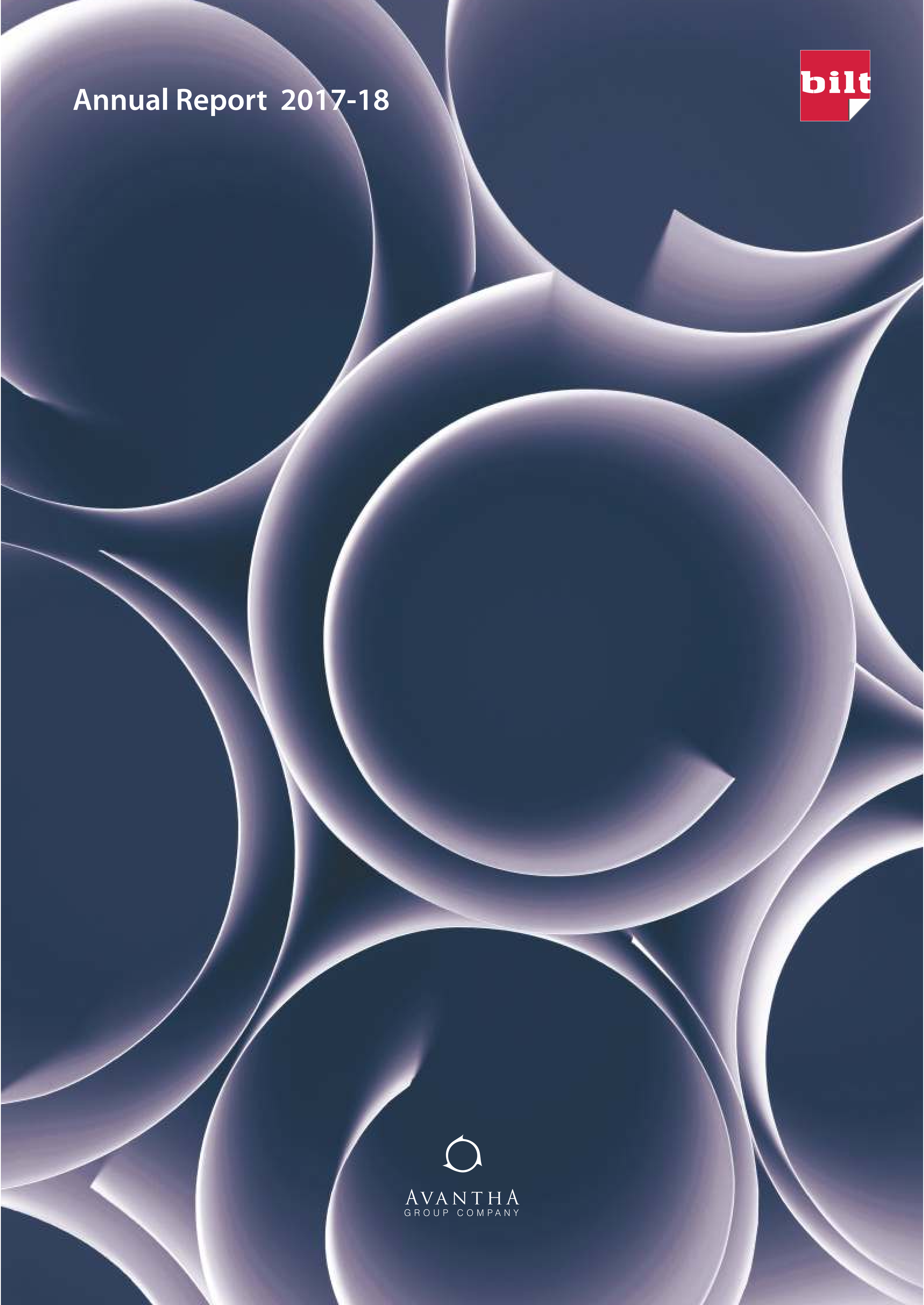
Annual Report 2017-18

bilt



AVANTHA
GROUP COMPANY

CONTENTS

BOARD OF DIRECTORS

GAUTAM THAPAR
Chairman

R. R. VEDERAH
Non Executive Vice Chairman

B. HARIHARAN
Group Director (Finance)

SANJAY LABROO

A. S. DULAT

A. P. SINGH

SUDHIR MATHUR

PAYAL CHAWLA (MS.)

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

Sharp & Tannan
Chartered Accountants
Parsn Manere, A-Wing, 602,
Anna Salai, Chennai - 600006

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

CHAIRMAN'S LETTER

Dear Shareholder,

Last year, I had begun my letter to you by writing, “The financial situation of your Company is serious”, and described how due to external and internal factors, BILT’s revenues were insufficient to service the debt incurred earlier to make the required capital intensive investments in capacity and technology.

Though we still have some ways to go, I have reasons to believe that things have been somewhat better in FY2018 compared to the previous year. Let me begin with your Company’s consolidated financials:

- Revenue from operations (net of indirect taxes) increased by 22% over the previous year to ₹2,519 crore in FY2018.
- EBIDTA improved from a loss of ₹247 crore last year to a profit of ₹352 crore.
- While this was more than adequate to cover depreciation, it was still insufficient to cover interest and finance cost.
- Consequently, profit before taxes (PBT) and exceptional items was (-) ₹840 crore. This was significantly better than the previous year, when it was (-) ₹1,410 crore.
- PBT including exceptional items was (-) ₹1,030 crore — again considerably better than (-) ₹1,716 crore that was posted in the previous year.
- Net profit from continuing operations after tax for FY2018 was (-) ₹864 crore. This was also appreciably better than FY2017, when it stood at (-) ₹1,581 crore.

What the results show is that your Company has clearly improved its operational performance. Revenues are up and the EBIDTA has again turned profitable. I expect these parameters to improve further in FY2019.

What the results also show is that at ₹915 crore, the finance cost at a consolidated level still remains high relative to your Company’s EBIDTA. We have been trying to bring this down through a combination of strategic debt and deep debt restructuring.

Regarding the former, the standalone entity- BILT converted a significant part of the outstanding debt to equity by issuing equity shares through preferential allotment to 11 banks and financial institutions that comprise the Joint Lenders Forum under the Strategic Debt Restructuring (SDR) scheme.

Regarding the latter, the Management has formulated a deep debt recasting plan for your Company's step-down subsidiary, BILT Graphic Paper Products Limited, which involves working with an Asset Restructuring Company to restructure the loan and infuse additional capital for the needs of the business.

Your Company is beginning to get the financial headroom needed to return to normal operations. But let me emphasise that we are not out of the woods yet. Your Company needs to further bring down finance costs which might require additional innovative debt restructuring. It needs to sell Sabah Forest Industries (SFI), which is a non-core asset and financially classified as a 'discontinued operation'. It also needs to carefully examine the financial viability of some other Units and, where necessary, divest these as well.

These key corporate initiatives — further increasing revenues, controlling operational costs, divesting SFI and, where needed, other non-profitable Units as well as reducing the debt and interest burden — will need to be carried out in an increasingly competitive milieu, where there are more global producers of paper products supplying to India than before. Your Company's Management needs to be ever more vigilant, nimble and swift in execution.

It is a tough challenge. But is a challenge that can be met and overcome. Therefore, I have reasons to expect your Company to perform better in FY2019 and, with that, get BILT on to a financially sustainable growth path.

Thanks once again for your support throughout the difficult times. Let us together pledge that we shall overcome. As we must.

With best wishes,

GAUTAM THAPAR
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

INTRODUCTION

BILT (or the 'Company') is one of India's leading writing and printing paper manufacturer. It continues to implement a well-structured plan which focuses on maintaining its leadership position across carefully selected sub-segments of the writing and printing paper industry. BILT's knowledge-driven emphasis towards value creation has helped to change the positioning of paper from a commodity to a branded product.

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

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

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

The other block of businesses comes under Bilt Paper BV, 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. operates through its step down subsidiary, 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 Orissa).

Through this structure, BILT addresses the following portfolio:

- Writing and Printing Paper – India.
- Specialty Paper.
- Tissue Paper.
- Rayon Grade Pulp.

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 quality, which has emerged as a key differentiator in the competitive markets where it operates.

The product range is well supported by a strong 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 addition, the Company enjoys a good market presence in many countries across Middle East, Africa, Europe and South America.

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. This 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 13 kg compared to 78 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 56 kg.

This gap between potential and actual demand in India has led to significant pent up demand 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.

Demand for paper has been growing at around 8% per year for some time. According to industry estimates, the domestic market for consumption of paper is over 17 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 made significant capital investments to ramp-up capacities, the gestation period is long. Moreover, the economic viability of such investments is impacted significantly by availability and cost of raw materials and other inputs. In addition, with competitive 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 have 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. Imports have risen in terms of volume, from 1.8 million MT in 2010-11 to 3.08 million MT in 2017-18.

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 these FTAs.

Under such conditions, there is a very serious threat of unviability — with several large scale investments in capacities in the recent past turning economically unviable. The 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 considerably affected the industry.

During FY2018, BILT was no exception to this difficult industrial condition. Given the long 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.

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. Coated wood-free consumption in India increased by around 7% to 870,000 MTPA in FY2018. 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%. This is BILT's primary focus area.

The coated market can 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 487,000 MTPA and the C2S board market grew by over 9% to 226,000 MTPA in FY2018.

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 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.

Uncoated Wood-Free

During FY2018, the Indian uncoated market — comprising Low Bright and Hi Bright segments — grew by 3% to 13,30,000 MTPA, and the competition was intense. The market remains largely restricted to domestic players and is highly fragmented with a multitude of products and manufacturers. Moreover, 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 5.7% in FY2018.

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 FY2018 to 10,70,000 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 1.6 million MTPA in FY2018. BILT has strategically maintained a minimal presence in this segment.

BILT's Operations in India

BILT's writing and printing paper manufacturing operations under its step-down subsidiary Bilt Paper B.V. has four production units across India. These are: Ballarpur (Maharashtra), Bhigwan (Maharashtra), Sewa (Odisha) and Ashti (Maharashtra). Details of operational developments across the different units are given below:

Unit: Ballarpur

At Ballarpur, total paper production was 245,351 MT in FY2018 against 147,321 MT in FY2017. The new pulp mill produced highest ever pulp production i.e. 228,453 ADMT (Air Dry Metric Ton) of bleached pulp during the year to meet the captive pulp requirements and to supply pulp to Bhigwan and Ashti. This highest pulp production was possible through continuous de-bottlenecking initiatives taken by the Ballarpur team inspite of fund constraints leading to low levels of inventories and critical spares. Some of the actions taken for increased pulp production are:

- Reduction in down time by providing emergency by-pass arrangements for major equipment in the bleach plant process.
- Use of cooking aid to enhance productivity and reduction in chemicals consumptions.
- In-house repair of the oxygen delignification (ODL) press, which prevented an extended pulp mill shut.
- Improved preventive maintenance practices in mill wide operations.

The surplus bleached pulp was supplied to Bhigwan to partially meet their requirement of purchased pulp. This has given a significant economic advantage to Bhigwan in view of the high prevailing prices of market pulp.

The mill also continued with its focus on cost reduction and achieved the lowest production cost in last five years. Pulp and paper cost reduced by 7.3% and 7.2%, respectively, over FY2017. Reduction in the variable cost of paper was mainly on account of:

- Complete elimination of purchased pulp consumption on paper machines.
- Reduction of high cost bamboo in raw material mix from 18.6% to 10.5%.
- Innovative modifications in the evaporator plant for reduced steam consumption.
- Reduction in bleaching chemicals consumption by using cooking aid in the pulp mill.
- Significant reduction in water consumption across the mill.
- Use of indigenous starch in place of the imported varieties.
- Installation of new radial reel wrapping in place of manual wrapping.

In line with the Company's focus on product quality and servicing, the mill developed new grades of paper. Some of these were:

1. MG Poster 50 GSM with low paper acidity for glass wrapping.
2. MG Poster for thermal coating base in 45 GSM.
3. High bulk (1.65+cc/g) variant paper for export in 90 GSM and high smoothness variant in NSD Premium in 80, 100 and 120 GSM.
4. Significant improvement in quality of packing of paper reels with the installation of the new radial reel wrapping machine.

Ballarpur: Environment Management and Resource Conservation

During FY2018, Ballarpur undertook several energy conservation initiatives which enabled the mill to successfully achieve and surpass the Perform, Achieve, Trade (PAT-I) cycle targets for energy reduction set by the Bureau of Energy Efficiency (BEE), Government of India. Consequently, it has received 16,587 E-Certificates from the BEE out of which 11,000 E-Certificates were sold in the energy exchange during FY2018.

Ballarpur has also implemented several initiatives for reducing fresh water consumption. In FY2018, its water consumption level was 44 m3/T of product — down from 54 m3/T. This is well below the national norm notified by Central Pollution Control Board (CPCB). The mill's effluent treatment plant is equipped with the state-of-the-art systems like the Moving Bed Bio-film Reactor and the Dissolved Air Floatation effluent treatment process technologies. These have enabled the mill to significantly improve the quality of final treated effluent. Online Continuous Emission Monitoring System (CEMS) and effluent quality monitoring system have been provided, which are connected to the Maharashtra Pollution Control Board and the CPCB server for the transmission of real time data.

Ballarpur: Awards and Achievements

- 'SEEM Platinum Award 2017-18' in National Energy Management — awarded on 25 May 2018 at Delhi.
- First Award for 'Excellence in Energy Conservation' by MEDA, Government of Maharashtra, Pune in September 2017 for 2016-17.
- Transition to ISO 9001:2015 and ISO14001:2015 certificates in June 2017.

Unit: Bhigwan

At Bhigwan, total paper production was 135,283 MT in FY2018 versus 102,605 MT in FY2017. In pursuing continuous cost reduction, new indigenous vendors were developed for (i) nano-particle size acrylic latex booster for binder cost optimization, and (ii) delaminated clay to substitute the imported variety. These initiatives resulted in reduction in production cost. On the product development front, the mill successfully developed clay coated kraft paper for label stock and high strength C1S 55 GSM for flexible packaging.

Bhigwan: Environment Management and Resource Conservation

With its state-of-the-art effluent treatment plant, the mill consistently met the treated effluent norms notified by the Government authorities. It also undertook several key initiatives in FY2018 to reduce energy consumption such as replacement of conventional lights with LED lights in the plant. The following key initiatives were taken to improve the reliability of plant operations:

- Upgraded old obsolete ACV 700 drives of PM1 wet end to ACS 800.
- Installed New ABB Unitrol 1020 AVR at TG1 turbine.
- Installed cooling water circuit interconnection system to operate TG1 or TG2 from single cooling tower.

Bhigwan: Awards and Achievements

- Transition to ISO 9001:2015 and ISO14001:2015 certificates in February 2018.
- State Level Energy Conservation Award (Second Prize) by MEDA for 2016-17, received in September 2017.

Unit: Sewa

Sewa had significantly lower production during FY2018 due to shortage of working capital. Working capital was infused in January 2018. The mill utilised the opportunity to bring about a significant reduction in fixed costs and the plant is being now being managed with a reduced level of manpower. There was particular focus on other fixed costs which were brought down to the minimum.

Unit: Ashti

Ashti, too, produced significantly less during most of FY2018 due to shortage of working capital and high prevailing prices of market pulp. Total production was 2,679 MT of paper in FY2018 against 5,974 MT in FY2017. However, the mill utilised the opportunity to focus on cutting down fixed costs and carrying out preventive maintenance activities in the plant. An additional 4,247 MT of copier paper produced at Ballarpur was converted at Ashti to service the customers.

Operations In Malaysia

Sabah Forest Industries Sdn.Bhd. (SFI)

During FY2018, the mill produced 9,429 MT of paper compared to 22,498 MT in FY2017. Total bleached pulp production was 8,609 ADMT in FY2018 compared to 20,279 ADMT in FY2017.The mill also produced 535 MT of market pulp sheets in FY2018. Production was affected by shortage of both raw material supply and working capital.

Specialty Paper Business

The specialty paper business focuses on specialised product categories such as water marked Bond paper, Ledger paper, Cartridge paper, Envelope paper, Super Printing paper and Matrix multipurpose paper. The assets of this business are directly under BILT at Unit Shree Gopal (Haryana).

Unit: Shree Gopal

The mill ran at lower capacity during the first half of the year due to shortage of funds. After receiving funding in November 2017, the plant ran consistently for the balance period of the year. Paper production stood at 46,990 MT in FY2018 versus 27,026 MT in FY2017. Shree Gopal undertook the following initiatives to improve paper quality along with cost reduction:

- Paper Machine No.4's Head Box slice was changed for better flow control.
- Usage of ground grade calcium carbonate filler in all paper grades in place of the conventional soap stone filler to improve paper quality along with cost reduction.
- Introduced latest microbiological techniques and Deposit Control Program on Paper Machine No.4.

To enrich the product mix, the mill developed the following grades of paper;

- BILT Copy Power 75 gsm.
- Water mark TA Ledger 70-90 gsm for legal register and documents.
- BILT Classic Ultra 54-90 gsm for stationery market.

Shree Gopal: Environment Management and Resource Conservation

At Shree Gopal, 'treated effluent' and 'boiler stacks emissions' complied with the norms laid down by Haryana State Pollution Control Board (HSPCB) as well as the Ganga River Basin Water Recycling and Pollution Prevention norms. It successfully installed continuous on-line real time monitoring of stacks emission and treated effluent. The following initiatives were also implemented during the year to improve environmental performance:

- To enhance treated effluent quality, it increased the well height of secondary clarifier to improve settling of Bio Mass Bed, as well as modified the Launder of the primary clarifier and the underflow line of secondary clarifier.
- Reduced energy consumption in the plant.
- The mill sold 11,950 Renewable Energy Credit (RECs) in FY2018 out of 34,830 RECs that it earned in FY2016.

Shree Gopal: Achievement

Successfully upgraded ISO 9001 and ISO 14001 to the 2015 version, along with surveillance audits of EMS (ISO 14001), OHSAS 18001 and EnMS (ISO 50001).

TISSUE AND HYGIENE PRODUCT BUSINESS [PREMIER TISSUES (INDIA) LIMITED]

Unit: Mysore

In the FY2018, Premier Tissues (India) Limited {PTIL} continued to maintain its dominant position in the retail segment and operates across all the key states in the Indian market. With introduction of new product categories in the three-ply segment (face tissues and toilet roll), PTIL has launched three-ply products in face tissues during the financial year. It has now tied up with large cash and carry formats to launch their private labels in the toilet roll segment.

During FY2018, PTIL recast its go-to-market strategy by building a sales organisation to actively pitch for the away-from-home institutional business. With this, PTIL should be able to leverage on its growth aspiration. With this, and its focus on retail expansion and penetration into modern trade and online grocery segment, PTIL expects to achieve its targeted growth rate for FY2019.

PTIL also cleared its term loan liabilities during the year and is expecting to see improved cash flows in FY2019. The additional cash flows generated will be utilised towards developing relevant product lines and improving efficiencies at the Mysore unit.

RAYON GRADE PULP BUSINESS

Unit: Kamalapuram

The India-based pulp business operates out of the facility 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 four years, this market has been under severe pressure — which made this unit unviable. Hence, the mill had to be temporarily shut down from 2014. A representation was made to the State Government for granting subsidies on inputs and power to enable manufacturing activities to be restarted. This has been considered favourably by the Government of Telangana. The Company is currently working on a proposal to convert this mill to manufacture paper grade pulp.

Financial Performance

BILT's Consolidated financial performance for the financial year ended 31 March, 2018 is given below:

(in ₹ crore)

Particulars	CONSOLIDATED	
	2017-18	2016-17
Revenue from Operations (Net of Excise duty)	2,519	2,059
EBIDTA	352	(247)
Less: Finance Cost	915	899
Less: Depreciation	277	264
Profit/(Loss) before Exceptional Items and Taxes	(840)	(1,410)
Exceptional Items	190	306
Profit / (Loss) before Tax	(1,030)	(1,716)
Less: Tax	(166)	(135)
Profit/(Loss) After Tax	(864)	(1,581)
Profit/ (loss) from discontinued operation before tax	(1,171)	(317)
Less: Tax expense on discontinued operation	-	173
Net profit/ (loss) from discontinued operation after tax	(1,171)	(490)
Net profit/ (loss) after tax	(2,035)	(2,071)

Human Resource (HR)

FY2018 was a watershed year in the history of the Company. From relatively low level of operations in the previous year, the current fiscal year saw all units, barring Kamalapuram, gradually coming to full scale operations. HR played a crucial role in this transition process by deploying proactive employee engagement practices and maintaining a peaceful industrial scenario in all locations.

There are registered trade unions in all manufacturing locations and a cordial relationship was maintained during the year. The Company received support and cooperation from the trade unions and workmen during a difficult year of transition in all aspects.

In the course of the year, no complaints were received relating to child labour, forced labour or sexual harassment at workplace.

While the business situation remained tough, talent retention remained a key focus area. During the year, management staff attrition remained near normal attrition when compared with the industry. More importantly, leadership talent remained more or less intact and stable, ensuring focus, continuity and drive.

Talent acquisition remained another focus area to support the operations in a seamless manner by focusing on critical replacements. Despite many challenges, the Company could attract the critical talent required to support operations.

Information Technology (IT)

The Company's IT team continued its thrust on cost management, adherence to compliance and digital alignment. By using the right mix of digital technologies and IT management, the team was able to reduce the annual spend by approximately 40%. The team handled the Company's GST initiative with perfection: the project achieved all its objectives in terms of timelines and adherence with statutory compliances.

We moved our communication and collaboration tools to Google Suite. This not only helped reduce operating costs by more than 50% and save on some potential investments, but has also opened up host of opportunities to build and create a more collaborative work place.

We intend to be a 100 percent cloud company by end of calendar year 2019. Our cloud strategy for entire Oracle suite is now ready. It is giving us a return on investment in the first full year of operations itself and should bring about 45% cost reduction in Oracle operations from the second year onwards. In addition, it has given an opportunity to the management to think of ERP 2.0. We are equally focused on non-ERP applications and adopting cloud technologies for more robust, agile and inexpensive solutions.

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.

The main objective of 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 FY2018, AAL raised pulpwood plantations in 7,600 hectares of farmland, which benefited approximately 8,000 small and marginal farmers in the catchment area of BILT's paper mill units.

Internal Controls and their Adequacy

The Company 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 internal 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 internal 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, 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 exists documented policies, procedures and guidelines.

The Company has adopted preventive as well as risk and control matrix based audits to assess processes, validate effectiveness of controls and implement requisite corrective actions, which are reported to and reviewed by Management and the Audit Committee of the Board of Directors. It 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 and Concerns

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

- Capital adequacy: Due to the highly capital intensive nature of investments and volatility in global raw material and target markets, the Company is undergoing financial restructuring while continuing to service customers in both domestic and overseas markets. This strains capital and creates risks.
- 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. The Company mitigates these risks with dynamic pricing models and ensuring efficient utilisation of capacity through optimising domestic and exports market mix.

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 22 May, 2018
Place New Delhi

CORPORATE GOVERNANCE

OUR CORPORATE GOVERNANCE PHILOSOPHY

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

The Company's corporate governance philosophy is based on the principles of adhering to strong value systems, integrity and fairness in all dealings and a strong commitment to objectivity in decision making. These values are firmly established through a high degree of transparency in disclosures, engagement across the organisation and with all stakeholders.

BILT's corporate governance systems are anchored by a strong and independent Board of Directors that provides the Company governance oversight and strategic counsel. The Company's well established systems and procedures ensure that the Board remains well-informed and well-equipped to fulfil 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 2017-18 (or FY2018), as BILT focused on executing its business plans, it 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, henceforth referred to as the 'Listing Regulations'. BILT remains committed to maintaining strict compliance with the letter and spirit of these Listing Regulations.

This chapter, along with the chapter on Management Discussion & Analysis, reports BILT's compliance with the SEBI's Listing Regulations.

BOARD OF DIRECTORS

COMPOSITION

As on 31 March 2018, the Company had nine Directors on the Board. The Board comprises: (i) a non-executive Chairman, Mr. Gautam Thapar, who is a member of the Promoter Group; (ii) one executive Director, Mr. B. Hariharan, who is Group Director (Finance); (iii) five Independent Directors, namely, Mr. Sanjay Labroo, Mr. A. S. Dulat, Mr. A. P. Singh, Mr. Sudhir Mathur and Ms. Payal Chawla (appointed with effect from 8 August 2017); and (iv) two non-independent non-executive Directors, namely Mr. R. R. Vederah, who is an ex-employee and serves as the non-executive Vice-Chairman of the Company, and Mr. Bhaskaran Nayar Venugopal, who is a Nominee Director of the Life Insurance Corporation of India (LIC). All the Directors are eminent personalities and experienced professionals in business, law, finance and corporate management. None of the Directors of the Company are related to each other.

Mr. B. Venugopal ceased to be a Director of the Company with effect from 3 April 2018. Ms. Nandini Adya and Mr. Ashish Guha resigned from the Board with effect from 19 May 2017 and 8 August 2017, respectively.

The composition of the Board of Directors is in conformity with Regulation 17 of Listing Regulations and provisions of the Companies Act, 2013. Table 1 gives details of the Directors on the Board, as well as their attendance.

BOARD MEETINGS

There were six Board meetings held in FY2018. These were on: 21 April 2017, 23 May 2017, 31 May 2017, 8 August 2017, 7 November 2017 and 14 February 2018. A meeting of Independent Directors was held on 22 May 2018. Table 1 gives the details of Directors' attendance at the Board meetings (excluding annual meeting of Independent Directors) and the Annual General Meeting (AGM) held during the year, as well as the number of Directorships and Committee Chairmanships /Memberships held by them in other public limited companies. Other such directorships do not include alternate directorship, or position held as a Director 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. The Board of Directors is provided with all statutory and other significant and material information to enable it to discharge its responsibilities as trustees of the shareholders.

Although the Directors are familiar with the operations of BILT, the Company arranges plant visits, presentations on different operations by functional heads as well as regular interactions with the Management. These provide further insight on the Company's operations and helps to familiarise 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. The web link is http://bilt.com/wpcontent/uploads/2015/07/BILTs-Familiarization-Programme-for-Directors.pdf

DIRECTORS' COMPENSATION

Directors compensation, if any, is approved by the Board and shareholders within the ceilings prescribed under the Companies Act, 2013. Independent and/ or 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 FY2018 is given in Table 2.

TABLE 1: DETAILS OF THE BOARD

NAME	DESIGNATION	CATEGORY	ATTENDANCE PARTICULARS			NO. OF DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS / CHAIRMANSHIPS IN OTHER PUBLIC LIMITED COMPANIES*		
			NUMBER OF BOARD MEETINGS UNDER TENURE			DIRECTORSHIP	COMMITTEE	
			HELD	ATTENDED	LAST AGM#		MEMBERSHIP	CHAIRMANSHIP
Mr. Gautam Thapar	Chairman	Non-Executive, Promoter	6	5	No	7	2	-
Mr. R. R. Vederah	Vice-Chairman	Non-Executive	6	5	No	5	3	-
Mr. B. Hariharan	Group Director (Finance)	Executive	6	6	Yes	9	4	3
Mr. Sanjay Labroo	Director	Independent	6	3	No	9	3	1
Mr. A. S. Dulat	Director	Independent	6	6	Yes	2	-	3
Mr. A. P. Singh	Director	Independent	6	6	No	1	1	-
Mr. Ashish Guha**	Director	Independent	4	4	No	2	2	-
Mr. B. Venugopal$	Director (LIC Nominee)	Non-Executive	6	5	No	-	-	-
Mr. Sudhir Mathur	Director	Independent	6	6	No	1	1	-
Ms. Payal Chawla@	Director	Independent	3	3	No	1	-	-
Ms. Nandini Adya^	Director	Independent	1	0	No	1	1	-

* Committees included are Audit and Stakeholders Relationship Committee.

72nd Annual General Meeting held on 26 September 2017.

**Resigned from directorship with effect from close of Board meeting held on 8 August 2017.

$ Ceased to be a Director with effect from 3 April 2018. LIC is equity and debenture holder.

@ Appointed as an Independent Director with effect from 8 August 2017.

^ Resigned from directorship with effect from 19 May 2017.

TABLE 2: DETAILS OF REMUNERATION OF THE DIRECTORS

(in ₹)

NAME OF THE DIRECTORS	SALARY AND PERQUISITES	PROVIDENT FUND AND SUPERANNUATION FUND	COMMISSION PAYABLE	SITTING FEES	TOTAL AMOUNT
Mr. Gautam Thapar	-	-	-	1,80,000	1,80,000
Mr. R. R. Vederah	-	-	-	1,20,000	1,20.000
Mr. B. Hariharan	-	-	-	-	-
Mr. Sanjay Labroo	-	-	-	60,000	60,000
Mr. A. S. Dulat	-	-	-	3,20,000	3,20,000
Mr. Ashish Guha **	-	-	-	2,40,000	2,40,000
Mr. B. Venugopal$	-	-	-	1,00,000	1,00,000
Mr. A. P. Singh	-	-	-	2,40,000	2,40,000
Mr. Sudhir Mathur	-	-	-	2,00,000	2,00,000
Ms. Payal Chawla@	-	-	-	60,000	60,000
Ms. Nandini Adya^	-	-	-	-	-

**Resigned from directorship with effect from close of Board meeting held on 8 August 2017.

$ Ceased to be a Director with effect from 3 April 2018.

@ Appointed as an Independent Director with effect from 8 August 2017.

^ Resigned from directorship with effect from 19 May 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	-	-	-	-	-
Mr. Sudhir Mathur$$	Independent	Member[1]	-	Member [2]	Member[1]	-
Ms. Payal Chawla@	Independent	-	-	-	-	-
Ms. Nandini Adya^	Independent	-	-	Member	-	-

**Resigned from directorship with effect from close of Board meeting held on 8 August 2017.

$ Ceased to be a Director with effect from 3 April 2018.

$$ Appointed with effect from 8 August 2017 (noted as 1) and appointed with effect from 21 April 2017 (noted as 2) .

@ Appointed as an Independent Director with effect from 8 August 2017.

^ Resigned from Directorship with effect from 19 May 2017.

NON-EXECUTIVE DIRECTORS' SHAREHOLDING

As on 31 March 2018, Mr. Gautam Thapar held 1,188,218 equity shares of the Company; and Mr. Sanjay Labroo held 495,802 equity shares. The Company has not issued any convertible instrument to any Non-Executive Director.

COMMITTEES OF THE BOARD

Table 3 gives the composition of BILT's Board-level Committees in FY2018.

The composition of BILT's Audit, Nomination and Remuneration, Stakeholder's Relationship , Corporate Social Responsibility and Risk Management Committees as on 31 March 2018 is given in Table 3. Apart from these, 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.

TABLE 4: ATTENDANCE RECORD OF THE AUDIT COMMITTEE

NAME OF MEMBERS	DESIGNATION	NO. OF MEETINGS ATTENDED
Mr. A. S. Dulat	Chairman	6
Mr. A. P. Singh	Member	6
Mr. Ashish Guha**	Member	4
Mr. Sudhir Mathur$$	Member	2

** Resigned from directorship with effect from close of Board meeting held on 8 August 2017. $$ Appointed with effect from 8 August 2017.

AUDIT COMMITTEE

In FY2018, the Audit Committee met six times: on 21 April 2017, 22 May 2017, 31 May 2017, 8 August 2017, 6 November 2017 and 14 February 2018. Table 4 gives the attendance record.

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 acts as the Secretary to the Committee. The Group Director (Finance), the Chief Executive Officer, Head of Internal Audit, other relevant officials of the Company and the representatives of the Statutory Auditors attended the meeting(s) as invitees, whenever required.

The Audit Committee reviews the financial results of the Company for each quarter and for the year, internal audits and internal control systems, applicability and compliance of various laws, legal cases, appointment of the Chief Financial Officer, related party transactions, the appointment and remuneration of statutory auditors / branch auditors / cost auditors, cost accounting systems and audit reports. Further, the Committee also oversees the vigil mechanism, as required by the provisions of the Companies Act, 2013. Affirmed that no personnel has been denied access to the Committee.

NOMINATION AND REMUNERATION COMMITTEE

During FY2018, the Committee met twice: on 21 April 2017 and 8 August 2017. Both meetings were attended by all its members. The composition of the Committee is provided in Table 3. Constituted with a mandate that is 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.

RISK MANAGEMENT COMMITTEE

The Board has constituted the Committee to understand and assess various kinds of risks associated with the running of business, suggest ways and means for minimizing such risks and review management control procedures and tools used for risk mitigation.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship Committee is provided in Table 3. A meeting was held on 21 May 2018 and was attended by all its members. During FY2018, three complaints were received from Investors / Shareholders, of which two were resolved and one pending, since resolved. Mr. Akhil Mahajan, Company Secretary is also Compliance Officer.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The composition of the CSR Committee is provided in Table 3. Its mandate is in compliance with the requirements of Section 135 of the Companies Act, 2013. The Committee met on 23 May 2017. It has formulated and recommended to the Board of Directors, a Corporate Social Responsibility Policy, guidance on the CSR activities to be undertaken by the Company and the amount to be spent on CSR. It monitors the CSR spends and their effectiveness on a regular basis.

CODE OF CONDUCT

The Company has a Code of Conduct for its Directors and Senior Management Personnel. It 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 FY2018. A declaration signed by Mr. Neehar Aggarwal, the Chief Executive Officer, to this effect is annexed to this Report.

MANAGEMENT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

DISCLOSURES OF MATERIAL TRANSACTIONS

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 at 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 and report trading by Insiders (the 'Code'). The Code lays down guidelines which provide procedures to be followed and disclosures to be made, while dealing in securities of the Company by all persons governed by it.

INFORMATION FOR SHAREHOLDER

DISCLOSURE REGARDING RE-APPOINTMENT

TABLE 5: MR. GAUTAM THAPAR'S OTHER DIRECTORSHIPS AND MEMBERSHIPS OF BOARD COMMITTEES

DIRECTORSHIPS IN OTHER PUBLIC LIMITED COMPANIES	OTHER COMMITTEE MEMBERSHIP / CHAIRMANSHIP	
	AUDIT	STAKEHOLDERS RELATIONSHIP COMMITTEE
Asahi India Glass Limited	Member	-
Avantha Consulting Services Limited (formerly Avantha Ergo Life Insurance Company Limited)	-	-
Avantha Holdings Limited	-	-
Avantha Agritech Limited	-	-
Biltech Building Elements Limited	-	-
CG Power and Industrial Solutions Limited (formerly Crompton Greaves Limited)	-	Member
Global Green Company Limited	-	-

Mr. Gautam Thapar

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

Mr. Thapar (DIN 00012289), aged 57 years, is a Director of the Company since 16 April 1999. An alumnus of the prestigious Doon School and Pratt Institute, USA, Mr. Thapar has over 3 decades of rich and varied industrial experience. He is the Founder and Chairman of the Avantha Group, which includes CG Power and Industrial Solutions Limited (power transmission and distribution equipment and services), BILT (paper and pulp), Global Green Company Limited (food processing), Biltech Building Elements Limited (infrastructure), Avantha Agritech Limited (Farm Forestry), Avantha Power & Infrastructure Limited (energy), Avantha Business Solutions (IT and ITES) and others.

Mr. Thapar is recognized for his thought leadership, and was appointed Member of the former National Security Advisory Board. He takes his social responsibilities seriously, and this is manifested in his involvement across three sectors: education, leadership development and sports. He is President of Thapar University, Former Chairman of the Board of Governors- National Institute of Industrial Engineering (NITIE), former Chairman of The Ananta Aspen Centre and Chairman of the CII-Avantha Center for Competitiveness for SMEs. A Past President of All India Management Association (AIMA), he was awarded the AIMA Honorary Life Fellowship in 2013. He is President of the Professional Golf Tour of India (PGTI). In 2013, King's College, London conferred an Honorary Fellowship in recognition of his 'exceptional achievements in the fields of industry and philanthropy'.

COMMUNICATION TO SHAREHOLDERS

Full and complete disclosure of information regarding the Company's financial situation and performance is an important part of BILT's Corporate Governance ethics. The Company demonstrates this commitment by sending to all its Shareholders a full version of its Annual Report, notwithstanding a regulatory exemption. BILT 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 wish to receive a physical copy of the Annual Report, the Company is happy to provide the same upon request.

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). BILT also sends the results and announcements to the Luxembourg Stock Exchange for the benefit of GDS holders. The weblink is http://bilt.com/investor-relations/.

GENERAL MEETINGS

Table 6 gives the details of General Meetings held in the last three years. No Special Resolutions were taken up in the previous three AGMs.

POSTAL BALLOT

During the year, by an overwhelming majority, Shareholders of the Company on July 14, 2017 approved through postal ballot the following special resolutions:

Resolution No 1. Reclassification of the Authorised Share Capital of the Company.

Resolution No 2. Preferential issue and allotment of up to 68,22,79,915 equity shares of the face value of ₹2/ each at ₹15.83 per equity share to Lenders of the Company in terms of Strategic Debt Restructuring Scheme of the Reserve Bank of India.

Mr. Prashant Kumar Balodia, Company Secretary in practice was appointed as the Scrutinizer for conducting postal ballot in

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

YEAR	CATEGORY	PLACE	DATE
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
2017	AGM	P.O. Ballarpur Paper Mills – 442901, Distt. Chandrapur, Maharashtra	26 September 2017
Time of Meetings: 2015 and 2016-12.00 Noon; 2017- 11.00 am			

TABLE 7: RESULT OF POSTAL BALLOT

S. No	Total No. of shares/votes	No. of Votes Polled	% of Votes Polled on outstanding shares	No. of Votes in favour	No. of Votes against	% of Votes in favour on votes polled	% of Votes against on votes polled
Resolution No-1	65,55,23,839	39,39,44,754	60.0962	39,38,52,983	76,031	99.9767	0.0193
Resolution No-2	65,55,23,839	39,39,19,430	60.0923	39,38,50,818	52,872	99.9826	0.0134

a fair and transparent manner. Results of Postal Ballot are given in Table 7.

The process for the postal ballot was detailed in the Notice dated May 31, 2017. The Company complied with the procedures for the postal ballot, as stated in Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, as amended.

As on the date of this report, no Special resolution is proposed to be passed through Postal Ballot. Further, Special Resolution(s), if required, to be passed by way of Postal Ballot in future shall be decided at the relevant time.

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.

TRANSFER OF SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to provisions of Section 124(6) of the Companies Act, 2013 ('The Act'), read with relevant Rules, the Company is required to transfer the shares for which dividend has not been paid or claimed for 7 consecutive years or more to IEPF.

The Company had sent individual communication to Members whose shares were liable to be transferred under the Rules at their registered address informing them of the above and for taking appropriate action. Accordingly, the Company has transferred the equity shares in respect of which dividend upto December, 2010 has not been claimed or paid for a period of seven consecutive years or more to the Investor Education and Protection Fund (IEPF).

The details are also available on our website at www.bilt.com and www.iepf.gov.in

No claim shall lie against the Company in respect of unclaimed dividend amounts and the corresponding shares transferred to IEPF, pursuant to relevant Rules. Shareholders should note that both the unclaimed dividend and the shares transferred to IEPF can be claimed back by them from IEPF.

GOVERNANCE OF SUBSIDIARIES

Each of the subsidiaries of the Company is managed by an experienced Board of Directors. The minutes of the subsidiaries are reviewed by BILT's Board of Directors on a regular basis.

CEO/CFO CERTIFICATION

The Group Director (Finance) and Chief Executive 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 2018.

CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a certificate from M/s. PDS & Co., a firm of Company Secretaries in practice, regarding compliance of conditions of Corporate Governance for FY2018, as prescribed by Schedule V of Listing Regulations, which is attached herewith.

GENERAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING

Date: 25th September, 2018
Time: 11.00 a.m.

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

FINANCIAL CALENDAR 2019

Financial year (FY)2019 is from 1 April 2018 to 31 March 2019. Financial results will normally be declared within 45 days after the end of the first, second and third quarter. Audited annual results, which also include those of the fourth quarter will be declared within 60 days from end of FY.

BOOK CLOSURE

The dates of book closure are from 19 September 2018 to 25 September 2018, both days inclusive.

