Annual Report 2018-19

bilt

AVANTHA
GROUP COMPANY

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BOARD OF DIRECTORS

B. HARIHARAN
Chairman & Executive Director

R. R. VEDERAH
Vice Chairman

GAUTAM THAPAR

A. P. SINGH

KRISHAN VARMA

PAYAL CHAWLA (MS.)

COMPANY INFORMATION

REGISTERED OFFICE

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

HEAD OFFICE

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

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,

Across the globe, certain factors are providing a growth impetus to the global paper industry, while others are holding it back. Broadly speaking, the industry is being strengthened by increasing e-commerce demand for cardboard as packaging material, new market opportunities thanks to increasing demand from the growing middle class in emerging markets, as well as increasing demand for hygiene products. Equally, however, the industry is facing headwinds from feedstock cost sensitivity, high investment costs to sustain future growth, and competition of plastics with cardboard in certain aspects of packaging. Not surprisingly, therefore, global paper demand is estimated to be growing at a low but steady rate of around 2% to 3% per year.

Thankfully for us, India is a fast growing market. The domestic market of paper is over 16 million tonnes per annum (TPA), with over 2 million TPA being imported. By 2024-25, under the baseline scenario, domestic consumption is projected to rise to 23.5 million TPA. If the industry gets the right impetus, the optimistic forecast by the Indian Paper Manufacturers' Association estimates paper consumption in India to increase to 36.90 million TPA by 2024-25. Even as I pen this letter, about 1 million TPA of integrated pulp, paper and paperboard capacity has to be created in India on an annual basis over several years to meet the growing demand.

However, it is important to note that paper production is highly capital intensive and investments are lumpy in nature.

In the last five years, there have been consistent investments by leading players in the industry, and over ₹ 20,000 crore has been spent on capacity addition. This investment drive has brought in a sudden spurt of new capacity well in excess of the annual increase in domestic demand. Consequently, capacity utilisation of much of the new equipment invested has been economically unviable.

Though most companies, including BILT, had estimated a gestation period while planning their investments, the fact is that this period has been longer than initially expected. For one, while rate of growth of paper demand in India exceeds that of the world as a whole, this demand growth has been slower than expected. Second, with global excess capacities, there have been increased imports into India — which has significantly reduced prices of certain grades of paper, especially in the value added segments like coated paper, where BILT is a major player.

This business scenario has put severe financial pressure on companies like BILT which had made sustained investments in capacity and technology. Consequently, we had to recalibrate our business plans internalizing a much longer gestation period for these new investments. As a result, your

Company had to go through a very difficult phase over the last couple of years. There was considerable stress on our ability to service financial obligations; and inadequate working capital prompted severe curtailing of business operations.

Thankfully, FY2019 has been different — and one that I dare say was a watershed year for your Company's revival roadmap. Operationally, BILT is back on track on a new growth trajectory. It has already demonstrated its abilities to meet obligations of the restructured financial plans for its principal entity. And the management is confident of finalising restructuring plans with our financial partners for some of the other step-down subsidiaries in FY2020.

Let's look at the highlights of the Company's consolidated performance in FY2019:

- Even with working capital constraints at both our principal facilities — Ballarpur and Bhigwan — we increased production to service the market. At Bhigwan, the production growth was a significant 81%, which has brought the scale of operations back on track. At Ballarpur, too, there has been around 5% growth. Consequently, revenue from operations has increased by 45% to ₹ 3,643 crore in FY2019.

- Concerted efforts at improvements in operating efficiencies continued unabated across the facilities. In addition, there were several improvements brought about in existing products; and new products added to provide value addition and enhance the average realisations. As a result, operating margins before exceptional items (EBIDTA) increased from 14% in FY2018 to 18.5% in FY2019.

- The topline growth with improved operating margins has translated into operating profits before exceptional items (EBIDTA) for the consolidated entity almost doubling to ₹ 676 crore in FY2019 compared to the last year. This is particularly impressive as it is after accounting for the losses incurred in some of the other facilities and entities that are yet to be revived.

