (BILT Tree Tech Limited name change w.e.f. 30-07-2016)	Subsidiary
Premier Tissues (India) Limited	Subsidiary
Ballarpur Paper Holdings B.V.	Step Down Subsidiary
BILT Graphic Paper Products Limited	Step Down Subsidiary
Sabah Forest Industries Sdn. Bhd.	Step Down Subsidiary
Arizona Printers & Packers Private Limited	Other Related Parties
Avantha Holdings Limited	Other Related Parties
Avantha Power & Infrastructure Limited	Other Related Parties
Avantha Realty Limited	Other Related Parties
BILT Industrial Packaging Company Limited	Other Related Parties
Biltech Building Elements Limited	Other Related Parties
CG Power and Industrial Solutions Limited (formerly) Crompton Greaves Limited, Name	Other Related Parties
Global Green Company Limited	Other Related Parties
Jhabua Power Limited	Other Related Parties
Korba West Power Company Limited	Other Related Parties
Mirabelle Trading Pte. Limited	Other Related Parties
Saraswati Travels (P) Limited	Other Related Parties
Avantha Business Solutions Ltd	Other Related Parties
Solaris Chemtech Industries Limited	Other Related Parties
UHL Power Company Ltd.	Other Related Parties
Avantha Technologies Ltd	Other Related Parties

Key Management Personnel

Mr. Gautam Thapar
Mr. B Hariharan
Mr Anup Kansal (upto 14-10-2015)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

(d) Details of transaction with related parties

(Financial transactions have been carried out in the ordinary course of business and/or in discharge of contract obligation)

₹ in Lacs

S. No.	Particulars	Relationship	31.03.2017	31.3.2016
a)	Sale of goods,rent received & allocation of common expenses for rendering corporate service:			
	BILT Graphic Paper Products Limited	Step Down Subsidiary	1,065	79
	Ballarpur International Holdings B.V. (Guarantee Commision Recd/Receivable)	Step Down Subsidiary	2,556	-
	Avantha Holdings Limited	Other Related Parties	-	0
b)	Purchase of Goods & Services, Rent and Commission/ Royalty:			
	Ballarpur International Holdings B.V.	Subsidiary	-	2,260
	BILT Graphic Paper Products Limited	Step Down Subsidiary	492	2,259
	Avantha Holdings Limited	Other Related Parties	-	79
	Biltech Building Elements Limited	Other Related Parties	26	31
c)	Loan Given during the period/year			
	Ballarpur International Holdings B.V.	Subsidiary	-	12,562
d)	Loan Received during the period/year			
	Ballarpur International Holdings B.V.	Subsidiary	-	10,714
e)	Interest on Loan Given:			
	Ballarpur International Holdings B.V.	Subsidiary	959	655
	Avantha Realty Limited	Other Related Parties	300	501
	Sabah Forest Industries Sdn. Bhd.	Step Down Subsidiary	228	-
f)	Advances given during the period/year			
	Sabah Forest Industries Sdn. Bhd.	Step Down Subsidiary	1,566	3,774
	Mirabelle Trading Pte. Limited	Other Related Parties	5,239	5,863
g)	Dividend Received			
	BILT Graphic Paper Products Limited	Step Down Subsidiary	-	1
h)	Remuneration:			
	Mr Gautam Thappar	Key Management Personnel	1	2
	Mr. B Hariharan	Key Management Personnel	-	775
	Mr. Anup Kansal	Key Management Personnel	-	112
j)	Outstanding Balances as on 31st March 2017			
	Avantha Agritech Ltd (BILT Tree Tech Limited name change w.e.f. 30-07-2016)	Subsidiary	11,085	-
	Premier Tissues (India) Limited	Subsidiary	61	17
	Ballarpur International Holdings B.V.	Subsidiary	19,328	15,566
	Ballarpur Paper Holdings B.V.	Step Down Subsidiary	12	12
	Sabah Forest Industries Sdn Bhd	Step Down Subsidiary	5,340	3,774
	BILT Graphic Paper Products Limited	Step Down Subsidiary	(52,253)	(93,201)
	Biltech Building Elements Limited	Other Related Parties	1,249	1,160
	Avantha Holdings Limited	Other Related Parties	6,128	1,169
	Crompton Greaves Limited	Other Related Parties	(5)	(4)
	Saraswati Travels Private Limited	Other Related Parties	-	8
	BILT Industrial Packaging Company Limited	Other Related Parties	859	859
	Global Green Company Limited	Other Related Parties	376	376
	Arizona Printers & Packers Private Limited	Other Related Parties	1	1
	UHL Power Company Limited	Other Related Parties	473	473
	Salient Business Solutions Limited	Other Related Parties	0	0
	Korba West Power Company Limited	Other Related Parties	(0)	(0)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

₹ in Lacs

S. No.	Particulars	Relationship	31.03.2017	31.3.2016
	Solaris Chemtech Industries Limited	Other Related Parties	(5,257)	2,243
	Avantha Power & Infrastructure Limited	Other Related Parties	(103)	(103)
	Avantha Realty Limited	Other Related Parties	(344)	13,479
	Avantha Technologies Ltd	Other Related Parties	43	-
	Mirabelle Trading Pte. Ltd.	Other Related Parties	11,103	5,863
	Mr R R Vederah	Key Management Personnel	-	11
	Mr B Hariharan	Key Management Personnel	5	5

42 EARNINGS PER SHARE

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	(Number of shares)	
	Year Ended March 31, 2017	Year Ended March 31, 2016
Issued equity shares	655,523,839	655,523,839
Weighted average shares outstanding - Basic and Diluted - (A)	655,523,839	655,523,839

Net profit available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows :-

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Profit and loss after tax for EPS - (B)	(47,054)	2,166
Basic Earnings per share (B/A)	(7.18)	0.33
Diluted Earnings per share (B/A)	(7.18)	0.33

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity, if any.

43. During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

₹ in Lacs

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing Cash in Hand as on 08-11-2016	5	0	5
Add: Permitted Receipts	-	10	10
Less: Permitted Payments	0	7	7
Less Amount deposited in Banks	5	-	5
Closing Cash in Hand as on 30-12-2016	-	3	3

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

44. The liability of the put option of subsidiaries, if any shall be determined and provided on settlement in view of on-going discussions with banks.
45. The results of the company for the current 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 & payment of interest. The company is in discussions with banks to finalise & implement SDR/Other restructuring packages.

46. TRANSITION TO IND AS

Basis of preparation

For all period up to and including the year ended March 31, 2016, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended March 31, 2017 are the Company's first annual IND AS financial statements and have been prepared in accordance with IND AS.

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

Accordingly, the Company has prepared financial statements which comply with IND AS applicable for periods beginning on or after April 1, 2015 as described in the accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at April 1, 2015 the Company's date of transition to IND AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP Balance Sheet as at April 1, 2015 and its previously published Indian GAAP financial statements for the year ended March 31, 2016.

Exemptions

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date.
- to apply previous GAAP carrying amount of its investment in subsidiaries, associates and Joint venture as deemed cost as on the date of transition to Ind AS.
- continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

Exceptions

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

(a) Estimates

The estimates at 1st April 2015 and 31st March 2016 are consistent with those made for the same dates in accordance with India GAAP (after adjustments to reflect any difference if any, in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at the transition date and as of 31st March 2016.

(b) Derecognition of financial assets and financial liabilities

The company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition of Ind AS.

(c) Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

The following reconciliations and explanatory notes thereto describe the effects of the transition on the Ind AS Opening statement of financial position as at April 1, 2015. All explanations should be read in conjunction with the accounting policies of the company as disclosed in the Notes to the Accounts.

(₹ in Lacs)			
Particulars	Note No.	1-April-15	31-March-16
Other Equity as per Previous GAAP		147,937	149,714
Adjustments to other equity			
Fair valuation of Assets, Financial Assets & Financial Liabilities	(III) a	5,243	5,243
Impact of effective interest rate on borrowings	(III) b	77	372
Proposed dividend (including Corporate Dividend Tax)	(III) c	1,578	-
Reclassification of actuarial gain / losses, arising in respect of employee benefit schemes, to Other Comprehensive Income (OCI)	(III) d	(948)	(854)
Others items		(94)	-
Other Equity as per Ind AS		153,793	154,475

II. The following reconciliations and explanatory notes thereto describe the effects of the transition on the Ind AS on Statement of Profit and Loss for the year ended March 31, 2016. All explanations should be read in conjunction with the accounting policies of the company as disclosed in the Notes to the Accounts.

(₹ in Lacs)			
Particulars			2015-16
Profit / (Loss) as per Previous GAAP			1,777
Adjustments			
a. Amortisation of Transaction costs using Effective Interest Rate Method	(III) b		295
b. Reclassification of actuarial gain / losses, arising in respect of employee benefit schemes, to Other Comprehensive Income (OCI)	(III) d		94
Total adjustments			389
Profit / (Loss) as per Ind AS			2,166

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

III. Notes to the Reconciliation

- a. The Company has as at the date of transition elected to measure Plant and Equipments under Property, Plant and equipment at fair value as deemed cost.

On adoption of Ind-AS, the Company undertook a detailed evaluation of its financial assets & financial liabilities as at the date of transition i.e. April 1, 2015. These assets & liabilities were assessed for future economic benefits expected to flow to the Company or collection in accordance with Ind-AS 109. Ind-AS 109 requires measurement of provision for bad and doubtful debts to be determined with reference to the expected credit loss model. Such assets, based on evaluation, have been measured at the present value discounted at effective interest rate and adjusted to other reserve as at transition date.

- b. Under Previous GAAP, Costs incurred in raising funds are amortised over the period for which the funds have been obtained, using time proportionate basis. However, as per Ind AS, the transaction costs are accounted using Effective Interest Rate Method.

- c. Under Previous GAAP, proposed dividend including dividend distribution tax (DDT), are recognised as liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company, usually when approved by shareholders in the general meeting, or paid.

- d. Under Previous GAAP, Remeasurement benefits of defined plans (gratuity), arising primarily due to change in actuarial assumptions was recognized as employee benefit expenses in the statement of Profit & Loss Account. Under Ind AS, such remeasurement benefits relating to defined benefit plans is recognized in OCI as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognized in OCI.

47 Previous Year Figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached

ASHWIN MANKESHWAR

Partner

Membership No. 046219

For and on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the

23rd May, 2017

For Ballarpur Industries Limited

R. R. VEDERAH

Vice Chairman

B. HARIHARAN

Group Director (Finance)

BIMAL KHANDELWAL

Chief Financial Officer

AKHIL MAHAJAN

Company Secretary

Form AOC-I

(Persuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Account) Rule, 2014)

Statement containing salient features of the financial statement of Subsidiaries

Name of Subsidiary	Ballarpur International Holdings B.V.	BILT Paper B.V. (Formerly known as Ballarpur International Graphic Paper Holdings B.V.)	Ballarpur Paper Holding B.V.	Premier Tissues India Limited	Avantha Agritech Limited (Formerly known as BILT Tree Tech Limited)	BILT Graphic Paper Products Limited	Sabah Forest Industries Sdn.Bhd.	Ballarpur Speciality Paper Holdings B.V.	BILT General Trading (FZE)
Financial Year of the Subsidiary ended on	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017
Reporting Currency	USD	USD	USD	INR	INR	INR	RM	USD	USD
- Exchange Rate- Balance Sheet Items (Closing Rate)	64.88	64.88	64.88	1	1	1	14.67	64.88	64.88
- Exchange Rate- Profit & Loss Items (Average Rate)	67.15	67.15	67.15	1	1	1	16.01	67.15	67.15
Capital									
- Equity Share Capital	73,204	5,418	70,536	562	108	55,005	179,082	13	27
- Preference Share Capital	-	-	-	-	-	-	-	-	-
Reserves	(9,206)	432,418	216,626	1,116	(255)	22,466	(62,211)	(270)	220
Total Assets	174,129	454,025	432,047	4,549	14,021	803,246	259,559	27	293
Total Liabilities	174,129	454,025	432,047	4,549	14,021	803,246	259,559	27	293
Investment									
(Except investment in Subsidiaries)									
- Government or Trust Securities	-	-	-	-	-	-	-	-	-
- Shares, Debentures or Bonds	-	-	-	-	-	3,305	-	-	-
Turnover (including Other Income)	-	-	-	5,430	6,596	176,879	11,016	-	5,035
Profit Before Taxation	(7,743)	10,786	(4,544)	30	(656)	(105,374)	(25,408)	(28)	228
Provision for Taxation									
- Current Tax	-	-	-	-	18	-	-	-	-
- MAT Entitlement Credit	-	-	-	-	-	-	-	-	-
- Deferred Tax	-	-	-	11	-	(11,010)	17,287	-	-
- Excess provision relating to earlier years	-	-	-	-	-	-	-	-	-
Profit after Taxation	(7,743)	10,786	(4,544)	19	(674)	(94,364)	(42,696)	(28)	228
Proposed Dividend	-	-	-	-	-	-	-	-	-
Share Holding Percentage in the Subsidiary	100	62.21 (a)	100 (b)	100	91.67	100 (c)	98.08 (c)	100	100 (d)

Notes

- Held through Ballarpur International Holdings B.V.
- Held through BILT Paper B.V. (Formerly known as Ballarpur International Graphic Paper Holdings B.V.)
- Held through Ballarpur Paper Holdings B.V.
- Held through Ballarpur Speciality Paper Holdings B.V.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BALLARPUR INDUSTRIES LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of Ballarpur Industries Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March 2017, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Basis for Qualified Opinion

We draw attention to Note 46 of the consolidated Ind AS financial statements regarding the liability for the put option on the Group 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 effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group as at 31 March, 2017, and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 47 of the consolidated Ind AS financial 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 statements have been prepared on a going concern basis. These financial statements 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 Group is unable to continue as going concern.

INDEPENDENT AUDITORS' REPORT

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

Other Matter

We did not audit the Ind AS financial statements of Kamlapuram Unit of the Group included in the Company Ind AS financial statements of the Company whose Ind AS financial statements reflect total assets of ₹ 31,043.98 lacs as at 31st March, 2017 and total revenues of ₹ 118.38 lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The Ind AS financial statements of this Unit has been audited by the Unit Auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this Unit is solely on the report of such Unit Auditor.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - b) In our opinion, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statements and the consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
 - d) In our opinion, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
 - e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
 - f) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2017, and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the consolidated Ind AS financial statements disclose the impact of pending litigations on its financial position in its consolidated Ind AS financial statements – Refer Note 44 to the consolidated Ind AS financial statements;
 - ii. the Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 24, 28 & 30 to the consolidated Ind AS financial statements;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group; and
 - iv. the Group has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Group. Refer Note 45 to the Consolidated Ind AS financial statements.