UNCLAIMED DIVIDENDS

As statutorily required, dividends pertaining to the financial years 2010–11 onwards, as detailed in Table 8, which remain unclaimed and unpaid for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF). To enable Members to claim their dividend before its transfer to the IEPF, the tentative schedule for transfer is given in Table 8. The details are also

TABLE 8: UNCLAIMED DIVIDENDS

DATE OF DECLARATION OF DIVIDEND	DIVIDEND FOR THE FINANCIAL YEAR	TENTATIVE SCHEDULE FOR TRANSFER TO IEPF
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

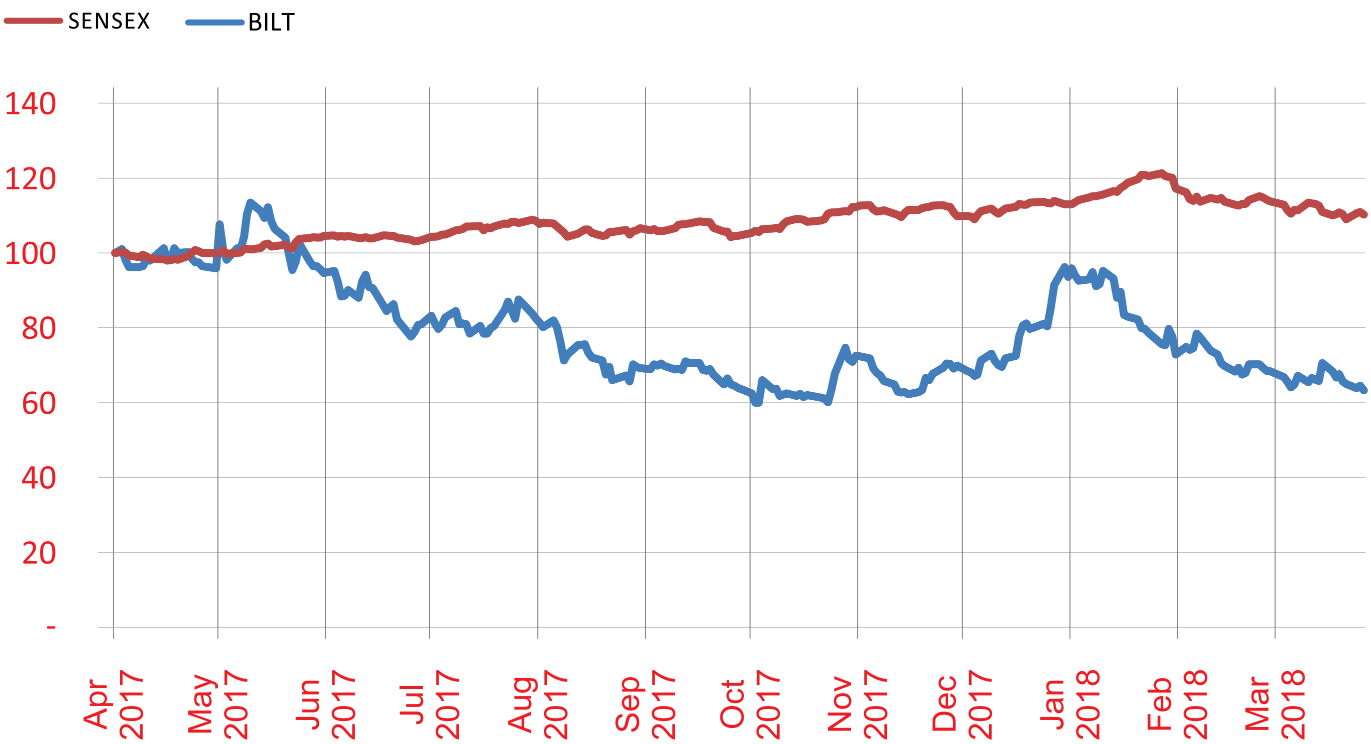
TABLE 9: BILT'S STOCK CODES

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

TABLE 10: MONTHLY PRICE AND VOLUMES OF BILT'S SHARES FOR FY2018 AT THE BSE AND THE NSE

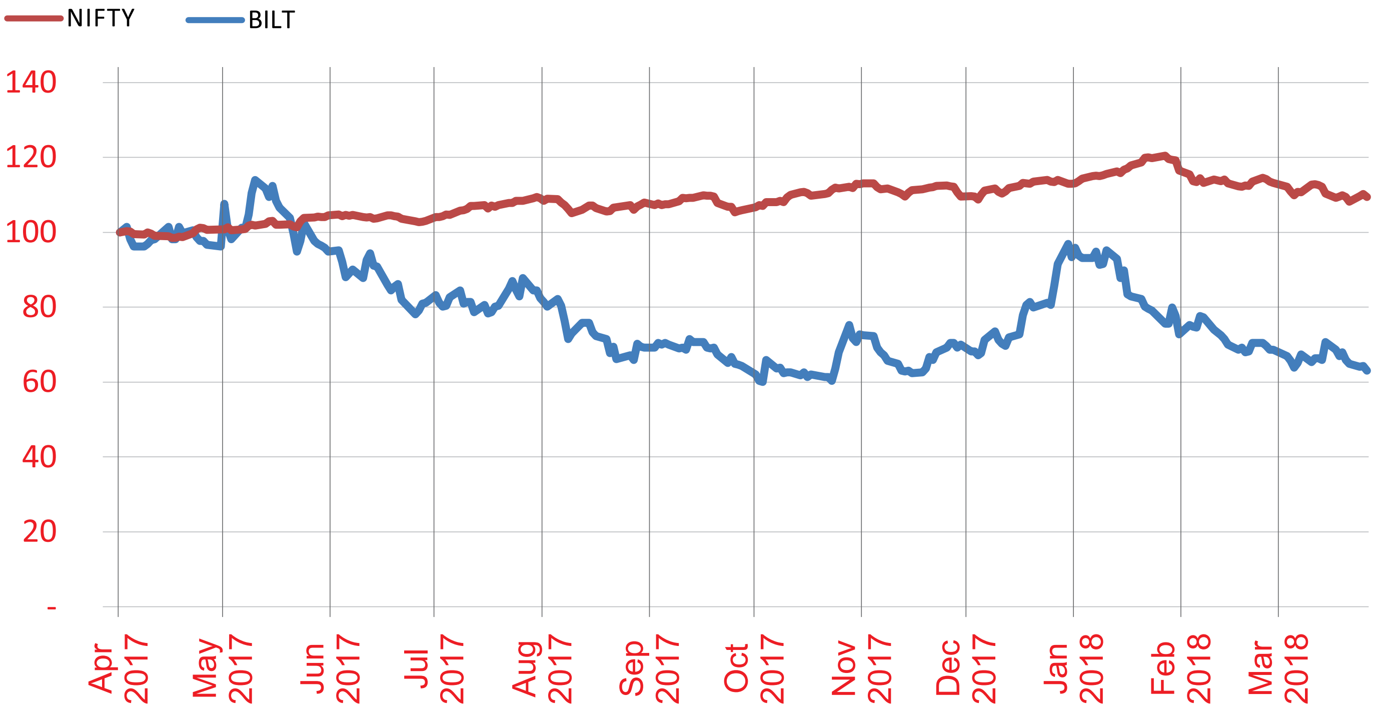
MONTH	BSE LIMITED				NATIONAL STOCK EXCHANGE OF INDIA LIMITED			
	HIGH (RS.)	LOW (RS.)	VOLUME	SENSEX (CLOSE)	HIGH (RS.)	LOW (RS.)	VOLUME	NIFTY (CLOSE)
Apr-17	20.60	18.70	11639731	29918	20.50	18.60	39071993	9304
May-17	22.70	18.40	25949408	31146	22.85	18.30	94703050	9621
June-17	19.85	15.05	10145708	30922	19.90	15.10	30407783	9521
July-17	17.60	15.25	19437224	32515	17.65	15.30	40880538	10077
Aug-17	16.90	12.80	6640696	31730	16.90	12.75	23524375	9918
Sep-17	14.81	12.56	7382924	31284	14.80	12.50	25038503	9789
Oct-17	14.88	11.30	10847107	33213	14.95	11.35	38092569	10335
Nov-17	15.05	11.79	9199074	33149	15.10	11.70	32754735	10227
Dec-17	18.40	13.15	23790509	34057	18.40	13.05	79374141	10531
Jan-18	20.20	14.30	27054425	35965	20.20	14.30	91365935	11028
Feb-18	16.20	13.15	8049597	34184	16.15	13.10	27310052	10493
Mar-18	14.48	12.22	9643122	32969	14.45	12.00	23654000	10114

Chart A: DAILY SHARE PRICE MOVEMENT, BSE SENSEX VS BILT



Note: Both BILT's share price at BSE and th SENSEX have been indexed to 100 as on 1 April 2017.

Chart B: DAILY SHARE PRICE MOVEMENT, NSE NIFTY VS BILT



Note: Both BILT's share price at NSE and NIFTY have been indexed to 100 as on 1 April 2017.

available on the website of the Company i.e. www.bilt.com, under the section on Investor Relations. For dividend relating to earlier years transferred to IEPF, they can be claimed from the IEPF.

UNCLAIMED BUY BACK CONSIDERATION

Shareholders who have not received their buy back consideration of the year 2008 are requested to notify the Company of non-receipt and claim the same.

LISTING DETAILS

At present, Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in India. The annual listing fee for the financial year 2018-19 has been paid to both the Stock Exchanges. The Company's stock codes at various exchanges are given in Table 9.

SHARE PRICE AND VOLUMES TRADED

Table 10 gives the details of monthly price and volumes traded of BILT's shares at the BSE and the NSE, and Charts A and B compare the price movements of BILT's share with respect to the BSE SENSEX and the NSE NIFTY, respectively.

DISTRIBUTION OF SHAREHOLDINGS

Tables 11 and 12 give the shareholding pattern according to size and ownership as on 31 March 2018.

NON-CONVERTIBLE DEBENTURES (NCDS)

The Company 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.

The details of debenture trustee are as follows:

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001.

REGISTRAR AND SHARE TRANSFER AGENT

The Registrar and Share 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. Share transfers are processed within 15 days, from the receipt of complete documents.

DEMATERIALISATION OF SHARES

Equity Shares of the Company are compulsorily traded in dematerialised form on the Stock Exchanges and are available for holding in the depository systems of National Securities Depository Limited and Central Depository Services (India) Limited, which provides adequate liquidity. As on 31 March 2018, 99.31% of the total Equity Shares of the Company were held in dematerialised form, as compared to 98.49% last year.

OUTSTANDING GLOBAL DEPOSITARY SHARES (GDS)

On 31 March 2018, there were 41 outstanding GDS representing 123 underlying equity shares.

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

TABLE 11 SHAREHOLDING PATTERN BY SIZE AS ON 31 MARCH, 2018

NUMBER OF EQUITY SHARES HELD	NUMBER OF SHARE HOLDERS	PER CENT OF SHARE HOLDERS	NUMBER OF SHARES	PER CENT OF SHAREHOLDING
1–1000	59,942	79.39	18,700,918	1.45
1001–5000	11,334	15.01	28,790,739	2.23
5001–10,000	2,130	2.82	16,774601	1.30
10,001 and above	2,100	2.78	1,229,189,498	95.02
Total	**75,506**	**100.00**	**1,293,455,756**	**100.00**

TABLE 12 SHAREHOLDING PATTERN BY OWNERSHIP AS ON 31 MARCH, 2018

CATEGORY	NO. OF SHARES HOLDERS	PER CENT OF SHARE HOLDERS	NO. OF SHARES HELD	PER CENT OF SHAREHOLDING
Promoters and Promoter Group	6	0.01	324,010,667	25.05
FIIs and FFIs	9	0.01	39,750	0.00
Mutual Funds	13	0.02	18,906	0.00
Central Govt/State Govt.	2	0.00	1,521	0.00
Foreign Portfolio Investor	16	0.02	67,281,313	5.20
Financial Institutions / Banks	39	0.05	343,716,602	26.57
Insurance Companies	4	0.01	95,959,313	7.42
NBFCs registered with RBI	15	0.02	1,305,139	0.10
NRIs	1025	1.36	3,459,996	0.27
Bodies Corporate	791	1.05	293,024,361	22.65
Individuals and Others	73586	97.46	164,638,188	12.74
Total	**75506**	**100.00**	**1,293,455,756**	**100.00**

Unit Kamalapuram

Mangapet Mandal, Distt. Warangal – 506172, Telangana

ADDRESS FOR CORRESPONDENCE

The address for correspondence for share transfer, dematerialisation of shares, payment of dividend and any other related queries of analysts, FIIs, institutions, mutual funds and banks 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 22 May, 2018
Place New Delhi

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

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 22 May 2018
Place New Delhi

CERTIFICATE ON CORPORATE GOVERNANCE

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, 2018, 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.

For PDS & CO.
Company Secretaries

(Prashant Kumar Balodia)
Partner
Membership No. 6047
Certificate of Practice No. 6153

Date 22 May, 2018
Place New Delhi

ANNEXURE TO CORPORATE GOVERNANCE REPORT

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 Third Annual Report together with the Audited Financial Statements for the financial year ended 31 March 2018.

FINANCIAL PERFORMANCE

The financial performance of your Company for the financial year ended 31 March, 2018 is given below.

(in ₹ crore)

Particulars	STANDALONE		CONSOLIDATED	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations (Net of Excise duty)	303	216	2519	2059
EBIDTA	16	(248)	352	(247)
Less: Finance Cost	244	153	915	899
Less: Depreciation	60	53	277	264
Profit/(Loss) before Exceptional Items and Taxes	(288)	(454)	(840)	(1410)
Exceptional Items	169	251	190	306
Profit / (Loss) before Tax	(457)	(705)	(1030)	(1716)
Less: Tax	(146)	(25)	(166)	(135)
Profit/(Loss) After Tax	(311)	(680)	(864)	(1581)
Profit/ (loss) from discontinued operation before tax	-	-	(1171)	(317)
Less:Tax expense on discontinued operation	-	-	-	173
Net profit/ (loss) from discontinued operation after tax	-	-	(1171)	(490)
Net profit/ (loss) after tax	(311)	(680)	(2035)	(2071)

OPERATIONS

A detailed review of the operations and performance of the Company and its subsidiaries is provided in the chapter on Management Discussion and Analysis in this 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 2018.

TRANSFER TO RESERVES AND SHARE CAPITAL

The Board has not proposed to transfer any amount to Reserves.

During the year under review, the Company had allotted 63.79 crore Equity Shares of ₹2/- each at ₹15.83 per equity share to the Lenders of the Company, in terms of Strategic Debt Restructuring Scheme of the Reserve Bank of India. Consequently, the paid up capital of the Company increased from ₹131.12 crore to ₹258.71 crore and Securities Premium increased by ₹882.26 crore.

FIXED DEPOSITS

No amount of principal or interest on erstwhile fixed deposits was outstanding as on 31 March 2018. 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, on 8 August 2017 the Board of Directors had appointed Ms. Payal Chawla (DIN 06988235) as an Additional Director (Independent). At the 72nd Annual General Meeting (AGM) of the Company held on 26 September 2017, Members of the Company appointed her as an Independent Director of the Company for a term of five consecutive years i.e. up to 7 August 2022.

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

Mr. Ashish Guha resigned from directorship of the Company with effect from 8 August 2017, to maintain his independence as a Managing Director of Bilt Paper B.V., the Netherlands, a step down subsidiary of the Company — where he was appointed as a Managing Director with effect from 8 August 2017. The Board places on record its appreciation for Mr. Guha's contributions as an Independent Director of the Company.

The Life Insurance Corporation of India (LIC), in its letter dated 3 April 2018, had informed that Mr. B. Venugopal, Managing Director of LIC, who had been representing LIC on the Board of Directors of the Company has tendered his resignation from the Board of the Company. Consequently, Mr. Venugopal ceased to be a Nominee Director of LIC with effect from 3 April 2018. The Board places on record its appreciation for Mr. Venugopal's contributions as a Nominee Director.

The Securities and Exchange Board of India (SEBI) has amended Regulation 17 of Listing Regulations (effective 1 April 2019) which provides that no listed entity shall appoint a person or continue the Directorship of any person as a Non Executive Director who has attained the age of 75 years, unless a Special Resolution is passed to that effect.

Mr. Amarjit Singh Dulat (DIN 00861917) who was appointed as an Independent Director of the Company to hold office for 5 consecutive years, for a term upto 18 December 2019 is aged 77 years. Accordingly and in view of his valued contributions, the Board of Directors of the Company at its meeting held on 22 May 2018, has approved and recommended for approval of the Members of the Company by way of Special Resolution at the ensuing Annual General Meeting, continuation of Mr. Dulat as an Independent Director till the expiry of his present term.

Further, Mr. Bimal Khandelwal resigned as Chief Financial Officer of the Company with effect from 8 August 2017.

The Nomination and Remuneration Committee of the Company, which has been set up by and reports to the Board of Directors, has formulated the criteria and policy for the identification / appointment of Directors as well as Key Managerial Personnel and Senior Management, including their remuneration and evaluation. This is discussed in the chapter on Corporate Governance.

The Board carried out an annual evaluation of itself, its Committees and its Directors in line with the criteria laid down by the Nomination and Remuneration Committee.

DECLARATIONS BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations confirming that they meet the criteria of independence, as provided in Section 149(6) of The Companies Act, 2013 (the Act) and Regulation 16(1)(b) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (or the 'Listing Regulations').

MEETINGS OF THE BOARD

The details of meetings of the Board of Directors of the Company as well as the Committees of the Board are contained in the chapter on Corporate Governance.

PROMOTER GROUP

The Company is a part of the Avantha Group, a global business conglomerate led by the Chairman, Mr. Gautam Thapar. 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. These are: (i) BILT Graphic Paper Products Limited (BGPPL), (ii) Avantha Agritech Limited (AAL) which was formerly BILT Tree Tech Limited, and (iii) Premier Tissues (India) Limited {PTIL}. AAL and PTIL are direct subsidiaries and BGPPL is a step-down subsidiary of the Company.

The Company also has six foreign subsidiaries. Of these, four are based in The Netherlands: (i) Ballarpur International Holdings B.V. (BIH), (ii) Bilt Paper B.V. (BPBV), (iii) Ballarpur Paper Holdings B.V. (BPH), and (iv) Ballarpur Speciality Paper Holdings B.V. (BSPH). One international subsidiary, namely Sabah Forest Industries Sdn. Bhd. (SFI) is based in Malaysia; and another, BILT General Trading (FZE) is based in the UAE.

The chapter on Management Discussion and Analysis in this Annual Report contains a note on the performance of the subsidiaries. The audited accounts of the subsidiaries are available on the website of the Company and are, therefore, not enclosed in this Annual Report. However, these may be provided to any Member of the Company on request.

The Company has no joint ventures or associate companies.

CONSOLIDATION OF ACCOUNTS

The Consolidated Financial Statement of the Company and its nine subsidiaries are annexed to this Annual Report. The performance and financial position of each subsidiary are detailed in the '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 THE 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 2018, and the date of the Board's report, i.e. 22 May 2018.

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 that there is no material departure;
- They 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 took 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 laid down internal financial controls to be followed by the Company and that such controls are adequate and operated effectively; and
- They devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Further, the Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

AUDITORS AND AUDITORS' REPORTS

Members of the Company at the 72nd Annual General Meeting (AGM) held on 26 September 2017, had appointed M/s Sharp & Tannan, Chartered Accountants, Chennai (Firm Registration No. 003792S), as the Statutory Auditors of the Company for a period of 5 years to hold office from the conclusion of that Annual General Meeting (AGM) till the conclusion of the 77th AGM.

According to the earlier Section 139 of the Companies Act, 2013, the appointment was to be placed for ratification by the Members of the Company at every AGM. However, this requirement has been omitted in an amendment to Section 139, effective from 7 May 2018.

The Auditors have made a qualification and emphasis of matter in their report on the audited accounts of the Company for the financial year ended 31 March 2018.

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

"The qualified opinion regarding liability with respect to the outstanding Put Options and emphasis of matter regarding the existence of a material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern are suitably explained in Note Nos. 40 and 41 respectively of the notes to Financial Statements and does not require any additional comment(s)."

During the year under review, no fraud has been reported by the auditors under sub section (12) of Section 143 of the Act.

The Board had appointed M/s PDS & Co., Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2017–2018. The Secretarial Audit Report is annexed to this report.

On recommendation of its Audit Committee, the Board of Directors 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 2019. The Company has received their written consent to act as Cost Auditors of the Company and the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder. Remuneration of the Cost Auditors has been approved by the Board of Directors based on the recommendation of the Audit Committee. The requisite resolution for ratification of this remuneration by the Members has been set out in the Notice of the Seventy Third Annual General Meeting of your Company.

CORPORATE GOVERNANCE

M/s PDS & Co., Company Secretaries, have certified compliance of the Company with the provisions of Corporate Governance, in terms of the Listing Regulations. The report on Corporate Governance together with the said Compliance certificate is attached and forms part of this Annual 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 2018, the Board is of the opinion that the Company has sound internal financial controls commensurate with the nature and size of its business operations; that these controls are in place, operating effectively and no material weaknesses exist. The Company has a process to continuously monitor the existing controls and identify gaps, if any, and implement new and / or improved controls, wherever the effect of such gaps could have a material effect on the Company's operation.

RISK MANAGEMENT

BILT has adopted a group risk management policy. Accordingly, all operational processes are duly covered to assess risk appetites and mitigation processes. Business risks are assessed by operational management and steps are taken for their mitigation.

STATUTORY COMMITTEES

Details of various Committees of the Board, namely 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 — including their constitution, purpose and attendance of Committee members — have been provided in the chapter on Corporate Governance in this Annual 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 its website: www.bilt.com

- Policy on materiality of and dealing with related party transactions. (http://bilt.com//wp-content/themes/bilt/pdf/Policy-on-materiality-of-and-dealing-with-related.pdf)

  Policy for determining material subsidiaries of the Company. (http://bilt.com//wp-content/themes/bilt/pdf/Policy-on-materiality-subsidiary.pdf)

- 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 on disclosure of unpublished price sensitive information.
- Whistle Blower Policy, covering all employees and Directors, for the vigil mechanism *inter alia* providing direct access to any whistle blower to the Chairman of the Audit Committee, as per said policy.
- 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 such incident during the year.

SIGNIFICANT/ MATERIAL ORDERS PASSED BY REGULATORS

There are no significant/ material orders passed by any Regulators/Courts/Tribunals 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 Annual Report as **Annexure 1**.

PARTICULARS OF EMPLOYEES

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 Annual Report as **Annexure 2**.

EXTRACT OF THE ANNUAL RETURN

An extract of the Annual Return as of 31 March 2018, pursuant to sub-section (3) of Section 92 of the Act, and forming part of the report is annexed with this Annual 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, forms a part of this Annual 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 22 May, 2018
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 for energy conservation were:-

Unit: Shree Gopal

1. Reduction in power consumption by 104 kwh/hr through the following initiatives :-

- Replacement of conventional energy inefficient lighting fixtures with energy efficient LED lamps which has resulted in reduction in power consumption by 42 kwh/hr:

– 800 nos. of conventional Fluorescent 40W tubes with energy efficient 20W LED tubes. Reduction in power consumption by 30 kwh/hr.

– HPSV (High Pressure Sodium Vapor), HPMV (High Pressure Mercury Vapor), MH (Metal Halide) lamps of 400W/250W & 125W/70W with High bay 80W & 50W LED lights, respectively. Reduction in power consumption by 12 kwh/hr.

- Replaced energy inefficient 55kW/4 pole motor with new energy efficient 37KW/6P motor of main drive Rewinder at Paper Machine (PM)-1which resulted in reduction of power consumption by 8 kwh/hr.
- Replaced 200KW/4Pole main drive motor with 117KW/6Pole motor at PM-2 which resulted in reduction of power consumption by 22 kwh/hr.
- Provided level controller with interlocking to 15KW back Water pump at PM-5 to avoid idle running of pump which resulted in reduction of power consumption by 5 kwh/hr.
- Provided VFD’s at PM-4 & PM-5 machine chest 37KW pumps which resulted in reduction in power consumption by 9 kwh/hr.
- Provided paper break interlock with 75KW UTM Pulper at PM-4 to reduce power consumption by 22 kwh/hr.

2. Monetary benefits due to energy conservation drive :

- Unit Shree Gopal Sold 11,950 Renewable Energy Credit (REC) out of 19,924 REC earned In FY2015-16 which resulted in monetary gain to the tune of Rs 119.5 Lacs in FY 2017-18.

B) ENERGY CONSERVATION MEASURES PLANNED:

1. **PAT-2 target for Unit Shree Gopal:**

   To achieve PAT-2 target of reduction in energy consumption by 5.9% or 4356 Tonnes of Oil Equivalent (TOE) in the current year i.e. 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.)

Reduction in steam consumption of 2.0 TPH by :-

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

(b) Electrical Energy Saving Measures: (150 kwh/hr)

- Installation of VFDs at 10 nos. of identified locations to reduce power consumption by 125 kwh/hr.
- Replacement of 20 non BEE-star rated air conditioners with BEE-star rated air conditioners with an expected reduction in power consumption by 10 kwh/hr.
- Replacement of inefficient conventional type lighting fixtures with new energy efficient LED fixtures with an expected reduction in power consumption by 15 kwh/hr.

C) CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS

Proposed Investment for FY2018–19: ₹50 Lacs.

2. TECHNOLOGY ABSORPTION

A) EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION

· Introduced GCC filler in all paper grade in place of conventional Hi-Bright Soap Stone filler.

· Introduced latest Microbiological techniques Biocide (AmoX) & Deposit Control Program at PM-4.

B) BENEFITS DERIVED AS A RESULT OF THE ABOVE

- Reliability improvement with repeat 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
	Units Shree Gopal and Kamalapuram: 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 (₹) : 9.80 Lac

c) Total Expenses as a percent of turnover (Net) : 0.03%

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Foreign exchange used (₹) : 479.15 Lac

b) Foreign exchange earned (₹) : 979.43 Lac

For and on behalf of the Board of Directors

GAUTAM THAPAR
Chairman
DIN 00012289

B. HARIHARAN
Group Director (Finance)
DIN 00012432

Date 22 May, 2018
Place New Delhi

ANNEXURE 2

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 the Company.

1. 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	0.52
2	Mr. R. R. Vederah	0.35
3	Mr. B. Hariharan	-
4	Mr. Sanjay Labroo	0.17
5	Mr. A.S. Dulat	0.92
6	Mr. Ashish Guha	0.69
7	Mr. B. Venugopal	0.29
8	Mr. A. P. Singh	0.69
9	Ms. Nandini Adya	-
10	Mr. Sudhir Mathur	0.58
11	Ms. Payal Chawla	0.17

Remuneration for the financial year 2017-18 comprised attendance based sitting fee only.

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 2017-2018, in all categories, whether workmen or white collar employees. Remuneration includes variable pay paid during the year.

2. 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) Directors: No increase.

   Remuneration for the financial year 2017-18 comprised attendance based sitting fee only.

   b)

SL. NO.	NAME	% INCREASE IN REMUNERATION IN THE FINANCIAL YEAR
1	Mr. Neehar Aggarwal (CEO)	-
2	Mr. Akhil Mahajan (CS)	4

3. The percentage increase in the median remuneration of employees in the financial year 2017-18: Nil

4. The number of permanent employees on the rolls of Company as on 31 March, 2018: 1168

5. 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.- Nil

6. The remuneration is as per Remuneration Policy of the Company.

7. (i) Details of top ten employees of the Company in terms of remuneration drawn.

S No.	Name	Designation	Remuneration Received (₹)	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment and Designation held before joining the Company
1	Mr. M S Vishwanathan	Head - Insurance	5,999,044	MSc.	29	01.05.2015	53	Group Insurance Head Cairn India Ltd
2	Mr. Akhil Mahajan	Co. Secretery & Chief General Manager	5,053,913	CS, MBA	26	19.05.2006	53	Manager - Gillette India Limited
3	Mr. M K Gupta	Unit Head	3,463,927	Dip in Electrical Engineering	39	01.12.1978	58	-
4	Mr. R Hariharan	Chief General Manager	3,381,317	B.Sc (Engineering Mech)	33	01.10.1998	56	Dy. Manager - Purchase Binani Zinc Ltd
5	Mr. Atul Kumar Sharma	General Manager	1,946,229	Dip in Mech Engineering	29	15.11.2010	49	Maint. Head - Abhishek Industries Ltd.
6	Mr. L V Thapliyal	General Manager	1,654,293	Diploma in Pulp & Paper	37	15.01.1981	60	-
7	Mr. Anil Mohan Sinha	Dy. General Manager-Accounts	1,665,828	M Com, Diploma In Co. Law , Insurance & Banking	34	25.09.1997	57	Chief Accounts Officer APR Ltd.
8	Mr. Rakesh Kumar Malhotra	Dy. General Manager	1,746,621	B.Sc., BE Chem	33	05.04.1986	53	-
9	Mr. Payodhar Dangwal	Dy. General Manager	1,725,366	PGD in P&P,AMIE(Chem)	38	27.12.2010	59	Dy. General Manager Enmas Andritz Pvt Ltd
10	Mr. S S Sodhi	Dy. General Manager	1,625,391	Dip. Electrical	37	02.04.1981	58	Jr Engineer (trainee) Punjab Electricity Board

(ii) 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; Nil

(iii) 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;

S No.	Name	Designation	Remuneration Received (₹)	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment and Designation held before joining the Company
1	Mr. Bimal Khandelwal	Chief Financial Officer	3,170,173	Chartered Accountant	24	01.03.2017	48	Business Financial Controller Reliance Communications
2	Mr. Kurian Joseph	Head - Legal	5,037,792	Bsc., LLB	27	10.06.2015	52	Group VP- CK Birla Corporate Services
3	Mr. Anil Bhargava	Head- Corporate Affairs	11,228,181	B.Tech,PGDIT, TMP Cert	44	09.10.2000	66	Executive Director-Sales & Marketing, Punj Lloyd Ltd.

Notes for Tables (i) & (iii) above:

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. They do not hold 2% or more of the Paid up equity capital of the Company.

(iv) 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 22 May, 2018
Place New Delhi

ANNEXURE 3

FORM NO. MGT. 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31 March, 2018.
[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 240200/211/215 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
Uncoated Paper	1701	100

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]	96.78	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 (BPBV)	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)

[1]Held by BPH |[2]Held by BIH |[3]Held by BPBV |[4]Held by BPH|[5]Held by BSPH

IV. SHARE HOLDING PATTERN

Equity Share Capital Breakup as percentage of Total Equity

(I) CATERGORY-WISE SHARE HOLDING

	CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (1 April, 2017)				NO. OF SHARES HELD AT THE END OF THE YEAR (31 MARCH, 2018)				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
A	PROMOTERS									
1)	Indian									
a)	Individual / HUF	1,202,108	-	1,202,108	0.18	1,202,108	-	1,202,108	0.09	-0.09
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	322,799,469	-	322,799,469	49.24	322,799,469	-	322,799,469	24.96	-24.28
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	**324,001,577**	-	**324,001,577**	**49.43**	**324,001,577**	-	**324,001,577**	**25.05**	**-24.38**
2)	Foreign									
a)	NRIs-Individuals	9,090	-	9,090	-	9,090	-	9,090	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2)	**9,090**	-	**9,090**	**-**	**9,090**	**-**	**9,090**	**-**	**-**
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**324,010,667**	-	**324,010,667**	**49.43**	**324,010,667**	**-**	**324,010,667**	**25.05**	**-24.38**
B	PUBLIC SHARHOLDING									
1)	Institutions									
a)	Mutual Funds	5,996,098	7,566	6,003,664	0.92	12,669	6,237	18,906	-	-0.92
b)	Banks / FI	559,982	24,693	584675	0.09	343,694,939	21,663	343,716,602	26.57	26.48
c)	Central Govt.	1,521	-	1,521	-	1,521	-	1,521	-	-
d)	State Govt(s).	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	57,971,178	-	57,971,178	8.84	95,959,313	-	95,959,313	7.42	-1.42
g)	FIIs	311,175	48,342	359,517	0.05	-	39,750	39,750	-	-0.05
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others									
	FPI	80,672,727	-	80,672,727	12.31	67,281,313	-	67,281,313	5.20	-7.11
	Sub-total (B) (1)	**145,512,681**	**80,601**	**145,593,282**	**22.21**	**506,949,755**	**67,650**	**507,017,405**	**39.20**	**16.99**

	CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (1 April, 2017)				NO. OF SHARES HELD AT THE END OF THE YEAR (31 MARCH, 2018)				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
2)	**Non-Institutions**									
a)	Bodies Corp.									
i)	Indian	54,071,752	46,287	54,118,039	8.26	292,997,376	26,985	293,024,361	22.65	14.39
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹1 lakh	57,375,451	3,840,504	61,215,955	9.34	90,076,896	2,890,234	92,967,130	7.19	-2.15
ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	50,353,840	-	50,353,840	7.68	54,215,837	-	54,215,837	4.19	-3.49
c)	Others									
i)	NBFC Regd with RBI	328,735	-	328,735	0.05	1,305,139	-	1,305,139	0.10	0.05
ii)	Clearing Members	6,862,850	-	6,862,850	1.05	6,739,348	-	6,739,348	0.52	-0.53
iii)	Non-Resident Indians	3,122,363	158,451	3,280,814	0.5	3,352,608	107,388	3,459,996	0.27	-0.23
iv)	Foreign Company	3,685,010	57,34,635	9,419,645	1.44	3,685,010	5,734,335	9,419,345	0.73	-0.71
v)	Trust	281,569	58,320	339,889	0.05	292,030	58,320	350,350	0.03	-0.02
vi)	IEPF Account	-	-	-	-	946,055	-	946,055	0.07	0.07
	Sub-total (B) (2)	**176,081,570**	**9,838,197**	**185,919,767**	**28.36**	**453,610,299**	**8,817,262**	**462,427,561**	**35.75**	**7.39**
	Total shareholding of Public (B) = (B)(1)+(B)(2)	**321,594,251**	**9,918,798**	**331,513,049**	**50.57**	**960,560,054**	**8,884,912**	**969,444,966**	**74.95**	**24.38**
C	**SHARES HELD BY CUSTODIAN FOR GDRs& ADRs**	-	123	123	-	-	123	123	-	-
	Grand Total (A+B+C)	**645,604,918**	**9,918,921**	**655,523,839**	**100.00**	**1,284,570,721**	**8,885,035**	**1,293,455,756**	**100.00**	**-**

(II) SHAREHOLDING OF PROMOTERS (INCLUDES PROMOTERS GROUP)

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	99.59	322,689,019	24.95	99.59	-24.28
2	Avantha Realty Ltd	110,000	0.02	-	110,000	0.01	-	-0.01
3	Blue Horizon Investments Ltd	450	0.00	-	450	0.00	-	-
4	Mr. Gautam Thapar	1,188,218	0.18	-	1,188,218	0.09	-	-0.09
5	Ms. Nandini Kapur	13,890	0.00	-	13,890	0.00	-	-
6	Ms. Shalini Waney	9,090	0.00	-	9,090	0.00	-	-
	Total	**324,010,667**	**49.43**	**99.59**	**324,010,667**	**25.05**	**99.59**	**-24.38**

(III) CHANGE IN PROMOTERS' SHAREHOLDING (INCLUDES PROMOTERS GROUP)

	SHAREHOLDING		CUMULATIVE SHAREHOLDING	
	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
At the beginning of the year	324010667	49.43	324010667	49.43
Increase/(Decrease) during the year	-@	(24.96)#	324010667	25.05#
At the end of the year	324010667	25.05#	324010667	25.05#

@ There has been no change in the shareholding of promoters of the Company, including promoter group.

The reduction in % of shareholding is on account of equity shares issued during the year to the Lenders of the Company pursuant to Strategic Debt Restructuring of Reserve Bank of India.

(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, 2017		CHANGE IN SHAREHOLDING		SHAREHOLDING AS ON 31 MARCH, 2018	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	INCREASE*	DECREASE	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	Finquest Financial Solutions Pvt Ltd	-	-	188,499,675	-	188,499,675	14.57
2	ICICI Bank Limited#	-	-	155,937,658		155,937,658	12.06
3	Life Insurance Corporation of India	43,872,365	6.69	41,678,336	-	8,550,701	6.61
4	Axis Bank Limited#	-	-	63,190,465	-	63,190,465	4.89
5	Oriental Bank of Commerce	-	-	41,664,443	-	41,664,443	3.22
6	Samena Special Situations Mauritius	58,936,338	8.99	-	18,601,315	40,335,023	3.12
7	Kotak Mahindra Bank Ltd	-	-	37,941,178	-	37,941,178	2.93
8	Phoenix Arc Private Limited	-	-	27,785,557	-	27,785,557	2.15
9	Export- Import Bank of India	-	-	25,801,668	-	25,801,668	1.99
10	DBS Bank Limited	-	-	22,320,138	-	22,320,138	1.73

* Allotment of equity shares issued during the year to the Lenders of the Company pursuant to Strategic Debt Restructuring of Reserve bank of India / Transfer#.

Note: The Shares of the Company are traded on a daily basis and hence date wise increase/decrease in the shareholding is not indicated.

(V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

SL. No.	FOR EACH OF THE DIRECTORS AND KMP	SHAREHOLDING		CUMULATIVE SHAREHOLDING	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	Directors				
i)	Mr. Gautam Thapar@				
	At the beginning of the year	1,188,218	0.18	1,188,218	0.18
	Increase / (Decrease) during the year	-	(0.09)	1,188,218	0.09
	At the end of the year	1,188,218	0.09	1,188,218	0.09
ii)	Mr. Sanjay Labroo@				
	At the beginning of the year	495,802	0.08	495,802	0.08
	Increase / (Decrease) during the year	-	(0.04)	495,802	0.04
	At the end of the year	495,802	0.04	495,802	0.04
iii)	Mr. B. Hariharan				
	At the beginning of the year	8,040	0.00	8,040	0.00
	Increase / (Decrease) during the year	-	-	-	-
	At the end of the year	8,040	0.00	8,040	0.00

SL. No.	FOR EACH OF THE DIRECTORS AND KMP	SHAREHOLDING		CUMULATIVE SHAREHOLDING	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
2	KMP#				
i)	Mr. Neehar Aggarwal	-	-	-	-
ii)	Mr. Akhil Mahajan	-	-	-	-

@ There has been no change in the shareholding. The reduction in % of shareholding is on account of equity shares issued during the year to the Lenders of the Company pursuant to Strategic Debt Restructuring of Reserve Bank of India.

At the beginning of the year: NIL, Increase / (Decrease): NIL & At the end of the year: NIL

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	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**
Change in Indebtedness during the financial year					
i	Addition	-	-	-	-
ii	Reduction	(13,252)	(54,830)		(68,082)
	Net Change	**(13,252)**	**(54,830)**	**-**	**(68,082)**
Indebtedness at the end of the financial year					
i	Principal Amount	70,916	98,158	-	169,074
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued but not due	9,454	12,709	-	22,163
	Total (i+ii+iii)	**80,370**	**110,867**	**-**	**191,237**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A REMUNERATION OF MANAGING DIRECTOR (MD), WHOLE-TIME DIRECTORS (WTD MR. B. HARIHARAN) 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		-
	TOTAL (A)		-

B REMUNERATION TO OTHER DIRECTORS (in ₹)

SL. No.	PARTICULARS OF REMUNERATION	NAME OF DIRECTOR							TOTAL AMOUNT
1	**Independent Directors**	**MR. SANJAY LABROO**	**MR. ASHISH GUHA**	**MR. A. S. DULAT**	**MS. NANDINI ADYA**	**MS. PAYAL CHAWLA**	**MR. A. P. SINGH**	**MR. SUDHIR MATHUR**	
	Sitting Fee for attending Board/Committee meetings	60,000	2,40,000	3,20,000	-	60,000	2,40,000	2,00,000	11,20,000
	Commission	-	-	-	-			-	-
	Others, please specify	-	-	-	-			-	
	Total (1)	**60,000**	**2,40,000**	**320,000**	**-**	**60,000**	**2,40,000**	**2,00,000**	**11,20,000**
2	**Other Non-Executive Directors**	**MR. GAUTAM THAPAR**	**MR. R. R. VEDERAH**	**MR. B. VENUGOPAL***	-		-	-	-
	Sitting Fee for attending Board/Committee meetings	1,80,000	1,20,000	100,000					**4,00,000**
	Commission	-	-	-	-			-	
	Others, please specify	-	-	-	-			-	
	Total (2)	**1,80,000**	**120,000**	**100,000**	**-**		**-**	**-**	**4,00,000**
	Total (B) = (1 + 2)	-	-	-	-		-	-	**15,20,000**
	Total Managerial Remuneration	-	-	-	-		-	**-**	**15,20,000**
	Overall Ceiling as per the Act.	The sitting fee paid is within the limits prescribed as per the Act.							

*Sitting fee paid to LIC.

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 AMOUNT
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	4,894,445	4,894,445
	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	-	-	-
5	Others Provident Fund	-	159,468	159,468
	TOTAL	-	5,053,913	5,053,913

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)
A.	**COMPANY**					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
B.	**DIRECTORS**					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
C.	**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 22 May, 2018
Place New Delhi

ANNEXURE 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES FOR FY2017-18

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 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.

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: ₹ (100.06) lacs.**

4 **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Nil**

5 **Details of CSR spent during the financial year:**

a) Total amount to be spent for the financial year (April'17-March'18): Nil

Actual Amount Spent (April'17-March'18): Nil on Programmes. However, the Company has spent an amount of ₹0.93 Lacs on programme support (statutory payments in the form of taxes & insurance premium for assets)

b) Amount unspent, if any; Nil

c) Manner in which the amount spent during the financial year: Not Applicable

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 CSR: Not Applicable

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				N.A.			
2				N.A.			

The Company has spent an amount of ₹0.93 Lacs on programme support (statutory payments in the form of taxes & insurance premium for assets).

7 **This is to certify that the implementation of CSR initiatives has been withheld for some time as the Company is undergoing through a difficult financial phase. However, we are still engaged with the partner NGOs who had implemented the projects earlier. The Company will re-initiate the CSR activities in line with the objectives and policy of the Company, once the financial situation improves.**

GAUTAM THAPAR
Chairman CSR Committee

NEEHAR AGGARWAL
Chief Executive Officer

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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, 2018 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, 2018 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;

  (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(vi) Indian Stamp Act, 1899.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that the Company has Group Director (Finance) in place of Chief Financial Officer. However, the Company had appointed Chief Financial Officer on 21.04.2017 who resigned w.e.f. 08.08.2017.

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. 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.

We further report that during audit period, the Company has:-

1. Passed Special Resolution by postal ballot on 14 July, 2017 for reclassification of the Authorised Share Capital of the Company from ₹400 crores divided into (a) 75,00,00,000 equity shares having face value of ₹2/- each, and (b) 2,50,00,000 preference shares having face value of ₹100/- each, to ₹400 crores divided into 150,00,00,000 equity shares having face value of ₹2/- each, and 1,00,00,000 preference shares having face value of ₹100/- each, by converting 1,50,00,000 preference shares of ₹100/- each into 75,00,00,000 equity shares of ₹2/- each.