- Finance cost reduced by 8% for the consolidated entity.

- All these efforts contributed to a reduction in net losses before exceptional items, tax and discontinued operations from ₹ 840 crore in FY2018 to ₹ 433 crore in FY2019. After accounting for all other factors, total net losses for FY2019 was ₹ 1,071 crore — which represents a 47.4% reduction over FY2018.

Thus, your Company has continued on the revival path initiated in FY2018 and operational performance has improved significantly.

While the emphasis on running the operational unit more efficiently and driving profitable growth remain the paramount objectives, there are some critical issues that your Company has been actively working on resolving.

In the early part of FY2018, there were issues with the lenders of BGPPL and the entity was advised to be taken to NCLT. Subsequently, after obtaining a stay, it finalised a restructuring package for this entity with the financial creditors; and BGPPL has already started servicing its debt as per the restructured package.

The Kamalapuram pulp mill has been shut since FY2014. There have been several efforts to revive this entity, including introduction of an outside investor. The Government of Telangana has been supportive in revival efforts and agreed to provide ₹ 45 crore subsidy every year for a period of seven years. The banks are now finalising a restructuring package in line with what was accepted for BGPPL. And BILT has also made commitments to make an investment in this plant. We expect a clear path to emerge in the first half of FY2020, with the facility focusing on paper grade pulp.

Operations at Sabah Forest Industries (SFI) have been affected for the last couple of years. The Company had already decided on exiting the business and was in talks with interested investors. However, with a changed political environment in the region, the progress on arriving at a solution for SFI is taking longer than expected. We are, however, confident that the new government will appreciate and understand our stance on the subject after they get the requisite time to study the business condition.

During the entire difficult phase of restructuring the business and positioning it back on a growth trajectory, our human resource function and senior management worked very hard in being able to successfully retain most of our talent. My thanks to them.

My thanks, too, to our sales and distribution partners, suppliers and vendors who have stuck with us during these difficult times.

I assure all of them that we are now well on the path of profitable growth.

Finally, Mr Gautam Thapar, our Chairman and Chief Executive over the last decade and a half, stepped down from his office on 31 March 2019. He continues to be on the Board of your Company. I take this opportunity to thank him for being the Chairman of the Board at BILT for all these years, and look forward to his regular advice and guidance.

I want to thank all the banks and financial intermediaries who continue to support our business. And to you, our shareholder, my gratitude for continuing to repose faith in BILT. The worst is behind us, and we will walk together on the next stage of prosperity for your Company.

Yours sincerely,

B Hariharan
Chairman & Executive Director

MANAGEMENT DISCUSSION & ANALYSIS

INTRODUCTION

Today, BILT'S business operates through two separate groups of subsidiaries and joint venture: one under the flagship entity BILT, and the other under its step-down subsidiary BILT Paper.

Under the standalone entity, BILT, the direct assets include:

- The speciality paper business, operating from the Shree Gopal facility in Haryana.
- The rayon grade pulp business operating from Kamalapuram in Telangana.
- The tissue paper business operating through its joint venture, Premier Tissues (India) Limited.

These businesses target the industrial and FMCG markets.

The Company's other businesses comes under Bilt Paper B.V., which focuses on the wood-free printing and writing paper, coated and uncoated. This is BILT's primary business portfolio. The focus is on the reel or sheet commercial printing and the desktop printing business through copier paper. There is also considerable emphasis on high value bio-degradable high-end packaging.

Bilt Paper B.V. has two step-down subsidiaries, which are:

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

Through this structure, BILT addresses the following basic portfolio of businesses:

- Writing and printing paper – in India and Malaysia.
- Specialty paper.
- Tissue paper.
- Rayon grade pulp.

Paper is a capital intensive industry and BILT has always focused on catering to the market with a portfolio of products that is of the highest quality and produced by adopting newer technologies.

In line with market requirements, the Company had in the recent past made a series of major investments to augment and modernise capacity. Unfortunately, actual market demand growth was slower than expectations; and the market in India also faced pressures from dumping by global players, who were affected by a major dip in demand in advanced markets. As a result, the Company has faced severe financial difficulties primarily arising out of the inability to generate incremental profits to service the debt raised for capital expansion.