ASHWIN MANKESHWAR

Partner

Membership No. 046219

For and on behalf of

K. K. Mankeshwar & Co.,

Chartered Accountants

FRN: 106009W

New Delhi, dated the

23rd May, 2017

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Ballarpur Industries Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion, the Holding Company and its Subsidiary Companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

ASHWIN MANKESHWAR

Partner

Membership No. 046219

For and on behalf of

K. K. Mankeshwar & Co.,

Chartered Accountants

FRN: 106009W

New Delhi, dated the

23rd May, 2017

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2017

₹ in Lacs

	Note No.	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	5	955,799	1,026,266	1,037,159
(b) Capital work-in-progress	6	35,710	35,259	23,820
(c) Other intangible assets	7	6,581	7,854	6,339
(d) Intangible assets under development	8	3,144	4,300	192
(e) Biological assets other than bearer plants	9	68,257	70,472	74,243
(f) Financial Assets				
(i) Investments	10	4,056	5,016	4,056
(ii) Others	11	5,044	5,302	4,695
(g) Other non-current assets	12	34,048	49,152	44,746
(2) Current Assets				
(a) Inventories	13	68,093	153,952	143,006
(b) Financial Assets				
(i) Trade receivables	14	7,060	36,588	35,223
(ii) Cash and cash equivalents	15	11,014	24,242	2,765
(iii) Bank balances other than (ii) above	16	1,284	979	21,309
(iv) Loans	17	59,645	43,398	13,693
(v) Others	18	2,647	6,072	7,181
(c) Current tax assets (Net)	19	806	634	781
(d) Other current assets	20	56,976	39,296	35,706
(e) Assets held for sale		2	16	13
Total Assets		1,320,166	1,508,798	1,454,927
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	21	13,112	13,112	13,112
(b) Other Equity		106,190	272,073	321,408
(c) Non-Controlling Interest		48,262	98,256	109,482
Liabilities				
(1) Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	22	351,076	413,724	327,680
(ii) Other financial liabilities	23	3,834	4,740	4,674
(b) Provisions	24	9,025	8,925	7,777
(c) Deferred Tax Liabilities (Net)	25	13,306	8,536	9,488
(d) Other non-current liabilities	26	22	23	1
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	22	385,608	305,974	307,338
(ii) Trade payables	27	97,534	252,279	229,206
(iii) Other financial liabilities	28	274,282	114,125	105,452
(b) Other current liabilities	29	9,997	11,934	14,421
(c) Provisions	30	4,498	3,686	3,634
(d) Current tax liabilities(net)	31	3,420	1,411	1,254
Total Equity and Liabilities		1,320,166	1,508,798	1,454,927
Significant Accounting Policies and				
Notes to Consolidated Ind AS Financial Statements	1-52			

As per our report of even date attached

ASHWIN MANKESHWAR

Partner

Membership No. 046219

For and on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the

23rd May, 2017

For Ballarpur Industries Limited

R. R. VEDERAH

Vice Chairman

B. HARIHARAN

Group Director (Finance)

BIMAL KHANDELWAL

Chief Financial Officer

AKHIL MAHAJAN

Company Secretary

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

₹ in Lacs

	NOTE NO.	Year ended 31.03.2017	Year ended 31.03.2016
I Revenue from operations	32	216,706	447,297
II Other income	33	6,534	4,454
III Total Income (I+II)		223,240	451,751
IV Expenses			
Cost of materials consumed	34	107,508	228,339
Purchase of stock in trade		5,655	10,752
Changes in inventories of finished goods, stock-in-trade and work-in-progress	35	23,028	8,431
Employee benefits expense	36	30,620	29,957
Finance costs	37	90,084	45,917
Depreciation and amortisation expense	5 & 7	27,399	26,480
Excise duty		11,317	23,842
Other expenses	38	54,027	73,648
Total expenses (IV)		349,638	447,366
V Profit/ (loss) before exceptional items and tax (III- IV)		(126,398)	4,386
VI Exceptional items	39	30,630	(31)
VII Profit/ (loss) before tax (V-VI)		(157,028)	4,417
VIII Tax expense:			
(1) Current tax		-	627
(2) Deferred tax		(13,541)	(965)
(3) MAT credit entitlement		-	(344)
Total Tax Expense (VIII)		(13,541)	(682)
IX Profit/ (loss) for the year from continuing operations (VII-VIII)		(143,487)	5,099
X Profit/ (loss) for the year from discontinuing operations before tax		(25,408)	(32,932)
XI Tax expense on discontinued operation		17,287	94
XII Profit/ (loss) for the year from discontinuing operations after tax (X-XI)		(42,696)	(33,026)
XIII Profit/ (loss) for the year (IX+XII)		(186,183)	(27,927)
XIV Other Comprehensive Income Items that will not be reclassified to profit and loss			
(i) Re-measurement gains / (losses) on defined benefit plans		137	(789)
(ii) Income tax effect on above		-	-
Total Other comprehensive income		137	(789)
XV Total Comprehensive Income for the year (XIII+XIV) (Comprising profit and other comprehensive income for the year)		(186,045)	(28,716)
XVI Net Profit attributable to			
a) Owners of the Company		(136,179)	(21,001)
b) Non - Controlling Interest		(50,003)	(6,926)
XVII Other Comprehensive Income attributable to			
a) Owners of the Company		137	(789)
b) Non - Controlling Interest		-	-
XVIII Total Comprehensive Income attributable to			
a) Owners of the Company		(136,042)	(21,790)
b) Non - Controlling Interest		(50,003)	(6,926)
XIX Earnings per equity share (for continuing operation):			
(1) Basic (in ₹)		(16.81)	0.31
(2) Diluted (in ₹)		(16.81)	0.31
XX Earnings per equity share (for discontinuing operation):			
(1) Basic (in ₹)		(3.96)	(3.52)
(2) Diluted (in ₹)		(3.96)	(3.52)
XXI Earnings per equity share			
(1) Basic (in ₹)		(20.77)	(3.20)
(2) Diluted (in ₹)		(20.77)	(3.20)
Significant Accounting Policies and Notes to Consolidated Ind AS Financial Statements	1-52		

As per our report of even date attached

ASHWIN MANKESHWAR

Partner

Membership No. 046219

For and on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the

23rd May, 2017

For Ballarpur Industries Limited

R. R. VEDERAH

Vice Chairman

B. HARIHARAN

Group Director (Finance)

BIMAL KHANDELWAL

Chief Financial Officer

AKHIL MAHAJAN

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

₹ in Lacs

	31st March 2017	31st March 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before tax, minority interest and appropriations	(182,436)	(28,515)
Adjustments for:		
(Profit) / Loss on sale of Assets (net)	(3,494)	(2,802)
Unspent Liabilities and Excess Provisions of earlier years written back	(91)	(506)
Gain/(Loss) on changes in fair valuation of biological Assets	(6,691)	6,511
Depreciation & amortisation expenses	39,139	40,794
Impairment of Assets	25,149	-
Inventory written off	380	-
Interest Received	(84)	-
Assets discarded	-	5
Finance costs (net)	97,833	52,177
	152,141	96,179
Operating Profit before Working Capital Changes	(30,295)	67,664
Adjustment for Working Capital Changes :		
(Increase)/decrease in trade receivable	29,528	(93)
(Increase)/decrease in loans, advances and other current assets	(15,513)	(38,454)
(Increase)/decrease in inventory	80,707	(10,746)
Increase/(decrease) in liabilities and provisions	(146,843)	6,302
	(52,121)	(42,991)
Cash generated from operations	(82,416)	24,673
Income tax refund/(paid)	1,837	(1,645)
Net cash flow from operating activities (A)	(80,579)	23,028
CASH FLOW FROM INVESTING ACTIVITIES		
Increase in fixed assets, capital work-in-progress and capital advances	(13,772)	(59,431)
Proceed from Sale of property plant and equipment	2,285	2,486
Interest received	94	495
(Increase)/decrease in Investment	960	(960)
(Increase)/decrease in other bank balances	(305)	20,328
Net cash flow from investing activities (B)	(10,738)	(37,082)
CASH FLOW FROM FINANCING ACTIVITIES		
Premium in purchase of ZCCB	(0)	(19,343)
Increase/(decrease) in long-term borrowings	135,577	119,646
Payment for buy back (optional/convertible)	(2)	(4)
Dividend and distribution on unsecured subordinated perpetual capital Securities (including dividend tax)	0	(4,841)
Interest paid (Net)	(65,994)	(49,065)
Dividend paid	(13)	(3,230)
Net cash flow from financing activities (C)	69,568	43,163
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(21,749)	29,109
Cash and cash equivalents at beginning of reporting year	24,242	2,765
Impact of Foreign Currency Translation Reserve	8,521	(7,632)
Cash and cash equivalents (closing balance)	11,014	24,242
Significant Accounting Policies and Notes to Consolidated Ind AS Financial Statements	1-52	

As per our report of even date attached

ASHWIN MANKESHWAR

Partner

Membership No. 046219

For and on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the

23rd May, 2017

For Ballarpur Industries Limited

R. R. VEDERAH

Vice Chairman

B. HARIHARAN

Group Director (Finance)

BIMAL KHANDELWAL

Chief Financial Officer

AKHIL MAHAJAN

Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

A. EQUITY SHARE CAPITAL

For the year ended 31st March 2016

Balance as at 1st April 2015	Changes in equity share capital during the year	Balance as at 31st March 2016
13,112	-	13,112

For the year ended 31st March 2017

Balance as at 1st April 2016	Changes in equity share capital during the year	Balance as at 31st March 2017
13,112	-	13,112

B. OTHER EQUITY

Particulars	Non Controlling Interest	Subordinate perpetual Capital securities*	Capital Reserve on Consolidation	Capital Reserve	Share Premium Reserve	Preference Share Capital Reserve	Debt Redemption Reserve	General Reserve	Retained Earnings	Items of Other Comprehensive Re-meas. of the net defined benefit Plans	Foreign currency translation Reserve	Total
Balance as at April 1, 2015	109,482	125,358	35,882	1,515	26,798	7,385	17,750	80,810	58,834	(414)	(32,510)	430,890
Profit/ (loss) for the year	(6,926)	-	-	-	-	-	(4,750)	-	(21,001)	(789)	-	(28,716)
Transfer to reserves	-	-	-	-	-	-	-	-	4,750	-	-	-
Adjustment for Change in Minority Interest	-	-	(19,343)	-	-	-	-	-	-	-	-	(19,343)
Foreign Currency Translation Reserve	632	7,154	-	-	-	-	-	-	-	-	(4,966)	2,820
Distribution to Subordinated Perpetual Capital Securities	(4,932)	-	-	-	-	-	-	(8,738)	-	-	-	(13,670)
Tax on distributed profits	-	-	-	-	-	-	-	-	(1,652)	-	-	(1,652)
Balance as at March 31, 2016	98,256	132,512	16,539	1,515	26,798	7,385	13,000	80,810	32,193	(1,203)	(37,476)	370,329
Profit/ (loss) for the year	(50,003)	-	-	-	-	-	3,251	-	(136,179)	137	-	(186,045)
Transfer to Debt reserves	-	-	-	-	-	-	-	-	(3,251)	-	-	-
Foreign Currency Translation Reserve & Etc.	3,859	(2,771)	-	-	-	-	-	-	-	-	(17,920)	(16,832)
Distribution to Subordinated Perpetual Capital Securities	(3,850)	-	-	-	-	-	-	(9,150)	-	-	-	(13,000)
Balance as at March 31, 2017	48,262	129,741	16,539	1,515	26,798	7,385	16,251	80,810	(116,385)	(1,066)	(55,396)	154,452

*During the year ended 30th June, 2012, the step down subsidiary of Company, BILT Paper B.V. (formerly known as Ballarpur International Graphic Paper Holdings B.V.) raised USD 200 Million through issue of Unsecured Dollar denominated 9.75% Subordinated Perpetual Capital Securities (The Securities). These Securities are perpetual in nature with no maturity or redemption and are callable only at the option of BILT Paper B.V. in the 5th/10th year from the date of allotment of Securities and thereafter on every interest payment date. As these Securities are perpetual in nature and ranked senior only to the Share Capital of BILT Paper B.V. and are therefore considered to be in nature of equity instrument and are not considered as "Debt" and the distribution on such Securities is not considered under interest". BILT Paper B.V. may at its sole discretion, opt to defer payment of Interest on such Securities.

Significant Accounting Policies and Notes to Consolidated Ind AS Financial Statements

1-52

As per our report of even date attached

ASHWIN MANKESHWAR

Partner

For Ballarpur Industries Limited

R. R. VEDERAH

Vice Chairman

Membership No. 046219

For and on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

Group Director (Finance)

BIMAL KHANDELWAL

Chief Financial Officer

New Delhi, dated the

23rd May, 2017

AKHIL MAHAJAN

Company Secretary

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

BALLARPUR INDUSTRIES LIMITED

1 COMPANY OVERVIEW

Ballarpur Industries Limited ("BILT" or the company), a public limited company, together with its subsidiaries (collectively referred to as the "Group") is engaged in the business of manufacturing and selling of Paper, pulp and paper products. BILT's consolidated paper manufacturing operations span across six production units, five of which are in India and one in Malaysia. The Indian units are located at Ballarpur (Maharashtra), Bhigwan (Maharashtra), Ashti (Maharashtra) and Sewa (Orissa), Shree Gopal (Haryana). The Rayon Grade Pulp manufacturing unit is located at Kamlapuram (Telangana). The Malaysian unit is located in the State of Sabah.

The Consolidated Ind AS financial statements were authorised for issue in accordance with a resolution of the directors on 23rd May, 2017.

2 BASIS OF PREPARATION AND USE OF ESTIMATES

2.1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Ind AS Financial statements (FS) of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Financial statements.

For all periods up to and including the year ended 31st March 2016, the Company prepared its consolidated Ind AS financial statements in accordance with Indian GAAP, including accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. These consolidated Ind AS financial statements for the year ended 31st March 2017 are the first the Company has prepared in accordance with Ind-AS.

The Company has consistently applied the accounting policies used in the preparation of its opening IND-AS Balance Sheet at April 1, 2015 throughout all periods presented, as if these policies had always been in effect and are covered by IND AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Indian GAAP") which is considered as the previous GAAP, as defined in IND AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at April 1, 2015 and March 31, 2016 and on the net profit and cash flows for the year ended March 31, 2016 is disclosed in Note no 50 to these financial statements.

The Consolidated Ind AS Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Land and buildings classified as property, plant and equipment;
- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The Consolidated Ind AS Financial Statements comprise of the following statements of Ballarpur Industries Limited (the company) for the year ended 31st March, 2017 and its following Subsidiaries.

Name of the Company	Country of Incorporation	Proportion of ownership interest either directly or through subsidiary as on	
		31.03.2017	31.03.2016
Subsidiary			
Avantha Agritech Limited (Formerly known as BILT Tree Tech Limited)	India	91.67%	91.67%
Ballarpur International Limited	Netherlands	100%	100%
Ballarpur Speciality Paper Holdings B.V.	Netherlands	100%	100%
Premier Tissues India Limited	India	100%	100%
Step down Subsidiary			
BILT Paper B.V. (formerly known as Ballarpur International Graphics Paper Holdings B.V.) (i)	Netherlands	62.21%	62.21%
Ballarpur Paper Holdings B.V. (ii)	Netherlands	100%	100%
BILT Paper Holdings B.V. (iii)	India	100%	100%
Sabah Forest Industries Sdn. Bhd. (iv)	Malaysia	98.08%	98.08%
BILT General Trading (FZE)	UAE	100%	-

(i) Held through Ballarpur International Holdings B.V.

(ii) Held through BILT Paper B.V. (formerly known as Ballarpur International Graphics Paper Holdings B.V.)

(iii) Held through Ballarpur Paper Holdings B.V.