2. Passed Special Resolution by postal ballot on 14 July, 2017 to create and issue, in one or more tranches, up to 68,22,79,915 (Sixty Eight crore Twenty Two Lakh Seventy Nine Thousand Nine Hundred and Fifteen) equity shares of the Company having face value of ₹2/- each at ₹15.83 per equity share by way of preferential allotment upon the conversion of debt into equity pursuant to Scheme of Strategic Debt Restructuring (SDR Scheme) of the Reserve Bank of India.

3. Issued and allotted 63,79,31,917 Equity Share of ₹2/- each at ₹15.83 per equity share in the meeting of Committee of Directors held on 25 July, 2017 by way of preferential issue in terms of SDR Scheme of the Reserve Bank of India.

***For* PDS & CO.**
Company Secretaries

(Prashant Kumar Balodia)
Partner
Membership No. 6047
Certificate of Practice No. 6153

Date: 22.05.2018
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.

ANNEXURE A

To
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: 22.05.2018
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 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Board of Directors of the Company 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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.

In conducting 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 reference to Note 40 accompanying the standalone Ind AS financial statements, wherein the company has not accrued the liability towards outstanding Put Options which forms the basis for our qualified opinion. The management is unable to quantity the liability with respect to the outstanding Put Options. Accordingly, we are unable to quantify the impact.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except to the effects / possible effects of matter described in basis for qualified opinion paragraph*, 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Emphasis of matter

We draw attention to Note 41 accompanying the standalone financial statements which contains conditions along with other matters that indicate the existence of a material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern. The management is confident that the Company will be able to continue as a going concern.

Our opinion is not modified in respect of the above matter.

Other matters

The standalone Ind AS financial statements for the previous year ended 31 March 2017 was audited by the predecessor auditor who, vide their report dated 23 May 2017, expressed a modified opinion on the same.

We have audited the adjustments as described in note 38 accompanying the standalone financial statements to restate the standalone balance sheet as at 01 April 2016 and the standalone statement of profit and loss for the year ended 31 March 2017. In our opinion, the said adjustments are appropriate and have been properly applied. We further state that we were not engaged to audit or apply any procedures to the standalone financial statements of the Company for the year ended 31 March 2017 and the periods prior to that date other than with respect to the aforesaid adjustments and accordingly we do not express an opinion or any other form of assurance on the aforesaid standalone financial statements.

Our report is not modified in respect of the above matters

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;

   (b) in our opinion, expect for the effects of 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;

   (c) in our opinion, proper returns adequate for the purposes of our audit have been received from Unit Kamalapuram which has not been visited by us;

   (d) the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account and returns;

   (e) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

   (f) in our opinion, the matter described in the Basis for Qualified Opinion paragraph above may have an adverse effect on the functioning of the Company.

   (g) on the basis of the written representations received from the Directors of the Company as on 31 March 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2018 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 ‘A’; 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, as amended, 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 statement – Refer Note 43 to the standalone Ind AS financial statements;

      (ii) the Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses;

      (iii) there has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company;

      (iv) The reporting on disclosures related to Specified Bank Notes is not applicable to the Company for the year ended 31 March 2018

2) 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 ‘B’, a statement on the matters specified in paragraphs 3 and 4 of the Order.

for **SHARP & TANNAN**
Chartered Accountants
(Firm’s Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565

Place: New Delhi
Date : 22 May 2018

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1(h) of our Report of even date]

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

We have audited the internal financial controls over financial reporting of Ballarpur Industries Limited ("the Company") as at 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company as of and for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 ("the Guidance Note") 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 ("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 and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 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 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, to the best of our information and according to the explanations given to us, 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 31 March 2018, 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.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565

Place: New Delhi
Date : 22 May 2018

ANNEXURE 'B'TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Ballarpur Industries Limited of even date)

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) As informed to us, certain property, plant and equipment have been physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and the records examined by us and based on the examination of the scanned copies of the title deeds of all the immovable properties deposited with the bankers, we report that the title deeds of all the immovable properties that have been pledged as security against borrowings and other facilities availed by the Company, are held in the name of the Company.

In respect of immovable property of land that have been taken on lease by the Company, we report that the lease agreements are in the name of the Company, except for land as detailed below, for which the Company is yet to register the title deeds.

Type of asset	Total no. of instances	Cost as at 31 March 2018 (₹ in lakhs)	Book value as at 31 March 2018 (₹ in lakhs)
Leasehold Land (Refer Note 5(b) to the standalone financial statements)	1	8.90	7.13

(ii) As explained to us, inventories have been physically verified by the Management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable considering the operational status of the manufacturing units of the Company. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under paragraph 3 (iii) of the Order does not arise.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loan, made any investment, given any guarantee or provided any security to which the provisions of Section 185 and 186 of the Companies Act, 2013 are applicable. Accordingly, reporting under paragraph 3 (iv) of the Order does not arise.

(v) According to the information and explanations given to us, the Company has not accepted any deposits during the year and does not have any unclaimed deposits as at 31 March 2018. Accordingly, reporting under paragraph 3 (v) of the Order does not arise.

(vi) The Central Government has specified maintenance of cost records under section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (as amended) for the operations of the Company. We have broadly reviewed the cost records maintained by the Company in respect of manufacture of paper, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii)(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of service tax, the Company is not generally regular in depositing undisputed statutory dues of provident fund, employees' state insurance, income-tax, sales tax, duty of excise, value added tax, goods and service tax, cess, professional tax and welfare fund during the year with appropriate authorities and there have been serious delays in a large number of cases. According to the information and explanations given to us, statutory dues outstanding as at 31 March 2018 for a period of more than six months from the date they became payable is given below:

Nature of disputed dues	Period to which the amount relates	Amount in ₹ Lakhs
Provident fund	May 2017 to August 2017	767
Income-tax deducted at source	March 2017 to August 2017	216
Professional tax	June 2016 to August 2017	17
Grama panchayath tax	2016-17	21
Pension fund	June 2017 to August 2017	1

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax, sales tax, duty of customs, duty of excise, value added tax as at 31 March 2018 which have not been deposited on account of a dispute pending are given in Appendix 1 to this report.

According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service tax as at 31 March 2018 which have not been deposited with the statutory authorities on account of a dispute.

(viii) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has defaulted in repayment of loans or borrowing to banks, financial institutions and debenture-holders, for which the lender-wise details are as follows. The Company did not have any loans or borrowing from government.

Lender	Repayment of Principal		Payment of interest	
	Period of default (Days)	Amount of default (₹ Lakhs)	Period of default (Days)	Amount of default (₹ Lakhs)
EXIM Bank	60 – 152 days	1,109	1 – 243 days	620
State Bank of India	9 – 555 days	875	1 – 455 days	959
IDBI	1 – 366 days	875	1 – 424 days	1,496
ICICI	9 – 190 days	4,125	1 – 212 days	3,130
Phoenix Arc Pvt Ltd	-	-	1 – 243 days	673
Life Insurance Corporation of India	-	-	62 – 427 days	1,810
		6,984		**8,688**

(ix) In our opinion and according to the information and explanations given to us, the Company has neither taken any term loans during the year nor has raised any money by way of initial public offer or further public offer (including debt instruments). Accordingly reporting under paragraph 3 (ix) of the Order does not arise.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not paid or provided for, managerial remuneration during the year. Accordingly reporting under paragraph 3 (xi) of the Order does not arise.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under paragraph 3 (xii) of the Order does not arise.

(xiii) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with section 177 of Companies Act, 2013 where applicable and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.

We are informed by the Management that the transactions entered into by the Company with the related parties are in its ordinary course of business and are on arm's length basis. Accordingly, reporting on compliance of section 188 of Companies Act, 2013 does not arise.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under paragraph 3 (xiv) of the Order does not arise.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, reporting under paragraph 3 (xv) of the Order does not arise.

(xvi) The Company is not engaged in the business of non-banking financial institution and is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under paragraph 3 (xvi) of the Order does not arise.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565

Place: New Delhi
Date : 22 May 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (Continued.)

Appendix 1 to Annexure B: The particulars of income tax, sales tax, duty of customs, duty of excise, value added tax as at 31 March 2018 which have not been deposited with statutory authorities on account of a dispute

Name of the statute	Period to which the amount relates	Forum where disputes are pending	Amount involved (₹ In Lakhs)	Amount disputed and not paid (₹ In Lakhs)
Central Excise Act, 1944	April and May 2011, April - Dec 2009, 2005-2009	CESTAT, Chandigarh	130	130
Central Excise Act, 1944	2013-2014	Commissioner (Appeals)	6	6
Central Excise Act, 1944	2015-2016	CESTAT, Chandigarh	55	51
Central Excise Act, 1944	2012-2013	CESTAT, Hyderabad	724	724
Central Excise Tariff Act, 1985	1996-1997	Assistant Commissioner, Yamuna nagar	17	17
Central Excise Tariff Act, 1985	1996-1997	Joint Commissioner, Panchkula	11	11
Central Excise Tariff Act, 1985	2005-2010	CESTAT, Chandigarh	70	63
Central Sales Tax Act, 1956	2001-2002	Appellate Deputy Commissioner, Secundarabad	29	15
Central Sales Tax Act, 1956 (*)	2017-2018	DCCT, Saharanpur	2	2
Central Sales Tax Act, 1956 (*)	2017-2018	DCCT, Saharanpur	18	18
Central Sales Tax Act, 1956 (*)	2017-2018	DCCT, Saharanpur	3	3
Central Sales Tax Act, 1956 (*)	2017-2018	DCCT, Kerala Commercial Taxes Department	3	3
Customs Act, 1962	2012-2013	Commissioner Customs (Appeals), Kandla	38	31
Customs Act, 1962	2012-2013	Commissioner Customs (Appeals), Jam Nagar	33	30
Electricity Act, 2003	2016-2017	Supreme Court of India	386	386
Haryana VAT Act 2003	2015-2016	Joint Excise & Taxation Commissioner Appeals, Ambala	1	1
Income-tax Act, 1961	AY 2008-09	Supreme Court of India	3,955	3,955
Punjab General Sales Tax 1948	1989-1990 to 1994-1995	Punjab Sale Tax Tribunal, Chandigarh	64	-
UP Trade Tax Act, 1948	1997-1998	Trade Tax Tribunal, Saharanpur	1	1
UP Trade Tax Act, 1948	2002-2003	Trade Tax Tribunal, Saharanpur	1	1
UP Trade Tax Act, 1948	1994-1995	High Court, Uttaranchal	12	12
UP VAT Act 2008	2016-2017	Deputy Commissioner Assessment, Saharanpur	35	35

Note 1: The above amounts do not include penalty and interest.

(*): With respect to the dues stated above, the Company is in the process of filing appeal with Deputy Commissioner Commercial Tax.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565

Place: New Delhi
Date : 22 May 2018

BALANCE SHEET

AS AT 31 MARCH 2018

₹ in Lakhs

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017*	As at 1 April 2016 *
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	5	258,693	233,538	258,319
(b) Capital work-in-progress	6	65	28,112	26,711
(c) Other intangible assets	7	2,170	3,351	4,978
(d) Intangible assets under development	8	-	3,144	3,144
(e) Financial assets				
(i) Investments	9	105,787	106,535	106,535
(ii) Loans	10	169	171	223
(f) Deferred tax assets (net)	11	11,924	-	-
(g) Other non-current assets	12	15	28	29
(2) Current Assets				
(a) Inventories	13	5,371	32,468	28,478
(b) Financial assets				
(i) Trade receivables	14	705	537	1,555
(ii) Cash and cash equivalents	15	930	253	5,627
(iii) Bank balances other than (ii)	16	70	246	260
(iv) Loans	17	20,322	53,614	49,512
(v) Others	18	972	25	31
(c) Other current assets	19	3,533	6,299	6,359
Total Assets		**410,726**	**468,321**	**491,761**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	20	25,871	13,112	13,112
(b) Other equity	21	52,576	(4,050)	62,053
Liabilities				
(1) Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	22	-	75,209	90,774
(ii) Other Financial Liabilities	23	98,079	166,089	186,076
(b) Provisions	24	2,750	3,279	3,541
(c) Deferred tax Liabilities (Net)	11	-	2,698	5,240
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	22	98,158	158,893	100,477
(ii) Trade payables	25	19,603	11,859	12,526
(iii) Other Financial Liabilities	26	99,423	31,395	12,139
(b) Other Current Liabilities	27	7,203	5,645	3,785
(c) Provisions	28	1,358	773	628
(d) Current tax Liabilities(net)	29	5,705	3,419	1,410
Total Equity and Liabilities		**410,726**	**468,321**	**491,761**
* Restated				
Significant Accounting Policies and Notes accompanying Standalone Ind AS Financial Statements	1-53			

As per our report of even date attached
FOR SHARP & TANNAN
Chartered Accountants
(Firm's registration no. 003792S)

V. VISWANATHAN
Partner
Membership No. 215565

New Delhi, dated the
22 May 2018

For Ballarpur Industries Limited
R. R. VEDERAH
Vice Chairman

B. HARIHARAN
Group Director (Finance)

AKHIL MAHAJAN
Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

₹ in Lakhs

Particulars	Note No.		2017 - 18		2016 - 17 *
Revenue from operations	30		30,748		22,740
Other income	31		5,061		6,696
Total Income			**35,809**		**29,436**
Expenses					
Cost of materials consumed	32	12,059		6,829	
Purchase of stock in trade		427		2,007	
Changes in inventories of finished goods, stock-in -trade and work- in-progress	33	(1,689)	10,797	2,638	11,474
Employee benefits expense	34		6,670		7,502
Finance costs	35		24,434		15,319
Depreciation and amortisation expense	5 & 7		5,971		5,269
Excise duty			437		1,124
Other Expenses	36		16,302		34,125
Total Expenses			**64,611**		**74,813**
Profit/ (loss) before exceptional items and tax			**(28,802)**		**(45,377)**
Exceptional items	37		16,929		25,149
Profit/ (loss) before tax			**(45,731)**		**(70,526)**
Tax expense:					
(1) Current tax	48	-		-	
(2) Deferred tax	11	(14,622)		(2,542)	
			(14,622)		(2,542)
Profit/ (loss) for the year			**(31,109)**		**(67,984)**
Other Comprehensive Income					
A (i) Items that will not be reclassified to profit or loss		(491)		4	
(ii) Income tax on the above		-		-	
B (i) Items that will be reclassified to profit or loss		-		-	
(ii) Income tax on the above		-		-	
Other comprehensive income for the year			**(491)**		**4**
Total comprehensive income for the year			**(31,600)**		**(67,980)**
Earnings per equity share					
(1) Basic (₹)			(2.85)		(10.37)
(2) Diluted (₹)			(2.85)		(10.37)
Significant Accounting Policies and Notes accompanying Standalone Ind AS Financial Statements	1-53				

* Restated

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22 May 2018

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Group Director (Finance)

AKHIL MAHAJAN
Company Secretary

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

₹ in Lakhs

PARTICULARS	2017 - 18	2016 - 17
CASHFLOW FROM OPERATING ACTIVITIES		
Loss before tax	(45,731)	(70,526)
Adjustment for:		
Depreciation and amortization expense	5,971	5,269
Finance costs (net)	24,434	15,319
Interest income	(464)	(3)
Bad debts written off / Provision for doubtful debts	50	21,494
Unspent liabilities and excess provision of earlier years written back	(620)	-
Excepitonal items	16,929	25,149
(Profit) / Loss on sale of property plant and equipment	(28)	(3,436)
Operating profit before working capital changes	**541**	**(6,734)**
Adjustment for working capital		
(Increase)/decrease in trade receivable	(257)	454
(Increase)/decrease in loans, advances and other current assets	(47,208)	(4,264)
(Increase)/decrease in inventory	3,039	(8,761)
Increase/(decrease) in liabilities and provisions	45,759	(35,959)
CASH GENERATED FROM / (USED IN) OPERATIONS	**1,874**	**(55,264)**
Direct taxes (paid)/refund (net)	2,286	2,009
Net cash generated from / (used in) operating activities	**4,160**	**(53,255)**
Cashflow from investing activities		
Payment for acqusition of property, plant and equipment and intangible assets	(1,920)	(1,557)
Proceeds on disposal of property, plant and equipment	30	4,615
Interest received	472	1,490
(Increase) / Decrease in other bank balances (Refer note (c) below)	176	15
Net cash generated from / (used in) investing activities	**(1,242)**	**4,563**
Cashflow from financing activities		
Proceeds from / (Repayment of) borrowings (net)	219	53,915
Payment of buy back (optional / convertible)	(2)	(2)
Interest paid (net)	(2,447)	(10,582)
Dividend paid (including payment to investor education fund)	(11)	(13)
Net cash generated from / (used in) financing activities	**(2,241)**	**43,318**
Net increase / (decrease) in cash and cash equivalents	677	(5,374)
Cash and cash equivalents at the beginning of the year	253	5,627
Cash and cash equivalents at the end of the year	930	253

Notes:

(a) The statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cashflows'.

(b) Payment for acquisition of property, plant and equipment and intangible assets includes movement in capital-work-progress, intangibles assets under development, capital advances and liability toward capital purchases.

(c) Other bank balances represent bank balances earmarked for specific purpose and deposits with banks having a maturity exceeding 3 months (Note 16).

(d) Cash and cash equivalents include cash and bank balances. Refer Note 15 for components of cash and cash equivalents.

Significant Accounting Policies and Notes accompanying Standalone Ind As Financial Statements. 1-53

As per our report of even date attached
FOR SHARP & TANNAN
Chartered Accountants
(Firm's registration no. 003792S)

V. VISWANATHAN
Partner
Membership No. 215565

New Delhi, dated the
22 May 2018

For Ballarpur Industries Limited
R. R. VEDERAH
Vice Chairman

B. HARIHARAN
Group Director (Finance)

AKHIL MAHAJAN
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

A. EQUITY SHARE CAPITAL

₹ in Lakhs

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended 31 March 2017	13,112	-	13,112
For the year ended 31 March 2018	13,112	12,759	25,871

B. OTHER EQUITY

₹ in Lakhs

Particulars	Capital Reserve	Securities Premium Account	Preference Share Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings	Items of Other Comprehensive Income		Total
							Re-measurement of the net defined benefit Plans	Gain/(Loss) on Equity Instruments	
Balance as at 1 April 2016	1,515	27,607	7,385	3,750	80,809	34,263	(854)	-	154,475
Prior period adjustment	-	-	-	-	-	(92,422)	-	-	(92,422)
Restated balance as at 1 April 2016	**1,515**	**27,607**	**7,385**	**3,750**	**80,809**	**(58,159)**	**(854)**	**-**	**62,053**
Loss for the year (Restated)	-	-	-	-	-	(67,984)		-	(67,984)
Other comprehensive income for the year							4		4
Others	-	-	-	-	-	1,877	-	-	1,877
Restated Balance as at 31 March 2017	**1,515**	**27,607**	**7,385**	**3,750**	**80,809**	**(124,266)**	**(850)**	**-**	**(4,050)**
Balance as at 31 March 2017	1,515	27,607	7,385	3,750	80,809	(10,914)	(850)	-	109,302
Prior period adjustment	-	-	-	-	-	(113,352)	-	-	(113,352)
Restated Balance as at 31 March 2017	**1,515**	**27,607**	**7,385**	**3,750**	**80,809**	**(124,266)**	**(850)**	**-**	**(4,050)**
Loss for the year	-	-	-	-	-	(31,109)			(31,109)
Other comprehensive income for the year							257	(748)	(491)
Transfer from debenture redemtion reserve	-	-	-	(1,649)	-	1,649	-	-	-
Isuse of capital under Strategic Debt Restructuring	-	88,226	-	-	-	-	-	-	88,226
Balance as at 31 March 2018	**1,515**	**115,833**	**7,385**	**2,101**	**80,809**	**(153,726)**	**(593)**	**(748)**	**52,576**

Significant Accounting Policies and Notes to Standalone Ind AS Financial Statements 1-53

As per our report of even date attached
FOR SHARP & TANNAN
Chartered Accountants
(Firm's registration no. 003792S)

V. VISWANATHAN
Partner
Membership No. 215565

New Delhi, dated the
22 May 2018

For Ballarpur Industries Limited
R. R. VEDERAH
Vice Chairman

B. HARIHARAN
Group Director (Finance)

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 and its manufacturing operations are spread over two units namely Shreegopal (Haryana) and Kamalapuram (Telangana).

The Ind AS Financial Statements have been approved for issue by the Board of Directors at their meeting held on 22 May 2018.

2 BASIS OF PREPARATION AND USE OF ESTIMATES

2.1 BASIS OF PREPARATION

The Financial statements (FS) of the Company have been prepared in accordance with the Companies Act 2013 ("the Act") and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in Division II of Schedule III to the Act, (Ind AS compliant Schedule III), and the Statement of Cash flows have been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements of Balance Sheet, and the Statement of Profit and Loss, as prescribed in Schedule III of the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under Ind ASs.

Amounts in the financial statements are presented in Indian Rupees rounded off to Lakhs.

The Financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Effective 1 April 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with 1 April 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard or a revision to the existing standard requires a change in the accounting policy hitherto in use.

2.2 USE OF ESTIMATES

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 CURRENT AND NON-CURRENT CLASSIFICATION

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

An asset is classified as current when it is:

- Expected to be realised or intended to be 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

All other liabilities are classified 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.

Fair value measurements under Ind AS are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

3.3 PROPERTY, PLANT AND EQUIPMENT (PPE)

PPE is recognized 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. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

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 Statement of profit and loss during the financial period in which they are incurred.

Depreciation is recognized using straight-line method so as to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over their useful life determined based on technical evaluation which are different from the useful life specified in Schedule II to the Companies Act, 2013.

The useful life of PPE are as follows:

Categories of Assets	**Estimated useful life in years**
Lease hold land	29
Factory Building	30
Office Buildings (RCC Frame structures)	60
Plant & Machinery	
Lab equipment	15
Electrical installations and others	25
Plant and Machinery	7-30
Other equipment, operating and office equipment	
Computer equipment	3-5
Office equipment	5-30
Office furniture	4-10
Vehicles	
Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	7-16
Motor cycles, scooters and other mopeds	9-10
Railway Siding	14

The useful lives as given above represents the period over which management expects to use these assets.

Where cost of a part of the assets ("asset components") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset components is depreciated over its separate useful life.

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.

The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life / residual value is accounted on prospective basis.

3.4 INTANGIBLE ASSETS

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost of acquisition less accumulated amortization and accumulated impairment loss.

Intangible assets that are acquired by the Company and having 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.

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.

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 in the year in which it is incurred. Development expenditures on new projects are recognised as an intangible asset, if all the following can be demonstrated:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- The Company has intention to complete and its ability and intention to use or sell the asset;
- The Company has the ability to use or sell the asset;
- The manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The Company has the ability to measure reliably the expenditure attributable to the intangible asset during its development;

Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred.

Following initial recognition of the development expenditure as an intangible asset, it 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 3 to 5 years. 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 PPE AND INTANGIBLE ASSETS

As at each reporting date, the Company reviews the carrying amounts of PPE and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and intangible assets with indefinite life are tested for impairment each year. Company estimates the recoverable amount of the asset and recognizes an impairment loss when the carrying value of an asset exceeds its recoverable amount.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit or Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years.

A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit or Loss.

3.7 INVENTORIES

Inventories are valued as under:

- Raw materials, Stores, Spare Parts, Chemicals: at lower of cost, determined on weighted average basis, and net realisable value.

However, these items are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

- Work in progress: at cost and net realisable value, whichever is lower. Cost comprises of material cost and related overhead expenses, including labour cost.
- Finished goods: at cost and net realisable value whichever is lower. Cost comprise material cost and related overhead expenses, including labour cost
- Traded goods: at cost, determined on weighted average basis, and net realisable value whichever is lower.

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 CURRENCY TRANSACTIONS

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 entities 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 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 INSTRUMENT

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.

(i) Financial assets

<u>Initial recognition and measurement</u>

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

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

<u>Subsequent measurement</u>

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

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit and loss) or recognized in other comprehensive income. (i.e., fair value through other comprehensive income)

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under fair value option.

- **Business model test:** The objective of company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instruments prior to its contractual maturity to realize its fair value changes).
- **Cash flow characteristics test:** The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest and principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Even, if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'accounting mismatch') that would otherwise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit or loss except investment in equity instruments of subsidiaries which are measured at cost less impairment.

All other equity instruments are measured at fair value in the balance sheet, with values recognised in the statement of profit and loss, except for those equity instruments for which the entity has elected to present value changes in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of financial asset or a part of a group of similar financial assets) is primarily derecognized (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the assets have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass through' arrangement and either;
  - a) The company has transferred substantially all the risks and rewards of the asset, or
  - b) The company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset. The company continues to recognize the transferred asset to the extent of company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

The Company recognises impairment loss on trade receivables and certain other financial assets using expected credit loss (ECL) model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted by Ind AS 109. Other financial assets measured at amortized cost and financial assets measured at fair value through OCI are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit loss on such assets are assessed and allowance recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

(ii) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, and in case of borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss.

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 entered into by the Company 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.

Gains / losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the 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.

Derecognition

A financial liability is derecognized 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 de-recognition 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.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.11 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.

3.12 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.

3.13 PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

(i) Provisions

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.

The amounts recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, the amount of provision is discounted to the present value of cashflows estimated to settle the present obligation. 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.

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received if the Company settles the obligation.

(ii) Contingent liabilities

Contingent liabilities are disclosed in case of

- A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
- A present obligation arising from past events, when a reliable estimate of the amount cannot be made.
- A possible obligation arising from past events where the probability of outflow of resources is not remote.

(iii) Contingent assets

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

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 consist of interest expense calculated using effective interest method and other costs that the Company incurs in connection with the borrowing of funds.

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets i.e., assets that necessarily takes a substantial period of time to get ready for its intended use, are capitalized as part of the cost of such assets. Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets are deducted from the cost eligible for capitalization.

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 all significant risks and rewards of ownership of the goods have been passed to the buyer, as per the terms of contract, the amount can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company. Further, revenue is recognized only if the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over goods sold, and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

(ii) Other operating income

(a) Incentives

Incentives on exports and other Government incentives are recognised when it is probable that the economic benefits associated with the incentives will flow to the entity, the revenue can be measured reliably and there is no significant uncertainty about the ultimate realization of the incentive.

(b) Rental income

Lease rental income from operating lease is recognized on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increases.

(iii) Other income

(a) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(b) Dividends

Dividends 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

Employee benefits such as salaries, wages, bonus, short-term compensated absences, performance incentives, etc., falling due wholly within the twelve months of rendering service are classified as short term employee benefit and are expensed in the period in which the employee renders the related service.

(ii) Defined benefit plans

The Company's obligation towards gratuity is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, done by a qualified actuary, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government securities, having maturity periods approximating to the terms of related obligations as at the Balance Sheet date.

Defined benefit cost comprising current service cost, past service cost and gains or loss on settlements are recognized in statement of profit or loss as employee benefit expenses. Interest cost implicit in defined benefit cost is recognized in statement of profit or loss under finance cost. Gains or losses on the curtailment or settlement of the defined benefit plan are recognized when the curtailment or settlement occurs.

Remeasurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognized in other comprehensive income.

(iii) Long term employee benefits

The obligation recognized in respect of long term employee benefits such as long term compensated absences is measured at present value of estimated future cash flows expected to be made by the Company and is measured in a similar manner as in the case of defined benefit plan.

Long term employee benefit costs comprising current service cost and gains or losses on curtailments and settlements, remeasurements including actuarial gains and losses are recognized in the statement of profit or loss as employee benefits expense. Interest cost implicit in long term employee benefit cost is recognized in the statement of profit or loss under finance cost.

(iv) Defined contribution plan – post employment benefit

The Company's contributions to defined contribution plans are recognized in statement of profit or loss in the period to which the employee provides the related service.

(v) Termination benefits

Termination benefits are recognized as expense in the period in which they are incurred.

3.17 LEASES

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception. Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

(i) Operating lease

Lease rentals on assets under operating lease are charged to statement of profit and loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Assets leased out on operating lease are continued to be shown under respective class of assets. Lease rental income from operating lease is recognized on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increases.

(ii) Finance lease

Assets acquired under finance lease are capitalized at the commencement of the lease at the fair value of the lease property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charge and a reduction in lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Financing charges are recognized as finance cost in the statement of profit and loss.

Subsequent to initial recognition, the assets are measured 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.

3.19 INCOME TAXES

(i) Income tax expense

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except when they relate to items recognized in other comprehensive income or directly in equity, in which case, the income tax expense is also recognized in other comprehensive income or directly in equity, as the case may be.

(ii) Current tax

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act 1961. 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 on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets are recognized for the carry forward and unused tax credits and any unused tax losses only to the extent that the entity has sufficient taxable temporary differences or convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

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 EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit for the year attributable to the shareholders' by weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit for the year attributable to the shareholder' by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.22 SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(a) Impairment of PPE and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's / CGU's recoverable amount is the higher of the asset's / CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds it recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

(b) Defined benefit obligation

The cost of the defined benefit plan and other long-term benefits and the present value of such obligation as determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, obligation under defined benefit plan and other long term benefits are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(d) Development costs

The Company capitalises development costs in accordance with its accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, unless when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

(e) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4 RECENT ACCOUNTING PRONOUNCEMENT

4.1 Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

4.2 Ind AS 115- Revenue from Contract with Customers: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.

The Company will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The Company is in the process of evaluating the effect on adoption of Ind AS 115.

5 PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Leasehold land	Freehold land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Railway Sidings, Trolley Lines, Tramway &tipping tups	Total
Gross block										
As at 1 April 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
As at 31 March 2017	**9**	**112,602**	**32,779**	**166,041**	**1,048**	**355**	**100**	**12**	**62**	**313,008**
Additions	-	-	98	29,849	-	-	-	-	-	29,947
Disposal	-	-	-	-	-	12	-	-	-	12
As at 31 March 2018	**9**	**112,602**	**32,877**	**195,890**	**1,048**	**343**	**100**	**12**	**62**	**342,943**
Accumulated depreciation										
Upto 31 March 2016	**1**	**-**	**5,196**	**49,778**	**1,068**	**197**	**234**	**10**	**34**	**56,518**
Depreciation for the year	0	-	339	3,227	24	41	7	0	4	3,642
Impairment during the year	-	-	155	19,934	3	3	4	1	-	20,100
Disposal	-	-	495	13	133	-	149	-	-	790
Upto 31 March 2017	**1**	**-**	**5,195**	**72,926**	**962**	**241**	**96**	**11**	**38**	**79,470**
Depreciation for the year	1	-	872	3,888	4	20	3	0	2	4,790
Disposal	-	-	-	-	-	10	-	-	-	10
Upto 31 March 2018	**2**	**-**	**6,067**	**76,814**	**966**	**251**	**99**	**11**	**40**	**84,250**
Net book value										
As at 1 April 2016	8	112,623	28,412	116,148	492	158	448	2	28	258,319
As at 31 March 2017	8	112,602	27,584	93,115	86	114	4	1	24	233,538
As at 31 March 2018	**7**	**112,602**	**26,810**	**119,076**	**82**	**92**	**1**	**1**	**22**	**258,693**

(a) "0"represent amount below ₹ 50,000/-

(b) The lease agreement in respect of 13.19 acres of land in possession of the company is yet to be executed in favour of the Company.

(c) Refer note 22 for property, plant and equipment pledged as security for the borrowing of the Company.

(d) The Company has reviewed the future cash flows on the basis of value in use of its property, plant and equipment and capital work-in-progress and is satisfied that the recoverable amount is more than the carrying amount as per the books. Accordingly, no provision for impairment loss is required to be made in these financial statements.

(e) Refer note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

₹ in Lakhs

6	CAPITAL WORK IN PROGRESS		
	Particulars	**As at 31 March 2018**	**As at 31 March 2017**
	Opening balance	28,112	26,711
	Additions during the year	1,900	1934
	Capitalized as property, plant and equipment	29,947	140
	Disposals	-	393
	Closing balance	**65**	**28,112**

7	OTHER INTANGIBLE ASSETS						
	Particulars	**As at 31 March 2018**			**As at 31 March 2017**		
		Product development expense	**Others**	**Total**	**Product development expense**	**Others**	**Total**
	Gross block						
	Opening balance	3,472	8,716	12,188	3,472	8,716	12,188
	Additions during the year	-	-	-	-	-	-
	Disposals	-	-	-	-	-	-
	Closing balance	**3,472**	**8,716**	**12,188**	**3,472**	**8,716**	**12,188**
	Accumulated amortization						
	Opening balance	1,459	7,378	8,837	765	6,445	7,210
	Amortisation for the year	694	487	1,181	694	933	1,627
	Disposals	-	-	-	-	-	-
	Closing balance	**2,153**	**7,865**	**10,018**	**1,459**	**7,378**	**8,837**
	Net book value	**1,319**	**851**	**2,170**	**2,013**	**1,338**	**3,351**
	Net book value as at 1 April 2016				2,707	2,271	4,978

(a) There are no intangible assets that have been pledged as security for the borrowings of the Company.

(b) Refer Note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment and/or other intangible assets.

(c) The Company has reviewed the future cash flows on the basis of value in use of its intangible assets and is satisfied that the recoverable amount is more than the carrying amount as per the books. Accordingly, no provision for impairment loss is required to be made in these financial statements.

8	INTANGIBLE ASSETS UNDER DEVELOPMENT		
	Particulars	**As at 31 March 2018**	**As at 31 March 2017**
	Opening balance	3,144	3,144
	Additions during the year	-	-
	Capitalized during the year under Intangible assets	-	-
	Impairment for the year (Refer note 37)	3,144	-
	Closing balance	**-**	**3,144**

9	NON CURRENT INVESTMENTS							
	Particulars	**Face Value Per Share**	**As at 31 March 2018**		**As at 31 March 2017**		**As at 1 April 2016**	
			No. of shares	**₹ in Lakhs**	**No. of shares**	**₹ in Lakhs**	**No. of shares**	**₹ in Lakhs**
	Unquoted investments							
	A Investments measured at cost							
	(a) Investments in fully paid equity shares of subsidiaries							
	(i) Avantha Agritech Limited	₹ 10.00	990,000	40	990,000	40	990,000	40
	(ii) Ballarpur International Holdings B.V.	€ 0.65	168,679,093	76,048	168,679,093	76,048	168,679,093	76,048
	(iii) BILT Graphic Paper Products Limited	₹ 10.00	50,000	5	50,000	5	50,000	5
	(iv) Ballarpur Speciality Paper Holdings B.V.	€ 1.00	18,000	12	18,000	12	18,000	12
	(v) Premier Tissues (India) Limited	₹ 10.00	5,620,427	4,522	5,620,427	4,522	5,620,427	4,522
				80,627		**80,627**		**80,627**

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

₹ in Lakhs

Particulars			Face Value Per Share	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
				No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
B	**Investment designated as measured at fair value through OCI**								
	(a)	Investment in fully paid equity shares of other companies							
	(i)	Blue Horizon Investments Limited	₹ 10.00	5,000	3	5,000	3	5,000	3
	(ii)	Avantha Power & Infrastructure Limited	₹ 10.00	8,654,186	-	8,654,186	748	8,654,186	748
					3		**751**		**751**
C	**Investments measured at fair value through OCI**								
	(a)	Investment in debt securities of subsidiaries							
	(i)	Zero coupon convertible notes (ZCCN) issued by Ballarpur International Holdings B.V		141	25,157	141	25,157	141	25,157
		(141 ZCCN at $ 65,789.5 and premium of $ 214,912.25)			**25,157**		**25,157**		**25,157**
					105,787		**106,535**		**106,535**

a) Details of aggregate book value of investments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unquoted investments			
Book value	105,787	106,535	106,535

10 LOANS - NON-CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Security deposits	169	171	223
Total	**169**	**171**	**223**

11 DEFERRED TAX ASSETS / (LIABILITIES) (NET)

(a) Major components of deferred tax assets and liabilities are as follows

Particulars			As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
A	Deferred tax assets				
	(i)	Expenses allowable on payment basis (Section 43B of Income Tax Act, 1961)	8,673	2,242	4,478
	(ii)	Unabsorbed tax depreciation	7,916	4,515	-
	(iii)	Unused tax losses (Business losses)	9,629	8,405	-
			26,218	**15,162**	**4,478**
B	Deferred tax liabilities				
	(i)	Difference between Written down value of property plant and equipment (PPE) and intangible assets as per books of account and as per Income Tax Act.	14,294	17,860	9,718
			14,294	**17,860**	**9,718**
Net deferred tax assets / (liabilities)			**11,924**	**(2,698)**	**(5,240)**

(b) Movement in deferred tax assets and liabilities

2017-18

Particulars		Opening Balance	Recognized in profit or loss	Closing Balance
(i)	Expenses allowable on payment basis (Section 43B of Income Tax Act, 1961)	2,242	6,431	8,673
(ii)	Unabsorbed tax depreciation	4,515	3,401	7,916
(iii)	Unused tax losses (Business losses)	8,405	1,224	9,629
(iv)	Difference between written down value of PPE and intangible assets as per books of account and as per Income Tax Act.	(17,860)	3,566	(14,294)
		(2,698)	**14,622**	**11,924**

₹ in Lakhs

2016-17

Particulars	Opening Balance	Recognized in profit or loss	Closing Balance
(i) Expenses allowable on payment basis (Section 43B of Income Tax Act, 1961)	4,478	(2,236)	2,242
(ii) Unabsorbed tax depreciation	-	4,515	4,515
(iii) Unused tax losses (Business losses)	-	8,405	8,405
(iv) Difference between written down value of PPE and intangible assets as per books of account and as per Income Tax Act.	(9,718)	(8,142)	(17,860)
	(5,240)	**2,542**	**(2,698)**

(c) The management has taken various initiatives and strategies to revive the operations of the Company on a profitable basis. During the year the Company has implemented the Strategic Debt Restructuring (SDR) Scheme with the lenders which has eased the financial stress on the Company (Refer note 39 on SDR). Subsequent to SDR the company was able to run the manufacturing facility at Yamunanagar (Shree Gopal Unit) without major shutdowns. The Company has also taken various initiatives to recommence operations of its manufacturing facility at Kamalapuram and is confident of recommencing operations during the financial year 2018-19. Further the management of the Company is in the process of further negotiation with the lenders for second phase of restructuring as per its revival plan & also exploring various other options like sale of non-core assets, etc., to further ease out the financial burden and achieve better financial results. (Also refer note 41 on going concern assessment).

On account of the above reasons, the management is confident that the Company will be able to generate future taxable profits, in excess of the profit arising from the reversal of deferred tax liabilities, against which the aforesaid deferred tax assets will be recognized.

12 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Capital advances	14	27	27
Prepaid expenses	1	1	2
	15	**28**	**29**

13 INVENTORIES

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw materials (Refer note (a) below)	358	2,201	1,640
Work in progress	265	123	359
Finished goods (including stock in trade)	1,564	17	2,419
Stores and spares (Refer note (b) below)	1,988	20,075	16,240
Chemicals (Refer note (c) below)	933	8,809	6,478
Packing materials (Refer note (d) below)	263	1,243	1,342
	5,371	**32,468**	**28,478**

(a) Includes raw material-in-transit of ₹ 20 Lakhs (Previous Year ₹ Nil)

(b) Includes stores and spares-in-transit of ₹ 52 Lakhs (Previous Year ₹ 11 Lakhs)

(c) Includes Chemicals-in-transit of ₹ 229 Lakhs (Previous Year ₹ 18 Lakhs)

(d) Includes Packing materials-in-transit of ₹ 36 Lakhs (Previous Year ₹ 11 Lakhs)

14 TRADE RECEIVABLES

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Considered good			
Due from others (Refer note (a) below)	705	537	1,555
	705	**537**	**1,555**

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Doubtful			
Due from others	56	86	86
Less: Allowance for doubtful debts	56	86	86
	-	-	-
	705	**537**	**1,555**

(a) Includes ₹ 272 Lakhs (As at 31 March 2017 - ₹ 62 Lakhs) secured by way of security deposits received from the customers.

15 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balances with Banks :			
- On current accounts	928	190	5,558
- Bank deposits with original maturity of less than three months	-	59	59
Cash on hand	2	4	10
	930	**253**	**5,627**

16 OTHER BANK BALANCES

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Bank Balances-Unpaid Dividend Account	53	67	80
Bank Balances-Unclaimed Compulsory /Optional Buy Back Consideration Accounts	-	179	180
Bank Deposits with Banks - original maturity exceeding three months but less then twelve months	17	-	-
	70	**246**	**260**

17 LOANS - CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good :-			
Dues from related parties (net)	19,270	50,353	44,901
Security Deposits	875	850	740
Others	177	2,411	3,871
	20,322	**53,614**	**49,512**

18 OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Insurance receivables [refer note (a) below]	948	-	-
Advances to others	24	25	31
	972	**25**	**31**

(a) Insurance receivable represents claims lodged by the Company towards loss of inventory due to fire. The management is confident regarding the recovery of the loss from the insurers and accordingly the claim is recgonized as a receivable.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

₹ in Lakhs

19	OTHER CURRENT ASSETS			
	Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
	Prepaid expenses	54	668	586
	Advances to employees (Refer note (a) below)	178	190	174
	Advances to related parties	-	-	8
	Advances to trade creditors	2,306	5,043	5,117
	Balance with Government authorities	995	398	473
	Other assets	-	-	1
		3,533	**6,299**	**6,359**

(a) Advances to employees includes ₹ 5 lakhs advances given to Director (Refer note 45).