With support of the financial institutions and the implementation of debt restructuring plans in some of the principal entities, the Company is back on track in FY2019 in terms of revenue growth and operational profits.

Financial Highlights, FY2019

- **Revenue from operations (net of excise) increased by 44.62% to ₹ 3,643 crore in FY2019.**
- **Operating profits (EBIDTA) grew by 92% to ₹ 676 crore in FY2019.**
- **With continuous efforts at cost optimisation and value addition, operating margins (EBIDTA) increased from 14% in FY2018 to 18.5% in FY2019.**
- **Interest costs reduced by 7.9% in FY2019.**

The Company is on a revival path. Revenues, operating profits and margins have improved. As the steady growth path continues and a certain scale of operations is achieved, it is expected to generate positive net profits.

Efforts at building a strong market position is well entrenched in the ethos of BILT. This is achieved by laying emphasis on two fronts. First, there is the stress on innovation to continuously develop new products as well as to improve the existing portfolio so as to offer a wider range of quality products. Across its product portfolio, BILT has set high quality standards — which have emerged as key differentiators in the competitive markets where it operates.

Second, 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

While individual nuances exist, there is considerable global integration in the paper market buttressed by trade flows. Global pulp and paper are dominated by North American, Northern European and East Asian companies. Latin America and Australasia also have significant pulp and paper industries. And over the last few years, India and China have emerged as key players driving growth in the industry.

In the decade between FY2008 and FY2018, domestic demand for paper in India has almost doubled from around 9 million metric tonnes per annum (MTPA) to over 17 million MTPA – at a compounded annual growth rate of 6.3%. It is estimated that by FY2025, domestic consumption will rise to 23.5 million MTPA.

Today, the per capita paper consumption in India stands at a little over 13 kg versus 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 is 56 kg. India's per capita consumption is expected to increase to around 17 kg by FY2025.

Demand in the Indian paper industry continues to be driven by rising individual income levels, growing per capita expenditure, rising literacy rate, increasing enrolment in education, requirement of better quality packaging of FMCG products marketed through organized retail, increase in home deliveries (the e-commerce space), increasing urbanisation and demographics in general. Equally, however, increasing use of digital media is having an adverse effect on demand growth, although this impact is still not significant.

On the supply side, too, there are challenges, especially in terms of access to quality and cost competitive raw material, competition from imports and technology obsolescence.

Fundamentally, 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.

Increased energy cost along with a fragmented market has resulted in a substantial increase in the cost of domestic manufacture of paper and paperboard. Such input price pressures, coupled with relatively high cost of capital have opened the Indian market to growing imports — at the cost of increased capital investment in domestic production.

Imports of paper, paperboard and newsprint into India have been steadily increasing. In terms of volume, imports have risen from 1.8 million MT in FY2011 to almost 3 million MT in FY2019. Rising imports at predatory prices from surplus countries like China, Indonesia and South Korea have been a major concern for local players in India, and have created serious pricing challenges.

An anti-dumping probe into cheap import of 'uncoated paper' from Indonesia, Thailand and Singapore was ordered by the Government of India; and the Directorate General of Anti-Dumping and Allied Duties (DGAD) found 'sufficient prima facie evidence' of dumping of uncoated paper. Thereafter, minimum import prices were imposed for copier paper imported from these countries. A similar probe was initiated for coated paper as well. However, based on the evidence provided, the authorities could not conclusively establish that the domestic industry suffered injury specifically on grounds of dumping and hence did not impose any anti-dumping duty.

Thankfully, during the first three quarters of FY2019, the Indian paper industry witnessed a cyclical upturn in paper prices against the backdrop of increased global pulp and paper prices and depreciation of the Indian rupee.

WRITING AND PRINTING PAPER BUSINESS

BILT's writing and printing paper business is 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, and the gap continues to be met by imports. Coated wood-free consumption in India increased by around 7% to 930,000 MTPA in FY2019.