- The Financial Statements of all Indian subsidiaries are prepared in compliance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Financial statements and those of the foreign subsidiaries have been prepared in compliance with the local laws and applicable accounting standards.
- The Group has disclosed only such Policies and Notes from the individual financial statements, which fairly cover the required disclosures.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

2.2 USE OF ESTIMATES

The preparation of Consolidated Ind AS Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities as at the date of the Consolidated Ind AS Financial Statements and the reported amount of revenues and expenses during the reporting period/year. The difference between the actual results and estimates are recognised in the year in which the results are known/materialise.

All Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.2 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The fair value of plants and equipments as at transition date have been taken based on valuation performed by an independent technical expert. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

3.3 PROPERTY, PLANT AND EQUIPMENT

On transition to IND AS, the Company has adopted optional exception under IND AS 101 to measure Property, Plant and Equipment at fair value. Consequently the fair value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition. Subsequently Property, Plant and Equipment other than land, are carried at cost less accumulated depreciation and accumulated impairment losses, if any. In case of land, it shall be carried at revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

Assets are depreciated to the residual values on a straight line basis over the estimated useful lives based on technical estimates which are different from one specified in Schedule II of the Companies Act, 2013. Asset's depreciation methods, residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life. Freehold land is not depreciated. Estimated useful lives of the assets are as follows:

Categories of Assets	Estimated useful life in years
Factory Building	30
Office Buildings	40
<i>Plant & Machinery</i>	
Plant and Machinery	1-40
Equipments	1-15
<i>Other equipment, operating and office equipment</i>	
Computer equipment	1-6
Office furniture and equipment	1-20
Vehicles	1-10
Railway Siding	3-15

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

It is believed that the useful lives as given above represents the period over which management expects to use these assets.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

Capital work in progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Intangible Asset under development includes cost of development of new intangible assets to complete the assets as at the balance sheet date.

Capital Expenditure on tangible assets for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property plant and equipment.

3.4 INTANGIBLE ASSETS

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses (if any). Costs include expenditure that is directly attributable to the acquisition of the intangible assets.

(i) Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

(iii) Amortization of intangible assets with finite useful lives

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Expenditure on specialised software are amortised over seven years.

3.5 RESEARCH & DEVELOPMENT COST

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- there is an ability to use or sell the asset;
- How the asset will generate future economic benefits;
- adequate technical, financial and other resources to complete the asset
- The ability to measure reliably the expenditure during development;

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses (if any). Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss.

During the period of development, the asset is tested for impairment annually.

3.6 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment and additionally whenever there is a triggering event for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount of cash generating units exceeds its recoverable amount. The recoverable amount of a cash generating unit is the higher of cash generating unit's fair value less cost of disposal and its value in use.

3.7 INVENTORIES

Inventories are valued at the lower of cost or net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- *Raw materials, Stores, Spare Parts, Chemicals:* are valued at cost, computed on weighted average basis.
- *Finished goods and work in progress:* are valued at cost or net realisable value, whichever is lower. In the case of finished goods and work in process cost comprises of material, direct labour and applicable overhead expenses. The cost of finished goods also includes applicable excise duty.
- *Traded goods:* cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.8 FOREIGN CURRENCIES

The Company's financial statements are presented in INR, which is functional currency of the Company. For each entity the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency of the parent's company. The Company uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The Company has availed the exemption available in IND AS 101, to continue capitalisation of foreign currency fluctuation on long term foreign currency monetary liabilities outstanding on transition date.

3.9 FINANCIAL INSTRUMENTS – INITIAL RECOGNITION, SUBSEQUENT MEASUREMENT AND IMPAIRMENT

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

FINANCIAL ASSETS

(i) **Initial recognition and measurement:**

All financial assets are recognised initially at fair value and, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

(ii) **Subsequent measurement**

For the purpose of subsequent measurement financial assets are classified in two broad categories:

- a) Financial Assets at fair value
- b) Financial Assets at amortised Cost.

(iii) **Classification:**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

(iv) **Financial Assets measured at amortised cost:**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely for payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of profit and loss. This category generally applies to trade and other receivables.

(v) **Financial Assets measured at fair value through other comprehensive income (FVTOCI):**

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

(vi) **Financial Assets measured at fair value through profit or loss (FVTPL):**

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

(vii) **Investment in Subsidiary and Associates:**

Investment in equity instruments of Subsidiaries and Associates are measured at cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment which is other than temporary.

(viii) **Investment in Equity Instruments:**

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

(ix) **Investment in Debt Instruments:**

A debt instrument is measured at amortised cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

(x) **Derecognition of Financial Assets:**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset, if an entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it shall recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation shall be recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset shall be recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

(xi) **Impairment of Financial Assets:**

In accordance with Ind - AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and trade receivables. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FINANCIAL LIABILITIES

(i) **Initial recognition and measurement:**

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(ii) **Classification & Subsequent measurement:**

If a financial instrument that was previously recognised as a financial asset is measured at fair value through profit or loss and its fair value decreases below zero, it is a financial liability measured in accordance with IND AS. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

(iii) **Loans and Borrowings:**

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. After initial recognition Gain and Liabilities held for Trading are recognised in statement of profit and Loss Account.

(iv) **Derecognition of Financial Liabilities:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(v) **Derivative Financial Instrument:**

The Company uses derivative financial instruments, such as interest rate swaps, to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis to realise the asset and settle the liability simultaneously. Subsequent recoveries of amounts previously written off are credited to Other Income.

3.10 COMPOUND FINANCIAL INSTRUMENTS

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

3.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet comprise cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.12 PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

(i) **General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, the amount of a provision shall be the present value of expense expected to be required to settle the obligation. Provisions are therefore discounted, when effect is material. The discount rate shall be pre-tax rate that reflects current market assessment of time value of money and risk specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

(ii) **Contingencies**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised, but are disclosed in the notes. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.13 SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

3.14 BORROWING COSTS

Borrowing costs specifically relating to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they are incurred.

3.15 REVENUE RECOGNITION

(i) Sale of goods

Revenue from the sale of goods is recognised, when the significant risks and rewards of ownership of the goods have passed to the buyer, as per the terms of Company and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods, usually on delivery of the goods. Revenue is recognized at the fair value of consideration received or receivable, net of returns and allowances trade discounts, volume rebates and outgoing sales tax and are recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods. Revenue is inclusive of excise duty.

(ii) Other operating income

(a) Incentives

Incentives on exports and other Government incentives related to operations are recognised in books after due consideration of certainty of utilization/receipt of such incentives.

Export incentives are recognised at the time of export when the Company will have certainly to comply with all attached conditions.

(b) Rental Income

Rental income is accrued on a time proportion basis by reference to the agreements entered into.

(iii) Other Income

(a) Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(b) Dividends

Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

3.16 EMPLOYEE BENEFITS

(i) Short term employee benefits:

Short - term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

(ii) Defined benefit plans:

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company and its subsidiaries, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

comprehensive income. Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset), the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

(iii) Long-term employee benefits:

The Company's net obligation in respect of long - term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement is recognised in Statement of Profit and Loss in the period in which they arise.

(iv) Post - employment benefits - Defined contribution plans:

The Company's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Company has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(v) Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either:

- (a) an entity's decision to terminate an employee's employment before the normal retirement date; or
- (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

3.17 LEASES

(i) Lease payments:

Payments made under operating leases are recognized in Statement of Profit and Loss. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(ii) Lease assets:

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

3.18 GOVERNMENT GRANTS

Government grants with a condition to purchase, construct or otherwise acquire long-term assets are initially measured based on grant receivable under the scheme. Such grants are recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset. Amount of benefits receivable in excess of grant income accrued based on usage of the assets is accounted as Government grant received in advance. Changes in estimates are recognised prospectively over the remaining life of the assets. Government revenue grants relating to costs are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate.

(i) Sales tax incentives

The Group receives the benefit of certain sales tax incentives under the Packaged Scheme Incentive of the Maharashtra Government (the "Sales Tax Incentive Scheme"). The benefits under the Sales Tax Incentive Scheme are recognized when it is reasonable to expect that the benefit will be received and that all related conditions will be met. The main benefits relevant to the Group are the Sales Tax Deferment Scheme, the Sales Tax Exemption Scheme and the Sales Tax Refund Scheme.

(ii) Sales Tax Deferment Scheme

Under the Scheme, the Sales Tax amounts collected from sales to customers are deferred and repaid to the Government Authorities, without interest, after a specified period. The benefit of sales tax deferral is recognized as an income in accordance with the Ind AS 20 Accounting for Governments Grants and Disclosure of Government Assistance. This deferred sales tax liability is measured in accordance with Ind AS 109 Financial Instruments. The benefit of the interest free loan is measured as the difference between initial carrying value of the loan at fair value in accordance with Ind AS 109 and the sales tax collected.

(iii) Sales Tax Exemption Scheme

The benefit of the sales tax exemption applies to qualifying sales to customers within the State of Maharashtra of paper produced from one of the paper machine in Bhigwan. As per the scheme, the Group is exempt from levying and payment of sales tax on sales of paper to customers that would otherwise be payable and hence no adjustment is made to revenue.

(iv) Sales Tax Refund Scheme

The benefit of sales tax refund scheme applies to qualifying sales made from the State of Maharashtra in respect of assets of the Group in Ballarpur and Bhigwan. Under the scheme, sales tax is levied and collected from the customer and claim for refund is filed with the sales tax authorities. These benefits are accounted for Other income in the statement of Profit and loss.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

3.19 TAXES

(i) **Income tax**

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(iii) **Deferred tax**

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction.

Deferred tax assets and liabilities are offset only if:

- entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

3.20 DIVIDEND/DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

3.21 EARNING PER SHARE

As per Ind AS 33 "Earning Per Share", Basic earnings per share are computed by dividing the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

4 Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

(a) **Property, plant and equipment**

On transition to Ind AS, the Company has adopted optional exemption under IND AS 101 for fair valuation of property, plant and equipment. The Company appointed external adviser to assess the fair value, remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned fair value, useful lives and residual value are reasonable.

(b) **Impairment of tangible assets**

As per Ind AS 36, the company shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset.

As Kamalapuram unit is not in operation for almost 36 months, management appointed an external valuer to determine the impairment amount, if any. The recoverable amount of the unit was determined based on calculations of net selling price as the respective unit is not in operation

(c) **Income taxes**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

(d) **Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(e) **Allowance for uncollectable accounts receivable and advances**

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Leasehold land	Freehold land	Buildings	Plant and Equipment	Furniture and fixtures	Vehicles	Office Equipments	Computers	Railway Sidings, Trolley Lines, Tramway & tipping tups	Total
₹ in Lacs										
Gross Block										
As at April 1, 2015	37,596	130,667	182,830	1,072,346	5,245	2,978	1,871	1,508	62	1,435,103
Additions	-	68	649	25,197	65	171	17	166	-	26,333
Disposal	-	65	284	2,011	9	133	3	9	-	2,514
Adjustments	-	-	23	0	1	-	-	-	-	24
Translation reserve	24	-	236	1,678	15	6	-	6	-	1,966
As at March 31, 2016	37,620	130,670	183,408	1,097,210	5,315	3,022	1,885	1,671	62	1,460,864
Additions	7,694	-	193	9,160	1	33	7	8	-	17,095
Disposal	-	21	830	47	511	57	596	5	-	2,068
Adjustments	-	-	155	19,934	3	3	4	1	-	20,100
Translation reserve	851	-	7,955	54,128	449	211	-	148	-	63,742
As at March 31, 2017	44,463	130,649	174,661	1,032,261	4,353	2,784	1,292	1,525	62	1,392,049
Accumulated Depreciation										
As at April 1, 2015	1,266	-	55,225	333,599	3,946	2,058	727	1,093	30	397,944
Charge for the year	274	-	4,911	31,762	194	282	162	137	4	37,726
Disposal	-	-	128	1,970	5	68	4	17	-	2,193
Translation reserve	9	-	(101)	1,183	15	9	-	5	-	1,121
As at March 31, 2016	1,549	-	59,907	364,574	4,150	2,281	885	1,218	34	434,598
Charge for the year	273	-	3,967	31,766	122	200	108	122	3	36,561
Disposal	-	-	495	13	133	54	158	5	-	858
Adjustments	182	-	6,200	26,967	385	208	-	107	-	34,049
As at March 31, 2017	1,640	-	57,179	369,360	3,754	2,219	835	1,228	37	436,252
Net carrying amount										
As at April 1, 2015	36,330	130,667	127,605	738,747	1,299	920	1,144	415	32	1,037,159
As at March 31, 2016	36,071	130,670	123,501	732,636	1,165	741	1,000	453	28	1,026,266
As at March 31, 2017	42,823	130,649	117,482	662,901	599	565	457	297	25	955,799

Notes:

- "0" represent amount below ₹ 50,000/-
- During the year Translation Reserve include capitalisation of Exchange Gain amounting to ₹ 1842 Lacs (Previous Year Exchange Loss was ₹ 9640 Lacs which was included in Additions)
- The lease agreement in respect of 5.04 Acres of land in possession of the Bilt Graphic Paper Product Limited is yet to be executed in favour of the Bilt Graphic Paper Product Limited.
- Building includes ₹ 293 lacs (Previous Year ₹ 293 Lacs) towards revalued value of ownership flats in Cooperative Housing Societies.
- Depreciation during the Year include:
 - ₹ 304 Lacs (Previous Year ₹ 279 Lacs) charge to inventories.
 - ₹ 330 Lacs (Previous Year ₹ 376 Lacs) charge to biological assets.
 - ₹ 10958 Lacs (Previous Year ₹ 14315 Lacs) to discontinue operations.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

₹ in Lacs

6. CAPITAL WORK IN PROGRESS		
PARTICULARS	As at 31st March-2017	As at 31st March-2016
Opening Net Carrying value	35,259	23,820
Additions	2,983	17,259
Transferred to Property, Plant and Equipment	2,125	4,036
Transferred to Expenses	5	-
Disposals	393	1,780
Exchange differences	9	4
Closing Net carrying value	35,710	35,259

7. INTANGIBLE ASSETS						
PARTICULARS	As at 31st March-2017			As at 31st March-2016		
	Product Development Expense	Others - Computer Software	Total	Product Development Expense	Others - Computer Software	Total
Opening Net Carrying Value	5,522	2,332	7,854	3,893	2,446	6,339
Additions	1,156	-	1,156	2,482	12	2,494
Disposals	-	-	-	-	-	-
Amortization charge	1,483	946	2,429	993	126	1,119
Translation Reserve	-	-	-	140	-	140
Closing Net Carrying Value	5,195	1,386	6,581	5,522	2,332	7,854

8. INTANGIBLE ASSETS UNDER DEVELOPMENT		
PARTICULARS	As at 31st March-2017	As at 31st March-2016
Opening Net Carrying Value	4,300	192
Additions	-	4,109
Transferred to Property, Plant and Equipment	1,156	-
Transferred to Expenses	-	1
Closing Net Carrying Value	3,144	4,300

9. BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS		
PARTICULARS	As at 31st March-2017	As at 31st March-2016
COST		
At the beginning of the Year	96,296	97,565
Additions	1,886	5,142
Gain/(Loss) on changes in fair valuation of biological Assets	6,691	(6,511)
Translation Reserve	13,570	(100)
At the end of the Year	91,302	96,296
ACCUMULATED AMORTISATION		
At the beginning of the Year	25,824	23,322
Charge for the Year	782	2,313
Translation Reserve	3,561	(189)
At the end of the Year	23,045	25,824
Net Carrying Amount	68,257	70,472
Note: During the Year, Amortisation Expense is charged to the following		
Statement of Profit & Loss	782	2,605
Inventories	(0)	(292)

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

₹ in Lacs

10 NON CURRENT INVESTMENTS						
Particulars	As at 31st March-2017		As at 31st March-2016		As at 1st April-2015	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
Investments Measured at Fair Value through OCI						
A) Unquoted, Non-trade investments:						
I) In equity shares of Other companies:						
a) Blue Horizon Investments Limited	5,000	3	5,000	3	5,000	3
b) Avantha Power & Infrastructure Limited	39,880,940	4,053	39,880,940	4,053	39,880,940	4,053
Total Unquoted Non-trade Investments	39,885,940	4,056	39,885,940	4,056	39,885,940	4,056
B) Quoted, Non-trade investments:						
I) Investments in Mutual Funds						
a) Birla Sun Life Savings Fund	-	-	344,294	960	-	-
Total quoted Non-trade Investments	-	-	344,294	960	-	-

10.1 Aggregate amount of Non Current Investments

Particulars	As at 31st March-2017		As at 31st March-2016		As at 1st April-2015	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
Unquoted Investments	39,885,940	4,056	39,885,940	4,056	39,885,940	4,056
Quoted Investments	-	-	344,294	960	-	-
Total Investments Measured at Fair Value through OCI	39,885,940	4,056	40,230,234	5,016	39,885,940	4,056

10.2 Category-wise Non Current Investments

Particulars	As at 31st March-2017		As at 31st March-2016		As at 1st April-2015	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
Investments Measured at Fair Value through OCI	39,885,940	4,056	39,885,940	4,056	39,885,940	4,056
Total quoted Non-trade Investments	-	-	344,294	960	-	-
Total	39,885,940	4,056	40,230,234	5,016	39,885,940	4,056

11 OTHER NON CURRENT FINANCIAL ASSETS

Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Unsecured, considered good			
(a) Security Deposits	1,228	1,464	1,581
(b) Balance with Government Authorities	3,797	3,820	3,097
(c) Banks deposits with maturity period more than 12 months	19	18	17
	5,044	5,302	4,695

12 OTHER NON CURRENT ASSETS

Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Capital Advances (Unsecured, considered good)	463	547	395
Unamortized expenses	32	128	120
Prepaid expenses	741	616	1,232
Withholding tax recoverable	10,022	9,387	8,070
Balance with Govt Authorities	4,772	20,456	17,253
Mat Credit Entitlement	18,018	18,018	17,676
	34,048	49,152	44,746

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

₹ in Lacs

13 INVENTORIES			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Raw materials	6,547	19,314	48,581
Work in progress	3,272	10,172	15166
Finished goods	5,980	22,065	26,819
Stores and spares	35,997	71,391	34,698
Block Stores	144	155	169
Chemicals	13,526	27,584	13,657
Packing material	2,627	3,271	3,916
	68,093	153,952	143,006

13.1) Includes raw material-in-transit of ₹ 1 Lacs (Previous Year 2015-16 ₹ 5,917 Lacs, Previous Year 2014-15 ₹ 8,860 Lacs)

13.2) Includes stores & spares-in-transit of ₹ 424 Lacs (Previous Year 2015-16 ₹ 1,121 Lacs, Previous Year 2014-15 ₹ 1,870 Lacs)

13.3) Includes Chemicals-in-transit of ₹ 370 Lacs (Previous Year 2015-16 ₹ 1,109 Lacs, Previous Year 2014-15 ₹ 989 Lacs)

13.4) Includes packing material-in-transit of ₹ 11 Lacs (Previous Year 2015-16 ₹ 30 Lacs, Previous Year 2014-15 ₹ 77 Lacs)

14 TRADE RECEIVABLES			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Secured Considered good:-			
- Due from others (more than 6 months)	15	65	122
- Due from others (less than 6 months)	471	1,081	2,624
Total Secured	486	1,146	2,746
Unsecured Considered good			
- Due from related parties	3,788	5,152	5,124
- Due from others (more than 6 months)	1,006	1,102	831
- Due from others (less than 6 months)	1,780	29,187	26,522
Considered doubtful	-	-	-
Less: Provision for doubtful debts	-	-	-
Total Unsecured	6,574	35,442	32,477
Total Trade receivables	7,060	36,588	35,223

15 CASH AND CASH EQUIVALENTS			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Balances with Banks:			
- On current accounts	10,847	23,094	1,992
- Fixed deposits with original maturity of less than three months	134	1,120	61
Cheques on Hand	-	-	0
Cash in transit	-	-	688
Cash on hand	33	28	24
Total Cash and cash equivalents	11,014	24,242	2,765

16 OTHER BANK BALANCES			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
In deposit accounts exceeding three months but less than twelve months	1,038	712	20,684
Earmarked Balance with Banks in unpaid dividend accounts	67	80	86
Earmarked Balance with Banks in unclaimed compulsory / optional buy back consideration	179	181	185
In other accounts	-	6	354
Total	1,284	979	21,309

17 LOANS			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Unsecured, considered good			
(a) Loans to related parties	29,577	30,121	10,855
(b) Loans to others	30,068	13,277	2,838
Total	59,645	43,398	13,693

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

₹ in Lacs

18 OTHER FINANCIAL ASSETS			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Interest accrued on deposits	58	152	571
Insurance Receivables	41	96	152
Balance with Govt. Authorities	1,544	4,465	5,276
Scrap Receivables	88	80	55
Advances to Others	31	496	344
Security Deposits considered good	885	783	783
Total	2,647	6,072	7,181

19 CURRENT ASSETS (NET)			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Advance tax, tax deducted at source (including income tax refund receivable)	806	634	781
Total	806	634	781

20 OTHER CURRENT ASSETS			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Prepaid expenses	2,165	3,045	2,328
Current portion of unamortized expenses	-	2	27
Advances to employees*	225	233	412
Balance with government authorities**	23,024	18,153	18,421
Advances to trade creditors	31,506	17,855	14,511
Other current assets	56	8	7
Total	56,976	39,296	35,706

* Includes amount advanced to Directors ₹ 5 Lacs (Previous Year 2015-16 ₹ 16 Lacs, Previous Year 2014-15 ₹ 16 Lacs)

** Pledged with banks, government departments and others.

21 EQUITY SHARE CAPITAL:			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Authorised			
750,000,000 (March 31, 2016: 750,000,000, March 31, 2015: 750,000,000) Equity shares of ₹ 2/- each	15,000	15,000	15,000
25,000,000 (March 31, 2016: 25,000,000, March 31, 2015: 25,000,000) Preference shares of ₹ 100/- each	25,000	25,000	25,000
	40,000	40,000	40,000
Issued capital			
655,773,584 (March 31, 2016: 655,773,584, March 31, 2015: 655,773,584) Equity shares of ₹ 2/- each	13,115	13,115	13,115
	13,115	13,115	13,115
Subscribed and Paid up capital			
655,773,584 (March 31, 2016: 655,773,584, March 31, 2015: 655,773,584) Equity shares of ₹ 2/- each	13,115	13,115	13,115
Less: Forfeited shares - 249,745 (March 31, 2016: 249,745, March 31, 2015: 249,745) Equity shares of ₹ 2/- each	5	5	5
655,523,839 (March 31, 2016: 655,523,839, March 31, 2015: 655,523,839) Equity shares of ₹ 2/- each	13,110	13,110	13,110
Add: Amount originally paid up on forfeited shares	2	2	2
	13,112	13,112	13,112

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

₹ in Lacs

a) Reconciliation of the number of shares :-						
Particulars	As at 31st March-2017		As at 31st March-2016		As at 1st April-2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	655,523,839	13,112	655,523,839	13,112	655,523,839	13,112
Add:- Issued during the Year	-	-	-	-	-	-
Balance as at the end of the year	655,523,839	13,112	655,523,839	13,112	655,523,839	13,112

b) Rights, preferences and restrictions attached to shares:

The company has one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of shareholders	As at 31st March-2017		As at 31st March-2016		As at 1st April-2015	
	No. of Shares	Holding %	No. of Shares	Holding %	No. of Shares	Holding %
a) Avantha Holdings Limited	322,689,019	49.23%	322,689,019	49.23%	322,689,019	49.23%
b) Life Insurance Corporation of India	43,872,365	6.69%	43,872,365	6.69%	44,134,423	6.73%
c) Samera Special Situations Mauritius	58,936,338	8.99%	59,480,544	9.07%	41,515,609	6.33%
d) Platinum Investment Management Ltd. A/c Platinum Asia Fund	-	-	35,282,244	5.38%	35,282,244	5.38%
e) Finquest Securities Private Limited	35,458,000	5.41%	-	-	-	-

d) Terms of securities convertible into equity shares:

123 (March 31, 2016: 123) equity shares of ₹ 2/- each represent 41 underlying Global Depository Receipts.

22 BORROWINGS

Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Non-current Borrowings:			
Secured Loan:-			
a) Non convertible debentures	15,000	26,000	52,000
b) External commercial borrowings	-	20,996	23,385
c) Term loan from :-			
- Bank	294,964	302,984	173,712
- Financial Institutions	36,409	59,151	53,953
(d) Vehicle Loan	-	0	1
Unsecured Loan:-			
a) Loan from banks	-	-	14,620
b) ZCCB	3,714	3,792	9,402
c) Deferred payment liabilities	989	801	607
Total	351,076	413,724	327,680
Current Borrowings:			
Working capital loan	385,608	305,974	307,338
Total	385,608	305,974	307,338

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

- a) In accordance with the Subscription and Participation Agreement signed between the Company, BILT and Avantha International Assets B.V. (AIA) (earlier held by JP Morgan Special Situations Asia Corporation), the Company has issued Zero Coupon Convertible bonds.
- b) The Company had availed various secured financial facilities from the banks and financial institutions ("the Lenders"). The said loans are secured by way of a first pari-passu charge over all moveable / immoveable assets of the company both present and future.
- c) All the Bank Borrowings except below are in Indian Currency i.e. foreign currency profile.

Borrowing Particulars	Nature of Borrowing	Bank	Amount in Foreign Currency (Sanction/O/s) (in Million)	Amount in Indian Currency O/s As on 31st March, 2017 (Amount in Lacs)
Ballarpur Industries Limited	Working Capital Loan	Standard Chartered Bank	GBH 7.34	6123
Sabah Industries Limited	Working Capital Loan	Standard Chartered Bank	USD 4.955	3,215
Sabah Industries Limited	Working Capital Loan	HSBC	USD 2.775	1,800
Bilt Graphic Paper Product Limited	Term Loan	DBS	USD 20	12652
Bilt Graphic Paper Product Limited	Term Loan	RABO	USD 25	12616
Sabah Industries Limited	Term Loan	Standard Chartered Bank	USD 25	4,866
Sabah Industries Limited	Term Loan	Standard Chartered Bank	USD 20	4,866
Sabah Industries Limited	Term Loan	RABO	USD 50	4,866
Sabah Industries Limited	Term Loan	RABO	USD 25	6,488
Sabah Industries Limited	Term Loan	ICICI Bank	USD 50	19,464
Sabah Industries Limited	Term Loan	ICICI Bank	USD 25	13,590
Ballarpur Paper Holdings (BPH)	Term Loan	DBS	USD 15	8,759
Ballarpur Paper Holdings (BPH)	Term Loan	ECL	USD 5.4	4,365
Ballarpur International Holdings (BIH)	Term Loan	Credit Agricole	USD 55	35,109
Ballarpur International Holdings (BIH)	Term Loan	JPM	USD 24.5	14,899
Ballarpur International Holdings (BIH)	Term Loan	ICICI Bank	USD 21.494	9,504
Ballarpur International Holdings (BIH)	Term Loan	IDBI Bank	USD 20	12,787

- d) The Company is required to maintain ratios (including total debt to EBITDA / net worth, EBITDA to gross interest, debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios, these loans become callable at the option of lenders, except where exemption is provided by lender.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

- e) In the current financial year, due to delay in repayments of debts and payment of interest, the lenders of the company have invoked standstill provision. As of March 31, 2017, the Company had breached the financial covenants set by its bankers for outstanding term loans amounting to ₹ 83,593 Lacs. The details is as under:-

(₹ in Lacs)

Borrowing Particulars	Default Outstanding Amount	Upto 3 Months	3 to 6 Months	6 Months to 1 Year	Beyond 1 Year
IDFC	1,923	961	962	-	-
Clix Capital P. Ltd. formerly known as GE Money Financial Services Pvt. Ltd.	1,364	682	682	-	-
Clix Capital P. Ltd. formerly known as GE Money Financial Services Pvt. Ltd.	456	227	229	-	-
State Bank of India	1,620	810	810	-	-
IDFC	654	444	210	-	-
Action Global Private Limited	200	200	-	-	-
AXIS Bank Limited	5,000	2,500	2,500	-	-
State Bank of Patiala	100	50	50	-	-
RABO- ECB	3,604	1,802	1,802	-	-
DBS- ECB	1,103	779	324	-	-
Non Convertible Debenture	10,965	8,465	2,500	-	-
Exim Bank	1,429	714	715	-	-
State Bank Of Travancore	375	125	250	-	-
The South Indian Bank	500	500	-	-	-
IDBI Bank	125	125	-	-	-
RABO Foreign Currency Loan 50 Million USD	4,866	-	-	4,055	811
RABO Foreign Currency Loan 25 Million USD	6,488	-	-	3,244	3,244
ICICI Bank Foreign Currency Loan 50 Million USD	19,464	15,247	2,271	1,946	-
ICICI Bank Foreign Currency Loan 25 Million USD	13,625	12,976	324	324	-
SCB Foreign Currency Loan 25 Million USD	4,866	3,244	-	1,622	-
SCB Foreign Currency Loan 20 Million USD	4,866	3,244	-	1,622	-
Total	83,593	53,095	13,629	12,814	4,055
The company is in discussions with banks to finalise & implement SDF / Other restructuring packages.					