20	EQUITY SHARE CAPITAL			
	Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
	Authorised share capital			
	1,50,00,00,000 (31 March 2017: 75,00,00,000) equity shares of ₹ 2/- each	30,000	15,000	15,000
	1,00,00,000 (31 March 2017: 2,50,00,000) preference shares of ₹ 100/- each	10,000	25,000	25,000
		40,000	**40,000**	**40,000**
	Issued share capital			
	1,29,37,05,501 (31 March 2017: 65,57,73,584) equity shares of ₹ 2/- each	25,874	13,115	13,115
	Subscribed and paid-up share capital			
	1,29,37,05,501 (31 March 2017: 65,57,73,584) equity shares of ₹ 2/- each	25,874	13,115	13,115
	Less: Forfeited shares - 2,49,745 (31 March 2017: 2,49,745) equity shares of ₹ 2/- each	5	5	5
	1,29,34,55,756 (31 March 2017: 65,55,23,839, 31 March 2016: 65,55,23,839) equity shares of ₹ 2/- each	25,869	13,110	13,110
	Add: Amount originally paid up on forfeited shares	2	2	2
		25,871	**13,112**	**13,112**

(a) Reconciliation of number of shares

Particulars	**As at 31 March 2018**		**As at 31 March 2017**	
	Nos	**₹ in Lakhs**	**Nos**	**₹ in Lakhs**
At the beginning of the year	655,523,839	13,112	655,523,839	13,112
Add: Issued during the year	637,931,917	12,759	-	-
At the end of the year	1,293,455,756	25,871	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. There are no restrictions attached to any specific shareholder. 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) The Company does not have holding Company / ultimate holding company / associates. The subsidiaries of the Company does not hold any shares in the Company

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

Particulars	**As at 31 March 2018**		**As at 31 March 2017**	
	Nos	**Holding %**	**Nos**	**Holding %**
(i) Avantha Holdings Limited	322,689,019	24.95%	322,689,019	49.23%
(ii) Life Insurance Corporation of India	85,550,701	6.61%	43,872,365	6.69%
(iii) Samera Special Situations Mauritius	-	-	59,480,544	9.07%
(iv) Finquest Securities Private Limited	-	-	35,458,000	5.41%
(v) Finquest Financial Solutions Private Limited	188,499,675	14.57%	-	-
(vi) ICICI Bank Limited	155,937,658	12.06%	-	-

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

(e) Changes to authorised share capital

On 14 July 2017, the shareholders of the company by way of postal ballot approved the reclassification of the Authorised Share Capital from ₹ 40,000 Lakhs divided into 75,00,00,000 equity shares having face value of ₹ 2/- each, and 2,50,00,000 preference shares having face value of ₹ 100/- each, to ₹ 40,000 Lakhs divided into 150,00,00,000 equity Share having face value of ₹ 2/- each, and 1,00,00,000 preference shares having face value of ₹ 100/-each, by converting 1,50,00,000 preference shares of ₹ 100/-each into 75,00,00,000 Equity Share of ₹ 2 each.

(f) Shares allotted during the year

Pursuant to approval of shareholders by way of postal ballot on 14 July 2017, the committee of the Board of Directors at its meetings held on 25 July 2017, allotted collectively to the lenders 63,79,31,917 equity shares of face value of ₹ 2 at a premium of ₹ 13.83 per share aggregating ₹ 1,00,985 Lakhs as per Strategic Debt Restructuring Scheme (SDR Scheme) of the Reserve Bank of India. (Refer note 39). The implementation of SDR Scheme and consequent allotment of equity shares have been made in respect of all the lenders.

(g) Others

(i) The Company has not reserved any shares for issue under options as at 31 March 2018 (As at 31 March 2017 : Nil shares)

(ii) The Company has not allotted any bonus shares in the immediately preceding five year ended 31 March 2018. (previous period of five years ended 31 March 2017: Nil shares)

(iii) The Company has not issued any shares for consideration other than cash during the period of five years immediately preceding the reporting date. Refer note no. 20 (F) for details of loans converted in to equity.

(iv) The aggregate number of equity shares bought back in immediately preceding five years ended 31 March 2018 is Nil (previous period of five years ended 31 March 2017 - Nil)

(v) Calls unpaid as at 31 March 2018 - ₹ Nil (31 March 2017 : ₹ Nil)

₹ in Lakhs

21 OTHER EQUITY

Particulars	As at 31 March 2018	As at 31 March 2017 *	As at 1 April 2016 *
Capital reserve	1,515	1,515	1,515
Securities premium account	115,833	27,607	27,607
Preference share capital redemption reserve	7,385	7,385	7,385
Debenture redemption reserve	2,101	3,750	3,750
General reserve	80,809	80,809	80,809
Retained earnings	(153,726)	(124,266)	(58,159)
Items of Other Comprehensive Income (OCI)			
Re-measurement of the net defined benefit Plans	(593)	(850)	(854)
Equity instruments through OCI	(748)	-	-
	52,576	**(4,050)**	**62,053**

* Restated - Refer note 38

(a) Refer statement of changes in equity for detailed movement in components of other equity

(b) Nature and purpose of reserves

(i) Capital reserve

Capital reserve represents the difference between value of the net assets transferred to the Company in the course of business combinations and the consideration paid for such combinations.

(ii) Securities premium reserve

The amount received in excess of face value of the equity shares is recognised in securities premium. The reserve can be utilised in accordance with the provisions of Companies Act 2013 and are not available for distribution to the shareholders.

(iii) Preference share capital redemption reserve

Preference Share Capital Redemption Reserve represents the statutory reserve created. The said capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares.

(iv) Debenture redemption reserve

The Company has issued debentures and created DRR out of the profits of the Company in terms of the Companies (Share capital and Debenture) Rules, 2014 (as amended). The Company is required to maintain a DRR of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the DRR may not be utilised by the company except to redeem debenture.

(v) General reserve

The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirement to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

(vi) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(vii) Re-measurement of net defined benefit plans

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the statement of profit or loss.

(viii) Equity instruments through OCI

The fair value change of equity instruments designated as measured at fair value through other comprehensive income is recognised in equity instruments through other comprehensive income and are not subsequently reclassified to statement of profit or loss. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to retained earnings directly.

(c) Other comprehensive income accumulated in other equity, net of tax

(i) Items that will not be subsequently reclassified to statement of profit or loss

₹ in Lakhs

Particulars	Remeasurement of net defined benefit plans	Equity instruments through OCI	Total
As at 1 April 2016	(854)	-	(854)
Remeasurement gain/(loss) on net defined benefit plans	4	-	4
Gain/(loss) on changes in fair value of equity instruments designated at fair value through other comprehensive income	-	-	-
Income tax effect	-	-	-
As at 31 March 2017	**(850)**	**-**	**(850)**
Remeasurement gain/(loss) on net defined benefit plans	257	-	257
Gain/(loss) on changes in fair value of equity instruments designated at fair value through other comprehensive income	-	(748)	(748)
Income tax effect	-	-	-
As at 31 March 2018	**(593)**	**(748)**	**(1,341)**

22 BORROWINGS

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non current borrowings			
Secured			
Non convertible debentures	-	15,000	15,000
Term loans			
Bank	-	47,709	67,381
Financial institutions	-	12,500	8,393
	-	**75,209**	**90,774**
Current borrowings			
Secured			
Working capital loans	22,915	22,750	-
Unsecured			
Working capital loans	75,243	136,143	100,477
	98,158	**158,893**	**100,477**

(a) Non covertible debentures

₹ in Lakhs

Name of lender	Rate of interest	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Life Insurance Corporation of India	11.75%	8,402	15,000	15,000
Less: Current maturities		8,402	-	-
		-	**15,000**	**15,000**

Debentures are secured by way of first pari-passu charge over all moveable properties of the Company both present and future

The debentures are repayable in 5 equal yearly instalments starting from financial year 2019-20 to 2023-24. Also refer note 22 (e) below:

(b) Working capital loans

The Company has availed various short term financial facilities from the banks and financial institutions ("the Lenders") which are repayable on demand and carry interest ranging from 9.8% to 14.25% (As at 31 March 2017 - 11.5% to 14%). The said facilities are unsecured except facilities taken from Axis Bank Limited and Finquest NBFC. Asix bank's facility is secured by a charge by way of hypothecation over the company's movable fixed assets on pari passu basis, both present and future and Finquest NBFC's facility is secured by a charge by way of hypothecation over the company's current assets on pari passu first charge and pledge on Premier Tissues (India) Limited's Shares, both present and future.

(c) Borrowings from Banks and Financial Institutions

₹ in Lakhs

S. No	Name of Bank / Financial Institution	As at 31 March 2018 (₹ in Lakhs)	As at 31 March 2017 (₹ in Lakhs)	As at 1 April 2016 (₹ in Lakhs)	Rate of interest	Details of security	Maturity
1	Exim Bank	6,109	9,222	10,690	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.	Repayable in 21 equal quarterly instalments ending on October 2019. (Also refer note 22 (e) below)
2	State Bank of India (Earlier known as State Bank of Travancore)	4,599	4,599	4,700	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.	Repayable in 32 equal quarterly instalments ending on June 2022. (Also refer note 22 (e) below)
3	Phoenix Arc Pvt Ltd	6,412	9,991	9,993	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.	Repayable in 20 equal quarterly instalments ending on September 26, 2021. (Also refer note 22 (e) below)
4	IDBI Bank	9,575	9,522	9,882	Base Rate + 2% initially	The Loan is secured by way of a first pari-passu charge over freehold immovable property of units Kamlapuram & Shreegopal.	Repayable in 27 equal quarterly instalments ending on June 2022. (Also refer note 22 (e) below)
5	ICICI Bank	27,500	27,500	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.	Repayable in 20 equal quarterly instalments ending on June 2022. (Also refer note 22 (e) below)
6	ICICI Bank	8,319	16,610	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.	Repayable in 20 equal quarterly instalments ending on December 2022. (Also refer note 22 (e) below)
7	Clix Capital Services Private Limited	-	-	2,500	Base Rate + 2.70% initially	The Loan is secured by way of a first pari-passu charge over all fixed assets of the company, both present & future	
		62,514	77,444	81,945			
	Less: Current maturities	62,514	17,235	6,171			
		-	**60,209**	**75,774**			
	Banks		47,709	67,381			
	Financial Institutions		12,500	8,393			
		-	**60,209**	**75,774**			

(d) Maturity profile of borrowings

Particulars	As at 31 March 2018	As at 31 March 2017
Financial year 2017-18	NA	17,235
Financial year 2018-19	70,916	14,757
Financial year 2019-20	-	17,773
Financial year 2020-21	-	16,300
Financial year 2021-22	-	16,200
Financial year 2022-23	-	7,695
Financial year 2023-24	-	3,000

(e) Default in repayment of borrowings and payment of interest

The Company had defaulted in repayment of borrowings and payment of interest during current year and previous year. During the year, the company has executed the 'Strategic Debt Restructuring Scheme' (SDR) with lenders as per which the borrowings were restructured. (Refer note 39 for details of SDR)

The Company has further defaulted in repayment of loans to the lenders. The particulars of default in repayment of borrowings as at 31 March 2018 is as follows.

Particulars	Repayment of Principal		Payment of interest	
	Default outstanding amount	Period of default in days	Default outstanding amount	Period of default in days
Exim Bank	1,109	60 - 152 days	620	1 - 243 days
State Bank of India (Earlier known as State Bank of Travancore)	875	9 - 555 days	959	1 - 455 days
ICICI Bank	4,125	9 - 190 days	3,130	1 - 212 days
IDBI Bank	875	1 - 366 days	1,496	1 - 424 days
Phoenix Arc Pvt Ltd	-	-	673	1 - 243 days
Life Insurance Corporation of India	-	-	1,810	62 - 427 days
	6,984	**-**	**8,688**	**-**

Further the lenders have a right to declare the facilities immediately due and payable on account of the default and hence the entire borrowings are classified as current liability in the financial statements.

The particulars of default in payment of interest and repayment of borrowings as at 31 March 2017 is as follows

Particulars	Default outstanding amount	Upto 3 months	3 to 6 months
Exim Bank	1,429	714	715
State Bank of India (Earlier known as State Bank of Travancore)	375	125	250
Phoenix Arc Pvt Ltd	500	500	-
IDBI Bank	125	125	-
	2,429	**1,464**	**965**

(f) Assignment of borrowings to BILT Graphic Paper Products Limited

During the year the Company has assigned borrowings from M/s. Finquest Financial Solutions Private Limited of ₹ 5,250 Lakhs to BILT Graphic Paper Products Limited w.e.f 7 December 2017 together with all securities, rights, title and interest in all agreements, deeds and documents in relation to the said borrowing. Also refer note 45(e)

23 OTHER FINANCIAL LIABILITIES - NON-CURRENT

Particulars	As at 31 March 2018	As at 31 March 2017 *	As at 1 April 2016 *
Security deposits	574	494	465
Due to related parties	97,505	165,595	185,611
	98,079	**166,089**	**186,076**

* Restated - Refer note 38

24 NON-CURRENT PROVISIONS

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provisions for employee benefits			
Provision for gratuity (Refer note 44)	2,213	2,582	2,667
Provision for compensated absences	537	697	874
	2,750	**3,279**	**3,541**

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

₹ in Lakhs

25 TRADE PAYABLES			
Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
Due to			
Micro and small enterprises (Refer note (c) below)	356	155	106
Related parties	0	0	12
Others	19,247	11,704	12,408
	19,603	**11,859**	**12,526**

(a) "0"represent amount below ₹ 50,000/-

(b) All trade payables are non interest bearing and payable or settled with in normal operating cycle of the Company.

(c) The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are as under:

Particulars	2017-18	2016-17
Principal amount remaining unpaid to any supplier at the end of year	356	155
Interest accrued and due thereon to suppliers under MSMED Act on the above amount remaining unpaid to any supplier at the end of year	7	-
Interest amount paid by the buyer in terms of section 16 of the MSMED Act, 2006	-	-
Payment amount made to the supplier (other than interest) beyond the appointed day during the year	368	-
Interest amount paid by the buyer under MSMED Act, 2006 (other than Section 16)	-	-
Interest amount due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	14	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	21	-
Further interest amount remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

26 OTHER FINANCIAL LIABILITIES - CURRENT			
Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
Current maturities of long term borrowings (Refer Note 22)	70,916	17,235	6,171
Bank book overdrawn	-	-	5
Interest accrued but not due on borrowings	22,163	7,982	1,753
Security deposits	106	177	743
Unpaid dividends	56	67	80
Payables for capital goods	10	43	61
Payable to employees	5,954	5,661	3,089
Liability For Compulsory / Optional Buyback	177	179	181
Interest accrued on security deposits	33	35	40
Due to related parties	8	16	16
	99,423	**31,395**	**12,139**

27 OTHER CURRENT LIABILITIES			
Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
Advance received from customers	451	134	110
Statutory dues	5,582	4,399	3,406
Other payables	1,170	1,112	269
	7,203	**5,645**	**3,785**

₹ in Lakhs

28	CURRENT PROVISIONS			
	Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
	Provisions for employee benefits			
	Provision for gratuity (Refer note 44)	792	442	390
	Provision for compensated absences	416	260	172
	Other provisions (Refer note (a) below)	150	71	66
		1,358	**773**	**628**

Disclosures pursuant to Ind AS 37 'Provisions, contingent liabilities and contingent assets'

(a) Movement in provisions

Particulars	**Provision for disputed sales tax / VAT liability**	**Total**
As at 1 April 2016	66	66
Additional provision during the year	5	5
Provision used / reversed during the year	-	-
As at 31 March 2017	**71**	**71**
Deposits netted off in previous year reclassified	74	74
Additional provision during the year	5	5
Provision used / reversed during the year	-	-
As at 31 March 2018	**150**	**150**

(b) Nature of provisions

(i) Provision for disputed sales tax / VAT liability

Provision created towards obligation of sales tax pertaining to Punjab Purchase Tax 1989-90 to 1994-95,which is pending in Punjab Sales Tax Tribunal at Chandigarh.

(c) Disclosures in respect of contingent liabilities is given in Note 43

29	CURRENT TAX LIABILITIES (NET)			
	Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
	Provision for current taxes	11,958	11,958	11,958
	Less: Tax paid (including TDS)	6,253	8,539	10,548
		5,705	**3,419**	**1,410**

30	REVENUE FROM OPERATIONS		
	Particulars	**2017 - 18**	**2016 - 17**
	Sale of products (including excise duty*)		
	Paper (Uncoated)	29,926	22,221
	Pulp	-	115
	Others	400	50
		30,326	**22,386**
	Other operating revenue		
	Scrap sale	422	354
		422	**354**
		30,748	**22,740**

* Sale of products include excise duty of ₹ 437 Lakhs (previous year ₹ 1,124 Lakhs).

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

₹ in Lakhs

31 OTHER INCOME

Particulars	2017 - 18	2016 - 17
Profit on sale of property, plant and equipment (Net)	28	3,436
Net gain on foreign currency transactions and translation	-	3
Rent and license fees	0	1
Unspent liabilities and excess provisions of earlier years written back	620	-
Interest earned	464	3
Corporate guarantee charges (Refer note 45(d))	3,755	2,556
Other non operating income	194	697
	5,061	**6,696**
'0' represent amount below ₹ 50,000/-		

32 COST OF MATERIALS CONSUMED

Particulars	2017 - 18	2016 - 17
Bamboo	897	780
Wood and wood species	6,353	2,834
Chemicals	3,959	2,737
Packing materials	850	478
	12,059	**6,829**

33 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

Particulars	2017 - 18	2016 - 17
Stocks at the beginning of the year		
Finished goods (including stock in trade)		
Paper	17	2,362
Pulp	-	57
Work in progress		
Paper	123	356
Pulp	-	3
	140	**2,778**
Stocks at the end of the year		
Finished goods (including stock in trade)		
Paper	1,564	17
Pulp	-	-
Work in progress		
Paper	265	123
Pulp	-	-
	1,829	**140**
Net (increase)/decrease in stocks	**(1,689)**	**2,638**

34 EMPLOYEE BENEFITS EXPENSE

Particulars	2017 - 18	2016 - 17
Salaries and wages	5,841	6,645
Contribution to provident and other funds	394	387
Staff welfare expenses	435	470
	6,670	**7,502**

35 FINANCE COSTS

Particulars	2017 - 18	2016 - 17
Interest expenses	22,173	16,291
Other borrowing costs	2,437	562
Net loss / (gain) in foreign currency transactions and translation	1,115	(47)
Interest earned other than those reported in other income	(1,291)	(1,487)
	24,434	**15,319**

(a) Net loss/ (gain) in foreign currency transactions and translation refers to the foreign exchange fluctuations on transaction and translation of borrowings in foreign currency.

(b) Interest Income earned other than those reported in Other Income refers to mainly interest on advances to related parties (Refer note 45 (d))

₹ in Lakhs

36 OTHER EXPENSES

Particulars	2017 - 18	2016 - 17 *
Consumption of stores and spare parts	639	419
Power and fuel	11,649	6,343
Excise duty on year end inventory of finished goods	(16)	(33)
Rent	447	2,080
Repairs to buildings	71	63
Repairs to machinery	524	475
Repairs others	81	70
Net loss on foreign currency transactions and translation	133	-
Insurance	67	143
Rates and taxes	68	154
Other manufacturing expenses	384	195
Office & other expenses	1,071	584
Sales commission	95	79
Expenditure on Corporate Social Responsibility activities (Refer Note 42)	-	13
Selling expenses	75	1,274
Bad debts and Impairment of Financial Assets (Net)	50	21,494
Balances written off (Net)	210	-
Carriage and freight charges	232	629
Legal and professional charges (Refer Note (a) below)	507	132
Directors sitting fees	15	11
	16,302	**34,125**

* Restated - Refer note 38

(a) Legal and professional charges includes statutory auditor's remuneration as follows

Particulars	2017-18*	2016-17
Statutory audit fee	34	41
Tax audit fee	-	8
Other servies (including certification fees)	7	12
Reimbursement of expenses	0	1
	41	**62**
"0" Represent amount below ₹ 50,000/-		

* The disclosure for the financial year 2017-18 includes ₹ 1 lakh payments made to the predecessor statutory auditors of the Company in their capacity as statutory auditors.

37 EXCEPTIONAL ITEMS

Exceptional items for the financial year 2017-18 includes exceptional gain of ₹ 109,000 Lakhs (previous year ₹ Nil) and exceptional loss of ₹ 125,929 Lakhs (Previous year ₹ 25,149 Lakhs). Exceptional gain include waiver of dues to related parties amounting to ₹ 109,000 Lakhs (Refer note 45(d)). Exceptional loss represents impairment of intangible assets of ₹ 3,144 Lakhs, impairment of inventory amounting to ₹ 24,058 Lakhs and write off of other receivables amounting to ₹ 98,727 Lakhs . Exceptional items for the year 2016-17 represents impairment of property plant and equipment amounting to ₹ 20,100 Lakhs, impairment of inventory amounting to ₹ 4,771 Lakhs and write off of advances to suppliers amounting to ₹ 278 Lakhs.

38 RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

During the year the Company had identified certain receivables which were not classified as financial asset for the purpose of impairment assessment under Ind AS 109. The management has applied their impairment policy and recognized impairment loss of ₹ 92,422 Lakhs upto 31 March 2016 and ₹ 20,930 Lakhs for the financial year 2016-17 and accordingly restated the prior year financial statements (financial year 2016-17) and the opening balance of assets, liabilities and equity as at 1 April 2016. The restatement has resulted in an increase in the other financial liabilities reported in Note 23 and a decrease in the retained earnings as at 31 March 2017 and 1 April 2016 by ₹ 113,352 Lakhs and ₹ 92,422 Lakhs respectively, an increase in the other expenses for the year 2016-17 by ₹ 20,930 Lakhs and a decrease in the basic and diluted earnings per share by ₹ 3.19 per share (loss) (Refer note 46). The said financial assets of ₹ 98,820 Lakhs (net of provision of ₹ 113,352 Lakhs) as at 31 March 2017 and ₹ 121,210 Lakhs (net of provision of ₹ 92,422 Lakhs) as at 1 April 2016 have been netted off against the financial liability in Note 23.

Further as required by Ind AS 1, consequently to retrospective restatement of items in the financial statements, the Company has presented balance sheet as at 01 April 2016.

39 STRATEGIC DEBT RESTRUCTURING

The Company had defaulted in repayment of borrowings and payment of interest to the lenders on account of which a 'Joint Lenders Forum' (JLF) was formed. In the JLF meeting held on 28 December 2016 the lenders invoked the 'Strategic Debt Restructuring Scheme' (SDR) dated 8 June 2015, as amended, issued by the Reserve Bank of India

Further in the JLF meeting held on 5 May 2017, the lenders agreed for conversion of portion of the borrowings, including interest, into equity. Accordingly, borrowings and interest totaling to ₹ 100,985 Lakhs was converted into equity and the Company issued 637,931,917 equity shares to the lenders at a price of ₹ 15.83 per share (face value ₹ 2/- per share) on a preferential basis in compliance with the provisions of Companies Act 2013 and other statutory requirements, as applicable.

Post implementation of the SDR, the equity share capital of the Company is ₹ 25,871 Lakhs which comprises 1,293,455,756 equity shares of ₹ 2/- each.

40 PUT OPTIONS

The Company has given certain Put Options to the Private Equity (PE) Investors of its stepdown subsidiary, BILT Paper BV. The Company is not in a position to quantify the liability towards put options due to the ongoing financial restructuring with lenders.

41 GOING CONCERN

The Company's operations was significantly affected during previous year due to lack of adequate working capital. The lenders of the Company had invoked standstill provision due to delays in repayment of debts and payment of interest. The Company has been in discussion with the lenders to ease of the financial stress and regulate the operations of the Company. During the year the Company has also implemented a Strategic debt restructuring scheme (Refer Note 39) Subsequent to SDR the company was able to run the manufacturing facility at Yamunanagar (Shree Gopal Unit) without major shutdowns. Further the Company has taken various initiatives to recommence operations of its manufacturing facility at Kamalapuram and is confident of recommencing operations during FY 2018-19.

The management has carried out an internal assessment of the future operating cash flows of the Company and is confident that the company has the ability to continue as a going concern in spite of the significant cash losses incurred in previous year and current year, considering the better capacity utilisation and improved financial position of the Company.

42 CORPORATE SOCIAL RESPONSIBILITY EXPENSES

(a) Gross amount required to be spent by the Company during the year is ₹ Nil (previous year ₹ Nil)

(b) Details of corporate social responsibility expenses

₹ in Lakhs

Particulars	2017-18			2016-17		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i) Construction / acquisition of assets	-	-	-	-	-	-
(ii) Purposes other than (i) above	-	-	-	13	-	13
	-	**-**	**-**	**13**	**-**	**13**

₹ in Lakhs

43 CONTINGENT LIABLITIES AND COMMITMENTS

	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(a)	Contingent liabilities			
	Claims against the Company not acknowledged as debts	27,624	23,648	15,130
	Corporate guarantees issued by the Company on behalf of subsidiaries (Refer note (c)(i)&(ii))	63,609	114,421	64,765
	Put options issued by the Company on behalf of subsidiaries (Refer Note (c)(iii)	-	6,500	-
	Indemnity and undertaking executed for stand-by Letter of credit facility on behalf of one of the subsidiaries (Refer note (c)(i))	35,790	35,684	36,441
		127,023	**180,253**	**116,336**
(b)	Commitments			
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)			
	(i) Property, plant and equipment	3	-	1
		3	**-**	**1**

(c) Guarantee/Letter of Credit/Put Option provided in respect of loans availed by subsidiary companies

(i) The Company has granted to the lender a corporate guarantee of USD 97.75 million [₹ 63,609 Lakhs] (previous year - USD 97.75 million [₹ 63,421 Lakhs]) in respect of loan availed by Ballarpur International Holdings B.V, a wholly owned subsidiary of the Company. The Company has also executed an indemnity and undertaking for stand-by Letter of credit facility of USD 55 million [₹ 35,790 Lakhs] (previous year - USD 55 million [₹ 35,684 Lakhs]) in respect of the subsidiary.

(ii) As at 31 March 2017, the Compnay had granted to the lender a corporate guarantee of ₹ 51,000 Lakhs in respect of loan availed by BILT Graphic Paper Product Limited (BGPPL), a step-down subsidiary of the Company. During the year, BGPPL has executed a 'Master Restructuring Agreement' (MRA) its lender and inaccordance with the terms of the MRA the corporate guarantee stands resolved. However the execution of the MRA has been contested by one of the non assenting lender and the case is pending at High Court, Delhi, as at 31 March 2018. The management is confident that BGPPL will be able to get a favourable Order in this respect and hence the said guarantee is not reported as a contingent liability as at 31 March 2018.

(iii) As at 31 March 2017, the Compnay had provided a Put Option to the lender, Yes Bank Limited of ₹ 6500 Lakhs against financing facilities provided to Avantha Agritech Limited, a subsidiary of the Company. The Option does not exist as at 31 March 2018.

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.

44 DISCLOSURE PURSUANT TO IND AS 19 "EMPLOYEE BENEFITS"

(a) Defined contribution plan

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

₹ in Lakhs

Particulars	2017-18	2016-17
Employer's contribution to provident fund	177	165
Employer's contribution to superannuation fund	40	42
Employer's contribution to pension scheme	177	180
	394	**387**

(b) Defined benefit plan

i) Nature of the benefit

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.

ii) Amounts recognized in balance sheet

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
	Gratuity	Gratuity
Present value of defined benefit obligation		
- wholly unfunded	3,005	3,024
	3,005	3,024
Less: Fair value of plan assets	-	-
Amount recognized as a liability / (asset)	**3,005**	**3,024**
Net liability / (asset) - current	792	442
Net liability / (asset) - non-current	2,213	2,582

iii) Reconciliation of opening and closing balances of the present value of the obligations

Particulars	2017-18	2016-17
	Gratuity	Gratuity
Opening balance of present value of obligation	3,024	3,057
Current service cost	120	120
Net interest on obligation	219	235
Re-Measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	(158)	50
- experience variance (i.e. actual experience vs assumptions)	(99)	(21)

₹ in Lakhs

Particulars	2017-18	2016-17
	Gratuity	Gratuity
Past service cost	27	-
Benefits paid	(128)	(417)
Closing balance of present value of obligation	**3,005**	**3,024**

iv) **Amount recognized in statement of profit and loss**

Particulars	2017-18	2016-17
	Gratuity	Gratuity
a) Statement of profit or loss		
Currrent service cost	120	120
Past service cost	27	-
Net interest income / (cost) on the net defined benefit liability (Assets)	219	235
Total expenses recognized in profit or loss	**366**	**355**
b) Other Comprehensive Income (OCI):		
Actuarial (gain) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	(158)	50
- experience variance (i.e. Actual experience vs assumptions)	(99)	(21)
	(257)	**29**

v) **Principal assumptions**

Economic assumptions

Particulars	As at 31 March 2018	As at 31 March 2017
	Gratuity	Gratuity
Discount rate	7.50%	7.25%
Salary growth rate	0.00% to 5.00%	5.00%

Demographic assumptions

Particulars	As at 31 March 2018	As at 31 March 2017
	Gratuity	Gratuity
Retirement age (years)	60 - 58	60
Mortality Rate (as % of IALM 06-08)	100.00%	100.00%
Withdrawal/Attrition rate		
Upto 30 years	0.20% - 2.00%	2.00%
From 31 years to 44 years	2.00%	2.00%
More than 44 years	2.00% - 5.00%	2.00%

vi) **Sensitivity Anaiysis**

Particulars	Changes in assumptions	As at 31 March 2018		As at 31 March 2017	
		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%	(101)	111	(105)	123
Salary growth rate	+/- 1%	119	(110)	119	(104)
Attrition rate	+/- 50%	21	(23)	17	(11)
Mortality rate	+/- 10%	6	(6)	17	(10)

vii) Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflow)

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Gratuity	4 - 5 years	4 - 5 years

Expected cash flows over the next (valued on undiscounted basis)

Particulars	As at 31 March 2018	As at 31 March 2017
1 year	792	442
2 to 5 years	1,758	1,827
6 to 10 years	897	1,106
More than 10 years	743	903

viii) Major risks to the plan

Actuarial valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in provision the gratuity benefit which are as follows

1) Interest rate risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

2) Liquidity risk

This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of non liquid assets not being sold in time.

3) Salary esclation risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liabilty.

4) Demographic risk

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

5) Regulatory risk

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

45 DISCLOSURE OF RELATED PARTIES / RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 'RELATED PARTY DISCLOSURES'

(a) Enterprises where control exist

(i) Subsidiary	-	Avantha Agritech Limited (Formely known as BILT Tree Tech Limited)
	-	Ballarpur International Holdings B.V
	-	Ballarpur Speciality Paper Holdings B.V.
	-	Premier Tissues (India) Limited
(ii) Step down subsidiary	-	BILT Paper B.V. (Subsdiary of Ballarpur International Holdings B.V)
	-	Ballarpur Paper Holdings B.V. (Sudsidiary of BILT Paper B.V.)
	-	BILT Graphic Paper Products Limited (Sudsidiary of Ballarpur Paper Holdings B.V.)
	-	Sabah Forest Industries Sdn. Bhd. (Sudsidiary of Ballarpur Paper Holdings B.V.)
	-	BILT General Trading FZE (Sudsidiary of Ballarpur Speciality Paper Holdings B.V.)

(b) Key Management Personnel (KMP)

(i) Mr. B. Hariharan

(ii) Mr. Gautam Thapar

(c) Related parties with whom the company had transactions during the current year and / or previous year

(i) Subsidiaries (including step down subsidiaries)	
1) Avantha Agritech Limited	- Subsidiary
2) Ballarpur International Holdings B.V	- Subsidiary
3) Ballarpur Speciality Paper Holdings B.V.	- Subsidiary
4) Premier Tissues India Limited	- Subsidiary
5) BILT Paper B.V.	- Step-down subsidiary
6) Ballarpur Paper Holdings B.V.	- Step-down subsidiary
7) BILT Graphic Paper Products Limited	- Step-down subsidiary
8) Sabah Forest Industries Sdn. Bhd.	- Step-down subsidiary
9) BILT General Trading FZE	- Step-down subsidiary
(ii) Enterprise over which KMP is able to exercise control	
1) Saraswati Travels Private Limted	- Other related parties
2) SMI New Quest India Private Limited	- Other related parties
3) Biltech Building Elements Limited	- Other related parties
4) CG Power and Industrial Solutions Limited	- Other related parties
(formerly known as Crompton Greaves Limited)	
5) Avantha Holdings Limited	- Other related parties
6) Imerys Newquest (India) Private Limited	- Other related parties
7) Avantha Realty Limited	- Other related parties
8) Mirabelle Trading Pte. Ltd.	- Other related parties
9) Varun Prakashan Private Limited	- Other related parties
10) BILT Industrial Packaging Company Limited	- Other related parties
11) Solaris Chemtech Industries Limited	- Other related parties
12) Karam Chand Thapar & Bros. Ltd-PF Trust	- Other related parties
13) Arizona Printers & Packers Private Limited	- Other related parties
14) Avantha Power and Infrastructure Limited	- Other related parties
15) Korba West Power Company Limited	- Other related parties
16) Avantha Technologies Limited	- Other related parties
17) Global Green Company Limited	- Other related parties
18) UHL Power Company Limited	- Other related parties

(d) Details of related party transactions

₹ in Lakhs

Particulars	2017-18		2016-17	
(i) Purchase of goods and services				
1) Subsidiaries				
BILT Graphic Paper Products Limited	2		492	
Sabah Forest Industries Sdn. Bhd.	400		-	
		402		**492**
2) Other related parties				
Biltech Building Elements Limited	26		26	
		26		26
		428		**518**
(ii) Sale of goods and services				
1) Subsidiaries				
BILT Graphic Paper Products Limited	421		417	
		421		417
		421		**417**

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

₹ in Lakhs

Particulars	2017-18		2016-17	
(iii) Deputation charges recovered from				
1) Subsidiaries				
BILT Graphic Paper Products Limited	818		648	
		818		**648**
(iv) Interest income				
1) Subsidiaries				
Ballarpur International Holdings B.V	1,057		959	
Sabah Forest Industries Sdn. Bhd.	226		228	
		1,283		1,187
2) Other related parties				
Avantha Realty Limited	-		300	
		-		300
		1,283		**1,487**
(v) Interest expense				
1) Subsidiaries				
BILT Graphic Paper Products Limited	-		7,041	
		-		7,041
2) Other related parties				
Karam Chand Thapar & Bros. Ltd-PF Trust	1		-	
		1		-
		1		**7,041**
(vi) Corporate guarantee income				
1) Subsidiaries				
BILT Graphic Paper Products Limited	1,275		-	
Ballarpur International Holdings B.V	2,480		2,556	
		3,755		2,556
		3,755		**2,556**
(vii) Rental expense				
1) Other related parties				
Avantha Realty Limited	381		1,275	
		381		1,275
		381		**1,275**
(viii) Advances given to related parties				
1) Subsidiaries				
Premier Tissues India Limited	54		45	
Sabah Forest Industries Sdn. Bhd.	365		1,338	
		419		1,383
2) Other related parties				
Mirabelle Trading Pte. Ltd.	-		5,239	
		-		5,239
		419		**6,622**
(ix) Repayment of advances by related parties				
1) Other related parties				
Mirabelle Trading Pte. Ltd.	10,936		-	
		10,936		-
		10,936		**-**
(x) Director's sitting fees				
1) Key management personnel				
Mr. Gautam Thapar	2		1	
		2		1
		2		**1**
(xi) Payment of PF and loan recoveries				
1) Other related parties				
Karam Chand Thapar & Bros. Ltd-PF Trust	369		599	
		369		599
		369		**599**

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

₹ in Lakhs

Particulars	2017-18		2016-17	
(xii) Loans given to related parties				
1) Subsidiaries				
Ballarpur Paper Holdings B.V.	207		-	
Ballarpur International Holdings B.V	134		200	
		341		200
2) Other related parties				
Varun Prakashan Private Limited	6,143		-	
		6,143		-
		6,484		**200**
(xiii) Loans received from related parties				
1) Subsidiaries				
Avantha Agritech Limited	-		11,155	
		-		11,155
2) Other related parties				
Avantha Holdings Limited*	4,873		28,280	
*Net of repayment of ₹ 5344 lakhs (financial year 2016-17 ₹ 71,705 lakhs)				
		4,873		28,280
		4,873		**39,435**
(xiv) Repayment of loans to related parties				
1) Subsidiaries				
BILT Graphic Paper Products Limited	13,342		-	
Avantha Agritech Limited	4,482		24	
		17,824		**24**
(xv) Repayment of loans by related parties				
1) Other related parties				
Varun Prakashan Private Limited	1330		-	
Solaris Chemtech Industries Limited	-		7,500	
		1,330		7,500
		1,330		**7,500**
(xvi) Waiver of dues from related parties				
1) Subsidiaries				
BILT Graphic Paper Products Limited	109,000		-	
		109,000		-
		109,000		**-**
(xvii) Payment for services of KMP (net of recoveries from subsidiaries)				
Mr. B. Hariharan	-		-	
		-		-
		-		**-**

(e) Balances due to related parties

Particulars	As at 31 March 2018		As at 31 March 2017	
(i) Subsidaries				
1) Avantha Agritech Limited	6,560		-	
2) BILT Graphic Paper Products Limited (Refer note below)	97,505		217,113	
		104,065		217,113
(ii) Other related parties				
1) Korba West Power Company Limited	0		0	
2) Solaris Chemtech Industries Limited	1,974		5,257	
3) Avantha Power and Infrastructure Limited	103		103	
4) Avantha Realty Limited	725		344	
5) Avantha Holdings Limited	6,939		-	
6) Karam Chand Thapar & Bros. Ltd-PF Trust	760		314	
7) CG Power and Industrial Solutions Limited	-		5	
		10,501		6,023
		114,566		**223,136**

Note: The amount due to BILT Graphic Paper Products Limited includes ₹ 5,250 Lakhs towards borrowings from M/s. Finquest Financial Solutions Private Limited assigned to BILT Graphic Paper Products Limited during the year. Also refer note 22(f)

(f) Balances due from related parties

₹ in Lakhs

Particulars			As at 31 March 2018		As at 31 March 2017	
(i)	Subsidiaries					
	1)	Sabah Forest Industries Sdn. Bhd.	5,560		5,340	
	2)	Ballarpur Paper Holding BV	230		12	
	3)	Ballarpur International Holdings BV	21,882		19,328	
	4)	Premier Tissues India Limited	115		61	
	5)	Avantha Agritech Limited	-		11,085	
				27,787		35,826
(ii)	Other related parties					
	1)	BILT Industrial Packaging Company Limited	858		859	
	2)	Global Green Company Limited	376		376	
	3)	JCT Mills Limited	5		5	
	4)	Arizona Printers & Packers Private Limited	1		1	
	5)	UHL Power Company Limited	473		473	
	6)	Varun Prakashan Private Limited	4,813		-	
	7)	Biltech Building Elements Limited	1,249		1,249	
	8)	Avantha Holdings Limited	-		6,128	
	9)	Salient Business Solutions Limited	-		0	
	10)	Avantha Technologies Limited	-		43	
	11)	Mirabelle Trading Pte. Ltd.	-		11,103	
				7,775		20,237
(iii)	Key management personnel					
	1)	Mr. B. Hariharan	5		5	
				5		5
				35,567		**56,068**

"0"represent amount below ₹ 50,000/-

(g) Terms and conditions of transactions with related parties

(i) All the transactions with related parties entered during the year were in the ordinary course of business.

(ii) Balances due to and due from related parties, other than interest bearing loans, are unsecured, interest free and will be settled in cash.

(iii) There have been no write back of dues to related parties during the year (2016-17 - ₹ Nil) other than the waiver as reported in the related party transactions.

(iv) There have been no write off of dues from related parties during the year (2016-17 - ₹ Nil).

(v) For the year ended 31 March 2018, the Company has not recognized any impairment of receivables relating to amounts due from related parties (2016-17 - ₹ Nil). This assessment is undertaken each financial year examining the financial position of the related party and the market in which the related party operates.

46 BASIC AND DILUTED EARNINGS PER SHARE (EPS) COMPUTED IN ACCORDANCE WITH IND AS 33 'EARNINGS PER SHARE'

Particulars		2017-18	2016-17 *
Loss as per statement of profit or loss (₹ Lakhs)	[A]	(31,109)	(67,984)
Weighted average number of shares outstanding (Nos)	[B]	1,092,463,508	655,523,839
Basic and diluted Earnings per share (₹)	[A]/[B]	(2.85)	(10.37)
Face value per equity share (₹)		2	2

* Restated - Refer note 38. The impact of the restatement on the basic and diluted EPS is ₹ 3.19 (loss) and the basic and diluted EPS before restatement is ₹ 7.18 (loss)

47 DISCLOSURE PURSUANT TO IND AS 108 'OPERATING SEGMENTS'

(a) Factors used in identifying segments

The Company's operating segments are established on the basis of those components of the company that are evaluated regularly by the Chief Operating Officer (COO) of the Company (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Company had reported 'Paper' and 'Paper products & office supplies' as two operating segments under Ind AS 108 upto financial year 2016-17. On account of discontinuation of the 'Paper products & office supplies' segment and recent changes in the operations, the manner in which the COO reviews the operations of the Company has changed. At present the COO reviews the operations as 'coated paper' and 'uncoated paper', identified in the manner stated above. The segment disclosures for the year 2017-18 has been made in line with the revised operating segments and the comparatives for the year 2016-17 has been restated to align with the revised operating segments.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company.