The coated paper market can be segregated in two ways.

First, in terms of value addition, where there are 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, where it has a market share of approximately 22%.

Second, one can look at the market in terms of one-side coated (C1S) and both-sides coated (C2S). The C2S segment can further be segregated in terms of paper and board products. Within the blade coated products segment, the C2S paper market grew by over 9.5% to 530,000 MTPA; and the C2S board market grew by over 9% to 245,000 MTPA in FY2019.

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

BILT continued to strengthen its market positioning in this segment by continuously developing and introducing new value-added products and providing enhanced customer service through a multi-format distribution network.

Uncoated Wood-Free

During FY2019, the Indian uncoated market — comprising the Low Bright and Hi Bright segments — grew by 3% to 13,70,000 MTPA. 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 as well.

BILT maintains its strong position as an organised player in this space that offers a wide range of products. However, its product mix strategy lays greater emphasis on profitability over volume sales. Consequently, BILT has focused on the higher value Hi Bright paper, which accounts for around 74% of the entire uncoated maplitho segment and grew by 5.7% in FY2019. The Company maintained its leadership position with 20% market share in the High Bright segment.

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 T.A.NSD, which is used for commercial printing.

Copier Paper

Copier paper is fundamentally 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 paper has been a fast growing segment. The mill-packed copier market in India grew by 12% during FY2019 to 12,00,000 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. However, there was some pressure put on imports with imposition of minimum floor price for copy paper in FY2019.

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 primarily used for notebooks. In volume terms, it is by far the largest segment in India. The market has several producers, each with sub-optimal capacities, operating in a highly price sensitive market. Overall demand has been fairly stagnant over the last few years and in FY2019, the market size was estimated at 1.6 million MTPA. BILT has strategically maintained 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).

Unit: Ballarpur

Total paper production increased from 2,44,161 MT in FY2018 to 2,56,329 MT in FY2019. The new pulp mill at the facility produced 2,53,718 ADMT (Air Dry Metric Ton) of bleached pulp during FY2019. This was the highest ever production of pulp at the facility and serviced the captive pulp requirement of Ballarpur. In addition, a surplus of 34,054 ADMT bleached pulp was supplied to Bhigwan to partially substitute purchase of imported pulp. This gave significant economic advantage to Bhigwan in view of high prevailing prices of global market pulp.

This high level of production was achieved through de-bottlenecking initiatives at different stages of the production process. Some of the major actions taken for increased pulp production were:

- Revamping and commissioning of the Causticising Plant-II to handle additional liquor volume.
- Optimisation of surfactants in the oxygen delignification process (ODL) to improve bleach-ability of pulp and maintain final pulp brightness at higher production rate.
- Pre-ODL press throughput enhancement by redesigning clearance between rolls.
- Improvement in uptime of the chipper by replacing chipper segments with a new design.
- Improvement in throughput of Wet Lap machine by redesigning of press rolls and optimization of press loads.

The paper mill continued its focus on cost reduction and efficiency improvement, which resulted in reduction of pulp variable cost despite increase in price of chemicals. Major cost reduction initiatives implemented include:

- Increase in evaporator steam economy and pulp yield.
- Use of diluted sulphuric acid instead of concentrated acid for pulp bleaching.
- Partial replacement of hydrogen peroxide by oxidative bleach.

Given market requirements and BILT's focus on continuously improvising and developing new products to better service customers, the paper mill introduced new products during FY2019. Some of these were:

- High Brightness (with over 95% ISO brightness) BILT Magna Print.
- Copier Paper for export with 94% ISO brightness.
- MG Poster for Thermal coating base in 42/45/48 GSM.
- Wisdom Ultra-54 GSM at PM-3.
- Product quality enhancement: improvement in bulk of Sunshine Super Printing 1.35 cc/g.

Ballarpur: Environment Management and Resource Conservation

During FY2019, several energy conservation initiatives were implemented at Ballarpur, which enabled the mill to successfully achieve and surpass the Perform, Achieve, Trade (PAT-II) cycle target for energy reduction set by the Bureau of Energy Efficiency (BEE), Government of India.