- f) The maturity profile of the company's borrowing at the reporting date based on contractual undiscounted repayment obligation (including current maturities) are as follows :-

₹ in Lacs

Year	As at 31st March-2017
2017-18	Current 205,362
2018-19	97,020
2019-20	79,104
2020-21	75,630
2021-22	45,830
2022-23	Non-Current 31,314
2023-24	12,708
2024-25	9,278
2025-26	4,634

- g) The term loans, working capital loans etc. are arranged at fixed & floating rates. The interest rates per annum are as follows:-

Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
a) Non convertible debentures	9.75% to 11.75%	9.65% to 11.75%	9.35% to 9.90%
b) Term loan from :-			
Bank	2.20% TO 13.75%	1.90% TO 13.75%	2.68% TO 13.75%
Financial Institutions	9.50% to 16.50%	10.76% to 12.75%	11.44% to 12.10%
c) Working capital loan	4.00% to 14.00%	4.00% to 13.50%	4.00% to 12.25%

- h) Deferred Payment Liabilities

The Company has opted for the deferral scheme of sales tax, which is payable as per the scheme framed by the State Government.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

i) Loan from Bank/Financial Institutions :-

Sl. No.	Name of Bank	Sanctioned Amount	As on date	Total Outstanding Amount	Current	Non-Current	Interest rate	Security	Repayment terms
1	Exim Bank	15,000	31-Mar-17 31-Mar-16 1-Apr-15	9,222 10,690 13,535	4,286 3,571 2,857	4,936 7,119 10,677	Base Rate + 1.50% Initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company both present and future.	Term loan is repayable in 21 equal quarterly installments starting from the end of 24 months from the date of first disbursement i.e. 29th Oct, 2012. therefore, payment due date starting from November 2014 to October 2019.
2	Clx Capital P. Ltd. formerly known as GE Money Financial Services P. Ltd.	5,000	31-Mar-17 31-Mar-16 1-Apr-15	- 2,500 3,250	- 1,250 1,000	- 1,250 2,250	Benchmark Rate + 2.70% Initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company both present and future.	Term loan is repayable in 20 equal quarterly installments starting from September 2013 to June 2018.
3	State Bank of Travancore	5,000	31-Mar-17 31-Mar-16 1-Apr-15	4,599 4,700 4,857	4,599 375 225	- 4,325 4,632	Base Rate + 1.50% Initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company both present and future.	Term loan is repayable in 32 equal quarterly installments starting from September 2014 to June 2022.
4	Phoenix ARC Pvt. Ltd.*	10,000	31-Mar-17 31-Mar-16 1-Apr-15	9,991 9,993 9,991	2,500 500 -	7,491 9,493 9,991	Base Rate + 1.50% Initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company.	Term loan is repayable in 20 equal quarterly installments starting from December 26, 2016 to September 26, 2021.
5	IDBI BANK	10,000	31-Mar-17 31-Mar-16 1-Apr-15	9,522 9,882 -	875 475 -	8,647 9,407 -	Base Rate + 2.00% Initially	The Loan is secured by way of a first pari-passu charge over freehold immovable property of units Kamapuram & Shreegopal.	Term loan is repayable in 27 equal quarterly installments starting from December 2015 to June 2022.
6	ICICI BANK	27,500	31-Mar-17 31-Mar-16 1-Apr-15	27,500 27,500 -	4,125 -	23,375 27,500 -	Base Rate + 1.92% Initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company.	Term loan is repayable in 20 equal quarterly installments starting from the end of 9th Quarter from the date of first disbursement/ drawdown i.e. September 2017 to June 2022.
7	ICICI BANK	17,000	31-Mar-17 31-Mar-16 1-Apr-15	16,610 16,680 -	850 -	15,760 16,680 -	Base Rate + 2.60% Initially	The Loan is secured by way of a first pari-passu charge over all fixed assets of the company.	Term loan is repayable in 20 equal quarterly installments starting from the end of 9th Quarter from the date of first disbursement/ drawdown i.e. March 2018 to December 2022.
8	NCD Yes Bank		31-Mar-17 31-Mar-16 1-Apr-15	- - 5,000	- - 5,000	- - -	- - 9.90%		
9	NCD LIC		31-Mar-17 31-Mar-16 1-Apr-15	15,000 15,000 15,000	- - -	15,000 15,000 15,000	11.75% -	Debentures are secured by way of a first pari-passu charge over all moveable properties of the company both present and future.	These Debentures is repayable in 5 equal yearly installments starting from the f.y. 19-20 to 23-24.
10	IDFC Limited	25,000	31-Mar-17 31-Mar-16 1-Apr-15	17,254 19,146 22,954	5,769 3,846 3,846	11,485 15,300 19,108	Benchmark Rate + 2.25% initially	The Loan is secured by way of hypothecation of the entire moveable properties (excluding current assets and non-current assets (in the nature of current assets)), both present and future of The Company.	The loan is repayable in 26 equal quarterly instalments starting from October 15, 2014 to January 15, 2021.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

Sl. No.	Name of Bank	Sanctioned Amount	As on date	Total Outstanding Amount	Current	Non-Current	Interest rate	Security	Repayment terms
11	Clix Capital P. Ltd. formerly known as GE Money Financial Services P. Ltd.	15,000	31-Mar-17 31-Mar-16 1-Apr-15	7,499 9,543 11,586	4,091 3,409 2,727	3,408 6,133 8,859	Benchmark Rate + 2.70% initially	The loan is secured by way of first pari passu charge over all Moveable Fixed Assets of the Company.	The loan is repayable in 22 equal quarterly installments starting from March 27, 2014 to June 27, 2019.
12	State Bank of India	30,000	31-Mar-17 31-Mar-16 1-Apr-15	22,601 24,185 26,573	6,080 3,409 3,240	16,521 20,135 23,333	Base Rate + 1.5% initially	The loan is secured by way of first pari passu charge over all Moveable Fixed Assets of the Company.	The loan is repayable in quarterly instalments starting from 30th June, 2014 to 30th June, 2023.
13	IDFC Limited (Loan-2)	12,693	31-Mar-17 31-Mar-16 1-Apr-15	7,916 9,037 10,579	2,663 2,009 1,775	5,253 7,028 8,803	12.75%	The loan is secured by way of first pari-passu charge over all Moveable Fixed Assets of the Company.	The repayment of loan is already started and the loan is divided into two parts, the final repayment of loan 1 and loan 2 is 15th July, 2020 & 15th September, 2022.
14	Clix Capital P. Ltd. formerly known as GE Money Financial Services P. Ltd.	5,000	31-Mar-17 31-Mar-16 1-Apr-15	3,863 4,545 4,999	1,364 1,136 909	2,500 3,408 4,090	Benchmark Rate + 2.70% initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company.	The loan is repayable in 22 equal quarterly installments starting from August 14, 2015 to November 13, 2020.
15	Axis Bank Limited	20,000	31-Mar-17 31-Mar-16 1-Apr-15	19,926 19,892 19,858	6,000 2,000 -	13,926 17,892 19,858	Base Rate + 1.35% initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company.	The loan is repayable in 20 equal quarterly installments starting from December 31, 2016 to September 30, 2021.
16	Aditya Birla Finance Limited	20,000	31-Mar-17 31-Mar-16 1-Apr-15	18,822 18,500 -	1,000 800 -	17,822 17,700 -	Asix Bank Base Rate + 1.65% initially	The loan is secured by way of first pari passu charge on all Moveable Fixed Assets of the Company.	The loan is repayable in 31 Instalments starting from 30 Sept., 2015 to 31 Mar., 2023.
17	State Bank of Patiala	5,000	31-Mar-17 31-Mar-16 1-Apr-15	4,770 4,900 -	300 200 -	4,470 4,700 -	Base Rate + 1.50% initially	The loan is secured by way of first pari passu charge on all Moveable Fixed Assets of the Company.	The loan is repayable in 31 Instalments starting from 30 Sept., 2015 to 31 Mar., 2023.
18	Axis Bank Limited	100,000	31-Mar-17 31-Mar-16 1-Apr-15	78,763 62,895 -	13,917 7,628 -	64,846 55,266 -	Base Rate + 1.65% initially	The loan is secured by way of first pari passu charge on all Fixed Assets of the Company.	The loan is repayable in 40 equal quarterly Instalments starting from 23rd Dec., 2015 to 29th Dec., 2025.
19	ICICI Bank Limited	32,500	31-Mar-17 31-Mar-16 1-Apr-15	31,833 31,646 -	1,625 - -	30,208 31,646 -	Base Rate + 2.60% initially	The loan is secured by way of first pari passu charge on all Fixed Assets of the Company.	The loan is repayable in 20 equal quarterly Instalments starting from 30 Mar., 2018 to 30 Dec., 2022.
20	IDFC Limited (Loan-3)	2,500	31-Mar-17 31-Mar-16 1-Apr-15	2,500 - -	2,500 - -	- - -	MCLR + 3.60% initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company.	The loan is repayable in 12 equal quarterly Instalments starting by end of 15 month from the date of first disbursement.
21	Yes Bank Limited	15,000	31-Mar-17 31-Mar-16 1-Apr-15	12,505 - -	3,750 - -	8,755 - -	Base Rate + 1.00% initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company.	The loan is repayable in 16 equal quarterly Instalments after the monetarium period of 1 year from the date of first disbursement..
22	ECL Finance Limited	15,000	31-Mar-17 31-Mar-16 1-Apr-15	15,000 - -	15,000 - -	- - -	16.50%	The loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company.	The loan is repayable in 12 equal quarterly Instalments starting by end of 15 month from the date of agreement ie 08th March, 2017.
23	Axis Bank Limited		31-Mar-17 31-Mar-16 1-Apr-15	- - 6,678	- 1,301 -	- - 5,377	11.15%	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company.	N.A.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

Sl. No.	Name of Bank	Sanctioned Amount	As on date	Total Outstanding Amount	Current	Non-Current	Interest rate	Security	Repayment terms
24	HDFC Bank Limited		31-Mar-17 31-Mar-16 1-Apr-15	- - 2	- 2 -	- - -	- 9.25%	The Loan is secured by way of hypothecation on vehicle.	The loan is repayable in 60 monthly instalments starting from December, 2010 to November, 2015.
25	ECB (DBS)	USD 20 Million	31-Mar-17 31-Mar-16 1-Apr-15	12,652 12,920 12,009	12,652 1,126 300	11,794 11,709 -	- 2.7% + LIBOR Initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company.	The loan is repayable in 8 semi annual instalments from 07th February, 2016 to 07th August, 2019.
26	ECB (RABO)	USD 25 Million	31-Mar-17 31-Mar-16 1-Apr-15	12,616 12,883 30,383	12,616 3,681 18,708	- 9,202 11,676 -	- 3.30% + LIBOR Initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company.	The loan is repayable in 9 semi annual instalments starting by end of 36 months from the utilisation date.
27	Non Convertible Debentures		31-Mar-17 31-Mar-16 1-Apr-15	44,420 37,000 51,000	44,420 26,000 14,000	- 11,000 37,000 -	- 8.75% to 9.90%	The debentures is secured by way of a first pari-passu charge over fixed assets of the company both present & future except 1. NCD of ₹ 25,000 Lacs allotted on 29th September 2010 which is secured by Pari-Passu first charge on Movable fixed assets of the company both present & future. 2. NCD of ₹ 22,450 Lacs allotted during the F.Y. 2016-17 is unsecured.	NCD are repayable in instalments starting from September 2012 to September 2017 except NCD allotted during the financial year 2016-17 of ₹ 22,450 Lacs is repayable after one year.
28	OCBC	US\$ 20 Million	31-Mar-17 31-Mar-16 1-Apr-15	- - 6,258	- - 1,562	- 4,696 -	- LIBOR + 3.90%	The loan is secured by way of first pari passu charge over the current assets, fixed assets, land and receivables of Sabah Forest Industries Sdn. Bhd.	The loan is repayable by 8 equal semi-annual instalments commencing from October, 2013.
29	Standard Chartered Bank	US\$ 25 Million	31-Mar-17 31-Mar-16 1-Apr-15	4,866 4,957 7,786	4,866 3,302 3,090	- 1,655 4,696 -	- LIBOR + 5%	The loan is secured by way of first pari passu charge over the current assets, fixed assets, land and receivables of Sabah Forest Industries Sdn. Bhd.	The loan is repayable by 10 equal semi-annual instalments commencing from February 8, 2013.
30	Standard Chartered Bank	US\$ 20 Million	31-Mar-17 31-Mar-16 1-Apr-15	4,866 4,949 7,124	4,866 3,294 2,429	- 1,655 4,696 -	- LIBOR + 3.20%	The loan is secured by way of first pari passu charge over the current assets, fixed assets, land and receivables of Sabah Forest Industries Sdn. Bhd.	The loan is repayable by 8 equal semi-annual instalments commencing from January 4, 2014.
31	RABO Bank	USD 50 Million	31-Mar-17 31-Mar-16 1-Apr-15	4,866 4,965 7,017	4,866 4,965 4,669	- 1,655 - 2,348 -	- LIBOR + 3.58%	The loan is secured by way of first pari passu charge over the current assets, fixed assets, land and receivables of Sabah Forest Industries Sdn. Bhd.	The loan is repayable by 8 equal semi-annual instalments commencing from March 15, 2013.
32	RABO Bank	USD 25 Million	31-Mar-17 31-Mar-16 1-Apr-15	6,488 6,619 9,361	6,488 6,619 6,231	- 3,130 -	- LIBOR + 3.65%	The loan is secured by way of first pari passu charge over the current assets, fixed assets, land and receivables of Sabah Forest Industries Sdn. Bhd.	The loan is repayable by 5 equal semi-annual instalments commencing from September 28, 2014.
33	ICICI Bank	USD 50 Million	31-Mar-17 31-Mar-16 1-Apr-15	19,464 22,452 23,658	19,464 9,213 3,623	- 13,239 20,035 -	- LIBOR + 3.94%	The loan is secured by way of first pari passu charge over the current assets, fixed assets, land and receivables of Sabah Forest Industries Sdn. Bhd.	The loan is repayable by 19 unequal quarterly instalments commencing from December 28, 2013.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

SL. No.	Name of Bank	Sanctioned Amount	As on date	Total Outstanding Amount	Current	Non-Current	Interest rate	Security	Repayment terms
34	ICICI Bank	USD 25 Million	31-Mar-17 31-Mar-16 1-Apr-15	13,590 14,488 14,289	13,590 1,911 828	- 12,577 13,461	LIBOR + 4.02%	The loan is secured by way of first pari passu charge over the current assets, fixed assets, land and receivables of Sabah Forest Industries Sdn. Bhd.	The loan is repayable by 24 unequal quarterly instalments commencing from January 31, 2014.
35	DBS Bank	USD 15 Million	31-Mar-17 31-Mar-16 1-Apr-15	8,759 -	- -	8,759 -	Libor plus a margin of 3.25%	The loan is secured by way of first Preferential charge over shares of SFI.	Any proceeds which are transferred or paid to the Company by SFI (including any proceeds from a disposal of all or any part of SFI's assets or business), in any manner whatsoever, shall be applied in the following order: i) First, in or towards discharging any fees owing to the ECL, (ii) Second, any interest payable in respect of the DBS BPH Credit Agreement and (iii) third, the DBS BPH Credit Agreement Liabilities and the Edelweiss Credit Agreement Liabilities, pari passu and without any preference between them, and (iv) fourth, liabilities under the DBS BGPPL Guarantee.
36	ECL	USD 5.4 Million	31-Mar-17 31-Mar-16 1-Apr-15	4,365 -	- -	4,365 -	13.00%	The loan is secured by way of first Preferential charge over shares of Sabah Forest Industries Sdn. Bhd & Ballarpur Paper Holdings B.V.	The loan is repayable in 12 equal quarterly Instalments starting by end of 15 month from the date of agreement 08th March, 2017 i.e. 8th June 18
37	Standard Chartered Bank		31-Mar-17 31-Mar-16 1-Apr-15	- -	- -	- -	Libor plus a margin of 5.25%	The loan is secured against pledge of Ballarpur Paper Holdings B.V.'s Shares.	The loan is repayable at the end of three years from first utilisation date.
38	CREDIT AGRICOLE	USD 55 Million	31-Mar-17 31-Mar-16 1-Apr-15	35,109 35,671 44,522	- -	35,109 35,671 44,522	Libor plus a margin of 4.80%	The loan is secured by way of first Preferential charge over 21.50% of BILT Paper B.V. Shares owned by Ballarpur Industries Limited & corporate guarantee of Ballarpur Industries Limited.	The loan is repayable in 3 equal instalments starting from 48 months of agreement i.e. January 2, 2015
39	JPM	USD 24.5 Million	31-Mar-17 31-Mar-16 1-Apr-15	14,899 14,440 -	- -	14,899 14,440 -	Libor plus a margin of 1.50%	The loan is secured by way of SDLC from Indusind Bank.	The loan was drawn down on 13 July, 2015 and is repayable after 36 months of utilisation.
40	ICICI BANK LIMITED	USD 21.494 Million	31-Mar-17 31-Mar-16 1-Apr-15	9,504 14,529 14,620	- -	9,504 14,529 14,620	Eurabrics plus a margin of 2.50%	The loan is secured by way of SDLC from Indusind Bank.	The loan is repayable in three equal instalments starting from third year of the utilization date.
41	IDBI BANK	USD 20 Million	31-Mar-17 31-Mar-16 1-Apr-15	12,787 13,003 -	- -	12,787 13,003 -	Libor plus a margin of 4.80%	The loan is secured by way of corporate guarantee of holding company Ballarpur Industries Limited.	The loan is repayable in three annual equal instalments starts at the end of 4th, 5th and 6th year from the date of first utilisation i.e. starting from October 6, 2019.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