(i) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

(ii) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

(b) Segment information

₹ in Lakhs

Particulars		2017-18			
		Uncoated Paper	Coated Paper	Others	Total
A	**Segment revenue**				
	External customers (Gross)	30,326	-	-	30,326
	Less: Excise duty	437	-	-	437
	External customers (Net)	**29,889**	**-**	**-**	**29,889**
	Inter-Segment	-	-	-	**-**
	Total Revenue	**29,889**	**-**	**-**	**29,889**
B	**Segment results**				
	Segment results before interest income and exceptional items	(1,394)	-	(3,438)	(4,832)
	Interest income	464			464
	Exceptional items (Net) (Refer note 37)	(16,752)		(177)	(16,929)
		(17,682)	**-**	**(3,615)**	**(21,297)**
C	**Reconciliation of segment results with profit / (loss) before tax**				
	Segment results				(21,297)
	Finance cost				24,434
	Profit / (Loss) before tax				(45,731)
D	**Specified amounts included in segment results**				
	Interest income	464	-	-	464
	Depreciation and amortization	5,080	-	891	5,971
	Bad debts and impairment of financial assets (net of reversal)	50	-	-	50
	Profit on sale of property, plant and equipment	28	-	-	28
	Exceptional items (net) (Refer note 37)	16,752	-	177	16,929

Particulars		2016-17			
		Uncoated Paper	Coated Paper	Others	Total
A	**Segment revenue**				
	External customers (Gross)	22,271	-	115	22,386
	Less: Excise duty	1,124	-	-	1,124
	External customers (Net)	**21,147**	**-**	**115**	**21,262**
	Inter-Segment	-	-	-	**-**
	Total Revenue	**21,147**	**-**	**115**	**21,262**
B	**Segment results**				
	Segment results before interest income and exceptional items	(24,889)	-	(4,863)	(29,752)
	Interest income	-	-	3	3
	Exceptional items (net) (refer note 37)	-	-	(25,149)	(25,149)
		(24,889)	**-**	**(30,009)**	**(54,898)**

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

₹ in Lakhs

Particulars		2016-17			
		Uncoated Paper	Coated Paper	Others	Total
C	**Reconciliation of segment results with profit / (loss) before tax**				
	Segment results				(54,898)
	Finance cost				15,319
	Other unallocable expenditure				309
	Profit / (Loss) before tax				**(70,526)**
D	**Specified amounts included in segment results**				
	Interest income	-	-	3	3
	Depreciation and amortization	3,869	-	1,400	5,269
	Bad debts and impairment of financial assets (net of reversal)	21,494	-	-	21,494
	Profit on sale of property, plant and equipment	3,436	-	-	3,436
	Exceptional items (net) (Refer note 37)	-	-	25,149	25,149

(c) Segment assets and liabilities

Particulars	As at 31 March 2018			
	Uncoated Paper	Coated Paper	Others	Total
Segment assets	262,474	-	29,541	292,015
Unallocable corporate assets				
Cash and cash equivalents				930
Other bank balances				70
Deferred tax assets (net)				11,924
Investments				105,787
Total assets	**262,474**	**-**	**29,541**	**410,726**
Segment liabilities	149,367	-	8,133	157,500
Unallocable corporate liabilities				
Current borrowings				98,158
Current maturities of non current borrowings				70,916
Current tax liabilities (net)				5,705
Total liabilities	**149,367**	**-**	**8,133**	**332,279**
Additions to non-current assets	1,899	-	-	**1,899**

Particulars	As at 31 March 2017			
	Uncoated Paper	Coated Paper	Others	Total
Segment assets	330,244	-	31,043	361,287
Unallocable corporate assets				
Cash and cash equivalents				253
Other bank balances				246
Investments				106,535
Total assets	**330,244**	**-**	**31,043**	**468,321**
Segment liabilities	195,251	-	6,554	201,805
Unallocable corporate liabilities				
Non current borrowings				75,209
Current borrowings				158,893
Current maturities of non current borrowings				17,235
Deferred tax liabilities (net)				2,698
Current tax liabilities (net)				3,419
Total liabilities	**195,251**	**-**	**6,554**	**459,259**
Additions to non-current assets	1,934	-	-	1,934

(d) Geographical information

(i) Revenue from external customers

₹ in Lakhs

Particulars	2017-18	2016-17
India	29,347	22,070
Outside India	979	316
	30,326	**22,386**

(ii) The entire non-current assets of the Company are located in India

(iii) The amount of revenues from external customers attributed to individual foreign countries are not material.

(iv) Customer information

The Company has earned more than 10% of its revenue from two single external customers in 2017-18. Revenue earned from such customers is ₹ 6,610 lakhs in year 2017-18 and ₹ 3,449 lakhs in year 2016-17.

48 INCOME TAXES

(a) Components of income tax expense / (income)

Particulars	2017 - 18	2016 - 17
Income tax recognized in statement of profit or loss		
(i) Current tax:		
Current income tax charge	-	-
Adjustment in respect to previous years	-	-
(ii) Deferred tax:(Refer note 11)		
Relating to origination and reversal of temporary differences	(9,997)	10,378
Deferred tax asset recognized on unused tax losses and depreciation	(4,625)	(12,920)
	(14,622)	**(2,542)**
Income tax recognized in Other comprehensive income		
(i) Current tax:		
Remeasurements of defined benefit plans	**-**	**-**
	-	**-**

(b) The Company does not have total taxable income under the provisions of Income Tax Act 1961 during the current and previous financial year and hence no provision for current tax is recognized. Accordingly calculation of effective tax rate and reconciliation of income tax expense to the accounting profit are not applicable.

49 DISCLOSURES PURSUANT TO IND AS 17 LEASES:

(a) Where the Company is a lessee

(i) Operating leases:

1) Property, plant and equipment acquired on non-cancellable operating lease comprises Buildings, the future minimum lease payments in respect of these non-cancellable operating leases are as follows:

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Payable not later than 1 year	66	502
Payable later than 1 year and not later than 5 years	-	293
Payable later than 5 years	-	-
	66	**795**

2) Lease rental expense recognised in the Statement of Profit and Loss for the year is ₹ 447 Lakhs (previous year: ₹ 2,080 lakhs) including contingent rent of ₹ Nil (Previous year ₹ Nil)

3) Significant lease agreements can be renewed on mutual consent of the parties and are normally renewed on expiry.

4) There are no exceptional / restrictive covenants imposed in these lease agreements.

(b) Where the Company is a lessor

(i) Operating leases:

The Company has given a property (Building) under cancellable operating leases. These lease agreements are normally renewed on expiry. There are no exceptional / restrictive covenants in these lease agreements.

Lease income recognised in the statement of profit and loss for the year is ₹ 23 lakhs (Previous year ₹ 23 lakhs) including contingent rent/sublease receipt of ₹ Nil (Previous year ₹ Nil).

50 FINANCIAL INSTRUMENTS

(a) Capital 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 Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017*
Loans and borrowings	169,074	251,337
Less: cash and cash equivalents	930	253
Net debt	168,144	251,084
Equity	78,447	9,062
Capital and net debt	246,591	260,146
Gearing ratio	0.68	0.97

* Restated - Refer note 38

(b) Categories of applicable financial instruments

Particulars	Note Ref	As at 31 March 2018	As at 31 March 2017
(i) Financial assets			
1) Measured at fair value			
Investments	9	25,160	25,908
2) Measured at amortized cost			
Trade receivables	14	705	537
Security Deposits	10 & 17	1,044	1,021
Loans	17	19,447	52,764
Cash and bank balances	15 & 16	1,000	499
Other Financial Assets	18	972	25
		48,328	**80,754**
(ii) Financial liabilities			
1) Measured at fair value		-	-
2) Measured at amortized cost			
Bank borrowings (including current maturities)	22 & 26	169,074	251,337
Interest accrued but not due on borrowings	26	22,163	7,982
Trade payables	25	19,603	11,859
Payable to employees	26	5,954	5,661
Payables for capital goods	26	10	43
Security deposits including interest there on	23 & 26	713	706
Other financial liability	23 & 26	97,746	165,857
		315,263	**443,445**

(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 may 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.

1) 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.

Particulars		As at 31 March 2018	As at 31 March 2017
Monetary liabilities			
United States Dollar	$	1,103	1,105
Euro	€	-	9
Great Britain Pounds	£	7	-
Monetary assets			
United States Dollar	$	27,462	35,524
Arab Emirates Dirham	DH	0	-

"0"represent amount below ₹ 50,000/-

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. 5% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

Particulars		As at 31 March 2018	As at 31 March 2017
Sensitivity to a 5% increase			
United States Dollar	$	1,318	1,721
Euro	€	-	(0)
Great Britain Pounds	£	(0)	-
Arab Emirates Dirham	DH	0	-
Sensitivity to a 5% decrease			
United States Dollar	$	(1,318)	(1,721)
Euro	€	-	0
Great Britain Pounds	£	0	-
Arab Emirates Dirham	DH	(0)	-

"0"represent amount below ₹ 50,000/-

Summary of exchange difference accounted in statement of profit and loss:

₹ in Lakhs

Particulars	2017-18	2016-17
Currency fluctuations		
Net foreign exchange (gain) / losses shown as finance cost	1,115	(47)
Net foreign exchange (gain) / losses shown as Other Income	-	(3)
Net foreign exchange (gain) / losses shown as Other Expense	133	-
	1,248	**(50)**

2) 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.

Exposure to interest rate risk ₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Floating rate borrowings		
Borrowings	149,257	242,327
	149,257	**242,327**

The sensitivity analysis 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.

Particulars	As at 31 March 2018	As at 31 March 2017
USD borrowings		
Change of +0.50%	(746)	(1,212)
Change of -0.50%	746	1,212

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

3) 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 31 March 2018. Therefore, sensitivity analysis for market risk is not disclosed.

(ii) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligation as agreed.

Banks and other financial institutions: 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. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

Other financial assets (including trade receivables): The Company extends credit to customers in normal couse of business based on careful evaluation of the the customer's financial condition and credit history. Further the Company 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. The Company does not hold any collateral on the balance outstanding. The ageing of trade receivables is as below:

Particulars	Past due		Total
	upto 6 months (inlcuding amounts not due)	more than 6 months	
Trade receivables			
As at 31 March 2018			
Secured by security deposits	272	-	272
Unsecured	459	30	489
	731	**30**	**761**
Provision for expected credit loss			56
	731	**30**	**705**
As at 31 March 2017			
Secured by security deposits	62	-	62
Unsecured	283	278	561
	345	**278**	**623**
Provision for expected credit loss			86
	345	**278**	**537**

Provision for expected credit loss

The Company has used a practical expedient methodology by computing the expected credit loss allowance for trade receivables based on a provision matrix (ECL Model). The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The movement in provision for expected credit loss (excluding those grouped in Note 23) is as follows:

₹ in Lakhs

Particulars	2017-18	2016-17
Provision as at the beginning of the year (refer note 14)	86	86
(a) Allowance for the year	50	-
(b) Provision used during the year	(80)	-
Provision as at the end of the year (refer note 14)	**56**	**86**

(ii) Liquidity risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligation on time or at reasonable price. The company has taken steps to reduce the financial burden by restructuring its financial liabilities (Refer Note 39) and is in the process of further negotiating with the lenders for the second phase of restructuring as per its revival plan & also exploring various other options like renegotiation of the terms of borrowings, sale of non-core assets, etc., to further ease out the financial burden. The Company has also improved its operational efficiency during the current financial year and is actively considering new initiatives to improve the contribution from operations. The Company also expects the improving market conditions to sustain in the near future. Considering the above, company is confident of the positive outcome of the above assumptions and developments and has relies on mix of borrowings, capital infusion and excess operating cash flows from operations to meet its obligations.

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 Lakhs

Particulars	As at 31 March 2018			As at 31 March 2017		
	< 1 year	> 1 year	Total	< 1 year	> 1 year	Total
Borrowing (including interest accrued thereon)	191,237	-	191,237	184,110	75,209	259,319
Dues to related parties	8	97,505	97,513	16	165,595	165,611
Other trade payables	19,603	-	19,603	11,859	-	11,859
Security deposit (including interest accrued thereon)	139	574	713	212	494	706
Other financial liabilities	6,197	-	6,197	5,950	-	5,950
	217,184	**98,079**	**315,263**	**202,147**	**241,298**	**443,445**

51 DISCLOSURES PURSUANT TO IND AS 10, 'EVENTS AFTER THE REPORTING PERIOD'

(a) Fire incident

On 23 April 2018, inventories valuing ₹ 272 lakhs and plant and equipment with carrying value of ₹ 8 lakhs were damaged by a fire incident that broke out in one of the Units of the Company. The salvage value, if any, has not been determined as on date and will be determined upon completion of survey and insurance process. It is expected that the insurance proceeds will be sufficient for rebuilding the loss of inventories and plant and equipment. This event occurred after the balance sheet date do not affect the figures stated in the financial statements and thus requires no adjustment.

52 FAIR VALUE MEASUREMENT

(a) Fair value technique and hierarchy

The Company maintains policies and procedures to value financial assets and financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

i) Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

ii) The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

iii) If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in Level 3.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

(b) Fair value of financial assets and financial liabilities measured at fair value through OCI

₹ in Lakhs

Particulars	Note	Carrying amount	Fair value hierarchy		
			Level 1	Level 2	Level 3
Financial assets					
As at 31 March 2017					
(i) Investments	9	25,908	-	-	25,908
As at 31 March 2018					
(i) Investments	9	25,160	-	-	25,160
Financial liabilities					
As at 31 March 2017		-	-	-	-
As at 31 March 2018		-	-	-	-

(c) Fair value of financial assets measured at amortized cost

Particulars	Note	As at 31 March 2018		As at 31 March 2017	
		Fair value	Carrying amount	Fair value	Carrying amount
(i) Trade receivables	14	705	705	537	537
(ii) Cash and cash equivalents	15	930	930	253	253
(iii) Other bank balances	16	70	70	246	246
(iv) Loans (including security deposit)	10 & 17	20,491	20,491	53,785	53,785
(v) Other financial assets	18	972	972	25	25
		23,168	**23,168**	**54,846**	**54,846**

(d) Fair value of financial liabilities measured at amortized cost

Particulars	Note	As at 31 March 2018		As at 31 March 2017	
		Fair value	Carrying amount	Fair value	Carrying amount
(i) Long term borrowings (including current maturities)	22 & 26	70,916	70,916	92,444	92,444
(ii) Short term borrowings	22	98,158	98,158	158,893	158,893
(iii) Interest accrued on borrowings	26	22,163	22,163	7,982	7,982
(iv) Trade payables	25	19,603	19,603	11,859	11,859
(v) Other financial liabilities	23 & 26	104,423	104,423	172,267	172,267
		315,263	**315,263**	**443,445**	**443,445**

(e) Other assumptions used in the estimation of fair values

(i) The fair value of trade receivables, cash and cash equivalents, other bank balances and other current financial assets approximate their carrying amount due to the short-term nature of these instruments.

(ii) The fair value of trade payables and other current financial liabilities approximate their carrying amount due to the short-term nature of these instruments.

(iii) The fair value of borrowings with floating rate of interest are considered to be close to their carrying amount.

53 Previous year figures have been regrouped / reclassified wherever necessary to conform to current year grouping / classification.

As per our report of even date attached
FOR SHARP & TANNAN
Chartered Accountants
(Firm's registration no. 003792S)

V. VISWANATHAN
Partner
Membership No. 215565

New Delhi, dated the
22 May 2018

For Ballarpur Industries Limited
R. R. VEDERAH
Vice Chairman

B. HARIHARAN
Group Director (Finance)

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.	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	**March 31,2018**	**March 31,2018**	**March 31,2018**	**March 31,2018**	**March 31,2018**	**March 31,2018**	**March 31,2018**	**March 31,2018**	**March 31,2018**
Reporting Currency	US Dollar	US Dollar	US Dollar	Indian Rupees	Indian Rupees	Indian Rupees	Malaysian Ringgit	US Dollar	US Dollar
Closing Exchange Rate	65.07	65.07	65.07	1.00	1.00	1.00	16.85	65.07	65.07
Average Exchange rate	64.54	64.54	64.54	1.00	1.00	1.00	15.51	64.54	64.54
- Equity Share Capital	73,204	5,418	70,536	562	108	56,832	179,082	13	27
Reserves	(16,796)	428,489	9,685	1,042	(465)	55,944	(146,771)	(290)	113
Total Assets	175,761	465,885	250,114	4,305	8,386	782,085	203,207	27	265
Total Liabilities	175,761	465,885	250,114	4,305	8,386	782,085	203,207	27	265
Investment									
(Except investment in Subsidiaries)									
- Government or Trust Securities	-	-	-	-	-	-	-	-	-
- Shares, Debentures or Bonds	-	-	-	-	-	0	-	-	-
Turnover (including Other Income)	1,467	10,436	1,950	5,228	2,754	219,659	5,944	-	-
Profit Before Taxation	(7,716)	10,125	(206,093)	(84)	(204)	(43,181)	(93,819)	(19)	(106)
Provision for Taxation									
- Current Tax	-	-	-	-	2	-	-	-	-
- MAT Entitlement Credit	-	-	-	-	-	-	-	-	-
- Deferred Tax	-	-	-	(30)	-	(2,003)	-	-	-
- Excess provision relating to earlier years	-	-	-	10	-	-	-	-	-
Profit after Taxation	(7,716)	10,125	(206,093)	(64)	(206)	(41,178)	(93,819)	(19)	(106)
Proposed Dividend	-	-	-	-	-	-	-	-	-
Share Holding Percentage in the Subsidiary	100	62.21 (a)	100 (b)	100	91.67	96.79ç)	98.08 (ç)	100	100 (d)

"0"represent amount below ₹ 50,000/-

Notes

a. Held through Ballarpur International Holdings B.V.

b. Held through Bilt Paper B.V.

c. Held through Ballarpur Paper Holdings B.V.

d. Held through Ballarpur Speciality Paper Holdings B.V.

INDEPENDENT AUDITORS' REPORT

To the members of Ballarpur Industries Limited

Report on the Ind AS Consolidated Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Ballarpur Industries Limited (hereinafter referred to as the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent'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 consolidated Ind AS financial statements 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In concluding 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 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 judgment, 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 Parent'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 Parent'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 and other auditors in terms of their reports referred to in sub-paragraph (a) of the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Basis for Qualified Opinion

(a) *We draw reference to Note 48 accompanying the consolidated financial statements, wherein the Group has not accrued the liability towards outstanding Put Options which forms the basis for our qualified opinion. The management is unable to quantify the liability with respect to the outstanding Put Options. Accordingly, we are unable to quantify the impact.*

(b) *We draw attention to Note 45(b) accompanying the consolidated Ind AS financial statements wherein one of the subsidiaries (Bilt Graphic Paper Products Limited) included in the consolidated financial statements of the Group has entered into a Master Restructuring Agreement (MRA) with its lenders. One of the non-assenting lenders have issued a Corporate Insolvency Resolution Process Notice (CIRP Notice) under Insolvency and Bankruptcy Code, 2016 and the matter is pending at Hon'ble High Court of Delhi. We are not in a position to comment on the appropriateness of giving effect to the MRA when the matter is sub-judice. If the management had not given effect to the MRA, the finance cost would have been increased by ₹ 35,321 lakhs, exceptional items would have been decreased by ₹ 106,958 lakhs, net loss for the year would have been increased by ₹ 142,279 lakhs, and other equity would have been decreased by ₹ 231,615 lakhs and correspondingly the borrowings would have been increased by ₹ 231,615 lakhs.*

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the separate financial statements referred to below in the Other Matter paragraph, except to the effects / possible effects of matters described in basis for qualified opinion paragraph, 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2018, and their consolidated loss, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Emphasis of matter

We draw attention to Note 46 accompanying the consolidated Ind AS financial statements which contains conditions along with other matters that indicate the existence of a material uncertainty that may cast a significant doubt on the Parent's ability to continue as a going concern. The Parent's management is confident that the Parent company will be able to continue as a going concern.

Our opinion is not modified in respect of the above matter.

Other matters

(a) We did not audit the financial statements of 6 subsidiaries (one domestic subsidiary and five foreign subsidiaries) whose financial statements reflect total assets of ₹ 1,103,381 Lakhs, total revenue of ₹ 22,550 Lakhs and net cash outflow of ₹ 1,994 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These amounts include total assets of ₹ 203,207 Lakhs as at 31 March 2018, total revenue of ₹ 5,944 Lakhs and net cash inflow of ₹ 8 Lakhs for the year ended on that date, pertaining to one subsidiary reported as discontinuing operations in the consolidated financial statements.

These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Parent's management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

(b) We did not audit the financial statements of one subsidiary whose financial statement reflect total assets of ₹ 265 Lakhs as at 31 March 2018, as well as total revenues of ₹ Nil and net cash outflow of ₹ 4 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The financial statements of the subsidiary is unaudited and has been furnished to us by the Parent's management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Parent's management, financial statements of the subsidiary is not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements certified by the Management.

(c) The audit of the Consolidated Ind AS financial statements for the year ended 31 March 2017 was carried out by the predecessor auditor and their report dated 23 May 2017, had expressed a modified opinion in relation thereto.

Our report is not modified in respect of this matter.

(d) We have audited the adjustments as described in note 44 accompanying the consolidated financial statements to restate the consolidated balance sheet as at 01 April 2016 and the consolidated statement of profit and loss for the year ended 31 March 2017. In our opinion, the said adjustments are appropriate and have been properly applied. We further state that we were not engaged to audit or apply any procedures to the consolidated financial statements of the Group for the year ended 31 March 2017 and the periods prior to that date other than with respect to the aforesaid adjustments and accordingly we do not express an opinion or any other form of assurance on the aforesaid consolidated financial statements.

Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1) As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and other financial information of the subsidiaries in India, referred in the 'Other Matters' paragraph above we report, to the extent applicable, that:

INDEPENDENT AUDITORS' REPORT

(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 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, returns and the reports of other auditors;

(c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement 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, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.

(e) in our opinion, the matter described in the Basis for Qualified Opinion paragraph above 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 Parent as on 31 March 2018 taken on record by the Board of Directors of the Parent and the reports 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 31 March 2018 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 and the operating effectiveness of such controls, refer to our separate Report in Annexure 'A', which is based on the auditors' report of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of Parent's internal financial controls over financial reporting; 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the separate financial statements as also the other information of the subsidiaries, as noted in the 'Other Matters' paragraph;

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 47 to the consolidated financial statements.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2018.

   iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. The reporting on disclosures related to Specified Bank Notes is not applicable for the year ended 31 March 2018.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565

Place: New Delhi
Date : 22 May 2018

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1(g) of our Report of even date]

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

We have audited the internal financial controls over financial reporting of Ballarpur Industries Limited (hereinafter referred to as "Parent") and its subsidiaries (the Parent and the subsidiaries together referred to as the "Group") as of 31 March 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Group as of and for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiaries incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 respective 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 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiaries which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 and the audit evidence obtained by the other auditor of the subsidiary company in India, in terms of their audit reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiaries incorporated in India.

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 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 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, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor referred to in the 'Other Matter' paragraph below, the Parent and its subsidiaries 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 2018, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary incorporated in India, is based solely on the corresponding report of the auditor of the subsidiary company incorporated in India.

Our opinion is not modified in respect of the above matter with respect to our reliance on the work done and the Report of the other auditor.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565

Place: New Delhi
Date : 22 May 2018

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2018

₹ in Lakhs

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017 *	As at 1 April 2016 *
ASSETS				
(1) Non-current Assets				
(a) Property, Plant and Equipment	5	750,426	779,322	1,026,266
(b) Capital work-in-progress	6	830	35,655	35,259
(c) Other intangible assets	7	4,354	6,581	7,854
(d) Intangible assets under development	8	-	3,144	4,300
(e) Biological assets other than bearer plants	9	34	7	70,472
(f) Financial assets				
(i) Investments	10	3	4,056	5,016
(ii) Loans	11	965	1,228	1,464
(iii) Others	12	4,074	3,816	3,838
(g) Deferred tax assets (net)	13	21,861	5,235	9,181
(h) Other non-current assets	14	8,911	16,030	31,133
(2) Current assets				
(a) Inventories	15	35,052	54,910	153,952
(b) Financial assets				
(i) Trade receivables	16	8,741	7,015	36,588
(ii) Cash and cash equivalents	17	12,970	10,917	24,242
(iii) Bank balances other than (ii) above	18	1,227	1,284	979
(iv) Loans	19	2,516	75,003	44,181
(v) Others	20	9,043	218	824
(c) Current tax assets (Net)	21	-	806	634
(d) Other current assets	22	54,492	57,100	43,761
(e) Assets associated with group of assets classified as held for sale and discontinued operations	57	236,217	259,559	-
Total Assets		**1,151,716**	**1,321,886**	**1,499,944**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	23	25,871	13,112	13,112
(b) Other equity	24	5,576	(20,602)	166,211
Equity attributable to the owners of the Company		**31,447**	**(7,490)**	**179,323**
(c) Non-Controlling Interest	25	(13,652)	48,262	98,256
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	26	479,539	351,076	413,724
(ii) Other financial liabilities	27	4,126	3,834	4,740
(b) Provisions	28	7,800	9,025	8,925
(c) Deferred tax liabilities (Net)	13	460	523	-
(d) Other non-current liabilities	29	21	22	23
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	26	120,307	508,448	398,396
(ii) Trade payables	30	105,702	79,005	251,961
(iii) Other financial liabilities	31	378,075	219,295	127,565
(b) Other current liabilities	32	8,107	9,965	11,934
(c) Provisions	33	7,808	4,335	3,686
(d) Current tax liabilities(net)	34	6,628	3,420	1,411
(e) Liabilities associated with group of assets classified as held for sale and discontinued operations	57	15,348	92,166	-
Total Equity and Liabilities		**1,151,716**	**1,321,886**	**1,499,944**
* Restated				
Significant Accounting Policies and Notes to Consolidated Ind AS Financial Statements	1-61			

As per our report of even date attached
FOR SHARP & TANNAN
Chartered Accountants
(Firm's registration no. 003792S)

V. VISWANATHAN
Partner
Membership No. 215565

New Delhi, dated the
22 May 2018

For Ballarpur Industries Limited
R. R. VEDERAH
Vice Chairman

B. HARIHARAN
Group Director (Finance)

AKHIL MAHAJAN
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

₹ in Lakhs

Particulars	Note No.	2017 - 18		2016 - 17*	
Revenue from operations	35		254,614		217,128
Other income	36		2,600		6,511
Total Income			**257,214**		**223,639**
Expenses					
Cost of materials consumed	37	130,751		107,198	
Purchase of stock in trade		2,162		5,655	
Changes in inventories of finished goods, stock-in -trade and work-in-progress	38	(4,126)		20,820	
			128,787		133,673
Employee benefits expense	39		22,730		26,315
Finance costs	40		91,559		89,924
Depreciation and amortisation expense	41		27,667		26,447
Excise duty			2,744		11,262
Other expenses	42		67,769		77,067
Total Expenses			**341,256**		**364,688**
Profit/ (loss) before exceptional items and tax			(84,042)		(141,049)
Exceptional items	43		19,012		30,630
Profit/ (loss) before tax			**(103,054)**		**(171,679)**
Tax expense:					
(1) Current tax	53	12		-	
(2) Deferred tax	13	(16,655)		(13,541)	
			(16,643)		(13,541)
Profit/ (loss) for the year from continuing operations			**(86,411)**		**(158,138)**
Profit/ (loss) for the year from discontinuing operations before tax	57	(117,149)		(31,687)	
Tax expense on discontinued operation		-		17,287	
Profit/ (loss) for the year from discontinuing operations after tax			**(117,149)**		**(48,974)**
Profit/ (loss) for the year			**(203,560)**		**(207,112)**
Other Comprehensive Income					
A Items that will not be reclassified to profit or loss (net of tax)		(3,741)		137	
B Items that will be reclassified to profit or loss (net of tax)		8,934		-	
Other Comprehensive Income for the year			5,193		137
Total comprehensive income for the year			**(198,367)**		**(206,975)**
Net Profit attributable to					
(a) Owners of the Company			(139,495)		(157,109)
(b) Non - Controlling Interest			(64,065)		(50,003)
Other Comprehensive Income attributable to					
(a) Owners of the Company			3,042		137
(b) Non - Controlling Interest			2,151		-
Total Comprehensive Income attributable to					
(a) Owners of the Company			(136,453)		(156,972)
(b) Non - Controlling Interest			(61,914)		(50,003)
Earnings per equity share (for continuing operation):					
(1) Basic (₹)	51		(6.24)		(19.41)
(2) Diluted (₹)	51		(6.24)		(19.41)
Earnings per equity share (for discontinuing operation):					
(1) Basic (₹)	51		(6.53)		(4.56)
(2) Diluted (₹)	51		(6.53)		(4.56)
Earnings per equity share					
(1) Basic (₹)	51		(12.77)		(23.97)
(2) Diluted (₹)	51		(12.77)		(23.97)
* Restated					
Significant Accounting Policies and Notes to Consolidated Ind AS Financial Statements	1-61				

As per our report of even date attached
FOR SHARP & TANNAN
Chartered Accountants
(Firm's registration no. 003792S)

V. VISWANATHAN
Partner
Membership No. 215565

New Delhi, dated the
22 May 2018

For Ballarpur Industries Limited
R. R. VEDERAH
Vice Chairman

B. HARIHARAN
Group Director (Finance)

AKHIL MAHAJAN
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

₹ in Lakhs

Particulars	2017 - 18	2016 - 17
CASHFLOW FROM OPERATING ACTIVITIES		
Loss before tax from continuing operations	(103,054)	(171,679)
Adjustment for:		
Depreciation and amortization expense	27,667	26,447
Finance costs (net)	91,559	89,924
Interest income	(589)	(84)
Gain on discounting sales tax deferral to present value	(274)	(830)
Exceptional items	19,012	25,149
Bad debts written off / Provision for doubtful debts	1,090	21,519
Unspent liabilities and excess provision of earlier years written back	(1,126)	(91)
Inventory written off	-	22
(Profit) / Loss on sale of property plant and equipment	(30)	(3,494)
Operating profit before working capital changes	**34,255**	**(13,117)**
Adjustment for working capital		
(Increase)/decrease in trade receivable	(2,727)	26,592
(Increase)/decrease in loans, advances and other current assets	(25,881	(15,265)
(Increase)/decrease in inventory	(9,488)	75,090
Increase/(decrease) in liabilities and provisions	50,869	(146,020)
Cash generated from / (used in) operations	**47,028**	**(72,720)**
Direct taxes (paid)/refund (net)	4,002	1,837
Net cash generated from / (used in) operating activities of continuing operations	**51,030**	**(70,883)**
Net cash generated from / (used in) operating activities of discontinued operations	**(9,311)**	**(9,696)**
Net cash generated from / (used in) operating activities	**41,720**	**(80,579)**
CASHFLOW FROM INVESTING ACTIVITIES		
Payment for acquisition of property, plant and equipment, biological assets and intangible assets	(2,789)	(42,736)
Proceeds on disposal of property, plant and equipment	40	2,285
Interest received	581	94
(Increase) / Decrease in other bank balances [Refer note (c) below]	50	(305)
(Increase) / Decrease in investment	-	960
Net cash generated from / (used in) investing activities of continuing operations	**(2,118)**	**(39,702)**
Net cash generated from / (used in) investing activities of discontinued operations	**(2,082)**	**28,964**
Net cash generated from / (used in) investing activities	**(4,200)**	**(10,738)**
CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds from / (Repayment of) borrowings (net)	(30,492)	132,418
Payment of buy back (optional / convertible)	(2)	(2)
Interest paid (net)	(13,360)	(60,367)
Dividend paid (including payment to investor education and protection fund)	(11)	(13)
Net cash generated from / (used in) financing activities of continuing operations	**(43,865)**	**72,036**
Net cash generated from / (used in) financing activities of discontinued operations	**(100)**	**(2,468)**
Net cash generated from / (used in) financing activities	**(43,965)**	**69,568**
Net increase / (decrease) in cash and cash equivalents	(6,445)	(21,749)
Cash and cash equivalents at the beginning of the year	11,014	24,242
Impact of foreign currency translation reserve	9,314	8,521
Cash and cash equivalents at the end of the year	**13,883**	**11,014**
Cash and cash equivalents from continuing operations	12,970	10,917
Cash and cash equivalents from discontinued operations	913	97
Total cash and cash equivalents	**13,883**	**11,014**

Notes:

(a) The Statement cash flow has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cashflows'.

(b) Payment for acquisition of property, plant and equipment and intangible assets includes movement in capital-work-in progress, intangibles asset under development, capital advances and liability toward capital purchases.

(c) Other bank balances represent bank balances earmarked for specific purpose deposits with banks with a maturity exceeding 3 months (Note 12 & Note 18).

(d) The cash flow pertaining to sales tax deferral is considered as part of cash flow from operating activities.

(e) Cash and cash equivalents include cash and bank balances. Refer Note 17 for components of cash and cash equivalents from continuing operations.

Significant Accounting Policies and Notes to Consolidated Ind AS Financial Statements 1-61

As per our report of even date attached
FOR SHARP & TANNAN
Chartered Accountants
(Firm's registration no. 003792S)

V. VISWANATHAN
Partner
Membership No. 215565

New Delhi, dated the
22 May 2018

For Ballarpur Industries Limited
R. R. VEDERAH
Vice Chairman

B. HARIHARAN
Group Director (Finance)

AKHIL MAHAJAN
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

A. EQUITY SHARE CAPITAL

₹ in Lakhs

	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended 31 March 2017	13,112	-	13,112
For the year ended 31 March 2018	13,112	12,759	25,871

B. OTHER EQUITY

₹ in Lakhs

Particulars	Note No.	Capital Reserve	Amount towards shares to be allotted	Equity Component of Compulsorily Redeemable Preference Shares	Share Premium Reserve	Preference Share Capital Redemption Reserve	Debenture Redemption Reserve	Subordinate perpetual Capital Securities	Capital reserve on consolidation	General Reserve	Retained Earnings	Items of Other Comprehensive Income			Total Other Equity	Non controlling interest	Total
												Foreign currency translation reserve	Re-measurement of the net defined benefit Plans	Gain/(Loss) on Equity Instruments			
Balance as at 1 April 2016		1,515	-		26,798	7,385	13,000	132,512	16,539	80,810	32,193	(37,476)	(1,203)	-	272,073	98,256	370,329
Prior period adjustment	44	-	-	-	-	-	-	-	-	-	(105,862)	-	-	-	(105,862)	-	(105,862)
Restated balance as at 1 April 2016		**1,515**	**-**	**-**	**26,798**	**7,385**	**13,000**	**132,512**	**16,539**	**80,810**	**(73,669)**	**(37,476)**	**(1,203)**	**-**	**166,211**	**98,256**	**264,467**
Loss for the year (Restated)		-	-	-	-	-	-	-	-	-	(157,109)	-	-	-	(157,109)	(50,003)	(207,112)
Other comprehensive income for the year	24(c)	-	-	-	-	-	-	-	-	-	-	(17,920)	137		(17,783)	3,859	(13,924)
Transfer to debenture redemption reserve		-	-	-	-	-	3,251	-	-	-	(3,251)	-	-	-	-	-	-
Other items		-	-	-	-	-	-	(2,771)	-	-	-	-	-	-	(2,771)	-	(2,771)
Distribution to subordinated perpetual capital securities		-	-	-	-	-	-	-	-	-	(9,150)	-	-	-	(9,150)	(3,850)	(13,000)
Restated Balance as at 31 March 2017		**1,515**	**-**	**-**	**26,798**	**7,385**	**16,251**	**129,741**	**16,539**	**80,810**	**(243,179)**	**(55,396)**	**(1,066)**	**-**	**(20,602)**	**48,262**	**27,660**
Balance as at 31 March 2017		1,515	-	-	26,798	7,385	16,251	129,741	16,539	80,810	(116,387)	(55,396)	(1,066)	-	106,190	48,262	154,452
Prior period adjustment	44	-	-	-	-	-	-	-	-	-	(126,792)	-	-	-	(126,792)	-	(126,792)
Restated Balance as at 31 March 2017		**1,515**	**-**	**-**	**26,798**	**7,385**	**16,251**	**129,741**	**16,539**	**80,810**	**(243,179)**	**(55,396)**	**(1,066)**	**-**	**(20,602)**	**48,262**	**27,660**
Loss for the year		-	-	-	-	-	-	-	-	-	(139,495)	-	-	-	(139,495)	(64,065)	(203,560)
Other comprehensive income for the year	24(c)	-	-	-	-	-	-	-	-	-	-	5,495	284	(2,737)	3,042	2,151	5,193
Transfer from debenture redemption reserve		-	-	-	-	-	(4,547)	-	-	-	4,547	-	-	-	-	-	-
Exchange difference		-	-	-	-	-	-	380	-	-	-	-	-	-	380	-	380
Distribution for the year		-	-	-	-	-	-	-	-	-	(15,311)	-	-	-	(15,311)	-	(15,311)
Isuse of capital under Strategic Debt Restructuring		-	-	-	88,226	-	-	-	-	-	-	-	-	-	88,226	-	88,226
Equity component of compulsorily redeemable preference shares	24 & 45	-	-	45,227	-	-	-	-	-	-	-	-	-	-	45,227	-	45,227
Amount towards share to be allotement under MRA	24 & 45	-	44,109	-	-	-	-	-	-	-	-	-	-	-	44,109	-	44,109
Balance as at 31 March 2018		**1,515**	**44,109**	**45,227**	**115,024**	**7,385**	**11,704**	**130,121**	**16,539**	**80,810**	**(393,438)**	**(49,901)**	**(782)**	**(2,737)**	**5,576**	**(13,652)**	**(8,076)**
Significant Accounting Policies and Notes to Consolidated Ind AS Financial Statements					1-61												

As per our report of even date attached
FOR SHARP & TANNAN
Chartered Accountants
(Firm's registration no. 003792S)

V. VISWANATHAN
Partner
Membership No. 215565

New Delhi, dated the
22 May 2018

For Ballarpur Industries Limited
R. R. VEDERAH
Vice Chairman

B. HARIHARAN
Group Director (Finance)

AKHIL MAHAJAN
Company Secretary

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

1. GROUP OVERVIEW

Ballarpur Industries Limited ("BILT" or "the company" or "the Parent 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 Coated & Uncoated paper and pulp. 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 (Maharastra), Bhigwan (Maharastra), Ashti (Maharastra) and Sewa (Orissa), Yamuna nagar (Haryana). The Malaysian unit is located in the State of Sabah. The Rayon Grade Pulp manufacturing unit is located at Kamalapuram (Telangana).

The Consolidated Ind AS Financial Statements have been approved for issue by the Board of Directors at their meeting held on 22 May 2018.

2. BASIS OF PREPARATION AND USE OF ESTIMATES

2.1 BASIS OF PREPARATION

The Consolidated Ind AS Financial statements (FS) of the Group have been prepared in accordance with the Companies Act 2013 ("the Act") and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in Division II of Schedule III to the Act, (Ind AS compliant Schedule III), and the Statement of Cash flows have been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements of Balance Sheet, and the Statement of Profit and Loss, as prescribed in Schedule III of the Act, are presented by way of notes forming part of the consolidated financial statements along with the other notes required to be disclosed under Ind ASs.

Amounts in the consolidated financial statements are presented in Indian Rupees rounded off to Lakhs.

The consolidated financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Effective April 1, 2016, the Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard or a revision to the existing standard requires a change in the accounting policy hitherto in use.

The Consolidated Ind AS Financial Statements comprise of the financial statements of the Parent Company and its Subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as Subsidiary. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group Companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain/loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests represent that part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Parent Company.

The list of subsidiaries in the Consolidated Ind AS Financial Statements are as under

Name of the Company	Country of Incorporation	Proportion of ownership interest either directly or through subsidiary as on	
		31.03.2018	31.03.2017
Subsidiary			
Avantha Agritech Limited (Formerly known as BILT Tree Tech Limited)	India	91.67%	91.67%
Ballarpur International Holdings B.V	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	62.21%	62.21%
BILT Graphic Paper Products Limited. (iii)	India	60.22%	62.21%
Sabah Forest Industries Sdn. Bhd. (iii)	Malaysia	61.02%	61.02%
Bilt General Trading (FZE) (iv)	UAE	100%	100%

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

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

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

(iv) Held through Ballarpur Speciality Paper Holdings B.V.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

2.2 USE OF ESTIMATES

The preparation of financial statements in conformity with Ind AS requires that the Group makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 CURRENT AND NON-CURRENT CLASSIFICATION

All Assets and liabilities have been classified as current or non-current as per the Group'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 Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities

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

All other liabilities are classified 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.

Fair value measurements under Ind AS are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date
- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

3.3 PROPERTY, PLANT AND EQUIPMENT (PPE)

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

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 Group 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 Statement of profit and loss during the financial period in which they are incurred.

Depreciation is recognized using straight-line method so as to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over their useful life determined based on technical evaluation which are different from the useful life specified in Schedule II to the Companies Act, 2013.

The useful life of PPE are as follows:

Categories of Assets	Estimated useful life in years
Lease hold land	29
Factory Building	30
Office Buildings (RCC Frame structures)	60
Plant & Machinery	
Lab equipment	15
Electrical installations and others	25
Plant and Machinery	7-30
Other equipment, operating and office equipment	
Computer equipment	3-5
Office equipment	5-30
Office furniture	4-10
Vehicles	
Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	7-16
Motor cycles, scooters and other mopeds	9-10
Railway Siding	14

The useful lives as given above represents the period over which Group expects to use these assets.

Where cost of a part of the assets ("asset components") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset components is depreciated over its separate useful life.

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.

The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life / residual value is accounted on prospective basis.

3.4 INTANGIBLE ASSETS

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost of acquisition less accumulated amortization and accumulated impairment loss.

Intangible assets that are acquired by the Group and having 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.

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.

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 BIOLOGICAL ASSETS

Plantation development and planting expenditure incurred in the cultivation and reforestation of the tree plantation, including a proportion of the Company's forestry division general charges incurred in relation to the planning of trees, are deferred and charged to plantation development expenditure and classified as biological assets. This expenditure is charged to the statement of profit and loss and other comprehensive income when the trees are harvested upon maturity based on the volume of logs harvested and consumed.