Some of the major energy saving initiatives included:

- Reduction in steam consumption at evaporators through in-house modification of Effect-3 and use of anti-scaling program.
- Installation of optimised capacity pump for the feed water pumping system to the older coal fired boilers.
- Installation of energy efficient pumps in recovery for condensate to de-aerator.
- Installation of variable frequency drives at identified locations.
- Energy conservation through use of LED lighting in the plant.

The mill's effluent treatment plant is equipped with state-of-the-art systems like Moving Bed Bio Reactor (MBBR) and Dissolved Air Floatation (DAF) technologies for effluent treatment. An online Continuous Emission Monitoring System (CEMS) and an Effluent Quality Monitoring System have been provided which are connected to the MPCB and the CPCB servers for transmission of real time data.

Ballarpur: Awards, Recognitions & Achievements

- First Prize in 13th state level Energy Conservation Award for 2017-18: by the Maharashtra Energy Development Agency (MEDA).
- Certificate of Appreciation for Energy Conservation in the Pulp & Paper Sector

for 2018: by the BEE, Ministry of Power, Government of India.

- 'Certificate of Excellence' Platinum Awarded, 2017, received in May 2018: Society of Energy Engineers and Managers (SEEM).
- Certification of Mills for the Programme for the Endorsement of Forest Certification (PEFC), Chain of Custody.

Unit: Bhigwan

Total paper production increased by 74.4% from 1,35,283 MT in FY2018 to 2,35,928 MT in FY2019.

Continuing the focus on regular cost reduction, new indigenous vendors were developed for 'nano-particle size acrylic latex booster' for optimising the binder cost. This initiative contributed to reduction in the production cost.

Several initiatives were undertaken for product development. Some of the products developed include:

- Regal chromo of 70, 80 and 90 gsm.
- C2S pigmented paper of 70 & 80 gsm.
- One side coated high strength of 55 gsm suitable for all kinds of adhesives and extrusions.
- Digital printing segment (High Stiff and High Bulk) of 170, 250 & 300 gsm.
- C2S High Gloss 210 gsm for the Surat market.
- Quality improvements in Playing Cards Board and Art Board (in bulk and stiffness).

Bhigwan: Environment Management and Resource Conservation

With its state-of-the-art effluent treatment plant, Bhigwan regularly met the treated effluent norms notified by the Government authorities. It also undertook several key initiatives in FY2019 to reduce energy consumption and improve the reliability of plant operations, including:

- Installation of 100 LED lights replacing conventional lights.
- Fitting variable frequency drive at high pressure RO pump.
- Modifications in control logics of equipment to avoid idle running.
- Paper Machine (PM)-1 head box lip change, mechanical and electronic setting of 33 actuators to improve CD profile of paper for paper quality improvement.
- Modifications in the oxidized starch supply to PM-1 to improve sizing applications.
- Modifications in the ball cleaning system and piping layout to reduce colour loss.
- Major overhauling of Siemens make Gas Turbine No-2 (TG2) to improve overall performance.

Bhigwan: Award

- State Level Energy Conservation Award (Second Prize) by MEDA for FY2017-18, received in February 2019.

Unit: Sewa

Unit Sewa during FY2019 had low productivity mostly attributed to plant & Machinery, acute IR issues and shortage of working capital. Working capital is being arranged. The mill utilised the opportunity to bring significant improvement in IR front by imposing 'NO WORK- NO PAY' policy. The mill is encountering some major maintenance issues with Intake-well pipeline, Rewinders and A4 line.

Unit: Ashti

This Unit was severely affected during FY2019 due to shortage of working capital and high prevailing prices of market pulp. Even so,15,320 MT of copier paper produced at Ballarpur was converted at Ashti to service customers. The mill utilised the opportunity of forced downtime to focus on cutting down fixed costs and carrying out preventive maintenance activities.