Sl. No.	Name of Bank	Sanctioned Amount	As on date	Total Outstanding Amount	Current	Non-Current	Interest rate	Security	Repayment terms
42	YES Bank Limited	1,850	31-Mar-17 31-Mar-16 1-Apr-15	360 753 935	237 372 374	123 381 562	Base Rate + 2.85%	The loan is secured by exclusive charge on moveable fixed assets of the company and immovable fixed assets at Mysore.	The loan of ₹ 1650 Lacs is repayable by 20 quarterly instalment starting from July, 2011 and loan of ₹ 200 Lacs is repayable in 16 quarterly instalments starting from the end of moratorium period of 12 Month i.e. from Nov 2016.
43	YES Bank Limited	3	31-Mar-17 31-Mar-16 1-Apr-15	0 1 2	0 1 1	0 0 1	- 13.10%	The loan is secured by way of first charge on the vehicle financed.	The loan is repayable by 48 monthly instalment commencing from May 2013.
44	YES Bank Limited	6,500	31-Mar-17 31-Mar-16 1-Apr-15	6,426 - -	- - -	6,426 - -	MCLR + 0.65%	(1) First charges on all Current Assets and Movable Fixed Assets. (2) Exclusive charges by way of Deed of Hypothecation over Purchase Order Receivable of INR 750 Million from Ballarpur Industries Ltd.	The loan is repayable by 16 quarterly Instalments from the end of moratorium period of 12 month from the date of first disbursement i.e. April 2018.
45	YES Bank Limited	11	31-Mar-17 31-Mar-16 1-Apr-15	4 7 10	4 3 4	0 4 6	10.24%	The loan is secured by way of first charge on the vehicle financed.	The loan is repayable by 36 equal Instalments from May 2015

* Loan from South Indian Bank has been absolutely assigned and transferred to Phoenix ARC Private Limited w.e.f. 17.03.2017 together with all securities, rights and interests in all agreements, deeds and documents in relation to or about the said debts and now company will deal directly with Phoenix in all respects in relation to this debt.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

₹ in Lacs

23 OTHER FINANCIAL LIABILITIES			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Security Deposit	3,834	4,740	4,674
	3,834	4,740	4,674

24 PROVISIONS			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Provisions for employee benefits :-			
- Provision for gratuity	6,905	7,043	6,391
- Provision for leave encashment	2,120	1,882	1,386
	9,025	8,925	7,777

25 DEFERRED TAX LIABILITY (NET)			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Deferred Tax Liabilities (Net)	13,306	8,536	9,488
(Difference in Tax Base of Property, Plant and Equipments)			
	13,306	8,536	9,488

25.1 Reconciliation of tax expenses and the accounting profit multiplied by domestic tax rate:

Since the Company has incurred Business loss during the year 2016-17 and previous year 2015-16 and no tax is payable for those years as per provisions of Income Tax Act, 1961, the calculation of effective tax rate is not relevant and hence, not given.

25.2 The Company has recognised deferred tax assets on carry forward business losses as sufficient future taxable income will be available against which deferred tax assets can be realised considering its present order book and anticipated orders.

26 OTHER NON CURRENT LIABILITY			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Other Liabilities	22	23	1
	22	23	1

27 TRADE PAYABLES			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
For Acceptances			
- To micro,small and medium enterprises	893	942	297
- Payable to Related Parties	11,311	12,947	8,573
- Other payables	85,330	238,390	220,336
	97,534	252,279	229,206

Micro and Small Enterprises under the Micro and Small Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Principal amount due & remaining unpaid	549	112	80
Interest due on above & the unpaid interest	78	10	1
Interest paid on all delayed payments under the MSMED Act	-	-	-
Payment made beyond the appointed day during the year	-	4	1
Interest due and payable for the period of delay	0	4	1
Interest accrued & remaining unpaid	78	10	1
Interest remaining due and payable even in succeeding years	0	-	-

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

₹ in Lacs

28 OTHER FINANCIAL LIABILITIES			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Current maturities of long term debt	205,362	86,582	78,822
Current Maturities of Finance Lease Obligations	-	4	-
Bank book overdrawn	2,031	2,385	6,789
Interest accrued but not due on borrowings	41,416	9,552	5,880
Security deposits	1,690	2,033	2,133
Payables for capital goods	3,390	3,385	3,491
Payable to employee	14,749	7,520	4,680
Liability For Compulsory / Optional Buyback	179	181	185
Other Payables	3,794	101	2,058
Unpaid dividends	67	80	86
Derivative Financial Instruments (Interest Swap)	1,337	2,009	1,131
Interest Accrued On Secutiry Deposits	267	293	197
	274,282	114,125	105,452

29 OTHER CURRENT LIABILITIES			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Advance received from customers	1,340	3,215	7,544
Statutory dues	8,657	8,719	6,877
	9,997	11,934	14,421

30 PROVISIONS			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Provisions for employee benefits :			
- Provision for gratuity	1,560	1,002	1,167
- Provision for leave encashment	583	439	498
Others provisions (Net of payment) (Refer below note 30.1)	2,355	2,245	1,969
	4,498	3,686	3,634

30.1 The Company is carrying provision for obligation as on Balance Sheet date, which may result in outflow of resources. The following is the disclosure of such provisions covered under Ind AS 37.

	As at 1st April-2015	Provision During the Year	Provision Utilised/Reversed During the Year	As at 31st March-2016
Anti dumping duty*	27	-	-	27
Water Cess	1,881	391	120	2,152
Provision for Sales tax**	61	5	-	66

	As at 1st April-2016	Provision During the Year	Provision Utilised/Reversed During the Year	As at 31st March-2017
Anti dumping duty*	27	-	-	27
Water Cess	2,152	225	120	2,257
Provision for Sales tax**	66	5	-	71

* Represents provisions against anti dumping duty case for which appeal has been filed before CESTAT.

** Represents provisions against sales tax cases for which appeal has been filed before Punjab VAT Tribunal at Chandigarh.

31 CURRENT TAX LIABILITY (NET)			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
Provision For Taxation Including Mat	3,420	1,411	1,254
	3,420	1,411	1,254

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

₹ in Lacs

32 REVENUE FROM OPERATIONS		
Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Sale of products		
Paper (including coated)	202,839	435,700
Pulp	115	1,445
Services	12	123
Others	9,172	3,370
	212,138	440,638
Other operating revenue		
Mega project benefit	3,100	4,716
Export Incentive / Scraps sale	1,468	1,943
Sub Total	4,568	6,659
	216,706	447,297
33 OTHER INCOME		
Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Profit on sale of PPE (Net)	3,494	2,802
Gain on foreign currency fluctuations	451	267
Rent and license fee	83	109
Unspent liabilities and excess provisions of earlier years written back	91	507
Interest Received on VAT refund	84	-
Other non operating income (net of expenses directly attributable to such income)	2,331	769
	6,534	4,454
34 COST OF MATERIAL CONSUMED		
Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Bamboo	7,653	10,240
Wood and wood species	30,371	56,011
Chemicals	31,655	65,455
Wood pulp	32,109	84,962
Packing materials	4,564	10,611
Others	1,156	1,060
	107,508	228,339
35 INCREASE/(DECREASE) IN STOCK		
Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Stock at the beginning of the Year		
Finished Goods		
Paper	22,008	26,422
Pulp	57	397
	22,065	26,819
Work in Progress		
Paper	10,170	13,947
Pulp	2	1,219
	10,172	15,166
Total (A)	32,237	41,985
Stocks at the end of the Year		
Finished Goods		
Paper	5,980	22,008
Pulp	-	57
	5,980	22,065

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

₹ in Lacs

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Work in Progress		
Paper	3,272	10,170
Pulp	-	2
	3,272	10,172
Total (B)	9,252	32,237
Discontinued Operation (C)	(43)	1,317
Increase /(Decrease) in Stocks(A-B-C)	23,028	8,431

36 EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Salaries and wages	27,902	27,058
Contribution to provident and other funds	1,352	1,385
Staff welfare expenses	1,366	1,514
	30,620	29,957

37 FINANCE COSTS

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Interest expenses	81,109	55,083
Other borrowing costs	7,218	650
Net loss / (gain) in foreign currency transaction and translation	4,841	6,434
Less: Interest earned	(3,084)	(16,250)
	90,084	45,917

38 OTHER EXPENSES

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Consumption of stores and spare parts	3,542	6,613
Power and fuel	25,050	48,459
Excise duty on year end inventory of finished goods	(819)	(131)
Rent	2,928	2,246
Repairs to buildings	247	369
Repairs to machinery	2,787	3,253
Repairs others	552	604
Insurance	458	547
Rates and taxes	679	524
Other manufacturing expenses	404	1,199
Office & other expenses	6,806	1,593
Bank charges	145	69
CSR Expenses	79	290
Selling expenses	1,801	663
Bad Debts	589	-
Inventory written off	380	-
Assets discarded	-	5
Carriage and freight	2,714	5,848
Detention & demurrage charges	3,480	-

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

₹ in Lacs

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Director sitting fees	89	114
*Legal and professional charges	2,109	1,383
Miscellaneous Expenses	7	-
	54,027	73,648
*Legal & Professional Expenses includes Auditor Remuneration (Refer Note. 43(a)).		

39 EXCEPTIONAL ITEMS

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Impairment of Assets	25,149	-
Penal Interest	5,481	-
Others	-	(31)
Total	30,630	(31)

39.1 Impairment of Asset Review of one unit at 'Kamlapuram'

Due to non-operation of unit at 'Kamlapuram', its plant was not serviced / maintained in satisfactory running condition, thereby requiring impairment testing under Ind AS 36. The unit had appointed a registered valuer and based on his report an impairment loss amounting to ₹ 20,100 Lacs has been charged to Profit & Loss account under exceptional item. To arrive at the impairment amount, Valuer have adopted Fair Market Value using Cost Approach, applying relevant index and relevant reduction factors as the plant was not in operation for almost 36 months. Further, Company has also written off the inventory of ₹ 4,771 Lac and advance to suppliers of ₹ 278 Lac under exceptional item of Kamlapuram Unit.

Assets are tested for impairment whenever there are any internal or external indicators of impairment.

Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the goodwill or other assets are monitored for internal management purposes, within an operating segment.

The impairment assessment is based on higher of value in use and value from sale calculations.

The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid term market conditions.

Key assumptions used in value-in-use calculations:

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures

Operating margins: Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in a hyper competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company; at the same time, factors like higher churn, increased cost of operations may impact the margins negatively.

Discount rate: Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs.

Growth rates: The growth rates used are in line with the long term average growth rates of the respective industry and country in which the Company operates and are consistent with the forecasts included in the industry reports.

Capital expenditures: The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required.

40 Financial Instruments

a) Capital Risk Management

The company manages its capital to ensure the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

The Company monitors capital using gearing ratio, which is capital divided by net debt.

₹ in Lacs

Particulars	As at 31st March-2017	As at 31st March-2016
Loans and borrowings	983,463	815,832
Less: cash and cash equivalents	11,014	24,242
Net debt	972,449	791,590
Total capital	119,302	285,185
Capital and net debt	1,091,751	1,076,775
Gearing ratio	0.12	0.36

b) Categories of financial instruments

Particulars	As at 31st March-2017	As at 31st March-2016
Financial Assets		
at amortised cost:-		
Loans and receivables:		
Investments in subsidiaries, associates and joint ventures	4,056	4,056
Trade and other receivables	7,060	36,588
Refundable deposits	2,113	2,247
Loans	59,645	43,398
Cash and bank balances	12,298	25,221
Other Financial Assets	5,578	9,127
at fair value :-		
Investments	-	960
Financial Liabilities		
Bank borrowings (including current maturities)	942,046	806,284
Interest accrued but not due on borrowings	41,417	9,552
Derivative Financial Instruments (Interest Swap)	1,337	2,009
Trade payables	97,534	252,279
Payable to employees	14,749	7,520
Payables for capital goods	3,390	3,385
Security deposits including interest there on	5,791	7,066
Other financial liability	6,071	2,746

c) Financial Risk Management Objectives and Policies

The operations of the Company are subject to a variety of financial risks, including market risk, foreign currency risk, credit risk, interest rate risk and liquidity risk. The Company has formulated a financial risk management framework whose principle objective is to minimise the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Company.

Various risk management policies are approved by the Board for monitoring on the day-to-day operations for the control and management of the risks associated with financial instruments.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

(a) Foreign exchange risk and sensitivity

The Company transacts business primarily in Indian Rupee, USD, Euro, GBP and JPY and other foreign currency. The Company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopts a policy of selective hedging based on risk perception of the management. Foreign exchange hedging contracts are carried at fair value.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

The following table demonstrates the sensitivity in the USD, Euro, GBP, JPY and other currencies to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given in respect to A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Particulars	As at 31st March-2017	As at 31st March-2016
United States Dollar	9,091	9,696
Euro	(28)	(28)
GBP	(1)	(1)
Japenese Yen	(2)	(2)
Malaysian Ringgit	(3,567)	(3,259)

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

Summary of exchange difference accounted in Statement of Profit and Loss:

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Currency fluctuations		
Net foreign exchange (gain) / losses shown as operating expenses	(451)	(267)
Net foreign exchange (gain) / losses shown as finance cost	4,841	6,434
Total	4,390	6,167

(b) Interest rate risk and sensitivity

Interest rate risk is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk arises primarily because of the bank borrowings comprising term loans, loans against import and revolving credits which are at the aggregate of Base rate / MCLR and the applicable margin. The interest rates for the said bank borrowings are disclosed in Note No. 22.

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Interest rate sensitivity	March 31, 2017	March 31, 2016
INR borrowings	(2,878)	(2,381)
USD borrowings	(705)	(590)

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Commodity price risk and sensitivity

The Company has in place policies to manage the Company's exposure to fluctuation in the prices of the key materials and commodities used in the operations. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continually upgrading its expertise and range of products to meet the needs of its customers. The company enters into fixed price contracts to establish determinable prices for raw materials and consumables used. The management does not consider the Company's exposure to market risk significant as on March 31, 2017. Therefore, sensitivity analysis for market risk is not disclosed.