3.6 RESEARCH & DEVELOPMENT COST

Research costs are expensed in the year in which it is incurred. Development expenditures on new projects are recognised as an intangible asset, if all the following can be demonstrated:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- The Group has intention to complete and its ability and intention to use or sell the asset;
- The Group has the ability to use or sell the asset;
- The manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The Group has the ability to measure reliably the expenditure attributable to the intangible asset during its development;

Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred.

Following initial recognition of the development expenditure as an intangible asset, it 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 3 to 5 years. Amortisation expense is recognised in the statement of profit and loss.

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

3.7 IMPAIRMENT OF PPE AND INTANGIBLE ASSETS

As at each reporting date, the Group reviews the carrying amounts of PPE and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and intangible assets with indefinite life are tested for impairment each year. The Group estimates the recoverable amount of the asset and recognizes an impairment loss when the carrying value of an asset exceeds its recoverable amount.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Group suitably adjusted for risks specified to the estimated cash flows of the asset).

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit or Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years.

A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

3.8 INVENTORIES

Inventories are valued as under:

- Raw materials, Stores, Spare Parts, Chemicals are valued at lower of cost, determined on weighted average basis, and net realisable value. However, these items are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Work in progress is valued at cost and net realisable value, whichever is lower. Cost comprises of material cost and related overhead expenses, including labour cost.
- Finished goods are valued at cost and net realisable value whichever is lower. Cost comprise material cost and related overhead expenses, including labour cost
- Traded goods are valued at cost, determined on weighted average basis, and net realisable value whichever is lower.

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.

3.9 FOREIGN CURRENCY TRANSACTIONS

The consolidated Ind AS financial statements are presented in INR, which is functional currency of the Parent 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 company. The Group uses 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 Group 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 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 Group 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.

3.10 FINANCIAL INSTRUMENT

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.

(i) Financial assets

Initial recognition and measurement

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

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

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

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit and loss) or recognized in other comprehensive income. (i.e., fair value through other comprehensive income)

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under fair value option.

- **Business model test:** The objective of Group's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instruments prior to its contractual maturity to realize its fair value changes).
- **Cash flow characteristics test:** The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest and principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Even, if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'accounting mismatch') that would otherwise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit or loss

All equity instruments are measured at fair value in the balance sheet, with values recognised in the statement of profit and loss, except for those equity instruments for which the entity has elected to present value changes in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of financial asset or a part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the assets have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass through' arrangement and either;
  - a) The Group has transferred substantially all the risks and rewards of the asset, or
  - b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset. The Group continues to recognize the transferred asset to the extent of Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and associated liability are measured on a basis that reflects the rights and obligations that the Groups has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind - AS 109, the Group 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 Group determines that whether there has been a significant increase in the credit risk since initial recognition.

(ii) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, and in case of borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss.

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 entered into by the Group 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.

Gains / losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the 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.

Derecognition

A financial liability is derecognized 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 de-recognition 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.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.11 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.

3.12 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.

3.13 PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

(i) Provisions

Provisions are recognised when

- the Group 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.

The amounts recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, the amount of provision is discounted to the present value of cashflows estimated to settle the present obligation. 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.

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received if the Group settles the obligation.

(ii) Contingent liabilities

Contingent liabilities are disclosed in case of

- A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
- A present obligation arising from past events, when a reliable estimate of the amount cannot be made.
- A possible obligation arising from past events where the probability of outflow of resources is not remote.

(iii) Contingent assets

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

3.14 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.

3.15 BORROWING COSTS

Borrowing costs consist of interest expense calculated using effective interest method and other costs that the Group incurs in connection with the borrowing of funds.

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets i.e., assets that necessarily takes a substantial period of time to get ready for its intended use, are capitalized as part of the cost of such assets. Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets are deducted from the cost eligible for capitalization.

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

3.16 REVENUE RECOGNITION

(i) Sale of goods

Revenue from the sale of goods is recognised, when all significant risks and rewards of ownership of the goods have been passed to the buyer, as per the terms of contract, the amount can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group. Further, revenue is recognized only if the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over goods sold, and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

(ii) Other operating income

(a) Incentives

Incentives on exports and other Government incentives are recognised when it is probable that the economic benefits associated with the incentives will flow to the entity, the revenue can be measured reliably and there is no significant uncertainty about the ultimate realization of the incentive.

(b) Rental income

Lease rental income from operating lease is recognized on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increases.

(iii) Other income

(a) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(b) Dividends

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

3.17 EMPLOYEE BENEFITS

(i) Short term employee benefits

Employee benefits such as salaries, wages, bonus, short-term compensated absences, performance incentives, etc., falling due wholly within the twelve months of rendering service are classified as short term employee benefit and are expensed in the period in which the employee renders the related service.

(ii) Defined benefit plans

The Group's obligation towards gratuity is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, done by a qualified actuary, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government securities, having maturity periods approximating to the terms of related obligations as at the Balance Sheet date.

Defined benefit cost comprising current service cost, past service cost and gains or loss on settlements are recognized in statement of profit or loss as employee benefit expenses. Interest cost implicit in defined benefit cost is recognized in statement of profit or loss under finance cost. Gains or losses on the curtailment or settlement of the defined benefit plan are recognized when the curtailment or settlement occurs.

Remeasurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognized in other comprehensive income

(iii) Long term employee benefits

The obligation recognized in respect of long term employee benefits such as long term compensated absences is measured at present value of estimated future cash flows expected to be made by the Group and is measured in a similar manner as in the case of defined benefit plan.

Long term employee benefit costs comprising current service cost and gains or losses on curtailments and settlements, remeasurements including actuarial gains and losses are recognized in the statement of profit or loss as employee benefits expense. Interest cost implicit in long term employee benefit cost is recognized in the statement of profit or loss under finance cost.

(iv) Defined contribution plan – post employment benefit

The Group's contributions to defined contribution plans are recognized in statement of profit or loss in the period to which the employee provides the related service.

(v) Termination benefits

Termination benefits are recognized as expense in the period in which they are incurred.

3.18 LEASES

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception. Assets acquired under leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

(i) Operating lease

Lease rentals on assets under operating lease are charged to statement of profit and loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Assets leased out on operating lease are continued to be shown under respective class of assets. Lease rental income from operating lease is recognized on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increases.

(ii) Finance lease

Assets acquired under finance lease are capitalized at the commencement of the lease at the fair value of the lease property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charge and a reduction in lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Financing charges are recognized as finance cost in the statement of profit and loss.

Subsequent to initial recognition, the assets are measured for in accordance with the accounting policy applicable to that asset.

3.19 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.

3.20 INCOME TAXES

(i) Income tax expense

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except when they relate to items recognized in other comprehensive income or directly in equity, in which case, the income tax expense is also recognized in other comprehensive income or directly in equity, as the case may be.

(ii) Current tax

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the applicable Income Tax Law considering the 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 Group:

- 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 on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in computation of taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets are recognized for the carry forward and unused tax credits and any unused tax losses only to the extent that the entity has sufficient taxable temporary differences or convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

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.

3.21 DIVIDEND DISTRIBUTION

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

3.22 EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit for the year attributable to the shareholders by weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit for the year attributable to the shareholders by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.23 SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the consolidated Ind AS financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(a) Impairment of PPE and intangible assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's / CGU's recoverable amount is the higher of the asset's / CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds it recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

(b) Defined benefit obligation

The cost of the defined benefit plan and other long-term benefits and the present value of such obligation as determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, obligation under defined benefit plan and other long term benefits are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(d) Development costs

The Group capitalises development costs in accordance with its accounting policy. Initial capitalisation of costs is based on Group's judgement that technological and economic feasibility is confirmed, unless when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

(e) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4. RECENT ACCOUNTING PRONOUNCEMENT

4.1 Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Group has evaluated the effect of this on the financial statements and the impact is not material.

4.2 Ind AS 115- Revenue from Contract with Customers: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.

The Group will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The Group is in the process of evaluating the effect on adoption of Ind AS 115.

5. PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Leasehold land	Freehold land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Railway Sidings, Trolley Lines, Tramway & tipping tups	Total
Gross Block										
As at 1 April 2016	**37,620**	**130,670**	**183,408**	**1,097,893**	**5,315**	**2,340**	**1,885**	**1,671**	**62**	**1,460,864**
Additions	7,694	-	94	3,275	1	33	7	8	-	11,112
Exchange difference capitalized	-	-	-	(3,504)	-	-	-	-	-	(3,504)
Disposal	-	21	830	47	511	57	596	6	-	2,068
Transferred to discontinued operations (Refer Note 57)	6,289	-	58,732	381,740	3,305	1,559	-	1,096	-	452,721
As at 31 March 2017	**39,025**	**130,649**	**123,940**	**715,877**	**1,500**	**757**	**1,296**	**577**	**62**	**1,013,683**
Additions	-	-	153	30,978	-	-	10	3	-	31,144
Exchange difference capitalized	-	-	-	70	-	-	-	-	-	70
Disposal	-	-	-	49	1	12	21	8	-	91
Transferred to discontinued operations (Refer Note 57)	9,089	214	2,810	27,544	12	12	163	33	-	39,877
As at 31 March 2018	**29,936**	**130,435**	**121,283**	**719,332**	**1,487**	**733**	**1,122**	**539**	**62**	**1,004,929**
Accumulated depreciation										
Upto 31 March 2016	**1,549**	**-**	**59,907**	**364,950**	**4,150**	**1,905**	**885**	**1,218**	**34**	**434,598**
Depreciation for the year	174	-	2,764	21,660	71	118	108	70	4	24,969
Impairment	-	-	155	19,934	3	3	4	1	-	20,100
Disposal	-	-	495	13	133	54	158	5	-	858
Transferred to discontinued operations (Refer Note 57)	1,280	-	45,076	193,001	2,814	1,518	-	759	-	244,448
Upto 31 March 2017	**443**	**-**	**17,255**	**213,530**	**1,277**	**454**	**839**	**525**	**38**	**234,361**
Depreciation for the year	472	-	4,267	21,362	37	50	161	29	2	26,380
Disposal	-	-	-	42	1	10	20	8	-	81
Transferred to discontinued operations (Refer Note 57)	-	-	552	5,507	8	4	56	30	-	6,157
Upto 31 March 2018	**915**	**-**	**20,970**	**229,343**	**1,305**	**490**	**924**	**516**	**40**	**254,503**
Net book value										
As at 1 April 2016	36,071	130,670	123,501	732,943	1,165	435	1,000	453	28	1,026,266
As at 31 March 2017	38,582	130,649	106,685	502,347	223	303	457	52	24	779,322
As at 31 March 2018	**29,021**	**130,435**	**100,313**	**489,989**	**182**	**243**	**198**	**23**	**22**	**750,426**

Notes:

(a) Exchange loss on foreign currency borrowings capitalized during the year is ₹ 70 Lakhs (Previous Year: Exchange gain of ₹ 3,504 Lakhs).

(b) The Group has leased 0.74 acres of land at one of its Unit Ballarpur vide lease agreement dated 23 April 2009 to one of its related parties SMI NewQuest India Private Limited for a period of 10 years. Annual lease rental of ₹ 67 Lakhs (previous year ₹ 56 Lakhs) has been accounted as other income in the statement of profit and loss.

(c) The Group has reviewed the future cash flows on the basis of value in use of its property, plant and equipment and capital work-in-progress and is satisfied that the recoverable amount is more than the carrying amount as per the books. Accordingly, no provision for impairment loss is required to be made in these financial statements.

(d) Refer Note 47 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

₹ in Lakhs

6. CAPITAL WORK IN PROGRESS		
Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Opening balance	**35,655**	**35,259**
Additions	2,913	2,402
Capitalized during the year	31,431	1,532
Transferred to Expenses	-	5
Disposals	-	393
Transferred to discontinued operations (Refer Note 57)	6,307	76
Closing balance	**830**	**35,655**

7. OTHER INTANGIBLE ASSETS						
Particulars	**As at 31 March 2018**			**As at 31 March 2017**		
	Product development expense	**Others**	**Total**	**Product development expense**	**Others**	**Total**
Gross Block						
Opening balance	8,277	8,830	17,107	7,121	8,830	15,951
Additions	-	338	338	1,156	-	1,156
Transferred to discontinued operations (Refer Note 57)	416	-	416	-	-	-
Closing balance	**7,861**	**9,168**	**17,029**	**8,277**	**8,830**	**17,107**
Accumulated amortization						
Opening balance	3,082	7,444	10,526	1,599	6,498	8,097
Amortization for the year	1,700	525	2,225	1,483	946	2,429
Transferred to discontinued operations (Refer Note 57)	76	-	76	-	-	-
Closing balance	4,706	7,969	12,675	3,082	7,444	10,526
Net carrying value at the end of year	**3,155**	**1,199**	**4,354**	**5,195**	**1,386**	**6,581**
Net carrying value as at 1 April 2016				**5,522**	**2,332**	**7,854**

(a) There are no intangible assets that have been pledged as security for the borrowings of the Company.

(b) Refer Note 47 for disclosure of contractual commitments for the acquisition of property, plant and equipment and/or other intangible assets.

(c) The Company has reviewed the future cash flows on the basis of value in use of its intangible assets and is satisfied that the recoverable amount is more than the carrying amount as per the books. Accordingly, no provision for impairment loss is required to be made in these financial statements.

8. INTANGIBLE ASSETS UNDER DEVELOPMENT		
Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Opening balance	3,144	4,300
Additions	-	-
Capitalized as Intangible assets	-	1,156
Impairment	3,144	-
Closing balance	**-**	**3,144**

9. BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS		
Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Cost		
Balance as at the beginning of the year	7	96,296
Transfer to discontinued operations	-	(96,296)
Additions	27	7
Gain / (Loss) on changes in fair valuation	-	-
Balance as at the end of the year	**34**	**7**

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Accumulated amortisation		
Balance as at the beginning of the year	-	25,824
Transfer to discontinued operations	-	(25,824)
Charge for the year	-	-
Balance as at the end of the year	**-**	**-**
Net Carrying Amount	**34**	**7**

10 NON CURRENT INVESTMENTS

Particulars	Face Value Per Share	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
		No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Unquoted investments							
A Investments designated at fair value through OCI							
(a) Investment in fully paid equity shares of other companies							
(i) Blue Horizon Investments Limited	₹ 10.00	5,000	3	5,000	3	5,000	3
(ii) Avantha Power & Infrastructure Limited	₹ 10.00	39,880,940	-	39,880,940	4,053	39,880,940	4,053
			3		**4,056**		**4,056**
Quoted investments							
A Investments measured at fair value through profit or loss							
(a) Investment in mutual funds							
(i) Birla Sun Life Savings Fund		-	-	-	-	344,294	960
			-		**-**		**960**
			3		**4,056**		**5,016**

a) Details of aggregate book value of investments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Book value - Unquoted investments	3	4,056	4,056
Market value - Quoted investments	-	-	960

11 LOANS - NON CURRENT

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Security Deposits	965	1,228	1,464
	965	**1,228**	**1,464**

12 OTHER FINANCIAL ASSETS - NON CURRENT

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Balance with Government Authorities	4,067	3,797	3,820
Bank deposits with maturity period more than 12 months	7	19	18
	4,074	**3,816**	**3,838**

₹ in Lakhs

13 DEFERRED TAX ASSETS / (LIABILITIES) (NET)

(a) Major components of deferred tax assets and liabilities are as follows

Particulars		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
A	Deferred tax assets			
(i)	Expenses allowable on payment basis (Section 43B of Income Tax Act, 1961)	17,710	9,357	15,771
(ii)	Unabsorbed tax depreciation	46,046	40,397	24,183
(iii)	Unused tax losses (Business losses)	29,441	37,411	-
(iv)	Unused tax credits (MAT Credit)	18,062	18,018	18,018
(v)	Other items of temporary difference	8,075	7,595	6,522
		119,334	**112,778**	**64,494**
B	Deferred tax liabilities			
(i)	Difference between Written down value of property, plant and equipment (PPE) and intangible assets as per books of account and as per Income Tax Act.	97,933	108,066	55,313
		97,933	**108,066**	**55,313**
		21,401	**4,712**	**9,181**
Presentation in Balance Sheet				
	Deferred tax assets (net)	21,861	5,235	9,181
	Deferred tax liabilities (net)	(460)	(523)	-
		21,401	**4,712**	**9,181**

(b) Movement in deferred tax assets and liabilities

2017-18

	Particulars	Opening Balance	Reclassified from Other non current assets	Recognized in profit and loss	Recognized in OCI	Closing Balance
(i)	Expenses allowable on payment basis (Section 43B of Income Tax Act, 1961)	9,357	-	8,353	-	17,710
(ii)	Unabsorbed tax depreciation	40,397	-	5,649	-	46,046
(iii)	Unused tax losses (Business losses)	37,411	-	(7,970)	-	29,441
(iv)	Unused tax credits (MAT credit entitlement)	18,018	34	10	-	18,062
(v)	Difference between written down value of PPE and intangible assets as per books of account and as per Income Tax Act.	(108,066)	-	10,133	-	(97,933)
(vi)	Other items of temporary difference	7,595	-	480	-	8,075
		4,712	**34**	**16,655**	**-**	**21,401**

2016-17

	Particulars	Opening Balance	Transferred to discontinued operations	Recognized in profit and loss	Recognized in OCI	Closing Balance
(i)	Expenses allowable on payment basis (Section 43B of Income Tax Act, 1961)	15,771	-	(6,413)	(1)	9,357
(ii)	Unabsorbed tax depreciation	24,183		16,214	-	40,397
(iii)	Unused tax losses (Business losses)	-	-	37,411	-	37,411
(iv)	Unused tax credits (MAT credit entitlement)	18,018	-	-	-	18,018
(v)	Difference between written down value of PPE and intangible assets as per books of account and as per Income Tax Act.	(55,313)	(18,009)	(34,744)	-	(108,066)
(vi)	Other items of temporary difference	6,522	-	1,073		7,595
		9,181	**(18,009)**	**13,541**	**(1)**	**4,712**

(c) Deferred tax assets recognized on unabsorbed depreciation and unused tax losses and tax credits

The Group has taken various initiatives and plan strategies to revive the operation of the Holding Company (BILT) on a profitable basis. During the year, BILT has implemented the Strategic Debt Restructuring (SDR) Scheme with the lenders which has eased the financial stress on the Company (Refer note 45(a) on SDR). Subsequent to SDR, BILT was able to run the manufacturing facility at Yamunanagar (Shree Gopal Unit) without major shutdowns & also has taken various initiatives to recommence operations of its manufacturing facility at Kamalapuram and is confident of recommencing operations during the financial year 2018-19. Further the Group is in the process of further negotiation with the lenders for the second phase of restructuring as per its revival plan & also exploring various other options like sale of non-core assets, etc., to further ease out the financial burden and achieve better financial results. (Also refer note 46 on going concern).

Further, the Group has taken various initiatives and plan strategies to revive the operations of its Step Down Subsidiary, BILT Graphic Paper Product Limited (BGPPL) on a profitable basis. BGPPL has effected the Master Restructuring Agreement (MRA) with the lenders which has resulted in a significant reduction in the finance cost. Further the MRA, Management also provides for liquidation of certain assets of BGPPL which is being actively pursued by the Company (Refer note 45 (b) on MRA). From the operational aspect, the major manufacturing Units have operated without major shut downs during the financial year 2017-18 and during the year BGPPL had entered into an operation and management agreement to outsource the operations of the SEWA Plant with an option to sell to the operator. BGPPL is also considering the sale of the plant to a third party if get a suitable buyer. Considering the above, Group is confident that BGPPL's Operational Performance and financial position will improve in near future. (Refer Note 46 on going concern).

On account of the above reasons, the Group is confident that BILT and BGPPL will be able to generate future taxable profits, in excess of the profit arising from the reversal of deferred tax liabilities, against which the aforesaid deferred tax assets will be recognized in the respective companies.

₹ in Lakhs

14 OTHER NON CURRENT ASSETS

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Capital advances	184	463	547
Unamortized expenses	-	32	128
Prepaid expenses	1	741	616
Withholding tax recoverable	8,187	10,022	9,386
Balances with government authorities	539	4,772	20,456
	8,911	**16,030**	**31,133**

15 INVENTORIES

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw materials (Refer note (a) below)	7,703	5,343	19,314
Work in progress	4,961	3,071	10,172
Finished goods (including stock-in-trade)	6,760	5,882	22,065
Stores and spares (Refer note (b) below)	10,690	26,285	71,391
Block Stores	-	144	155
Chemicals (Refer note (c) below)	3,497	11,558	27,584
Packing material (Refer note (d) below)	1,441	2,627	3,271
	35,052	**54,910**	**153,952**

(a) Includes raw material-in-transit of ₹ 2,083 Lakhs (Previous year ₹ 1 Lakh)

(b) Includes stores & spares-in-transit of ₹ 491 Lakhs (Previous year ₹ 424 Lakhs)

(c) Includes chemicals-in-transit of ₹ 986 Lakhs (Previous year ₹ 370 Lakhs)

(d) Includes packing material-in-transit of ₹ 219 Lakhs (Previous year ₹ 11 Lakhs)

₹ in Lakhs

16 TRADE RECEIVABLES

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Considered good			
Due from related parties	16	3,788	5,152
Due from others (Refer note (a) below)	8,725	3,227	31,436
	8,741	**7,015**	**36,588**
Doubtful			
Due from others	1,332	350	325
Less: Allowance for expected credit loss (ECL)	1,332	350	325
	-	**-**	**-**
	8,741	**7,015**	**36,588**

(a) Includes ₹ 1,967 Lakhs (As at 31 March 2017 - ₹ 486 Lakhs) secured by way of security deposits received from the customers.

17 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balances with Banks :			
- On current accounts	9,080	10,833	23,094
- Bank deposits with original maturity of less than three months	3,871	61	1,120
Cheques on Hand	3	-	-
Cash on hand	16	23	28
	12,970	**10,917**	**24,242**

18 OTHER BANK BALANCES

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
In margin money, security for borrowings, guarantees and other commitments	47	-	-
In deposit accounts exceeding three months but less than twelve months	1,127	1,038	712
Earmarked Balance with Banks in unpaid dividend accounts	53	67	80
Earmarked Balance with Banks in unclaimed compulsory / optional buy back consideration	-	179	181
In other accounts	-	-	6
	1,227	**1,284**	**979**

19 LOANS - CURRENT

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Loans to related parties (net)	-	44,080	30,121
Security Deposits	1,202	860	783
Others	1,314	30,063	13,277
	2,516	**75,003**	**44,181**

₹ in Lakhs

20 OTHER FINANCIAL ASSETS - CURRENT

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Interest accrued on deposits	74	58	152
Insurance Receivables (refer note (a) below)	985	41	96
Scrap Receivables	53	88	80
Advances to related parties	7,908	-	-
Advances to others	23	31	496
	9,043	**218**	**824**

(a) Insurance receivable represents claims lodged with the insurance companies towards loss of inventory, etc. The Group is confident regarding the recovery of the loss from the insurers and accordingly the claim is recgonized as a receivable.

21 CURRENT TAX ASSETS (NET)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Income tax paid (included TDS) (net of provision for current taxes)	-	806	634
	-	**806**	**634**

22 OTHER CURRENT ASSETS

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Prepaid expenses	991	1,593	3,045
Current portion of unamortized expenses	-	-	2
Advances to employees (refer note (a) below)	216	219	233
Balance with government authorities	22,464	24,137	22,618
Advances to Related Parties	21,435	21,413	-
Advances to trade creditors	9,360	9,682	17,855
Other current assets	26	56	8
	54,492	**57,100**	**43,761**

a) Advance to employees includes ₹ 5 Lakhs advances given to Director. (Refer note 50)

23 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised share capital			
1,50,00,00,000 (31 March 2017: 75,00,00,000) equity shares of ₹ 2/- each	30,000	15,000	15,000
1,00,00,000 (31 March 2017: 2,50,00,000) preference shares of ₹ 100/- each	10,000	25,000	25,000
	40,000	**40,000**	**40,000**
Issued share capital			
1,29,37,05,501 (31 March 2017: 65,57,73,584) equity shares of ₹ 2/- each	25,874	13,115	13,115
Subscribed and paid-up share capital			
1,29,37,05,501 (31 March 2017: 65,57,73,584) equity shares of ₹ 2/- each	25,874	13,115	13,115
Less: Forfeited shares - 2,49,745 (31 March 2017: 2,49,745) equity shares of ₹ 2/- each	5	5	5
1,29,34,55,756 (31st March 2017: 65,55,23,839) equity shares of ₹ 2/- each	25,869	13,110	13,110
Add: Amount originally paid up on forfeited shares	2	2	2
	25,871	**13,112**	**13,112**

(a) Reconciliation of number of shares

Particulars	As at 31 March 2018		As at 31 March 2017	
	Nos	₹ in Lakhs	Nos	₹ in Lakhs
At the beginning of the year	655,523,839	13,112	655,523,839	13,112
Add: Issued during the year	637,931,917	12,759	-	-
At the end of the year	1,293,455,756	25,871	655,523,839	13,112

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

(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. There are no restrictions attached for any specific shareholder. 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

Particulars	As at 31 March 2018		As at 31 March 2017	
	Nos	Holding %	Nos	Holding %
(i) Avantha Holdings Limited	322,689,019	24.95%	322,689,019	49.23%
(ii) Life Insurance Corporation of India	85,550,701	6.61%	43,872,365	6.69%
(iii) Samera Special Situations Mauritius	-	-	59,480,544	9.07%
(iv) Finquest Securities Private Limited	-	-	35,458,000	5.41%
(v) Finquest Financial Solutions Pvt Limited	188,499,675	14.57%	-	-
(vi) ICICI Bank Limited	155,937,658	12.06%	-	-

(d) Changes to authorised share capital

On 14 July 2017, the shareholders of the company by way of postal ballot approved the reclassification of the Authorised Share Capital from ₹ 40,000 Lakhs divided into 75,00,00,000 equity shares having face value of ₹ 2/- each, and 2,50,00,000 preference shares having face value of ₹ 100/- each, to ₹ 40,000 Lakhs divided into 150,00,00,000 equity share having face value of ₹ 2/- each, and 1,00,00,000 preference shares having face value of ₹ 100/-each, by converting 1,50,00,000 preference shares of ₹ 100/-each into 75,00,00,000 Equity Share of ₹ 2 each.

(e) Shares allotted during the year

Pursuant to approval of shareholders by way of postal ballot on 14 July 2017, the committee of the Board of Directors at its meetings held on 25 July 2017, allotted collectively to the lenders 63,79,31,917 equity shares of face value of ₹ 2 at a premium of ₹ 13.83 per share aggregating ₹ 1,00,985 Lakhs as per Strategic Debt Restructuring Scheme (SDR Scheme) of the Reserve Bank of India. (Refer note 45). The implementation of SDR Scheme and consequent allotment of equity shares have been made in respect of all the lenders.

(f) Others

(i) The Company has not reserved any shares for issue under options as at 31 March 2018 (As at 31 March 2017 : Nil shares)

(ii) The Company has not allotted any bonus shares in the immediately preceding five year ended 31 March 2018. (previous period of five years ended 31 March 2017: Nil shares)

(iii) The Company has not issued any shares for consideration other than cash during the period of five years immediately preceding the reporting date. Refer note 23 (e) above for details of loans converted into equity.

(iv) The aggregate number of equity shares bought back in immediately preceding five years ended 31 March 2018 is Nil (previous period of five years ended 31 March 2017 - Nil)

(v) Calls unpaid as at 31 March 2018 - ₹ Nil (31 March 2017 : ₹ Nil)

₹ in Lakhs

24 OTHER EQUITY

Particulars	As at 31 March 2018	As at 31 March 2017 *	As at 1 April 2016 *
Capital reserve	1,515	1,515	1,515
Securities premium reserve	115,024	26,798	26,798
Preference share capital redemption reserve	7,385	7,385	7,385
Debenture redemption reserve	11,704	16,251	13,000
Subordinate Perpetual Capital Securities	130,121	129,741	132,512
Amount towards shares to be allotted under Master Restructuring Agreement (MRA)	44,109	-	-
Equity Component of Compulsorily Redeemable Preference Shares	45,227	-	-
Capital reserve on consolidation	16,539	16,539	16,539
General reserve	80,810	80,810	80,810
Retained Earnings	(393,438)	(243,179)	(73,669)
Items of Other Comprehensive Income (OCI)			
Re-measurement of the net defined benefit Plans	(782)	(1,066)	(1,203)
Equity instruments through OCI	(2,737)	-	-
Foregin currency translation reserve	(49,901)	(55,396)	(37,476)
	5,576	**(20,602)**	**166,211**

* Restated - Refer note 44

(a) Refer statement of changes in equity for detailed movement in components of other equity

(b) Nature and purpose of reserves

(i) Securities premium reserve

The amount received in excess of face value of the equity shares is recognised in securities premium. The reserve can be utilised in accordance with the provisions of Companies Act 2013 and are not avilable for distribution to the share holders.

(ii) Preference share capital redemption reserve

Preference Share Capital Redemption Reserve represents the statutory reserve created. The said capital redemption reserve account may be applied in paying up unissued shares to be issued to shareholders as fully paid bonus shares.

(iii) Debenture redemption reserve

The holding company (BILT) and BILT Graphic Paper Products Limited (BGPPL), a step-down subsidiary, has issued debentures and created DRR out of their profits in terms of the Companies (Share capital and Debenture) Rules, 2014 (as amended). The Companies are required to maintain a DRR of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the DRR may not be utilised by the companies except to redeem debenture.

(iv) Subordinate perpetual capital securities

During the year 2011-12, the Group, through its step-down subsidiary BILT Paper 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 pertetual in nature and ranked senior only to the Share Capital of BILT Paper B.V., these are considered to be in nature of equity instrument and are not considered as "Debt"and the distribution on such Securities is not considered under Ïnterest". BILT Paper B.V. may at its sole discretion, opt to defer payment of Interest on such Securities. The equity portion of the compound financial instrument is recognized as a separate component of equity.

(v) Amount towards shares to be allotted under Master Restructuring Agreement (MRA). (Refer note 45)

BILT Grpahic Paper Products Limited (BGPPL), one of the step-down subsidiary company, has given effect to the Master Restructuring Agreement (MRA) with its lenders during the financial year 2017-18 as per which BGPPL has agreed to allot equity shares to the lenders (Refer Note 45 for detailed terms of the MRA). However, since the matter is sub-judice BGPPL has not allotted the shares and is shown as a separate component under other equity.

(vi) Equity Component of compulsory redeemable preference shares

The Compulsory Redeemable Preference Shares (CRPF) carries dividend at a concessional rate and accordingly the financial instrument contains both a liability and an equity component. Equity Component of CRPF refers to the residual amount after reducing the fair value of the liability component of the instrument from the fair value of the instrument as a whole. (Refer Note No. 45(b)(vi) for terms of the CRPF in MRA).

(vii) Capital reserve on consolidation

These Reserves represent the difference between value of the net assets transferred to the Group in the course of business combinations and the consideration paid for such combinations.

(viii) General reserve

The Group created a General Reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirement to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

(ix) Retained Earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(x) Re-measurement of net defined benefit plans

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the statement of profit and loss.

(xi) Equity instruments through OCI

The fair value change of equity instruments designated as measured at fair value through other comprehensive income is recognised in equity instruments through other comprehensive income and are not subsequently reclassified to statement of profit or loss. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to retained earnings directly.

(xii) Foreign currency translation reserve

Exchange differences arising on translation of assets, liabilities, income and expenses of the Group's foreign subsidiaries are recognised in other comprehensive income and accumulated separately in foreign currency translation reserve. The amounts recognised are transferred to the consolidated statement of profit and loss on disposal of the related foreign subsidiaries.

(c) Other comprehensive income accumulated in other equity, net of tax

₹ in Lakhs

Particulars	Foreign currency translation reserve	Remeasurement of net defined benefit plans	Equity instruments through OCI	Total
As at 1 April 2016	(37,476)	(1,203)	-	(38,679)
Remeasurement gain/(loss) on net defined benefit plans	-	138	-	138
Exchange differences in translating the financial statements of foreign subsidiaries	(17,920)	-	-	(17,920)
Income tax effect	-	(1)	-	(1)
As at 31 March 2017	**(55,396)**	**(1,066)**	**-**	**(56,462)**
Remeasurement gain/(loss) on net defined benefit plans	-	284	-	284
Gain/(loss) on changes in fair value of equity instruments designated at fair value through other comprehensive income	-	-	(2,737)	(2,737)
Exchange differences in translating the financial statements of foreign subsidiaries	5,495	-	-	5,495
Income tax effect	-	-	-	-
As at 31 March 2018	**(49,901)**	**(782)**	**(2,737)**	**(53,420)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Items that will not be reclassified to profit or loss	(3,519)	(1,066)	(1,203)
Items that will be reclassified to profit or loss	(49,901)	(55,396)	(37,476)
	(53,420)	**(56,462)**	**(38,679)**

25 NON-CONTROLLING INTEREST

Particulars	2017 - 18	2016 - 17
Balance at the beginning of the year	48,262	98,256
Share of loss for the year	(64,065)	(50,003)
Share of other comprehensive income		
Re-measurement of the net defined benefit Plans	28	-
Equity instruments through OCI	(1,316)	-
Foregin currency translation reserve	3,439	3,859
Distribution to subordinated perpetual capital securities	-	(3,850)
	(13,652)	**48,262**

(a) Details of non-wholly owned subsidiaries that have material non-controlling interest

Name of Subsidiary		Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interest		Profit / (Loss) allocated to minority interests	
			As at 31 March 2018	As at 31 March 2017	2017 - 18	2016 - 17
(i)	BILT Graphic Paper Products Limited	India	39.78%	37.79%	(16,383)	(35,676)
(ii)	BILT Paper B.V.	Netherlands	37.79%	37.79%	3,826	4,076
(iii)	Ballarpur Paper Holdings B.V.	Netherlands	37.79%	37.79%	(14,916)	(1,631)
(iv)	Sabah Forest Industries Sdn. Bhd.	Malaysia	38.98%	38.98%	(36,575)	(16,719)

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Summarized financial information in respect of subsidiaries that have material non-controlling interest

Summarized statement of profit and loss

₹ in Lakhs

Particulars	BILT Graphic Paper Products Limited		BILT Paper B.V.		Ballarpur Paper Holdings B.V.		Sabah Forest Industries Sdn. Bhd.	
	2017 - 18	2016 - 17	2017 - 18	2016 - 17	2017 - 18	2016 - 17	2017 - 18	2016 - 17
Revenue	218,792	181,425	10,435	10,857	1,931	9,392	5,585	11,016
Profit / loss for the year	(41,178)	(94,363)	10,125	10,786	(206,093)	(4,544)	(93,819)	(42,696)
Other comprehensive income	(3,234)	(131)	871	(6,501)	848	(6,027)	9,260	(20,906)
Total comprehensive income	(44,412)	(94,494)	10,996	4,285	(205,245)	(10,571)	(84,559)	(63,602)
Profit / (loss) allocated to non-controlling interest	(16,383)	(35,676)	3,826	4,076	(14,916)	(1,631)	(36,575)	(16,719)
Dividend to non-controlling interest	-	-	-	-	-	-	-	-

Summarized balance sheet

Particulars	BILT Graphic Paper Products Limited		BILT Paper B.V.		Ballarpur Paper Holdings B.V.		Sabah Forest Industries Sdn. Bhd.	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Current assets (a)	240,411	218,467	21,223	10,678	3,945	11,184	2,264	14,774
Current liabilities (b)	184,153	472,371	31,978	16,189	52,758	11,819	148,531	131,940
"Net current assets/(liabilities) (c = a - b)"	56,258	(253,904)	(10,755)	(5,511)	(48,813)	(635)	(146,267)	(117,166)
Non-current assets (d)	506,399	574,694	444,662	443,347	246,169	420,863	-	244,784
Non-current liabilities (e)	469,807	256,760	-	-	117,135	133,066	22,365	10,747
Net non current assets / (liabilities) (f = d - e)	36,592	317,934	444,662	443,347	129,034	287,797	(22,365)	234,037
Net assets / (liabilities) (c+f)	92,850	64,030	433,907	437,836	80,221	287,162	(168,632)	116,871

Summarized cash flow

Particulars	BILT Graphic Paper Products Limited		BILT Paper B.V.		Ballarpur Paper Holdings B.V.		Sabah Forest Industries Sdn. Bhd.	
	2017 - 18	2016 - 17	2017 - 18	2016 - 17	2017 - 18	2016 - 17	2017 - 18	2016 - 17
Cash flow from operating activities	35,556	(17,059)	(11)	12	(13,367)	(12,628)	2,429	(7,275)
Cash flow from investing activities	(1,172)	1,183	-	-	-	6	(1,477)	(8,542)
Cash flow from financing activities	(30,177)	6,307	-	-	11,329	14,722	12,361	(2,227)
Total cash flow	**4,207**	**(9,569)**	**(11)**	**12**	**(2,038)**	**2,100**	**13,313**	**(18,044)**

(c) Change in Group's ownership interest in a subsidiary without ceding control

During the year BILT Graphic Paper Products Limited (BGPPL) a step-down subsidiary has allotted 18,268,771 shares to Avantha Holdings Limited on a private placement basis as part of the overall debt restructuring. On account of this the Group's stake in the company has reduced from 62.21% to 60.22%. Amount of ₹ 884 Lakhs (Loss), being proportionate share on the total comprehensive income, has been transferred to non-controlling interest.

₹ in Lakhs

26 BORROWINGS

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non current borrowings			
Secured			
Non convertible debentures	96,150	15,000	26,000
External commercial borrowings	-	-	20,996
Compulsorily redeemable preference shares	14,026	-	-
Term loans			
Bank	125,605	294,964	302,984
Financial institutions	238,370	36,409	59,151
Unsecured			
Zero coupon convertible bonds	3,725	3,714	3,792
Deferred payment liabilities	1,663	989	801
	479,539	**351,076**	**413,724**
Current borrowings			
Secured			
Working capital loans	45,064	28,527	108,945
Unsecured			
Working capital loans	75,243	479,921	289,451
	120,307	**508,448**	**398,396**

(a) Non convertible debentures

Rate of interest	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
11.75%	8,402	15,000	15,000
8.75% to 9.90%	-	44,420	37,000
The interest rate of 9%. Further, the interest rate is also linked to the 1 year MCLR of Axis Bank Limited with an annual reset option to Lenders	59,976	-	-
The interest rate of 9%. Further, the interest rate is also linked to the 1 year MCLR of Axis Bank Limited with an annual reset option to Lenders	36,174	-	-
	104,552	**59,420**	**52,000**
Less: Current maturities	8,402	44,420	26,000
	96,150	**15,000**	**26,000**

Securities and terms of repayment

(i) Debentures held by Life Insurance Corporation of India are secured by way of first pari-passu charge over all movable properties of the Holding company both present and future. The debentures are repayable in 5 equal yearly installments starting from financial year 2019-20 to 2023-24.

(ii) Redeemable non convertible debenturs of ₹ 59,976 Lakhs are secured by way of first pari-passu charge on movable fixed assets and all immovable properties of BILT Graphic Paper Products Limited (BGPPL), both present and future second pari-passu charge on current assets of BGPPL, both present and future (except receivables from Sabah Forest Industries Sdn Bhd, a step-down subsidiary) and are repayable on 31 March 2027.

(iii) Redeemable non convertible debenturs of ₹ 36,174 Lakhs are secured by way of Second pari-passu charge on movable fixed assets and all immovable properties of BGPPL, both present and future and first pari-passu charge on current assets of BGPPL, both present and future (except receivables from Sabah Forest Industries Sdn Bhd, a step-down subsidiary) and are repayable on 31 March 2027.

(iv) Further the non convertible debentures are also secured by way second pari-passu charge on receivables from Sabah Forest Industries Sdn Bhd, a step-down subsidiary.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Compulsorily redeemable preference shares

The compulsorily redeemable preference shares carry dividend at 0.01% and are due for redemption as follows

₹ in Lakhs

Date of redemption	Amount of redemption
31 March 2034	26,132
31 March 2035	31,963
	58,095

The compulsorily redeemable preference shares is presented in the financial statements as follows

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current borrowings	26	14,026	-	-
Equity portion	24	45,227	-	-
		59,253	**-**	**-**

Refer note 45 for other details of compulsorily redeemable preference shares

(c) Secured external commercial borrowing

Terms of repayment	Interest	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
The loan is repayable in 9 semi annual instalments starting by end of 36 months from the utilisation date.	2.7% + LIBOR initially	12,653	12,616	12,883
The loan is repayable in 8 semi annual instalments starting by end of 30 months from the utilisation date.	3.30% + LIBOR initially	12,689	12,652	12,920
		25,342	25,268	25,803
Less: Current maturities		25,342	25,268	4,807
		-	**-**	**20,996**

The loan outstanding as at 31 March 2018 is secured by way of first pari-passu charge over all moveable fixed assets of BGPPL.

(d) Secured borrowings from banks and financial institutions

As at 31 March 2018

₹ in Lakhs

S. No	Name of Bank / Financial Institution	Rupee Term Loan	Funded interest term loan	Priority Loan	Total	Rate of interest	Details of security	Maturity
1	Exim Bank	6,109	-	-	6,109	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.	Repayable in 21 equal quarterly instalments ending on October 2019. Also refer note 26 (i) below.
2	State Bank of India (Earlier known as State Bank of Travancore)	4,599	-	-	4,599	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.	Repayable in 32 equal quarterly instalments ending on June 2022. Also refer note 26 (i) below.
3	Phoenix Arc Private Limited	6,412	-	-	6,412	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.	Repayable in 20 equal quarterly instalments ending on 26 September 2021. Also refer note 26 (i) below.
4	IDBI BANK	9,575	-	-	9,575	Base Rate + 2% initially	The Loan is secured by way of a first pari-passu charge over freehold immovable property of units Kamlapuram & Shreegopal.	Repayable in 27 equal quarterly instalments ending in June 2022. Also refer note 26 (i) below.