Operations In Malaysia

Sabah Forest Industries Sdn.Bhd. (SFI)

Operations at Sabah Forest Industries have been affected for the last couple of years. The Company had already decided on exiting the business.

Specialty Paper Business

This business focuses on specialized product categories such as water marked bond paper, ledger paper, cartridge paper, envelope paper, super printing paper, matrix multi-purpose paper and food packaging products (such as cup stock and paper straw). Assets of this business are directly under BILT at Unit Shree Gopal (Haryana).

Unit: Shree Gopal

Paper production increased by 45.5% from 46,990 MT in FY2018 to 68,372 MT in FY2019. The Unit undertook new product development and quality improvement initiatives that resulted in increased customer base, and enhanced servicing and satisfaction of existing customers. Some of these initiatives include:

a) Initiatives to improve paper quality along with cost reduction:

- Upgraded REB 100 sheets packing.
- Introducing Zip Lock packing in place of mono carton.
- Upgraded reel packing from HDPE to stretch LDPE packing.
- Installed LDPE shrink wrap bundling machine at PM-1, 2 and 4, and stopped HDPE bundle packing.
- Replacement of Soap Stone with GCC filler, which improved paper quality in terms of brightness and opacity aspects.

b) To enrich the product mix, Shree Gopal has developed the following grades of paper:

- Cup stock paper 140-180 gsm at PM-5.
- Straw paper 60-120 gsm at PM-5.
- TA Maplitho NSD HB at PM-1 to cater to North Indian Market.
- Paper for carry bags.

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. Some of the major energy saving initiatives undertaken were:

- Specialty chemicals of M/s Solenis introduced in the secondary clarifier, which resulted in improved effluent clarity.
- Reduced coal consumption: The Boiler 1 coal feeder and mechanical spreader replaced with new design for improving in boiler efficiency.
- PV blower installation and auto temperature control loop for post dryer at PM-4 to reduce steam consumption.

Shree Gopal: Certification

- Received Certification of PEFC Chain of Custody.
- Re-Certified for
    - Quality Management System QMS 9001:2015.

- Environment Management System EMS 14001:2015.
- Energy Management System EnMS:50001:2011.

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

Unit: Mysore

FY2019 was a promising year for Premier Tissues (India) Limited {PTIL}. The tissue paper market in India is on a growth path; and PTIL has used this opportunity to scale up its operations.

PTIL recorded a turnover of ₹ 60 crore in FY2019 – a growth of 9% over FY2018. In fact, both the conversion business and the mill have seen their highest ever throughputs in FY2019. With infusion of further working capital, PTIL is pursuing higher growth plans for FY2020. To achieve this, it has expanded the existing product lines and is now converting aluminium foil, which adds the theme of disposable hygiene to its portfolio.

The Away From Home (AFH) business has shown improvement during FY2019 and newer geographies have been opened in North India. PTIL is also working on a quality road map to ensure better realisation for its products.

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. Historically, this primarily produced rayon grade pulp for manufacture of viscose staple fibre (VSF) and viscose staple yarn (VSY).

Over the last five years, this market has been under severe pressure — which made the operation of this unit unviable. Consequently, the mill has been temporarily shut down since 2014. A representation was made to the Government of Telangana 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 and with active support from the local government, a plan is in the process of being finalised to revive this business with some investments from BILT.

Financial Performance

BILT's consolidated financial performance for the financial year ended 31 March 2019 is given below.

(in ₹ crore)

Particulars	CONSOLIDATED	
	FY2019	FY2018
Revenue from Operations (Net of Excise duty)	3,643	2,519
EBIDTA	676	352
Less: Finance Cost	843	915
Less: Depreciation	266	277
Profit/(Loss) before Exceptional Items and Taxes	(433)	(840)
Share of Profit/(Loss) in Associate and Joint Venture	0.69	-
Exceptional Items	369	190
Profit / (Loss) before Tax	(801)	(1030)
Less: Tax	34	(166)
Profit/(Loss) After Tax	(835)	(864)
Profit/ (loss) from discontinued operations before tax	(236)	(1171)
Less: Tax expense on discontinued operations	-	-
Net profit/ (loss) from discontinued operations after tax	(236)	(1171)
Net profit/ (loss) after tax	(1071)	(2035)

Human Resource (HR)

After a period of operational uncertainties, the Company stabilised to a near normal and steady performance path in FY2019. HR played a crucial role in this process by deploying proactive employee engagement practices and maintaining peaceful industrial relations in all locations.