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligation as agreed. To manage this, Group Periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable, Individual risk limits are set accordingly. The company does not hold any collateral on the balance outstanding.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

Trade Receivables

The Company extends credit to customers in normal course of business based upon careful evaluation of the customer's financial condition and credit history. Outstanding customer receivables are regularly monitored. The ageing of trade receivable is as below:

₹ in Lacs

Particulars	Past due		Total
	upto 6 months	more than 6 months	
Trade Receivables			
As at March 31, 2017			
Secured	471	15	486
Unsecured	5,568	1,006	6,574
Gross Total	6,039	1,021	7,060
Provision for doubtful receivables	-	-	-
Net Total	6,039	1,021	7,060
As at March 31, 2016			
Secured	1,081	65	1,146
Unsecured	34,339	1,103	35,442
Total	35,420	1,168	36,588
Provision for doubtful receivables	-	-	-
Net Total	35,420	1,168	36,588

Financial instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The results of the Company for the current year have been impacted due to lack of adequate working capital. The lenders of the company have invoked standstill provision due to delay in repayments of debts and payment of interest. The company is in discussions with banks to finalise & implement SDR / Other restructuring packages.

The Company is required to maintain ratios (including total debt to EBITDA / net worth, EBITDA to gross interest, debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios these loans become callable at the option of lenders, except where exemption is provided by lender.

Maturity profile of financial liabilities

The table below provides regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

₹ in Lacs

Particulars	As at 31st March-2017			As at 31st March-2016		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Due to related party	11,311	-	11,311	12,947	-	12,947
Trade payables	86,223	-	86,223	239,332	-	239,332
Payable to employees	14,749	-	14,749	7,520	-	7,520
Derivative Financial Instruments (Interest Swap)	1,337	-	1,337	2,009	-	2,009
Payables for capital goods	3,390	-	3,390	3,385	-	3,385
Security deposits including interest there on	1,957	3,834	5,791	2,326	4,740	7,066
Other financial liability	6,072	-	6,072	2,746	-	2,746
Total	125,039	3,834	128,873	270,265	4,740	275,005

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

41. SEGMENT REPORTING

Segments have been identified taking into account nature of product and differential risk and returns of the segment. These business segments are reviewed by the Chief Operating Officer of the Company (Chief operating decision maker).

The Expenses, which are not directly identifiable to a specific business segment are clubbed under "Unallocated Corporate Expenses" and similarly, the common assets and liabilities, which are not identifiable to a specific segment are clubbed under "Unallocated Corporate Assets/ Liabilities" on the basis of reasonable estimates.

₹ in Lacs

Particulars	YEAR	PAPER	PAPER AND PAPER PRODUCTS	PULP	OTHERS	TOTAL
Revenues						
Gross Sale to External Customers	2016-17	188,877	9,695	115	13,452	212,139
Excise Duty	2016-17	(10,563)	(420)	-	(334)	(11,317)
Gross Sale to External Customers	2015-16	373,799	49,874	1,445	15,520	440,638
Excise Duty	2015-16	(21,217)	(2,159)	(81)	(385)	(23,842)
Total Segment Revenues (Net of Excise)	2016-17	178,314	9,275	115	13,118	200,822
	2015-16	352,582	47,715	1,364	15,135	422,136
Revenue from discontinued operation	2016-17	11,016	-	-	-	11,016
	2015-16	48,628	-	-	-	48,628
Segment Results	2016-17	(31,241)	97	(4,860)	-	(36,004)
	2015-16	55,862	829	(5,525)	(555)	50,611
Less: Unallocated Corporate Expenses (Net of other income)	2016-17					309
	2015-16					308
Profit Before Interest, Tax & Exceptional Items	2016-17					(36,313)
	2015-16					50,303
Interest & Finance cost(Net of Income)	2016-17					90,084
	2015-16					45,917
Profit Before Tax & Exceptional Items	2016-17					(126,397)
	2015-16					4,386
Profit/(loss) from discontinued operation before tax	2016-17					(25,408)
	2015-16					(32,932)
Exceptional Items	2016-17					30,630
	2015-16					(31)
Profit Before Tax after Exceptional Items	2016-17					(199,723)
	2015-16					(28,609)
Provision For Tax	2016-17					-
- Current Tax (Net of MAT Credit Entitlement)	2015-16					283
- Tax expenses of discontinued operation	2016-17					17,287
	2015-16					94
- Deferred Tax	2016-17					(13,541)
	2015-16					(965)
Less: Excess Provision for Taxation relating to earlier Years	2016-17					-
	2015-16					-
Net Profit	2016-17					(186,182)
	2015-16					(27,927)
Less : Minority Interest	2016-17					(50,003)
	2015-16					(6,926)
Net Profit after Minority Interest and Share of Profit in Associates & before OCI	2016-17					(136,179)
	2015-16					(21,001)

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

₹ in Lacs

Particulars	YEAR	PAPER	PAPER AND PAPER PRODUCTS	PULP	OTHERS	TOTAL
Other Information						
Segmental Assets	2016-17	1,203,356	37,256	31,044	-	1,271,656
	2015-16	1,328,667	53,794	54,556	-	1,437,017
Unallocated Corporate assets	2016-17					48,510
	2015-16					71,781
Total Assets	2016-17					1,320,166
	2015-16					1,508,798
Segmental Liabilities	2016-17	183,937	6,724	6,554	-	197,215
	2015-16	284,727	12,710	4,166	-	301,603
Unallocated Corporate Liabilities	2016-17					1,025
	2015-16					9,734
Total Liabilities	2016-17					198,240
	2015-16					311,337
Capital Expenditure during the period (Including Movements in CWIP & Capital Advances)	2016-17					13,772
	2015-16					59,431
Depreciation	2016-17					24,970
	2015-16					25,361
Amortisation	2016-17					2,429
	2015-16					1,119
Total Liabilities Excludes Deferred Payment Liabilities						
Long Term Borrowings	2016-17					350,087
	2015-16					412,923
Short Term Borrowings	2016-17					385,608
	2015-16					305,974
Current Maturities of Long Term Debts	2016-17					205,362
	2015-16					86,586
Deferred tax liabilities (Net)	2016-17					13,306
	2015-16					8,536
Minority Interest	2016-17					48,262
	2015-16					98,256
Net assets/liabilities directly associated with discontinue operations	2016-17					116,871
	2015-16					180,473

II. Secondary Segments (Geographical Segments)

(a) Segmental Revenue

₹ in Lacs

	Year ended 31.03.2017	Year ended 31.03.2016
Domestic	194,143	377,233
Overseas	17,996	63,405
TOTAL	212,139	440,638

(b) The location of Tangible/Intangible fixed asset

₹ in Lacs

	As on 31st March-2017	As on 31st March-2016
Domestic	824,707	935,802
Overseas	244,784	208,349
TOTAL	1,069,491	1,144,151

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

42. EMPLOYEE BENEFITS

As per Ind AS-19 "Employee Benefits", the disclosure of employee benefits as defined in the accounting standard are given below:

Defined Contribution Plan*

Contribution to defined contribution Plan is recognized and charged off for the year, are as under :

₹ in Lacs

Defined Contribution Plan:	Year Ended 31.03.2017	Year Ended 31.03.2016
Particulars	2017	2016
Employer's contribution to provident fund	572	585
Employer's contribution to superannuation fund	25	32
Employer's contribution to pension scheme	648	641

* Includes charged to other accounts

Defined Benefit Plan

a) Gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit plan, covering eligible employees. This Plan provides for a lump sum payment to vested employees on retirement, death, incapacity or termination of employment of amounts that are based on salary and tenure of employment. Liability with regard to this plan are determined by actuarial valuation.

b) Leave Encashment

The Company permits encashment of leave accumulated by their employees on retirement, separation and during the course of service. The liability for encashment of leave is determined and provided on the basis of actuarial valuation performed by an independent actuary at each balance sheet date. This Plan is completely unfunded

c) Reconciliation of opening and closing balances of the present value of the defined benefit obligations

₹ in Lacs

Defined Benefit Plan: Particulars	2016-17			2015-16		
	Gratuity	Gratuity	Leave Encashment	Gratuity	Gratuity	Leave Encashment
	(Funded)	(Unfunded)	(Unfunded)	(Funded)	(Unfunded)	(Unfunded)
Present value of obligation as at the beginning of the period	675	7,567	3,083	606	7,156	1,884
Current service cost	49	380	191	100	489	461
Interest Expense or cost	52	582	136	97	655	468
Acquisition	-	-	-	-	-	-
Re-Measurement (or Actuarial) (gain) / (loss) arising from:	-	-	-	-	-	-
- change in demographic assumptions	18	0	0	1	(10)	5
- change in financial assumptions	30	189	75	3	124	29
- experience variance (i.e. Actual experience vs assumptions)	(27)	81	(238)	(104)	(331)	(480)
- others	-	-	-	-	-	-
Past service cost	-	-	9	-	-	-
Effect of change in foreign exchange rates	-	-	-	-	-	-
Benefits paid	(27)	(882)	(553)	(28)	(516)	(46)
Effects of business combinations or disposals	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-
Present value of obligation as at the end of the period	770	7,918	2,703	675	7,567	2,321

Note: There is difference in closing balance of 2015-16 and opening balance of 2016-17 in leave encashment as the basis for the same has been changed from basic salary to CTC.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

d) Reconciliation of opening and closing balances of the present value of the defined benefit obligations

₹ in Lacs

Plan Asset: Particulars	2016-17			2015-16		
	Gratuity	Gratuity	Leave Encashment	Gratuity	Gratuity	Leave Encashment
	(Funded)	(Unfunded)	(Unfunded)	(Funded)	(Unfunded)	(Unfunded)
Fair value of plan assets as at the beginning of the period	197	-	-	205	-	-
Investment Income	15	-	-	16	-	-
Contributions/Effects of business combinations or disposals	38	99	90	4	56	26
Benefits Paid	(26)	(99)	(90)	(26)	(56)	(26)
Return on plan assets, excluding amount recognised in net interest expense	(1)	-	-	(2)	-	-
Effect of change in foreign exchange rates	-	-	-	-	-	-
Fair value of plan assets as at the end of the period	223	-	-	197	-	-

e) Change in effects of assets ceiling

Effects of assets ceiling Particulars	2016-17			2015-16		
	Gratuity	Gratuity	Leave Encashment	Gratuity	Gratuity	Leave Encashment
	(Funded)	(Unfunded)	(Unfunded)	(Funded)	(Unfunded)	(Unfunded)
Effect of assets ceiling at the beginning of the year	-	-	-	-	-	-
Interest expense or Cost (to the extent not recognised in net interest expenses)	50	-	23	45	-	23
Re-measurement (or actuarial) (gain)/ (loss) arising because of change in effect assets ceiling	20	-	(10)	(0)	-	(27)
Effect of assets ceiling at the end of the year	70	-	13	45	-	(4)

f) The Components of Amounts Recognised and Charges off for the year are as under:

Particulars	2016-17			2015-16		
	Gratuity	Gratuity	Leave Encashment	Gratuity	Gratuity	Leave Encashment
	(Funded)	(Unfunded)	(Unfunded)	(Funded)	(Unfunded)	(Unfunded)
Current service cost	49	380	191	100	489	461
Past service cost	-	-	9	-	-	-
Loss / (Gain) on settlement	-	-	-	-	-	-
Net interest income / (cost) on the net defined benefit liability (Assets)	37	582	136	81	655	468
Less Recovered from Holding Company	-	-	-	-	-	-
Net Cost recognised in Statement of Profit/Loss	86	962	336	181	1,144	929
Other Comprehensive Income:						
Actuarial (gain) / losses						
- change in demographic assumptions	17	0	0	1	(10)	5
- change in financial assumptions	30	189	75	3	124	29
- experience variance (i.e. Actual experience vs assumptions)	(27)	82	(238)	(103)	(331)	(479)
- others	-	-	-	-	-	-
Return on plan assets, excluding amount recognised in net net interest expense	(1)	-	-	(2)	-	-

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

₹ in Lacs

Particulars	2016-17			2015-16		
	Gratuity	Gratuity	Leave Encashment	Gratuity	Gratuity	Leave Encashment
	(Funded)	(Unfunded)	(Unfunded)	(Funded)	(Unfunded)	(Unfunded)
Re-measurement (or actuarial) (gain)/ (loss) arising because of change in effect assets ceiling	20	-	(10)	(0)	-	(27)
Components of defined benefit costs recognised in other comprehensive income	39	271	(173)	(101)	(217)	(472)

g) Balance Sheet Obligations

Particulars	2016-17			2015-16		
	Gratuity	Gratuity	Leave Encashment	Gratuity	Gratuity	Leave Encashment
	(Funded)	(Unfunded)	(Unfunded)	(Funded)	(Unfunded)	(Unfunded)
Present value of obligation as at the end of the period	770	7,918	2,703	675	7,567	2,321
Fair value of plan assets as at the end of the period	223	-	-	197	-	-
Liabilities/ (Assets) recognised in the Balance Sheet	547	7,918	2,703	478	7,567	2,321

h) Economic Assumptions

Particulars	2016-17			2015-16		
	Gratuity	Gratuity	Leave Encashment	Gratuity	Gratuity	Leave Encashment
	(Funded)	(Unfunded)	(Unfunded)	(Funded)	(Unfunded)	(Unfunded)
Discount rate	-	7.25%	7.25%	0.00%	7.70%	7.70%
Salary growth rate	-	5.00%	5.00%	0.00%	5.00%	5.00%
Expected rate of return on plan assets	-	0.00%	0.00%	0.00%	0.00%	0.00%

i) Demographic assumptions

Particulars	2016-17			2015-16		
	Gratuity	Gratuity	Leave Encashment	Gratuity	Gratuity	Leave Encashment
	(Funded)	(Unfunded)	(Unfunded)	(Funded)	(Unfunded)	(Unfunded)
Retirement age (years)	-	60	60	-	60	60
Mortality Rate (as % of IALM 06-08)	-	100.00%	100.00%	0.00%	100.00%	100.00%
Withdrawal rate	-	2.00%	2.00%	0.00%	2.00%	2.00%
Rate of leave availment	-	0.00%	0.00%	0.00%	0.00%	0.00%

j) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	Changes in Assumption	2016-17					
		PAID LEAVE		Grat. On Roll		Grat. On Contractor	
		Changes in Assumption	% Impact on defined benefit obligation due to increase in assumption	% Impact on defined benefit obligation due to Decrease in assumption	% Impact on defined benefit obligation due to increase in assumption	% Impact on defined benefit obligation due to increase in assumption	% Impact on defined benefit obligation due to Decrease in assumption
Discount rate	1%	1%	-4%	5%	-4%	5%	-3%
Salary growth rate	1%	1%	5%	-5%	4%	-4%	3%
Attrition Rate	1%	1%	1%	-1%	1%	-1%	1%
Mortality rate	1%	1%	0%	0%	0%	0%	0%