As at 31 March 2018

₹ in Lakhs

S. No	Name of Bank / Financial Institution	Rupee Term Loan	Funded interest term loan	Priority Loan	Total	Rate of interest	Details of security	Maturity
5	ICICI BANK	27,500	-	-	27,500	Base Rate + 1.92% initially	The Loan is secured by way of a first pari-passu charge over all movable fixed assets of the company.	Repayable in 20 equal quarterly instalments ending on June 2022.
6	ICICI BANK	8,319	-	-	8,319	Base Rate + 2.60% initially	The Loan is secured by way of a first pari-passu charge over all movable fixed assets of the company.	Repayable in 20 equal quarterly instalments ending on December 2022. Also refer note 26 (i) below.
7	Acton Global Pvt. Ltd. (Aditya Birla Finance)	13,567	1,117	-	14,684	9%. Further, the interest rate is also linked to the 1 year MCLR of Axis Bank Limited with an annual reset option to Lenders	(i) First pari-passu charge on Borrower's movable fixed assets and all immovable properties of the Borrower, both present and future; (ii) Second pari-passu charge on Borrower's current assets, both present and future (except receivables from Sabah Forest Industries Sdn Bhd a (step-down subsidiary)); (iii) Second pari-passu charge on Borrower's movable fixed assets and all immovable properties of the Borrower, both present and future; (iv) First pari-passu charge on Borrower's current assets, both present and future (except receivables from Sabah Forest Industries Sdn Bhd (step-down subsidiary)); (v) Receivables from Sabah Forest Industries Sdn Bhd (step-down subsidiary) is secured by Second pari-passu charge	Refer note (e) below for maturity profile of the borrowings and note 45 for repayment terms as per MRA
8	Axis Bank (assigned to EARC Trust – SC 268 on 30.03.2017)*	81,252	6,708	-	87,961			
9	Deutsche Bank	1,849	153	-	2,002			
10	Clix Capital Services Private Limited	8,398	693	-	9,091			
11	ICICI Bank (assigned to EARC Trust – SC 267 on 31.03.2017)	38,870	3,209	-	42,079			
12	IDFC (assigned to EARC Trust – SC 244 on 22.03.2017)	20,600	1,701	-	22,301			
13	Goldman Sachs	16,398	1,354	-	17,752			
14	State Bank of India	20,673	1,707	-	22,380			
15	Yes Bank (assigned to EARC Trust – SC 299 on 30.09.2017)	18,163	1,500	-	19,663			
16	Finquest (DHFL)	6,110	504	-	6,614			
17	DBS	6,459	532	-	6,991			
18	HDFC Bank Limited	2,833	233	-	3,066			
19	IDBI Bank Limited	21,275	1,752	-	23,027			
20	Kotak Mahindra Bank Limited	6,801	560	-	7,361			
21	Invesco MF	4,159	343	-	4,502			
22	IDBI MF	936	77	-	1,013			
23	Edelweiss Limited	-	-	15,000	15,000	16.50%	(i) First pari-passu charge on movable fixed assets and all immovable properties of BGPPL, both present and future; (ii) Second pari-passu charge on BGPPL's current assets, both present and future; (iii) First charge on Receivables from Sabah Industries Sdn Bhd	Refer note (e) below for maturity profile of the borrowings and note 45 for repayment terms as per MRA

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2018

₹ in Lakhs

S. No	Name of Bank / Financial Institution	Rupee Term Loan	Funded interest term loan	Priority Loan	Total	Rate of interest	Details of security	Maturity
24	Finquest Securties Private Limited	-	-	5,250	5,250	16%	(i) First pari-passu charge on movable fixed assets and all immovable properties of BGGPL, both present and future; (ii) Second pari-passu charge on BGGPL's current assets, both present and future; (iii) Second charge on Receivables from Sabah Forest Industries Sdn Bhd	Refer note (e) below for maturity profile of the borrowings and note 45 for repayment terms as per MRA
25	JP Morgan Chase Bank	15,738			15,738	1.5% + LIBOR	The Loan is secured by corporate guarantee of holding company 'Ballarpur Industries Ltd'.	Repayable after 36 month of utilisation i.e. in July 2018.
26	IDBI	12,878			12,878	4.8% + LIBOR	The loan is secured by way of corporate guarantee of holding company Ballarpur Industries Limited.	Repayable in three annual equal instalments ending in October, 2021.
27	Credit Agricole	35,392			35,392	4.8% + LIBOR	The Loan is secured by corporate guarantee of holding company 'Ballarpur Industries Ltd'.	Repayable in three annual equal instalments ending in January, 2021.
28	ICICI Limited	5,596			5,596	2.5% plus EUROBOR	The loan is secured by way of SBLC from Indusind Bank.	Repayable in three annual equal instalments ending in March, 2019.
29	DBS BANK	8,785			8,785	3.25% + Libor	The loan is secured by way of first Preferential charge over shares of Sabah Forest Industries Sdn Bhd (SFI), a step-down subsidiary.	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.
30	EC Holdings PTE Limited	14,707			14,707	13%	The loan is secured by way of pledge of 68.1% share capital of SFI and unconditional & irrevocalbe guarantee of Bilt Paper 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 ending on 07th June 22.

As at 31 March 2018

₹ in Lakhs

S. No	Name of Bank / Financial Institution	Rupee Term Loan	Funded interest term loan	Priority Loan	Total	Rate of interest	Details of security	Maturity
31.	Yes Bank Limited	125			125	Bank 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 is repayable in 16 quaterly instalments starting from the end of moratorium period of 12 Month i.e. from Nov 2016 ending on Nov 2020.
32.	Standard Chartered Bank (USD 25 Million)	4,887			4,887	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 Febuary 8, 2013.
33.	Standard Chartered Bank (USD 20 Million)	4,887			4,887	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 4 January 2014.
34.	RABO Bank (USD 50 Million)	4,887			4,887	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 15 March 2013.
35.	RABO Bank (USD 25 Million)	6,516			6,516	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 28 September 2014.
36.	ICICI Bank (USD 50 Million)	19,547			19,547	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 28 December 2013.
37.	ICICI Bank (USD 25 Million)	13,642			13,642	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 31 January 2014.
		478,443	**22,143**	**20,250**	**520,837**			
	Less: Current maturities	151,407	55	5,400	156,862			
		327,036	**22,088**	**14,850**	**363,975**			

S.No.	Name of Bank / Financial Institution	As at 31 March 2017	As at 1 April 2016	Rate of Interest	Details of security	Maturity
1.	Exim Bank	9,222	10,690	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.	Repayable in 21 equal quarterly instalments ending in October 2019.
2.	State Bank of India (Earlier known as State Bank of Travancore)	4,599	4,700	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.	Repayable in 32 equal quarterly instalments ending in June 2022.
3.	Phoenix Arc Pvt Ltd	9,991	9,993	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.	Repayable in 20 equal quarterly instalments ending in 26 September 2021.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakhs

S.No.	Name of Bank / Financial Institution	As at 31 March 2017	As at 1 April 2016	Rate of Interest	Details of security	Maturity
4.	IDBI BANK	9,522	9,882	Base Rate + 2% initially	The Loan is secured by way of a first pari-passu charge over freehold immovable property of units Kamlapuram & Shreegopal.	Repayable in 27 equal quarterly instalments ending on June 2022.
5.	ICICI BANK	27,500	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.	Repayable in 20 equal quarterly instalments ending on June 2022.
6.	ICICI BANK	16,610	16,680	Base Rate + 2.60% initially	The Loan is secured by way of a first pari-passu charge over all movable fixed assets of the company.	Repayable in 20 equal quarterly instalments ending on December 2022.
7.	Clix Capital Private Limited	-	2,500	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.	Repayable in 20 equal quarterly instalments ending on June 2018.
8.	IDFC Limited	17,254	19,146	Benchmark Rate + 2.25% initially	The Loan is secured by way of hypothecation of the entire movable properties (excluding current assets and non-current assets (in the nature of current assets)), both present and future of BGGPL.	Repayable in 26 equal quarterly instalments ending on 15 January 2021.
9	Clix Capital Private Limited.	7,499	9,543	Benchmark Rate + 2.70% initially	The loan is secured by way of first pari passu charge over all Moveable Fixed Assets of BGPPL.	Repayable in 22 equal quarterly instalments ending on 27 June 2019.
10	State Bank of India	22,601	24,185	Base Rate + 1.5% initially	The loan is secured by way of first pari passu charge over all Moveable Fixed Assets of BGPPL.	Repayable in quarterly instalments ending on 30 June 2023.
11	IDFC Bank Limited (Loan-2)*	7,916	9,037	12.75%	The loan is secured by way of first pari-passu charge over all Moveable Fixed Assets of BGPPL.	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 ending on 15 July 2020 & 15 September 2022.
12	Clix Capital Private Limited.	3,863	4,545	Benchmark Rate + 2.70% initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of BGPPL.	Repayable in 22 equal quarterly instalments ending on 13 November 2020.
13	Axis Bank Limited	19,926	19,892	Base Rate + 1.35% initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of BGPPL.	Repayable in 20 equal quarterly instalments ending on 30 September 2021.
14	Aditya Birla Finance Limited	18,822	18,500	Axis Bank Base Rate + 1.65% initially	The loan is secured by way of first pari passu charge on all Moveable Fixed Assets of BGPPL.	Repayable in 31 instalments ending in 31 March 2023.
15	State Bank of Patiala	4,770	4,900	Base Rate + 1.50% initially	The loan is secured by way of first pari passu charge on all Moveable Fixed Assets of BGPPL.	Repayable in 31 instalments ending on 31 March 2023.
16	Axis Bank Limited	78,769	62,895	Base Rate + 1.65% initially	The loan is secured by way of first pari passu charge on all Fixed Assets of the Company.	Repayable in 40 equal quarterly instalments ending on 29 December 2025.
17	ICICI Bank Limited	31,833	31,646	Base Rate + 2.60% initially	The loan is secured by way of first pari passu charge on all Fixed Assets of BGPPL.	Repayable in 20 equal quarterly instalments ending on 30 December 2022.
18	IDFC Limited (Loan-3)	2,500	-	MCLR + 3.60% initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of BGPPL.	Repayable in 12 equal quarterly instalments starting by end of 15 month from the date of first disbursement.
19	Yes Bank Limited	12,505	-	Base Rate + 1.00% initially	The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of BGPPL.	Repayable in 16 equal quarterly instalments after the moratorium period of 1 year from the date of first disbursement.

₹ in Lakhs

S.No.	Name of Bank / Financial Institution	As at 31 March 2017	As at 1 April 2016	Rate of Interest	Details of security	Maturity
20	ECL Finance Limited	15,000	-	16.50%	(i) First pari-passu charge on movable fixed assets and all immovable properties of BGPPL, both present and future; (ii) Second pari-passu charge on BGPPL's current assets, both present and future; (iii) First charge on Receivables from Sabah Forest Industries Sdn Bhd	Repayable in 12 equal quarterly instalments starting by end of 15 month from the date of agreement ie 08 March 2017.
21	JP Morgan Chase Bank	14,899	14,440	1.5% + LIBOR	The Loan is secured by corporate guarantee of the Parent Company	Repayable after 36 month of utilisation i.e. in July 2018.
22	IDBI	12,787	13,003	4.8% + LIBOR	The loan is secured by way of corporate guarantee of Parent Company	Repayable in three equal annual instalments ending in October, 2021.
23	Credit Agricole	35,104	35,671	4.8% + LIBOR	The Loan is secured by corporate guarantee of Parent Company	Repayable in three equal annual instalments ending in January, 2021.
24	ICICI Limited	9,504	14,529	2.5% plus EUROBOR	The loan is secured by way of SBLC from Indusind Bank.	Repayable in three equal annual instalments ending in March, 2019.
25	DBS Bank	8,759	-	3.25% + Libor	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."
26	EC Holdings PTE Limited	4,365	-	13%	The loan is secured by way of pledge of 68.1% share capital of SFI and unconditional & irrevocable guarantee of Bilt Paper B.V..	The loan is repayable in 12 equal quarterly Instalments starting by end of 15 month from the date of agreement 08 March, 2017 i.e. 8 June 2018 ending on 07 June 2022.
27	Yes Bank Limited	360	753	Bank 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 Rs 1650 Lacs is repayable by 20 quarterly instalment starting from July, 2011 and loan of Rs 200 Lacs is repayable in 16 quarterly instalments starting from the end of moratorium period of 12 Month i.e. from Nov 2016.
28	Yes Bank Limited	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.
29	Yes Bank Limited	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 ` 7500 Lakhs from Parent Company.	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.
30	Yes Bank Limited	4	7	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
31	Standard Chartered Bank (USD 25 Million)		4,957	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 8 February 2013.

₹ in Lakhs

S.No.	Name of Bank / Financial Institution	As at 31 March 2017	As at 1 April 2016	Rate of Interest	Details of security	Maturity
32	Standard Chartered Bank (USD 20 Million)		4,949	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 4 January 2014.
33	RABO Bank (USD 50 Million)		4,965	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 15 March 2013.
34	RABO Bank (USD 25 Million)		6,619	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 28 September 2014.
35	ICICI Bank (USD 50 Million)		22,452	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 28 December 2013.
36	ICICI Bank (USD 25 Million)		14,488	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 31 January 2014.
		412,906	**423,066**			
Less: Current maturities		81,533	60,931			
		331,373	**362,135**			

(e) Maturity profile of borrowings

The maturity profile of the Term Loans & Funded Interest Term Loans at the reporting date based on contractual undiscounted repayment obligation (including current maturities) are as follows

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Financial year 2017-18	-	205,362
Financial year 2018-19	235,121	97,020
Financial year 2019-20	24,948	79,104
Financial year 2020-21	37,712	75,630
Financial year 2021-22	35,112	45,830
Financial year 2022-23	43,827	31,314
Financial year 2023-24	47,069	12,708
Financial year 2024-25	47,291	9,278
Financial year 2025-26	51,996	4,634
Financial year 2026-27	48,350	-
Financial year 2027-28	3,654	-
	575,080	**560,880**

(f) Zero coupon convertible bonds

In accordance with the Subscription and Participation Agreement signed between the Group and Avantha International Assets B.V., the Group has issued Zero Coupon Convertible bonds.

₹ in Lakhs

Name of lender	Rate of interest	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Avantha International Assets B.V.	Zero Coupon	3,725	3,714	3,792
Less: Current maturities		-	-	-
		3,725	**3,714**	**3,792**

The balance outstanding as at 31 March 2018 was due for conversion in the financial year ending 2017-18.

(g) Deferred payment liabilities

The Group has opted for the deferral scheme of sales tax which is payable as per the scheme framed by the State Government.

₹ in Lakhs

Terms of repayment	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
VAT & CST collected in 2010-11 payable in 7 equal annual instalments from 2029. (Interest free)	82	55	49
VAT & CST collected in 2011-12 payable in 7 equal annual instalments from 2030. (Interest free)	291	187	168
VAT & CST collected in 2012-13 payable in 7 equal annual instalments from 2031. (Interest free)	290	183	164
VAT & CST collected in 2013-14 payable in 7 equal annual instalments from 2032. (Interest free)	295	181	163
VAT & CST collected in 2014-15 payable in 7 equal annual instalments from 2033. (Interest free)	247	149	133
VAT & CST collected in 2015-16 payable in 7 equal annual instalments from 2034. (Interest free)	235	138	124
VAT & CST collected in 2016-17 payable in 7 equal annual instalments from 2035. (Interest free)	168	96	-
VAT & CST collected in 2017-18 payable in 7 equal annual instalments from 2036. (Interest free)	55	-	-
	1,663	**989**	**801**
Less: Current maturities	-	-	-
	1,663	**989**	**801**

(h) Short Term Borrowings

The Group has availed various short term financial facilities from the banks and financial institutions ("the Lenders") which are repayable on demand and carry interest ranging from 3.15% to 14.25% (As at 31 March 2017 - 4% to 14%). All facilities are unsecured except following facilities.

Asix bank's facility is secured by a charge by way of hypothecation over the company's movable fixed assets on pari passu basis, both present and future.

Finquest NBFC's facility is secured by a charge by way of hypothecation over the company's current assets on pari passu first charge and pledge on Premier Tissues India Limited's Shares, both present and future.

In Bilt Graphic Paper Products Limited (BGPPL), Indusind Bank Limited's Facility is secured by a pledge over the Pledged Shares and the corporate guarantee provided by BPH BV ("Corporate Guarantee"). Provided that the Existing Priority Facility and the New Priority Facilities shall have a first priority over the rights and receivables in relation to the Pledged Shares and have a second priority over the rights and receivables in relation to the Pledged Shares.

In Sabah Forest Industries (SFI), HSBC bank's facilities and Standard Chartered Bank's facilities are secured by a charge over the current assets, fixed assets, receivables of the company, offtake agreement and any other document designated as such by the Joint Secretary Agent and SFI.

In Premier Tissues India Limited (PTIL), Yes Bank Limited's facility is secured by way of exclusive charge on all current assets of the PTIL both present and future.

(i) Default in repayment of borrowings and payment of interest

Holding Company

The Holding company, Ballarpur Industries Limited (BILT), had defaulted in repayment of borrowings and payment of interest during current year and previous year. During the year, BILT has executed the 'Strategic Debt Restructuring Scheme' (SDR) with lenders as per which the borrowings were restructured. (Refer note 45 for details of SDR)

BILT has further defaulted in repayment of loans and payment of interest to most of the lenders. The particulars of default in repayment of loan and payment of interest as at 31 March 2018 is as follows.

Particulars	Repayment of Principal		Payment of interest	
	Default outstanding amount	Period of default in days	Default outstanding amount	Period of default in days
Term Loans				
Exim Bank	1,109	60 - 152 days	620	1 - 243 days
State Bank of India (Earlier known as State Bank of Travancore)	875	9 - 555 days	959	1 - 455 days
ICICI Bank	4,125	9 - 190 days	3,130	1 - 212 days
IDBI Bank	875	1 - 366 days	1,496	1 - 424 days
Phoenix Arc Pvt Ltd	-	-	673	1 - 243 days
Life Insurance Corporation of India	-	-	1,810	62 - 427 days
	6,984	**-**	**8,688**	**-**

Further the lenders have a right to declare the facilities immediately due and payable on account of the default and hence the entire borrowings of the Holding Company are classified as current liability in the financial statements.

Holding Company

The particulars of default in payment of interest and repayment of borrowings as at 31 March 2018 is as follows

₹ in Lakhs

Particulars	Default outstanding amount	Upto 3 months	3 to 6 months
Exim Bank	1,429	714	715
State Bank of India (Earlier known as State Bank of Travancore)	375	125	250
Phoenix Arc Pvt. Ltd.	500	500	-
IDBI Bank	125	125	-
	2,429	**1,464**	**965**

BILT Graphic Paper Products Limited (BGPPL)

BGPPL had defaulted in payment of interest and repayment of borrowings during current year and the previous year. During the year, BGPPL has executed the 'Master Restructuring Agreement' (MRA) with lenders as per which the borrowings were restructured. (Refer note 45(b) for details of MRA)

The Company has adhered to the repayment terms as per the MRA for assenting lenders, however for non-assenting lenders the amount has been transferred to Trust and Retention account and is outstanding as on 31 March 2018. The particulars of default in payment of interest and repayment of borrowings as at 31 March 2018 is as follows:

Particulars	Default outstanding amount	Upto 3 months	3 to 6 months
Acton Global Private Limited	146	146	-
DBS Bank	70	70	-
HDFC Bank Limited	31	31	-
IDBI Bank Limited	229	229	-
Kotak Mahindra Bank Limited	73	73	-
Invesco MF	45	45	-
IDBI MF	10	10	-
	604	**604**	**-**

The particulars of default in payment of interest and repayment of borrowings as at 31 March 2018 is as follows

Particulars	Default outstanding amount	Upto 3 months	3 to 6 months
IDFC Limited	1,923	961	962
Clix Capital Services Private Limited (formerly GE Money Financial Services Limited)	1,364	682	682
Clix Capital Services Private Limited (formerly GE Money Financial Services Limited)	456	227	229
State Bank of India	1,620	810	810
IDFC Limited	654	444	210
Acton Global Private Limited	200	200	-
AXIS Bank Limited	5,000	2,500	2,500
State Bank of India (Earlier known as State Bank of Patiala)	100	50	50
RABO-ECB	3,604	1,802	1,802
DBS-ECB	1,103	779	324
Non convertible Debentures	10,965	8,465	2,500
	26,989	**16,920**	**10,069**

27 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security Deposit	4,126	3,834	4,740
	4,126	**3,834**	**4,740**

₹ in Lakhs

28 PROVISIONS - NON CURRENT

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provisions for employee benefits			
Provision for gratuity (Refer note 49)	5,761	6,904	7,043
Provision for leave encashment	2,039	2,121	1,882
	7,800	**9,025**	**8,925**

29 OTHER NON CURRENT LIABILITY

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Other Liabilites	21	22	23
	21	**22**	**23**

30 TRADE PAYABLES

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Due to			
Micro and small enterprises	1,715	893	942
Related Parties	17,178	11,311	12,947
Others	86,809	66,801	238,072
	105,702	**79,005**	**251,961**

31 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current maturities of long term debt (refer note (a) below)	236,447	151,221	86,582
Current Maturities Of Finance Lease Obligations	-	-	4
Bank book overdrawn	2,201	-	2,385
Interest accrued but not due on borrowings	81,504	46,131	22,992
Security deposits	1,419	1,657	2,033
Payables for capital goods	2,787	3,020	3,385
Payable to employee	15,124	12,018	7,520
Liability for compulsory / Optional buyback	177	179	181
Other payables	18,923	3,440	101
Unpaid dividends	56	67	80
Derivative Financial Instruments (Interest Swap)	48	1,295	2,009
Interest accured on secutiry deposits	258	267	293
Due to related parties	19,131	-	-
	378,075	**219,295**	**127,565**

(a) Current maturities as at 31 March 2018 includes ₹ 45,840 Lakhs due to lenders who did not opt to the MRA. Refer note 45 (b) (viii).

32 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance received from customers	3,414	1,314	3,215
Statutory dues	4,693	8,651	8,719
	8,107	**9,965**	**11,934**

33 PROVISIONS - CURRENT

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provisions for employee benefits :			
Provision for gratuity (refer note 49)	1,278	1,560	1,002
Provision for leave encashment	1,075	420	439
Others provisions	5,455	2,355	2,245
	7,808	**4,335**	**3,686**

Disclosures pursuant to Ind AS 37 'Provisions, contingent liabilities and contingent assets'

(a) Movement in provisions

₹ in Lakhs

Particulars	Anti- dumping duty	Water cess	Provision for disputed sales tax / VAT liability	Total
As at 1 April 2016	27	2,152	66	2,245
Additional provision during the year	-	225	5	230
Provision used / reversed during the year	-	(120)	-	(120)
As at 31 March 2017	**27**	**2,257**	**71**	**2,355**
Reclassifications	17	-	2,819	2,836
Additional provision during the year	-	349	5	354
Provision used / reversed during the year	-	(90)	-	(90)
As at 31 March 2018	**44**	**2,516**	**2,895**	**5,455**

(b) Nature of provision

(i) Anti-dumping duty

Liability provided for Anti-dumping duty was against import of Latex. During the financial year 2004-05 and 2005-06, Latex was imported against different Bill of Entries, which fell under the tariff heading 'CTH 4002 1100'. During the assessment, statutory authorities treated the goods under the Heading 4002.19 'Styrene Butadiene Rubber' of different series and levied anti-dumping duty vide Notification no. 100/2004-Cus dated 26 September 2004

(ii) Water cess

Provision for Water Cess / Charges refers to liability for water supply charges from Wardha River to the Collector, Chandrapur that is expected to be paid in future.

(iii) Provision for disputed sales tax / VAT liability

Provision created towards obligation of sales tax pertaining to Punjab Purchase Tax 1989-90 to 1994-95, which is pending in Punjab Sales Tax Tribunal at Chandigarh.

₹ in Lakhs

34 CURRENT TAX LIABILITY (NET)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for current taxes (net of income taxes paid)	6,628	3,420	1,411
	6,628	**3,420**	**1,411**

35 REVENUE FROM OPERATIONS

Particulars	2017 - 18	2016 - 17
Sale of products*		
Paper (including coated)	249,449	203,266
Pulp	231	115
Services rendered	-	13
Others	789	9,166
	250,469	**212,560**
Other operating revenue		
Mega project benefit	1,154	3,100
Scrap sale	743	770
Other operating income	238	262
Export incentive	2,010	436
	4,145	**4,568**
	254,614	**217,128**

* Sale of products include excise duty of ₹ 2,744 Lakhs (previous year ₹ 11,262 Lakhs).

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakhs

36	OTHER INCOME		
	Particulars	**2017 - 18**	**2016 - 17**
	Profit on sale of PPE (net)	30	3,494
	Gain on foreign currency fluctuations (net)	424	451
	Rent and license fee	93	83
	Unspent liabilities and excess provisions of earlier years written back	1,126	91
	Interest income	589	84
	Other non operating income	338	2,308
		2,600	**6,511**

37	COST OF MATERIAL CONSUMED		
	Particulars	**2017 - 18**	**2016 - 17**
	Bamboo	5,992	7,484
	Wood and wood species	43,622	30,371
	Chemicals	42,162	31,653
	Wood pulp	31,647	31,998
	Packing materials	6,537	4,535
	Others	791	1,157
		130,751	**107,198**

38	CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN -TRADE AND WORK- IN-PROGRESS		
	Particulars	**2017 - 18**	**2016 - 17**
	Stocks at the beginning of the year		
	Finished goods (including stock in trade)	5,882	22,065
	Work in progress	3,071	10,172
		8,953	**32,237**
	Stocks at the end of the year		
	Finished goods (including stock in trade)	6,760	5,882
	Work in progress	4,961	3,071
		11,721	**8,953**
	Add:Foreign currency translation difference		
	Net (increase)/decrease in stocks	**(2,768)**	**23,284**
	Adjustment for transfer to discontinuing operations	(1,358)	(2,464)
		(4,126)	**20,820**

39	EMPLOYEE BENEFITS EXPENSE		
	Particulars	**2017 - 18**	**2016 - 17**
	Salaries and wages	20,487	24,144
	Contribution to provident and other funds	883	861
	Staff welfare expenses	1,360	1,310
		22,730	**26,315**

40	FINANCE COSTS		
	Particulars	**2017 - 18**	**2016 - 17**
	Interest expenses	80,239	77,901
	Other borrowing costs	8,456	7,182
	Net loss / (gain) in foreign currency transaction and translation	2,864	4,841
		91,559	**89,924**

(a) Net loss/ (gain) in foreign currency transactions and translation refers to the foreign exchange fluctuations on transaction and translation of borrowings in foreign currency.

₹ in Lakhs

41 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	2017 - 18	2016 - 17
Depreciation on property, plant and equipment	26,380	24,969
Amortization of intangible assets	2,225	2,429
	28,605	**27,398**
Adjustment pertaining to discontinued operations	(938)	(951)
	27,667	**26,447**

42 OTHER EXPENSES

Particulars	2017 - 18	2016 - 17
Consumption of stores and spare parts	5,018	3,623
Power and fuel	37,582	24,792
Excise duty on year end inventory of finished goods	(22)	(819)
Rent	1,051	2,901
Repairs to buildings	261	228
Repairs to machinery	4,307	2,740
Repairs others	802	531
Loss on foreign currency fluctuations (net)	133	2
Insurance	374	397
Rates and taxes	537	672
Other manufacturing expenses	533	403
Office & other expenses	7,732	8,247
Bank charges	125	145
Commission on Sale	923	1,475
CSR Expenses	-	79
Selling expenses	572	1,801
Bad Debts and allowance for impairment of financial assets (net)	1,090	21,519
Inventory written off	-	22
Balances written off (net)	235	-
Carriage and freight	3,290	2,658
Detention & demurrage charges	(1,167)	3,480
Director sitting fees	93	89
Legal and professional charges	4,274	2,075
Miscellaneous Expenses	26	7
	67,769	**77,067**

43 EXCEPTIONAL ITEMS

Exceptional items for the financial year 2017-18 includes exceptional gain of ₹ 106,958 Lakhs (previous year ₹ Nil) and exceptional loss of ₹ 125,970 Lakhs (Previous year ₹ 30,630 Lakhs). Exceptional gain represent one time settlement gain on execution of Master Restructuring Agreement (MRA) with lenders in BILT Graphic Paper Products Limited, a subsidiary company (Refer Note 45). Exceptional loss represents impairment of property, plant and equipment of ₹ 3,144 Lakhs, impairment of inventory amounting to ₹ 24,058 Lakhs and write off of certain financial assets of ₹ 98,768 Lakhs.

Exceptional items for the year 2016-17 represents impairment of property, plant and equipment amounting to ₹ 20,100 Lakhs, write off of inventory amounting to ₹ 4771 Lakhs, write off of advance to suppliers amounting to ₹ 278 Lakhs and penal interest of ₹ 5,481 Lakhs.

44 RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

(a) During the year the Parent company had identified certain receivables which were not classified as financial asset for the purpose of impairment assessment under Ind AS 109. The Parent company has applied its impairment policy and recognized impairment loss of ₹ 92,422 Lakhs upto 31 March 2016 and ₹ 20,930 Lakhs for the financial year 2016-17 and accordingly restated the prior year financial statements (financial year 2016-17) and the opening balance of assets, liabilities and equity as at 1 April 2016. The restatement has resulted in a decrease in the retained earnings as at 31 March 2017 and 1 April 2016 by ₹ 113,352 Lakhs and ₹ 92,422 Lakhs respectively, an increase in the other expenses for the year 2016-17 by ₹ 20,930 Lakhs and a decrease in the basic and diluted earnings per share by ₹ 3.19 per share (loss) (Refer note 51). The said financial assets of ₹ 98,820 Lakhs (net of provision of ₹ 113,352 Lakhs) as at 31 March 2017 and ₹ 121,210 Lakhs (net of provision of ₹ 92,422 Lakhs) as at 1 April 2016 have been included as part of financial assets in Note 19.

(b) During the year, on implementation of the Master Restructuring Agreement (MRA) (Refer Note 45) in BILT Graphic Paper Products Limited, the Group performed a thorough review of the interest accrued in the books and identified that the finance cost recognized for the year 2015-16 was lower by ₹ 13,440 Lakhs on account of re-computation of interest using effective interest rate method. Accordingly, as per the requirements of Ind AS 8, the Group has restated the opening balances of assets, liabilities and equity, as applicable, for the financial year 2016-17. This has increased the other financial liabilities and reduced the retained earnings as at 1 April 2016 and 31 March 2017 by the said amount.

Further as required by Ind AS 1, consequent to retrospective restatement of items in the financial statements, the Company has presented consolidated balance sheet as at 01 April 2016.

45 DEBT RESTRUCTURING

(a) Strategic Debt Restructuring (SDR) at Holding Company

The Holding company had defaulted in repayment of borrowings and payment of interest to the lenders on account of which a 'Joint Lender Forum' (JLF) was formed. In the JLF meeting held on 28 December 2016 the lender invoked the 'Strategic Debt Restructuring Scheme' (SDR) dated 8 June 2015, as amended, issued by the Reserve Bank of India.

Further in the JLF held on 5 May 2017, the lenders agreed for conversion of portion of the borrowings, including interest, into equity. Accordingly borrowings and interest totalling to ₹ 100,985 Lakhs was converted into equity and the Company issued 637,931,917 equity shares to the lenders at a price of ₹ 15.83 per share (face value ₹ 2/- per share) on a preferential basis in compliance with the provisions of Companies Act 2013 and other statutory requirements, as applicable.

Post implementation of the SDR, the equity share capital of the Company is ₹ 25,871 Lakhs which comprises 1,293,455,756 equity shares of ₹ 2/- each.

(b) Debt restructuring at BILT Graphic Paper Products Limited (BGPPL)

BGPPL had availed various secured /unsecured financial facilities from the banks and financial institutions ('the Lenders'). The Board of Directors of BGPPL at their meeting held on 07 November 2017 recommended the lenders to re-align its financial obligations under a Corrective Action Plan (CAP) in form of a scheme to restructure the debt of the Company based on re-assessed cash flows of BGPPL.

Resolution plan

A Corrective Action Plan ('CAP') based on the re-assessed cashflows of BGPPL was presented to lenders and in the Joint Lenders Forum (JLF) held on 31 May 2017, lenders in principally agreed with the Scheme contours which was finally approved by majority of the lenders (representing 85% of lenders by value and 84% by numbers based on the lenders who were presented and voted on the scheme) in the JLF held on 28 July 2017. The Scheme was subsequently put up to the Independent Evaluation Committee (IEC) of Reserve Bank of India (RBI), which also approved the same its order dated 13 November 2017.

The Company executed the Master Restructuring Agreement (MRA) dated 06 December 2017 and an Amendment to MRA dated 06 March 2018 with lenders and has been signed by 22 lenders except for seven lenders who either abstained from the voting or did not agree with the Scheme. Post-execution of the MRA by majority of the lenders, the Company is entitled to the reliefs and concessions granted by the lenders, with effect from the cut-off date 31 March 2017 ("COD"). However, IDBI Bank, one of the non-assenting lender, has initiated Corporate Insolvency Resolution Process ("CIRP") against the Company under the provisions of the Insolvency and Bankruptcy Code, 2016. The Company has appealed to the Hon'ble High Court of Delhi and obtained an order to maintain status quo. Further, the Company has obtained an opinion from its legal counsel and referred to the conditions stipulated in the RBI Circular dated 5 May 2017 for the purpose of giving effect of the MRA in the books of account for the year ended 31 March 2018.

Considering the MRA has been signed by a majority of lenders (except the non-assenting lenders) and further based on the legal opinion and the conditions stipulated in the aforesaid RBI Circular, the company has complied with all the necessary conditions as per the RBI Guidelines. Accordingly, the MRA (reclassification, interest calculations, one-time settlement) has been implemented for all lenders as at 31 March 2018 with effect from the COD. The scheme envisages the following:

(i) The promoters were required to contribute funds in accordance with the MRA. As a consequence, contribution envisaged in the Resolution Plan was brought upfront and was transferred to the Trust and Retention Account.

(ii) The existing borrowing (comprising of the term loan, non-convertible debentures, short-term borrowings, and other working capital facilities) amounting to ₹ 268,876 lakhs have been classified as Rupee term Loans ("RTL 1") including current maturities. The interest rate for the RTL 1 lenders is 9% and is also linked to the 1 year Marginal Cost of funds Based Lending Rate ("MCLR") of Axis Bank Limited with an annual reset option to RTL I lenders. During the year the Company has repaid principal of ₹ 532 lakhs and interest of ₹ 1,761 lakhs to assenting lenders and transferred ₹ 140 lakhs to Trust and Retention account for the non-assenting lender. The amount outstanding as on 31 March 2018 has been classified as long-term RTL 1 (non-current) is ₹ 266,860 lakhs and short-term RTL (current) is ₹ 1,484 lakhs.

(iii) The interest due on the RTL 1 from 01 April 2017 till 28 February 2018 at revised interest rate amounting to ₹ 22,143 lakhs has been converted into Funded Interest Term Loan ("FITL"). The interest rate for the FITL lenders is 9% and is also linked to the 1 year MCLR of Axis Bank Limited with an annual reset option to FITL Lenders. The amount classified as long-term FITL (non-current) is ₹ 22,088 lakhs and short-term FITL (current) is ₹ 55 lakhs.

(iv) The existing borrowing (comprising of the term loan, non-convertible debentures, short-term borrowings, and other working capital facilities) amounting to ₹ 88,211 lakhs including current maturities are earmarked to the lenders for the aforesaid purpose and the same has been classified as long-term Non-Convertible Debentures ("NCDs"). The interest rate for the NCDs lenders is 9%, shall accrue till 31 March 2027 on a monthly basis and shall be compounded annually. Further, the interest rate is also linked to the 1 year MCLR of Axis Bank Limited with an annual reset option to NCD Lenders.

Redemption of the NCDs shall have a bullet maturity date of 31 March 2027, further NCD lenders have the option at their discretion, subscribe to fresh NCDs with a principal aggregate value equivalent to the aggregate of

(i) the principal outstanding amount of the NCDs; and

(ii) the interest/coupon accumulated till 31 March 2027 on the NCDs, with the purpose of refinancing the principal outstanding amount along with the interest/coupon accumulated till 31 March 2027 on the NCDs.

(v) The existing borrowing (comprising of the term loan, non-convertible debentures, short-term borrowings, and other working capital facilities) amounting to ₹ 44,109 lakhs including current maturities has been proposed to be converted into Equity Shares ("ES"). The equity shares of BGPPL shall be issued at a price of ₹ 20.91 (face value of ₹ 10 per equity share) on a preferential basis in compliance with the requirements of the Companies Act, 2013, the SEBI (ICDR) Regulations, 2009 (if applicable) and all other applicable laws to all Lenders. The equity shares to be issued to the lenders are earmarked for the aforesaid purpose as on 31 March 2018 and the same has been disclosed as a separate component under Other Equity.

(vi) The existing borrowing (comprising of the term loan, non-convertible debentures, short-term borrowings, and other working capital facilities) amounting to ₹ 58,095 lakhs including current maturities has been proposed to be converted into 0.01% Compulsory Redeemable Preference Shares ("CRPS") and are earmarked for the aforesaid purpose as on 31 March 2018. Redemption of the CRPS amounting to ₹ 26,132 lakhs shall be on 31 March 2034 and for the balance amount of ₹ 31,963 lakhs shall be on 31 March 2035. Refer significant accounting policies accompanying the financial statements on the accounting treatment of CRPS (Refer Note 3). The amount of borrowing converted into equity shares (Refer (v) above) and CRPS as stated above has resulted in a reduction of ₹ 89,336 lakhs of borrowing and thereby resulting in a reduction of finance cost.

(vii) The External Commercial Borrowing ("ECB") lenders amounting to ₹ 25,267 lakhs (USD 38.94 Million) which are covered under the MRA are subject to the compliance with the Master Directions on ECB issued by the RBI and hence no restructuring was accounted for the ECB lenders in the books of account of the Company as at 31 March 2018. The ECB including accrued interest have been reinstated as on 31 March 2018 and classified under current maturities.

(viii) The unsecured lenders who did not opt to convert the outstanding debt including accrued interest aggregating to ₹ 152,798 lakhs including current maturities as on the COD into RTL I, FITL, NCD, CRPS, ES have agreed to accept the amount at a reduced value of Rs 45,840 lakhs and waived the balance portion amounting to Rs 106,958 lakhs and the same has been accounted as exceptional item during the year. The Company in the amendment agreement to the MRA has agreed with the lenders to pay interest at the rate of 9% for the period from 08 March 2018 till the date of settlement.

(ix) From the COD, the interest on the restructured debts has been recomputed at interest rate agreed with lenders at 9% pursuant to which there has been a reduction in interest cost amounting to ₹ 35,321 Lakhs.

(x) Out of the non-assenting lenders, balances of two lenders are subject to confirmation as at 31 March 2018

46 GOING CONCERN

(a) Holding company ("BILT")

The Group's operations were significantly affected during previous years due to lack of adequate working capital resulting in significant operating losses. The Group has implemented a Strategic Debt Restructuring Scheme at the Parent Company (Refer Note 45) and has also implemented a Master Restructuring Agreement (MRA) (Refer note 45) at Bilt Graphic Paper Products Limited (BGPPL), a stepdown subsidiary, which has resulted in a substantial reduction in the finance cost burden on the Group. Owing to improvement in the availability of working capital, the Group was able to operate the manufacturing facilities at Yamunanagar (Shree Gopal Unit), Bhigwan, and Ballarpur without major shutdowns. The Group has also started operating the manufacturing unit at SEWA, Odisha on an operate, maintain and manage basis and is actively pursuing to dispose the plant on a profitable basis to further ease out the financial stress (Refer note 57). The Group has taken various initiatives to recommence operations of its manufacturing facility at Kamalapuram and is confident of achieving the same in the next 12 months.

After taking into account the various initiatives taken by the Group, the management has reviewed the future operating cash flows and is confident of generating future sustainable cash flows to meet its operating the financing commitments. Accordingly the financial statements are prepared on a going concern basis, which contemplates restructuring of borrowings and the realisation of the assets and settlement of liabilities in the normal course of business including the financial support to its subsidiaries.

₹ in Lakhs

47 CONTINGENT LIABLITIES AND COMMITMENTS

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(a) Contingent liabilities			
Claims against the Company not acknowledged as debts	127,597	101,685	76,345
Guarantees issued by the Group to banks towards farmers' loans	4	4	4
	127,601	**101,689**	**76,349**
(b) Committemnts			
Estimated amount of contracts;			
(i) Property, plant and equipment	850	1,233	1,710
	850	**1,233**	**1,710**

The Contingent liabilities includes ₹ 29,837 Lakhs (As at 31 March 2017 - ₹ 29,837 Lakhs) pursuant to a notice from Office of the Executive Engineer, Upper Kolab Head Works Division, to Unit Sewa for recovery towards water drawn from Kolab river upto the end of December 2008 for which reply has been filed. Currently, the challenge against the constitutional validity of this recovery is still pending before High Court of Odisha.

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 that 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.

48 PUT OPTIONS

The Parent company has given certain Put Options to the Private Equity (PE) Investors of its stepdown subsidiary, Bilt Paper BV. The Group is not in a position to quantify the liability towards put options due to the ongoing financial restructuring with lenders.