There are registered trade unions in all manufacturing locations and very cordial mutual relationships were maintained during FY2019. The Company received active support and cooperation from the Unions and workmen. Wage settlement with the Union representing workmen of Unit Ballarpur expired on 30 June 2017. Negotiations were concluded successfully in January 2019 and a MoU signed for wage settlement for a period of three years starting 1 July 2017. Similarly, at Unit Bhigwan, a settlement was due since 1 October 2016 and the settlement discussions are at an advanced stage.

During FY2019, no complaints were received relating to child labour, forced labour or sexual harassment at workplace.

While the business conditions remained challenging, talent retention remained a key focus area for the Company and managerial staff attrition remained at industry norms. It is noteworthy to mention that leadership talent remained more or less intact and stable during FY2019 ensuring focus, continuity and drive in a phase of turnaround for the Company.

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 critical talent required to support operations.

Information Technology (IT)

The Company completed a major upgrade of its Data Centre from a Tier 3 City to a Tier 1 City. The entire network bandwidth between all these locations has doubled to ensure seamless and secure traffic of organisational data.

A Financial Consolidation Cloud Tool was implemented during the year to improve financial reporting through the system. Upgrading of the Employee Portal and Payroll System are at an advanced stage of implementation. The Company has also begun to upgrade its Network Infrastructure with SD-WAN Technology without any financial investments. The objective of SD-WAN is to replace the old network switches and implementation of security appliances in the quest to keep the operations secure, scalable, modern and cost effective.

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 more than 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 this programme in 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 from its nurseries in Maharashtra and Odisha, along with technical know-how.

The production programme is supported by strong R&D to improve the genetic stock of planting material to yield greater productivity. Recently, AAL introduced new clones developed through its in-house R&D on pilot basis to the farmers. The resultant growth of these new clones in the field has generated greater interest among the farmers.

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 FY2019, AAL raised pulpwood plantations in 4,560 acres of farmland, which benefited approximately 1,400 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 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 exist 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*: 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 are increasing risks 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

Statements 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

B. HARIHARAN
Chairman & Executive Director
DIN 00012432

GAUTAM THAPAR
Director
DIN 00012289

Date 16 May 2019
Place Gurugram

CORPORATE GOVERNANCE

OUR CORPORATE GOVERNANCE PHILOSOPHY

Ballarpur Industries Limited ('the Company' or 'BILT') has adopted sustainable business practices to deliver long term value to all its principal stakeholders — shareholders, customers, partners, employees and society at large. The Company's corporate governance systems provide the fundamental framework for business execution in line with the overall business ethos.

The corporate governance philosophy at BILT is based on principles governed by focused adherence to value systems, integrity and fairness in all dealings and a strong commitment to objectivity in decision making. These values are firmly established across the organisation by observing high degree of transparency in disclosures and regular engagement with all stakeholders.

The underlying corporate governance systems are anchored by a strong and independent Board of Directors that provides governance, oversight and strategic counsel to the Company. Firmly established systems and procedures ensure that the Board of Directors remains well-informed and well-equipped to fulfil its governance responsibilities and provide management with 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 FY2019, 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 2019, the Company Board comprised eight Directors - (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) six Independent Directors, namely, Mr. Rajeev Ranjan Vederah, Mr. Sanjay Labroo, Mr. A. S. Dulat, Mr. A. P. Singh, Mr. Sudhir Mathur and Ms. Payal Chawla. 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.