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

₹ in Lacs

Particulars	Changes in Assumption	2015-16						
		Changes in Assumption	PAID LEAVE		Grat. On Roll		Grat. On Contractor	
			% Impact on defined benefit obligation due to increase in assumption	% Impact on defined benefit obligation due to Decrease in assumption	% Impact on defined benefit obligation due to increase in assumption	% Impact on defined benefit obligation due to Decrease in assumption	% Impact on defined benefit obligation due to increase in assumption	% Impact on defined benefit obligation due to Decrease in assumption
Discount rate	1%	1%	-3%	4%	-4%	4%	-2%	3%
Salary growth rate	1%	1%	4%	-3%	4%	-3%	3%	-2%
Attrition Rate	1%	1%	1%	-1%	1%	-1%	1%	-1%
Mortality rate	1%	1%	0%	0%	0%	0%	0%	0%

k) Maturity Profile of defined benefit obligation (Weighted Average)

Particulars	2016-17			2015-16		
	Leave Encashment	Gratuity	Gratuity	Leave Encashment	Gratuity	Gratuity
	(Unfunded)	(Funded)	(Unfunded)	(Unfunded)	(Funded)	(Unfunded)
Expected Cash Flows Over the next (Valued on undiscounted basis)						
1 year	37	1,260	521	37	1,045	367
2 - 5 year	150	4,062	1,141	150	4,140	1,154
6 - 10 year	240	2,670	1,129	240	2,965	816
More than 10 year	1,271	5,155	1,911	1,271	5,670	1,395

43 OTHER DISCLOSURES

₹ In Lacs

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
a) Auditors Remuneration		
Statutory Auditors		
i. Audit Fee (including Cost Audit Fees)	136	130
ii. Tax Audit Fee	21	22
iii. Certification Fees	20	-
iv. Other capacity (management services)	143	70
v. Reimbursement of Expenses	4	5
Total	324	227

(b) Expenditure on Corporate Social Responsibility :

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of the Companies Act, 2013 read with schedule III are as below:

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Preventive health care and sanitation	11	35
Expenses for differently abled	12	43
Rural development	16	114
Livelihood Enhancement Projects	17	50
Provision made during the year	23	46
Others	-	2
Total	79	290

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

₹ in Lacs

44 Contingent Liabilities and Commitments			
Particulars	As at 31st March-2017	As at 31st March-2016	As at 1st April-2015
(to the extent not provided for)			
1) Contingent Liabilities:			
Claims against the Company not acknowledged as debts	71,848	46,508	47,205
Guarantees	5,074	7,688	8,497
TOTAL (A)	76,922	54,196	55,702
2) Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-		
Property, Plant and Equipment	1,233	1,710	2,304
TOTAL (B)	1,233	1,710	2,304
TOTAL (A+B)	78,155	55,906	58,006
3) Odisha Pollution Control Board issued a notice to Unit sewa for recovery of ₹ 298 Crore for water drawn from Kolab river upto the end of Dec-2008 for which reply has been filed. Currently, the challenge against the constitutional validity of this recovery is still pending before High Court of Orissa.			
4) In respect of loan availed by its foreign wholly owned subsidiary, Ballarpur International Holding B.V			
i) The Company has granted to the lender a corporate guarantee of USD 97.75 Million.			
ii) The Company has executed an indemnity and undertaking for stand-by Letter of credit facility of USD 55 Million.			
5) In respect of loan availed by its stepdown subsidiary, Bilt Graphic Paper Products Limited			
i) The Company has granted to the lender a corporate guarantee of ₹ 510 Crore.			
ii) Ballarpur Paper Holding B.V. & Bilt Paper B.V. has jointly granted to the lender a corporate guarantee of USD equivalent to ₹ 150 Crore.			
6) In respect of loan availed by its subsidiary, Avantha Agritech Limited			
i) The Company has provided a Put Option to the lender, Yes Bank Limited of ₹ 65 Crore against his facility provide to borrower Avantha Agritech Limited.			

Note: It is not possible to predict the outcome of the pending litigations with accuracy, the Company believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.

45. Details of Specified Bank Notes held and transacted during the period from 8th November, 2016 to 30th December, 2016 as required under MCA Notification G.S.R. 308(E) Dated March, 31, 2017:

₹ in Lacs

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing Cash in Hand as on 08-11-2016	12.40	3.54	15.94
Add: Permitted Receipts	-	42.94	42.94
Less: Permitted Payments	0.02	35.68	35.70
Less: Amount deposited in Banks	12.38	-	12.38
Closing Cash in Hand as on 30-12-2016	-	10.81	10.81

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

- 46.** The liability of the put option of subsidiaries, if any shall be determined and provided on settlement in view of on-going discussions with banks.
- 47.** The results of the company for the current 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 & payment of interest. The company is in discussions with banks to finalise & implement SDR/Other restructuring packages.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2017

48 EARNINGS PER SHARE

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	(Number of shares)	
	Year Ended March 31, 2017	Year Ended March 31, 2016
Issued equity shares	655,523,839	655,523,839
Weighted average shares outstanding - Basic and Diluted - (A)	655,523,839	655,523,839

Net profit available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows :-

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Profit and loss after tax for Continuing operation (Net of Minority) for EPS - (B)	(110,203)	2,056
Profit and loss after tax for discontinuing operation (Net of Minority) for EPS - (C)	(25,977)	(23,056)
Profit and loss after tax for EPS - (D)	(136,179)	(21,001)
Basic Earnings per share for continuing operation [B/A]	(16.81)	0.31
Diluted Earnings per share for continuing operation [B/A]	(16.81)	0.31
Basic Earnings per share for discontinue continuing operation [C/A]	(3.96)	(3.52)
Diluted Earnings per share for discontinue continuing operation [C/A]	(3.96)	(3.52)
Basic Earnings per share for continuing operation [D/A]	(20.77)	(3.20)
Diluted Earnings per share for continuing operation [D/A]	(20.77)	(3.20)

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity, if any.

49 RELATED PARTY TRANSACTIONS

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationships, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported year are:

a) Name of the Related Parties with Whom Transactions were carried out during the year and nature of relationship:

(1) Key Management Personnel

Mr. Gautam Thapar

Mr. B Hariharan

(2) Other Related Parties *

*Companies over which persons(s) having direct/indirect control or significant control influence over the company is able to exercise significant influence

Arizona Printers & Packers Private Limited

Avantha Holdings Limited

Avantha Power & Infrastructure Limited

Avantha Realty Limited

BILT Industrial Packaging Company Limited

Biltech Building Elements Limited

CG Power and Industrial Solutions Limited (Formerly Crompton Greaves Limited, Name change w.e.f. 27-02-2017)

Global Green Company Limited

Imerys NewQuest(India) Private Limited

Jhabua Power Limited

Korba West Power Company Limited

Krebs & Cie (India) Limited

Leading Line Merchant Traders (P) Limited

Avantha Business Solutions Limited (Formerly known as Salient Business Solutions Limited)

Mirabelle Trading Pte. Limited

Prestige Wines and Spirits (P) Ltd.

Avantha International Assets B.V.

Avantha International Holding B.V.

Saraswati Travels (P) Limited

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

SMI Newquest India Private Limited
Solaris Chemtech Industries Limited
UHL Power Company Ltd.
Avantha Technologies Ltd
MTP New Ocean (Mauritius) Limited
TAF Asset 2 B.V.

(b) Details of transaction with related parties

(Financial transactions have been carried out in the ordinary course of business and/or in discharge of contract obligation)

₹ in Lacs			
S. No.	Particulars	Year ended 31.03.2017	Year ended 31.3.2016
a)	Sale of goods, rent received & allocation of common expenses for rendering corporate service:		
	- Other Related Party	1,446	4,104
b)	Purchase of Goods & Services, Rent and Commission/Royalty:		
	- Other Related Party	7,022	34,624
c)	Advances given during the year		
	- Other Related Party	5,239	5,863
d)	Advances received back during the year		
	- Other Related Party	3,587	673
e)	Remuneration (net of recovery) :		
	- Key management Personnel	1	777
f)	Royalty Paid/Payable		
	- Other Related Party	-	65
g)	Outstanding Balances at the end of the year		
	- Key management Personnel	5	16
	- Other Related Party	22,054	22,327

50 Transition to IND AS

Basis of preparation

For all period up to and including the year ended March 31, 2016, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended March 31, 2017 are the Company's first annual IND AS financial statements and have been prepared in accordance with IND AS.

Accordingly, the Company has prepared financial statements which comply with IND AS applicable for periods beginning on or after April 1, 2015 as described in the accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at April 1, 2015 the Company's date of transition to IND AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP Balance Sheet as at April 1, 2015 and its previously published Indian GAAP financial statements for the year ended March 31, 2016.

Exemptions

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date.
- to apply previous GAAP carrying amount of its investment in Subsidiaries, Associates and Joint Venture as deemed cost as on the date of transition to Ind AS.
- continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

Exceptions

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

(a) Estimates

The estimates at 1st April 2015 and 31st March 2016 are consistent with those made for the same dates in accordance with India GAAP (after adjustments to reflect any difference if any, in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets are based on expected credit loss model

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at the transition date and as of 31st March 2016.

(b) Derecognition of financial assets and financial liabilities

The company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition of Ind AS.

(c) Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

The following reconciliations and explanatory notes thereto describe the effects of the transition on the Ind AS Opening statement of financial position as at April 1, 2015. All explanations should be read in conjunction with the accounting policies of the company as disclosed in the Notes to the Accounts.

(₹ in Lacs)

Particulars	Note No.	1-April-15	31-March-16
Other Equity as per Previous GAAP		307,085	263,523
Adjustments to other equity			
Fair valuation of Assets, Financial Assets & Financial Liabilities	(III) a	6,504	5,378
Fair valuation of Biological Assets	(III) b	27,406	20,996
Impact of effective interest rate on borrowings	(III) c	(18,361)	(15,049)
Proposed dividend (including Corporate Dividend Tax)	(III) d	1,578	-
Incremental Depreciation due to fair valuation		-	427
Unwinding of Discount related to deferred sales tax liability		-	(70)
Deferred tax liabilities		(327)	(629)
Reclassification of actuarial gain / losses, arising in respect of employee benefit schemes, to Other Comprehensive Income (OCI)		(414)	(1,203)
Other Adjustments		(2,063)	(1,300)
Other Equity as per Ind AS		321,408	272,073

- II. The following reconciliations and explanatory notes thereto describe the effects of the transition on the Ind AS on Statement of Profit and Loss for the year ended March 31, 2016. All explanations should be read in conjunction with the accounting policies of the company as disclosed in the Notes to the Accounts.

(₹ in Lacs)

Particulars		2015-16
Profit / (Loss) as per Previous GAAP		(22,941)
Adjustments		
a. Fair valuation of Biological Assets	(III) b	(6,410)
b. Amortisation of Transaction costs using Effective Interest Rate Method	(III) c	4,059
c. Impact on Depreciation due to fair valuation		427
d. Unwinding of discount related to liabilities		(70)
e. Deferred tax liabilities (net)		(629)
f. Reclassification of actuarial gain / losses, arising in respect of employee benefit schemes, to Other Comprehensive Income (OCI)		(789)
g. Other Adjustments		(1,574)
Total adjustments		(4,986)
Profit / (Loss) as per Ind AS		(27,927)

III. Notes to the Reconciliation

- The Company has as at the date of transition elected to measure Plant and Equipments under Property, Plant and equipment at fair value as deemed cost.
On adoption of Ind-AS, the Company undertook a detailed evaluation of its financial assets & financial liabilities as at the date of transition i.e. April 1, 2015. These assets & liabilities were assessed for future economic benefits expected to flow to the Company or collection in accordance with Ind-AS 109. Ind- AS 109 requires measurement of provision for bad and doubtful debts to be determined with reference to the expected credit loss model. Such assets , based on evaluation, have been measured at the present value discounted at effective interest rate and adjusted to other reserve as at transition date.
- Under Previous GAAP, the Company recognised Biological assets at cost; however, Ind AS requires the company to recognise the Biological asses at fair value and the changes in fair valuation of Biological assets are recognised in Statement of Profit and Loss.
- Under Previous GAAP, Costs incurred in raising funds are amortised over the period for which the funds have been obtained, using time proportionate basis. However, as per Ind AS, the transaction costs are accounted using Effective Interest Rate Method.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

- d. Under Previous GAAP, proposed dividend including dividend distribution tax (DDT), are recognised as liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company, usually when approved by shareholders in the general meeting, or paid.

51 DISCONTINUED OPERATIONS

SABAH FOREST INDUSTRIES SDN.BHD.

The Major classes of assets and Liabilities of the discontinued operations are as under:

(₹ in Lacs)		
Particulars	As at 31st March-2017	As at 31st March-2016
Assets		
Property, Plant and Equipment	172,238	203,265
Capital work-in-progress	55	76
Leasehold land	4,241	5,009
Biological assets other than bearer plants	68,250	70,472
Deferred tax assets (net)	-	18,313
Inventories	13,183	16,457
Trade receivables	45	1,707
Cash and cash equivalents	97	181
Loans	5	0
Others Financial Assets	25	30
Other current assets	1,420	932
Total (A)	259,559	316,442
Liabilities		
Non current Borrowings	10,705	29,125
Current Borrowings	59,155	37,287
Trade payables	18,528	27,256
Other financial liabilities	8,840	5,194
Other current liabilities & Provisions	45,460	37,107
Total (B)	142,688	135,969
Net Assets/Liabilities directly associated with discontinue operations (A-B)	116,871	180,473

Statement of profit and loss of the discontinued operations:

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Revenue from operations	11,016	48,628
Other income	30	60
Less: Expenses	36,454	81,620
Profit/ (loss) before tax from a discontinue operations	(25,408)	(32,932)
Tax expense:	17,288	94
	(42,696)	(33,026)

Net cash flows attributable to the operating, investing and financing activities of discontinued operations:

Cash flow from	31st March 2017	31st March 2016
Operating activities	(290)	(30,026)
Investing activities	22,313	(4,042)
Financing activities	(2,308)	(25,389)

- 52 Previous Year Figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached
ASHWIN MANKESHWAR
Partner
 Membership No. 046219
 For and on behalf of
K. K. MANKESHWAR & CO.
Chartered Accountants
 FRN: 106009W

New Delhi, dated the
 23rd May, 2017

For Ballarpur Industries Limited
R. R. VEDERAH
Vice Chairman
B. HARIHARAN
Group Director (Finance)
BIMAL KHANDELWAL
Chief Financial Officer
AKHIL MAHAJAN
Company Secretary

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]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	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.	<u>Audit Qualification (each audit qualification separately):</u>			
	a.	Details of Audit Qualification: Attention to note 4 of Audited Standalone Financial results for the Quarter / Year ended 31 st 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.	<u>Signatories:</u>	
	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)	
	Place: New Delhi	
	Date: 23 rd 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]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	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.	<u>Audit Qualification (each audit qualification separately):</u>			
	a.	Details of Audit Qualification: Attention to note 4 of Audited Consolidated Financial results for the Quarter / Year ended 31 st 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.	<u>Signatories:</u>	
	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)	
	Place: New Delhi	
	Date: 23 rd May, 2017	

Notes



ADDRESS FOR CORRESPONDENCE

THE COMPANY SECRETARY

Ballarpur Industries Limited,
First India Place, Tower C,
Block A, Sushant Lok I,
Mehrauli Gurgaon Road,
Gurugram 122002

Tel	+91 124 2804242 / 23
Fax	+91 124 2804261
Email	sectdiv@bilt.com
Website	www.bilt.com