49 DISCLOSURE PURSUANT TO IND AS 19 'EMPLOYEE BENEFITS'

(a) Defined contribution plan

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

₹ in Lakhs

Particulars	2017-18	2016-17
Employer's contribution to provident fund	397	372
Employer's contribution to superannuation fund	62	47
Employer's contribution to pension scheme	424	442
	883	**861**

(b) Defined benefit plan

i) Nature of the benefit

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.

ii) Amounts recognized in balance sheet

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
	Gratuity	Gratuity
Present value of defined benefit obligation		
- wholly funded	770	746
- wholly unfunded	6,478	7,941
	7,248	**8,687**
Less: Fair value of plan assets	209	223
Amount recognized as a liability / (asset)	**7,039**	**8,464**
Net liability / (asset) - current	1,278	1,560
Net liability / (asset) - non-current	5,761	6,904

iii) Reconciliation of opening and closing balances of the present value of the obligations

Particulars	2017-18		2016-17	
	Gratuity (funded)	Gratuity (unfunded)	Gratuity (funded)	Gratuity (unfunded)
Opening balance of present value of obligation	746	7,941	652	7,590
Current service cost	51	345	86	343
Interest on obligation	54	465	50	584
Re-Measurement (or Actuarial) (gain) / loss arising from:				
- change in demographic assumptions	(14)	4	(17)	35
- change in financial assumptions	(19)	(248)	(30)	249
- experience variance (i.e. Actual experience vs assumptions)	(23)	(142)	27	27
Past service cost	4	64	-	-
Benefits paid	(29)	(422)	(22)	(887)
Less: Reclassified under held for sale	-	(1,529)	-	-
Closing balance of present value of obligation	**770**	**6,478**	**746**	**7,941**

iv) Reconciliation of opening and closing balances of the fair value of plan assets

Particulars	2017-18		2016-17	
	Gratuity (funded)	Gratuity (unfunded)	Gratuity (funded)	Gratuity (unfunded)
Opening balance of fair value of plan assets	223	-	197	-
Investment Income	16	-	15	-
Contributions/Effects of business combinations or disposals	6	-	34	-
Benefits Paid	(29)	-	(22)	-
Return on plan assets, excluding amount recognised in net interest expense	(7)	-	(1)	-
Closing balance of fair value of plan assets	**209**	**-**	**223**	**-**

Expected contribution to the Gratuity Fund for FY 2018-19 - ₹ 625 lakhs

v) Amount recognized in statement of profit and loss

Particulars	2017-18		2016-17	
	Gratuity (funded)	Gratuity (unfunded)	Gratuity (funded)	Gratuity (unfunded)
a) Statement of profit or loss				
Current service cost	51	345	86	343
Past service cost	4	64	-	-
Net interest income / (cost) on the net defined benefit liability (Assets)	38	465	35	584
Total expenses recognized in profit or loss - [A]	**93**	**874**	**121**	**927**

₹ in Lakhs

Particulars	2017-18		2016-17	
	Gratuity (funded)	Gratuity (unfunded)	Gratuity (funded)	Gratuity (unfunded)
b) Other Comprehensive Income (OCI):				
Actuarial (gain) / losses				
- change in demographic assumptions	(14)	4	(17)	35
- change in financial assumptions	(19)	(248)	(30)	229
- experience variance (i.e. Actual experience vs assumptions)	(23)	(142)	27	27
Return on plan assets, excluding amount recognised in net interest expense	7	-	1	-
Re-measurement (or acturial) (gain) / loss arising because of change in effect assets ceiling	-	-	(20)	-
	(49)	**(386)**	**(39)**	**291**
Remeasurement of defined benefit obligation pertaining to discontinued operations (Refer Note 57)	-	122	-	20
Total expenses recognized in OCI - [B]	**(49)**	**(264)**	**(39)**	**311**
Total expenses recognized in Statement of profit and loss [A+B]	**44**	**610**	**82**	**1,238**

vi) Change in effects of assets ceiling

Particulars	2017-18		2016-17	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Effect of assets celing at the beginning of the year	-	-	-	-
Interest expense or Cost (to the extent not recognised in net interest expenses)	-	-	50	-
Re-measurement (or acturial) (gain) / (loss) arising because of change in effect assets ceiling	-	-	20	-
Effect of assets celing at the end of the year	**-**	**-**	**70**	**-**

vii) Principal assumptions

Economic assumptions

Particulars	As at 31 March 2018		As at 31 March 2017	
	Gratuity (funded)	Gratuity (unfunded)	Gratuity (funded)	Gratuity (unfunded)
Discount rate	7.50%	7.25% - 7.74%	7.25%	7.15% - 7.25%
Salary growth rate	5.00%	0.00% - 6.00%	5.00%	5.00% - 8.00%

Demographic assumptions

Particulars	As at 31 March 2018		As at 31 March 2017	
	Gratuity (funded)	Gratuity (unfunded)	Gratuity (funded)	Gratuity (unfunded)
Retirement age (years)	60/58	60/58	60/58	60/58
Mortality Rate (as % of IALM 06-08)	100.00%	100.00%	100.00%	100.00%
Withdrawal/Attrition rate				
Upto 30 years	3.00%	0.20% - 7.00%	2.00%	2.00% - 10.00%
From 31 years to 44 years	3.00%	2.00% - 15.00%	2.00%	2.00% - 10.00%
More than 44 years	3.00%	2.00% - 5.93%	2.00%	2.00% - 10.00%

viii) Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflow)

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Gratuity (in years)	4 to 12.49	4 to 12

Expected cash flows over the next (valued on undiscounted basis)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Gratuity (funded)	Gratuity (unfunded)	Gratuity (funded)	Gratuity (unfunded)
1 year	48	1,234	37	993
2 to 5 years	193	2,912	150	2,749
6 to 10 years	333	2,292	240	2,092
More than 10 years	1,313	5,548	1,271	4,637

ix) Sensitivity Anaiysis

Particulars	Changes in assumptions	As at 31 March 2018		As at 31 March 2017	
		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%	(445)	509	(420)	490
Salary growth rate	+/- 1%	530	(470)	475	(418)
Attrition rate	+/- 50%	90	(102)	92	(95)
Mortality rate	+/- 10%	23	(81)	33	(27)

x) Major risks to the plan

Actuarial valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in provision the gratuity benefit which are as follows:

1) Interest rate risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

2) Liquidity risk

This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

3) Salary esclation risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of oblgation will have a bearing on the plan's liabilty.

4) Demographic risk

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

5) Regulatory risk

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

50 DISCLOSURE OF RELATED PARTIES / RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 'RELATED PARTY DISCLOSURES'

(a) Details of related parties with whom transactions were carried out during the year

(i) Key management personnel (KMP)

1) Mr. B. Hariharan

2) Mr. Gautam Thapar

(ii) Enterprise over which KMP is able to exercise control with whom the Group has entered into transactions during the year

1) Saraswati Travels Private Limited
2) SMI New Quest India Private Limited
3) Biltech Building Elements Limited
4) CG Power and Industrial Solutions Limited *(formerly known as Crompton Greaves Limited)*
5) Avantha Holdings Limited
6) Imerys Newquest (India) Private Limited.
7) Avantha Realty Limited
8) Mirabelle Trading Pte. Limited.
9) Varun Prakashan Private Limited
10) BILT Industrial Packing Company Limited
11) Solaris Chemtech Industries Limited
12) UHL Power Company Limited
13) Avantha Power and Infrastructure Limited
14) Global Green Company Limited
15) Avantha International Asset B.V
16) Avantha International Holding B.V
17) TAF Asset 2 BV
18) MTP New Ocean (Mauritius) Limited
19) Korba West Power Company Limited
20) CG Middle East FZE
21) Salient Business Solutions Limited
22) Avantha Technologies Limited
23) Jhabua Power Limited
24) Karam Chand Thapar & Bros. Ltd-PF Trust
25) JCT Mills Ltd
26) New Quest Insurance Broking Services Limited
27) Arizona Printers and Packers Private Limited

(b) Details of related party transactions

₹ in Lakhs

Particulars	2017-18		2016-17	
(i) Purchase of goods and services				
Biltech Building Elements Limited	187		179	
Saraswati Travels Private Limted	3		25	
SMI New Quest India Private Limited	5,259		2,977	
CG Power and Industrial Solutions Limited	11		3	
Imerys Newquest (India) Private Limited	4,602		3,116	
Mirabelle Trading Pte. Limited	3,771		195	
Global Green Company Limited	3		-	
Avantha Holdings Limited	6		25	
		13,842		**6,520**
(ii) Sale of goods and services				
SMI New Quest India Private Limited	279		158	
Biltech Building Elements Limited	72		54	
Avantha Holdings Limited	52		53	
Imerys Newquest (India) Private Limited	415		354	
Global Green Company Limited	80		1	
		898		**620**
(iii) Rental expense				
Avantha Realty Limited	443		1,275	
		443		**1,275**
(iv) Rental income				
SMI New Quest India Private Limited	67		56	
Avantha Holdings Limited	8		8	
Imerys Newquest (India) Private Limited	-		2	
		75		**66**
(v) Interest income				
Avantha Realty Limited	-		300	
Mirabelle Trading Pte. Limited	-		32	
Avantha Holdings Limited	-		134	
		-		**466**

₹ in Lakhs

Particulars	2017-18		2016-17	
(vi) Interest expense				
Mirabelle Trading Pte. Limited	59		-	
Karam Chand Thapar & Bros. Ltd-PF Trust	1		-	
		60		**-**
(vii) Advances given				
1) Other related parties				
Mirabelle Trading Pte. Ltd.	-		5,239	
		-		**5,239**
(viii) Repayment of advance by related party				
Mirabelle Trading Pte. Limited	10,936		3,587	
		10,936		**3,587**
(ix) Director's sitting fees				
Mr. Gautam Thapar	2		1	
		2		**1**
(x) Payment of PF and loan recoveries				
Karam Chand Thapar & Bros. Ltd-PF Trust	1,612		1,702	
		1,612		**1,702**
(xi) Commission income				
1) Other Related Parties				
MTP New Ocean (Mauritius) Limited	87		-	
		87		**-**
(xii) Commission expense				
1) Other Related Parties				
MTP New Ocean (Mauritius) Limited	-		129	
		-		**129**
(xiii) Brand royalty expenses (net of reversals)				
1) Other Related Parties				
Avantha Holdings Limited	(115)		214	
		(115)		**214**
(xiv) Loans given to related parties				
1) Other related parties				
Varun Prakashan Private Ltd	6,143		-	
		6,143		**-**
(xv) Loans received from related parties				
Avantha Holdings Limited*	4,873		28,280	
		4,873		**28,280**
* Net of repayments of ₹ 5,344 Lakhs (financial year 2016-17- ₹ 71,705 Lakhs)				
(xvi) Repayment of loans by related parties				
Varun Prakashan Private Ltd.	1,330		-	
Solaris Chemtech Industries Limited	-		7,500	
		1,330		**7,500**
(xvii) Allotment of share capital (including share premium)				
Avantha Holdings Limited	3,820		-	
		3,820		**-**
(xviii) Payment for services of KMP				
Mr. B Hariharan	467		466	
		467		**466**

(c) Balances due to related parties

₹ in Lakhs

Particulars		As at 31 March 2018		As at 31 March 2017	
		Due to	Due from	Due to	Due from
1)	Korba West Power Company Limited	1		-	
2)	Solaris Chemtech Industries Limited	1,974		5,257	
3)	Avantha Power and Infrastructure Limited	103		103	
4)	Avantha Realty Limited	7,401		344	
5)	Avantha Holdings Limited	3,917		-	10,301
6)	Karam Chand Thapar & Bros. Ltd-PF Trust	1,172		830	
7)	CG Power and Industrial Solutions Limited	5,114		5,105	
8)	CG Middle East FZE	1,936		-	
9)	Saraswati Travels Private Limted	85		37	
10)	SMI New Quest India Private Limited	3,979		5,312	
11)	MTP New Ocean (Mauritius) Limited	658		655	
12)	Imerys New Quest (India) Private Limited	2,785		4,515	
13)	BILT Industrial Packaging Company Ltd		858		859
14)	Global Green Company Limited		392		376
15)	JCT Mills Ltd		5		5
16)	Arizona Printers & Packers Pvt. Ltd		1		1
17)	UHL Power Company Limited		473		473
18)	Varun Prakashan Private Ltd		4,813		-
19)	Biltech Building Elements Limited		1,300		1,290
20)	Salient Business Solutions Limited		-		0
21)	Avantha Technologies Limited		-		43
22)	Mirabelle Trading Pte. Ltd.		11,680		28,620
23)	Jhabua Power Limited		0		-
24)	New Quest Insurance Broking Services Limited		0		0
25)	Avantha International Asset B.V		63		660
26)	Avantha International Holdings B.V		1		1
27)	TAF Asset 2 B.V		2		2
		29,125	**19,588**	**22,158**	**42,631**
Key management personnel					
1)	Mr. B. Hariharan		5		5
		29,125	**19,593**	**22,158**	**42,636**

(d) Terms and conditions of transactions with related parties

(i) All the transactions with related parties entered during the year were in the ordinary course of business.

(ii) Balances due to and due from related parties, other than interest bearing loans, are unsecured, interest free and will be settled in cash. There are no guarantees provided or received for any related party receivables or payables.

(iii) For the year ended 31 March 2018, the Company has not recognized any impairment of receivables relating to amounts due from related parties (2016-17 - ₹ Nil). This assessment is undertaken each financial year examining the financial position of the related party and the market in which the related party operates.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

51 BASIC AND DILUTED EARNINGS PER SHARE (EPS) COMPUTED IN ACCORDANCE WITH IND AS 33 'EARNINGS PER SHARE'

(a) Weighted average number of equity shares

Particulars		2017 - 18	2016 - 17
Shares outstanding as at the beginning of the year	(nos)	655,523,839	655,523,839
Shares issued during the year	(nos)	637,931,917	-
Shares outstanding as at the end of the year	(nos)	1,293,455,756	655,523,839
Weighted average number of shares outstanding	(nos)	**1,092,463,508**	**655,523,839**

(b) From continuing operations

Particulars		2017 - 18	2016 - 17*
Loss for the year from continuting operations (₹ Lakhs)	[A]	(86,411)	(158,138)
Share of non-controlling interest (₹ Lakhs)	[B]	(18,206)	(30,911)
Loss from continuing operations attributable to the owners of the Company (₹ Lakhs)	[C=A-B]	**(68,205)**	**(127,227)**
Weighted average number of shares outstanding (Nos)	[D]	1,092,463,508	655,523,839
Basic and diluted Earnings per share (₹)	[E=C/D]	(6.24)	(19.41)
Face value per equity share (₹)		2	2

* Restated - Refer note 44. The impact of the restatement on the basic and diluted EPS is ₹ 3.19 (loss) and the basic and diluted EPS before restatement is ₹ 16.22 (loss)

(c) From discontinued operations

Particulars		2017 - 18	2016 - 17*
Loss for the year from discontinued operations (₹ Lakhs)	[A]	(117,149)	(48,974)
Share of non-controlling interest (₹ Lakhs)	[B]	(45,859)	(19,092)
Loss from discontinued operations attributable to the owners of the Company (₹ Lakhs)	[C=A-B]	**(71,290)**	**(29,882)**
Weighted average number of shares outstanding (Nos)	[D]	1,092,463,508	655,523,839
Basic and diluted Earnings per share (₹)	[E=C/D]	(6.53)	(4.56)
Face value per equity share (₹)		2	2

* Restated - Refer note 44.

(d) From total operations (continuing and discontinued operations)

Particulars		2017 - 18	2016 - 17 *
Loss for the year (₹ Lakhs)	[A]	(203,560)	(207,112)
Share of non-controlling interest (₹ Lakhs)	[B]	(64,065)	(50,003)
Loss from attributable to the owners of the Company (₹ Lakhs)	[C=A-B]	**(139,495)**	**(157,109)**
Weighted average number of shares outstanding (Nos)	[D]	1,092,463,508	655,523,839
Basic and diluted Earnings per share (₹)	[E=C/D]	(12.77)	(23.97)
Face value per equity share (₹)		2	2

* Restated - Refer note 44. The impact of the restatement on the basic and diluted EPS is ₹ 3.19 (loss) and the basic and diluted EPS before restatement is ₹ 20.77 (loss)

52 DISCLOSURE PURSUANT TO IND AS 108 'OPERATING SEGMENTS'

(a) Factors used in identifying segments

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Group's 'Chief Operating Decision Maker'(CODM), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Group had reported 'Paper' and 'Paper products & office supplies' and 'Pulp' as three operating segments under Ind AS 108 upto financial year 2016-17. On account of discontinuation of the 'Paper products & office supplies' segment and recent changes in the operations, the manner in which the CODM reviews the operations of the Group has changed. At present the CODM reviews the operations as 'coated paper' and 'uncoated paper', identified in the manner stated above. The segment disclosures for the year 2017-18 has been made in line with the revised operating segments and the comparatives for the year 2016-17 has been restated to align with the revised operating segments.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Group.

(i) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

(ii) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

(b) Segment information

₹ in Lakhs

Particulars		2017-18			
		Uncoated Paper	Coated Paper	Others	Total
A	**Segment revenue**				
	External customers (Gross)	168,099	74,443	7,927	250,469
	Inter-Segment	-	-	1,544	1,544
	Total revenue (Gross)	168,099	74,443	9,471	252,013
	Less: Excise duty	(2,094)	(566)	(84)	(2,744)
	Total reveune (net)	**166,005**	**73,877**	**9,387**	**249,269**
	Less: Elimination of inter segment revenue	-	-	(1,544)	(1,544)
	External customers (net)	**166,005**	**73,877**	**7,843**	**247,725**
B	**Segment results**				
	Segment results before interest income and exceptional items	10,584	74	(3,730)	6,928
	Interest income	454	109	26	589
	Exceptional items (Net) (Refer note 43)	(18,835)	-	(177)	(19,012)
		(7,797)	**183**	**(3,881)**	**(11,495)**
C	**Reconciliation of segment results with profit / (loss) before tax**				
	Segment results				(11,495)
	Finance cost				91,559
	Profit / (Loss) before tax				**(103,054)**
D	**Specified amounts inlcuded in segment results**				
	Interest income	454	109	26	589
	Depreciation and amortization	21,043	5,526	1,098	27,667
	Bad debts, provision for expected credit loss, doubtful debts and advances (net)	1,088	-	2	1,090
	Profit on sale of property, plant and equipment	30	-	-	30
	Exceptional items (Net) (Refer note 43)	18,835	-	177	19,012

Particulars		2016-17			
		Uncoated Paper	Coated Paper	Others	Total
A	**Segment revenue**				
	External customers (Gross)	115,146	83,848	13,566	212,560
	Inter-Segment	-	-	5,796	5,796
	Total revenue (Gross)	115,146	83,848	19,362	218,356
	Less: Excise duty	(6,273)	(4,609)	(380)	(11,262)
	Total reveune (net)	**108,873**	**79,239**	**18,982**	**207,094**
	Less: Elimination of inter segment revenue	-	-	(5,796)	(5,796)
	External customers (net)	**108,873**	**79,239**	**13,186**	**201,298**

₹ in Lakhs

Particulars		2016-17			
		Uncoated Paper	Coated Paper	Others	Total
B	**Segment results**				
	Segment results before interest income and exceptional items	(48,153)	2,694	(5,441)	(50,900)
	Interest income	84	-	-	84
	Exceptional items (Net) (Refer note 43)	(5,481)	-	(25,149)	(30,630)
		(53,550)	**2,694**	**(30,590)**	**(81,446)**
C	**Reconciliation of segment results with profit / (loss) before tax**				
	Segment results				(81,446)
	Finance cost				89,924
	Other unallocable expenditure				309
	Profit / (Loss) before tax				**(171,679)**
D	**Specified amounts inlcuded in segment results**				
	Interest income	84	-	-	84
	Depreciation and amortization	19,308	5,531	1,608	26,447
	Bad debts, provision for expected credit loss, doubtful debts and advances (net)	21,519	-	-	21,519
	Profit on sale of property, plant and equipment	3,488	4	2	3,494
	Exceptional items (Net) (Refer note 43)	5,481	-	25,149	30,630

(c) Segment assets and liabilities

Particulars	As at 31 March 2018				As at 31 March 2017			
	Uncoated Paper	Coated Paper	Others	Total	Uncoated Paper	Coated Paper	Others	Total
Segment assets	564,147	274,844	40,447	879,438	727,730	267,824	44,475	1,040,029
Unallocable corporate assets								
Cash and cash equivalents				12,970				10,917
Other bank balances				1,227				1,284
Deferred tax assets				21,861				5,235
Current tax assets (net)				-				806
Investments				3				4,056
Assets associated with group of assets classified as held for sale and discontinued operations				236,217				259,559
Total assets	**564,147**	**274,844**	**40,447**	**1,151,716**	**727,730**	**267,824**	**44,475**	**1,321,886**
Segment liabilities	235,887	23,383	17,585	276,855	146,839	24,251	4,159	175,249
Unallocable corporate liabilities								
Non current borrowings (excluding deferred payment liabilities)				477,876				350,087
Current borrowings				120,307				508,448
Current maturities of non current borrowings				236,447				151,221
Deferred tax liabilities (net)				460				523
Current tax liabilities (net)				6,628				3,420
Liabilities associated with group of assets classified as held for sale and discontinued operations				15,348				92,166
Total liabilities	**235,887**	**23,383**	**17,585**	**1,133,921**	**146,839**	**24,251**	**4,159**	**1,281,114**
Additions to non-current assets	2,953	4	9	**2,966**	11,755	171	41	**11,967**

(d) Geographic information

(i) Revenue from external customers

₹ in Lakhs

Particulars	2017-18	2016-17
India	205,746	204,551
Outside India	44,723	8,009
	250,469	**212,560**

(ii) The amount of revenues from external customers attributed to individual foreign countries is not material.

(iii) Customer information

There are no single external customer where the revenues from transactions with them amount to 10 per cent or more of Company's total revenue.

(iv) Location of non current assets

Particulars	As at 31 March 2018	As at 31 March 2017
India	756,251	830,709
Outside India	8,294	10,020
	764,545	**840,729**

53 INCOME TAXES

(a) Components of income tax expense / (income)

Particulars	2017 - 18	2016 - 17
Income tax recognized in statement of profit or loss		
(i) Current tax:		
Current income tax charge	2	-
Adjustment in respect to previous years	10	-
	12	**-**
(ii) Deferred tax:(Refer note 13)		
Relating to origination and reversal of temporary differences	(18,976)	40,084
Deferred tax asset recognized on unused tax losses and depreciation	2,321	(53,625)
	(16,655)	**(13,541)**
Income tax recognized in Other comprehensive income		
(i) Deferred tax:		
Remeasurements of defined benefit plans	**-**	**1**

(b) The Holding company does not have taxable income for the current and previsous year. Except one subsidiary, none of the subsidiaries have taxable income for the current year. Accordingly calculation of effective tax rate and reconciliation of income tax expense to the accounting profit is not relevant and hence not applicable.

54 DISCLOSURES PURSUANT TO IND AS 17 LEASES:

(a) Where the Group is a lessee

(i) Operating leases:

1) Property, plant and equipment acquired on non-cancellable operating lease comprises Buildings, the future minimum lease payments in respect of these non-cancellable operating leases are as follows:

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Payable not later than 1 year	575	729
Payable later than 1 year and not later than 5 years	392	728
Payable later than 5 years	-	-
	967	**1,457**

2) Lease rental expense recognised in the Statement of Profit and Loss for the year is ₹ 1,364 Lakhs (previous year: ₹ 3,365 Lakhs) including contingent rent of ₹ Nil (Previous year ₹ Nil). This includes ₹ 313 Lakhs (previous year ₹ 464 Lakhs pertaining to discontinued operations.

3) Significant lease agreements can be renewed on mutual consent of the parties and are normally renewed on expiry.

4) There are no exceptional / restrictive covenants imposed in these lease agreements.

(b) Where the Group is a lessor

(i) Operating leases:

The Group has given a property (Building) under cancellable operating leases. These lease agreements are normally renewed on expiry. There are no exceptional / restrictive covenants in these lease agreements.

Lease income recognised in the statement of profit and loss for the year is ₹ 182 lakhs (Previous year ₹ 113 lakhs) including contingent rent/sublease receipt of ₹ Nil (Previous year ₹ Nil).

55 FINANCIAL INSTRUMENTS

(a) Capital management

The Group manages its capital to ensure the Group 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 Group 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 Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. (only continuing operations)

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017*
Loans and borrowings	836,293	1,010,745
Less: cash and cash equivalents	12,970	10,917
Net debt	823,323	999,828
Equity	31,447	(7,490)
Capital and net debt	854,770	992,338
Gearing ratio	0.96	1.01

* Restated - Refer note 44

(b) Categories of applicable financial instruments

Particulars	Note Ref	As at 31 March 2018	As at 31 March 2017
(i) Financial assets			
1) Measured at fair value			
Investments	10	3	4,056
2) Measured at amortized cost			
Trade receivables	16	8,741	7,015
Security Deposits	11 & 19	2,167	2,088
Loans	19	1,314	74,143
Cash and bank balances	17 & 18	14,197	12,201
Other Financial Assets	12 & 20	13,117	4,034
		39,539	**103,537**

₹ in Lakhs

Particulars	Note Ref	As at 31 March 2018	As at 31 March 2017
(ii) Financial liabilities			
1) Measured at fair value			
Derivative financial instruments (Interest swap)	31	48	1,295
2) Measured at amortized cost			
Bank borrowings (including current maturities)	26 & 31	836,293	1,010,745
Interest accrued but not due on borrowings	31	81,504	46,131
Trade payables	30	105,702	79,005
Payable to employees	31	15,124	12,018
Payables for capital goods	31	2,787	3,020
Security deposits including interest there on	27 & 31	5,803	5,758
Other financial liability	31	40,488	3,686
		1,087,749	**1,161,658**

(c) Financial risk management objectives and policies

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

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.

1) Foreign exchange risk and sensitivity

The Group transacts business primarily in Indian Rupee, USD, Euro, GBP and JPY and other foreign currency. The Group 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 Group 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 Group adopts a policy of selective hedging based on risk perception of the management. Foreign exchange hedging contracts are carried at fair value.

₹ in Lakhs

Particulars		As at 31 March 2018	As at 31 March 2017
Monetary liabilities			
United States Dollar	$	51,745	25,937
Euro	€	1,420	1,003
Great Britain Pounds	£	23	17
Japanese Yen	¥	51	45
Arab Emirates Dirham	DH	-	-
Monetary assets			
United States Dollar	$	8,035	16,843
Euro	€	28	12
Great Britain Pounds	£	-	9
Japanese Yen	¥	-	-
Arab Emirates Dirham	DH	0	-

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. 5% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

₹ in Lakhs

Particulars		As at 31 March 2018		As at 31 March 2017	
		5% increase	5% decrease	5% increase	5% decrease
United States Dollar	$	(2,185)	2,185	(455)	455
Euro	€	(70)	70	(50)	50
Great Britain Pounds	£	(1)	1	(1)	1
Japanese Yen	¥	(3)	3	(2)	2
Arab Emirates Dirham	DH	0	(0)	-	-

Summary of exchange difference accounted in statement of profit and loss:

Particulars	2017-18	2016-17
Currency fluctuations		
Net foreign exchange (gain) / losses shown as finance cost	2,864	4,841
Net foreign exchange (gain) / losses shown as Other Income	(424)	(451)
Net foreign exchange (gain) / losses shown as Other Expenses	133	2
Derivatives		
Interest rate swaps (gain) / losses shown as finance cost	(1295)	(714)
	1,278	**3,678**

2) 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 26.

Exposure to interest rate risk

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Floating rate borrowings		
INR borrowings	591,033	567,375
USD borrowings	107,061	156,765
MYR borrowings	2,201	2,031
	700,295	**726,171**

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.

Particulars	As at 31 March 2018	As at 31 March 2017
INR borrowings		
Change of +0.50%	(2,209)	(1,626)
Change of -0.50%	2,209	1,626
USD borrowings		
Change of +0.50%	(1,282)	(1,996)
Change of -0.50%	1,282	1,996
MYR borrowings		
Change of +0.50%	(11)	(10)
Change of -0.50%	11	10

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

3) Commodity price risk and sensitivity

The Group has in place policies to manage the Group'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 Group enters into fixed price contracts to establish determinable prices for raw materials and consumables used. The management does not consider the Group's exposure to market risk significant as on 31 March 2018. Therefore, sensitivity analysis for market risk is not disclosed.

(ii) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligation as agreed.

Banks and other financial institutions: The Group 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. The Group does not maintain significant cash and deposit balances other than those required for its day to day operations.

Other financial assets (including trade receivables): The Group extends credit to customers in normal course of business based on careful evaluation of the customer's financial condition and credit history. Further the 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. The Group does not hold any collateral on the balance outstanding. The ageing of trade receivables is as below:

₹ in Lakhs

Particulars	Past due		Total
	upto 6 months (including amounts not due)	more than 6 months	
Trade receivables			
As at 31 March 2017			
Secured by security deposits	471	15	486
Unsecured	5,523	1,356	6,879
	5,994	**1,371**	**7,365**
Provision for expected credit loss			350
	5,994	**1,371**	**7,015**
As at 31 March 2018			
Secured by security deposits	1,949	18	1,967
Unsecured	5,398	2,708	8,106
	7,347	**2,726**	**10,073**
Provision for expected credit loss			1,332
	7,347	**2,726**	**8,741**

Provision for expected credit loss

The Company has used a practical expedient methodology by computing the expected credit loss allowance for trade receivables based on a provision matrix (ECL Model). The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The movement in provision for expected credit loss (excluding those grouped in 19) is as follows:

Particulars	2017-18	2016-17*
Provision as at the beginning of the year	350	325
(a) Allowance for expected credit loss	1,088	25
(b) Provision used / reversed during the year	(105)	-
(c) Transfered to discontinued operations	(1)	-
Provision as at the end of the year	**1,332**	**350**

* Restated. (Refer note 44)

(iii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligation on time or at reasonable price. The group has taken steps to reduce the financial burden by restructuring its financial liabilities (Refer note 45) and is in the process of further negotiating with the lenders for the second phase of restructuring as per its revival plan & also exploring various other options like renegotiation of the terms of borrowings, sale of non-core assets, etc., to further ease out the financial burden. The Group has also improved its operational efficiency during the current financial year and is actively considering new initiatives to improve the contribution from operations. The Group also expects the improving market conditions to sustain in the near future. Considering the above, Group is confident of the positive outcome of the above assumptions and developments and has relies on mix of borrowings, capital infusion and excess operating cash flows from operations to meet its obligations.

The Parent Company and its subsidiaries 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 Lakhs

Particulars	As at 31 March 2018			As at 31 March 2017		
	< 1 year	> 1 year	Total	< 1 year	> 1 year	Total
Borrowing (including interest accrued thereon)	438,258	479,539	917,797	705,800	351,076	1,056,876
Dues to related parties	36,309	-	36,309	11,311	-	11,311
Other trade payables	88,524	-	88,524	67,694	-	67,694
Security deposit (including interest accrued thereon)	1,677	4,126	5,803	1,924	3,834	5,758
Other financial liabilities	39,316	-	39,316	20,019	-	20,019
	604,084	**483,665**	**1,087,749**	**806,748**	**354,910**	**1,161,658**

56 FAIR VALUE MEASUREMENT

(a) Fair value technique and hierarchy

The Group maintains policies and procedures to value financial assets and financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

i) Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

ii) The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

iii) If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in Level 3.

(b) Fair value of financial assets measured at fair value through other comprehensive income

₹ in Lakhs

Particulars	Note	Carrying amount	Fair value hierarchy		
			Level 1	Level 2	Level 3
Financial assets					
As at 31 March 2017					
(i) Investments	10	4,056	-	-	4,056
As at 31 March 2018					
(i) Investments	10	3	-	-	3

(c) Fair value of financial assets measured at amortized cost

Particulars	Note	As at 31 March 2018		As at 31 March 2017	
		Fair value	Carrying amount	Fair value	Carrying amount
(i) Trade receivables	16	8,741	8,741	7,015	7,015
(ii) Cash and cash equivalents	17	12,970	12,970	10,917	10,917
(iii) Other bank balances	18	1,227	1,227	1,284	1,284
(iv) Loans (including security deposits)	11 & 19	3,481	3,481	76,231	76,231
(v) Other financial assets	12 & 20	13,117	13,117	4,034	4,034
		39,536	**39,536**	**99,481**	**99,481**

(d) Fair value of financial liabilities measured at fair value through profit or loss

Particulars	Note	Carrying amount	Fair value hierarchy		
			Level 1	Level 2	Level 3
Financial assets					
As at 31 March 2017					
(i) Derivative Financial Instruments (Interest Swap)	31	1,295	-	-	1,295
As at 31 March 2018					
(i) Derivative Financial Instruments (Interest Swap)	31	48	-	-	48

(e) Fair value of financial liabilities measured at amortized cost

₹ in Lakhs

Particulars	Note	As at 31 March 2018		As at 31 March 2017	
		Fair value	Carrying amount	Fair value	Carrying amount
(i) Long term borrowings (including current maturities)	26 & 31	715,986	715,986	502,297	502,297
(ii) Short term borrowings	26	120,307	120,307	508,448	508,448
(iii) Interest accrued on borrowings	31	81,504	81,504	46,131	46,131
(iv) Trade payables	30	105,702	105,702	79,005	79,005
(v) Other Financial Liabilities	27 & 31	64,202	64,202	24,482	24,482
		1,087,701	**1,087,701**	**1,160,363**	**1,160,363**

(f) Other assumptions used in the estimation of fair values

i) The fair value of trade receivables, cash and cash equivalents, other bank balances and other current financial assets approximate their carrying amount due to the short-term nature of these instruments.

(ii) The fair value of trade payables and other current financial liabilities approximate their carrying amount due to the short-term nature of these instruments.

(iii) The fair value of borrowings with floating rate of interest are considered to be close to their carrying amount.

57 DISCLOSURE PURSUANT TO IND AS 105 'NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS'

(a) Discontinued operations

Pursuant to the Group's plan to dispose of the operations of Sabah Forest Industries Sdn. Bhd (SFI), a subsidiary located in Malaysia, the Group has classified the operations of SFI as discontinued operations. Subsequent to the year end, in April 2018, the Group has entered into a sale and purchase agreement for the sale of the assets of SFI for a consideration of USD 310 millions. Accordingly the assets of SFI has been written down to their net realisable value and a loss of ₹ 69,077 Lakhs has been recognized.

The Group had entered into an operate, maintain and manage agreement (OMM) to outsource the operations of manufacturing plant located at Sewa, Odisha, pertaining to BILT Graphic Paper Products Limited (BGPPL), one of the step-down subsidiary company. The Agreement provides an option to sell the plant to the operator at a future date. Further the 'Master Restructuring Agreement' (MRA) entered into by BGPPL with its lenders (Refer Note 45) provides for sale of the plant to ease the financial stress and to step up the operations of the Company. In line with this the Group is in the active process of finding a suitable buyer and also evaluating the options available under OMM Agreement, expects to dispose the plant on a profitable basis by the next financial year. Accordingly the operations of SEWA plant has been classified as discontinued operations in compliance with Ind AS 105 and ₹ 16,940 Lakhs is recognized towards impairment and write down of assets to its recoverable value.

Both the above operations pertain to 'Uncoated Paper' segment of the Group.

(b) The major classes of assets and Liabilities of the discontinued operations are as under:

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Assets		
Property, Plant and Equipment	174,960	176,479
Capital work-in-progress	-	55
Biological assets other than bearer plants	51,911	68,250
Inventories	2,681	13,183
Trade receivables	167	45
Cash and cash equivalents	913	97
Loans (current and non current)	311	5
Others financial assets (Current and non current)	67	25
Other assets (current and non current)	5,205	1,420
Non current assets held for sale	2	-
Total (A)	**236,217**	**259,559**
Liabilities		
Non current borrowings	-	-
Current borrowings	-	5,015
Non Current Provisons	958	-
Trade payables	12,243	18,528
Current Provisions	-	-
Other financial liabilities	1,142	68,427
Other current liabilities and provisions	1,005	196
Total (B)	**15,348**	**92,166**
Net Assets/Liabilities directly associated with discontinue operations (A-B)	**220,869**	**167,393**

(c) Statement of profit and loss of the discontinued operations:

₹ in Lakhs

Particulars	2017-18	2016-17
Revenue from operations	8,133	12,069
Other income	103	52
	8,236	**12,121**
Less: Expenses (Refer note (a) below)	125,385	43,808
Profit/ (loss) before tax	**(117,149)**	**(31,687)**
Tax expense:	-	17,287
Profit/ (loss) from a discontinued operations	**(117,149)**	**(48,974)**

(a) Expenses include ₹ 86,017 Lakhs towards impairment and write down of assets to fair value less costs to sell

(d) Remeasurement of defined benefit obligation amounting to ₹ 122 lakhs (net of tax ₹ Nil) is recognized in Other Comprehensive Income. (previous year ₹ 20 Lakhs (net of tax ₹ Nil)

(e) Net cash flows form discontinued operations

Particulars	2017-18	2016-17
Cash flow from operating activities	(9,311)	(9,696)
Cash flow from investing activities	(2,082)	28,964
Cash flow from financing activities	(100)	(2,468)

58 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY

Name of the Company	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	₹ in Lakhs	As % of consolidated profit or loss	₹ in Lakhs	As % of consolidated OCI	₹ in Lakhs	As % of consolidated TCI	₹ in Lakhs
Holding Company								
Ballarpur Industries Limited	249%	78,447	22%	(31,109)	-16%	(491)	23%	(31,600)
Indian Subsidiary								
A Premier Tissues (India) Limited	5%	1,604	0%	(64)	0%	(10)	0%	(74)
Avantha Agritech Limited	-1%	(357)	0%	(206)	0%	(5)	0%	(211)
BILT Graphic Paper Products Limited.	359%	112,776	30%	(41,178)	-106%	(3,234)	33%	(44,412)
Foreign Subsidiaries								
Ballarpur International Holdings B.V	179%	56,408	6%	(7,716)	4%	126	6%	(7,590)
Ballarpur Speciality Paper Holdings B.V.	-1%	(277)	0%	(19)	0%	(1)	0%	(20)
Bilt Paper B.V.	1380%	433,907	-7%	10,125	29%	871	-8%	10,996
Ballarpur Paper Holdings B.V.	255%	80,221	148%	(206,093)	28%	848	150%	(205,245)
Sabah Forest Industries Sdn. Bhd.	103%	32,311	67%	(93,819)	304%	9,259	62%	(84,560)
Bilt General Trading	0%	141	0%	(106)	0%	-	0%	(106)
Total subsidiaries		**716,734**		**(339,076)**		**7,854**		**(331,222)**
Non controlling interest in all subsidiaries	-43%	(13,652)	46%	(64,065)	71%	2,151	45%	(61,914)
Consolidation adjustements and eliminations		(671,635)		263,646		(6,963)		256,683
Total	**100%**	**31,447**	**100%**	**(139,495)**	**100%**	**3,042**	**100%**	**(136,453)**

59 Disclosures pursuant to Ind AS 10, 'Events after the reporting period'

(a) Fire incident

On 23 April 2018, inventories valuing ₹ 272 lakhs and plant and equipment with carrying value of ₹ 8 lakhs were damaged by a fire incident that broke out in one of the Units of the Group. The salvage value, if any, has not been determined as on date and will be determined upon completion of survey and insurance process. It is expected that the insurance proceeds will be sufficient for recouping the loss of inventories and plant and equipment. This event occurred after the balance sheet date do not affect the figures stated in the financial statements and thus requires no adjustment.

(b) Asset sale agreement executed by Sabah Forest Industries Sdn. Bhd. (SFI)

On June 28, 2017, a receiver and manager had been appointed by the Joint Security Agent who is acting on behalf of certain lenders pursuant to Intercreditor Agreement dated July 20, 2010, as amended and supplemented, to take over the assets charged by SFI to the Joint Security Agent. On April 4, 2018, a Sale and Purchase Agreement has been entered into between the receiver and manager of SFI and a third party for the sale of the entire property, plant and equipment (including procurement of fresh timber licenses from the State Government of Sabah) of the Company.

60 GOVERNMENT GRANTS / SUBSIDIES

(a) Packaged Scheme of Incentive (PSI) – Maharashtra

The Group's manufacturing facility at P.O. Ballarpur, District Chandrapur has been granted "Mega Project Status" under IPS-2007 and Entitlements certificate no.DI/PSI-2007/Mega (Exp.) Project/EC-117/2011/C-10034 dated 03.11.2011 for the period from 01.12.2009 to 30.11.2018 and this period is further extended vide letter no.DI/PSI-2007/EC-117/2016/C-9874 dt.21.11.2016 till 30 November 2023.

Entitlements under the scheme consists of the following:

(i) Electricity Duty exemption for the period of 9 years from the date of commencement of commercial production (from 1 December 2009 to 11 November 2018).

(ii) 100% exemption from payment of Stamp duty.

(iii) VAT and CST payable to the State Government (on sales made from Ballarpur plant, starting from 10 September 2009 till 30 November 2018, which is further extended till 30 November 2023)

₹ in Lakhs

Particulars	2017-18	2016-17
Government grants recognised in the financial statements	1,155	3,101

61 Previous year figures have been regrouped / reclassified wherever necessary to conform to current year grouping / classification.

As per our report of even date attached
FOR SHARP & TANNAN
Chartered Accountants
(Firm's registration no. 003792S)

V. VISWANATHAN
Partner
Membership No. 215565

New Delhi, dated the
22 May 2018

For Ballarpur Industries Limited
R. R. VEDERAH
Vice Chairman

B. HARIHARAN
Group Director (Finance)

AKHIL MAHAJAN
Company Secretary

Notes

bilt

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