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 five Board meetings held in FY2019. These were on: 22 May 2018, 1 August 2018, 29 October 2018, 31 January 2019 and 28 March 2019. A meeting of Independent Directors was held on 16 May 2019. 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 FY2019 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	5	4	No	7	2	-
Mr. R. R. Vederah**	Vice-Chairman	Independent	5	5	No	4	2	-
Mr. B. Hariharan	Group Director (Finance)	Executive	5	5	Yes	5	2	1
Mr. Sanjay Labroo $	Director	Independent	5	2	No	8	2	-
Mr. A. S. Dulat @	Director	Independent	5	4	Yes	2	-	1
Mr. A. P. Singh	Director	Independent	5	5	No	1	1	-
Mr. Sudhir Mathur^	Director	Independent	5	5	No	2	2	-
Ms. Payal Chawla	Director	Independent	5	4	No	1	-	-

* Committees included are Audit and Stakeholders Relationship Committee.

73rd Annual General Meeting held on 25 September 2018.

** Resigned as a Non-Executive Director and appointed as an Independent Director with effect from 28 March 2019.

$ Resigned from directorship with effect from 13 May 2019.

@ Resigned from directorship with effect from close of business hours on 16 May 2019.

^ Resigned from directorship with effect from close of business hours on 16 May 2019.

In a material development, on 1 April 2019, Mr Gautam Thapar resigned as Chairman of the Board due to certain other commitments and Mr B Hariharan, Executive Director assumed office of the Chairman. Mr Gautam Thapar continues to serve the Company as a non-Executive Director.

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	-	-	-	1,40,000	1,40,000
Mr. R. R. Vederah**	-	-	-	1,20,000	1,20.000
Mr. B. Hariharan	-	-	-	-	-
Mr. Sanjay Labroo $	-	-	-	40,000	40,000
Mr. A. S. Dulat @	-	-	-	2,00,000	2,00,000
Mr. A. P. Singh	-	-	-	1,80,000	1,80,000
Mr. Sudhir Mathur ^	-	-	-	2,00,000	2,00,000
Ms. Payal Chawla	-	-	-	80,000	80,000

** Resigned as a Non-Executive Director and appointed as an Independent Director with effect from 28 March 2019.

$ Resigned from directorship with effect from 13 May 2019.

@ Resigned from directorship with effect from close of business hours on 16 May 2019.

^ Resigned from directorship with effect from close of business hours on 16 May 2019.

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**	Independent	-	-	Member	-	Chairman
Mr. B. Hariharan	Executive	-	Member	-	-	Member
Mr. Sanjay Labroo $	Independent	-	-	-	-	-
Mr. A. S. Dulat @	Independent	Chairman	Chairman	-	Chairman	Member
Mr. A. P. Singh	Independent	Member	-	-	-	-
Mr. Sudhir Mathur ^	Independent	Member	-	Member	Member	-
Ms. Payal Chawla	Independent	-	-	-	-	-

** Resigned as a Non-Executive Director and appointed as an Independent Director with effect from 28 March 2019.

$ Resigned from directorship with effect from 13 May 2019.

@ Resigned from directorship with effect from close of business hours on 16 May 2019.

^ Resigned from directorship with effect from close of business hours on 16 May 2019

NON-EXECUTIVE DIRECTORS' SHAREHOLDING

As on 31 March 2019, 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 FY2019.

The composition of BILT's Audit, Nomination and Remuneration, Stakeholders Relationship, Corporate Social Responsibility and Risk Management Committees as on 31 March 2019 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.

AUDIT COMMITTEE

In FY2019, the Audit Committee met four times: on 21 May 2018, 1 August 2018, 29 October 2018 and 31 January 2019. 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

TABLE 4: ATTENDANCE RECORD OF THE AUDIT COMMITTEE

NAME OF MEMBERS	DESIGNATION	NO. OF MEETINGS ATTENDED
Mr. A. S. Dulat	Chairman	4
Mr. A. P. Singh	Member	4
Mr. Sudhir Mathur	Member	3

TABLE 5: MR. B.HARIHARAN'S OTHER DIRECTORSHIPS AND MEMBERSHIPS OF BOARD COMMITTEES

DIRECTORSHIPS IN OTHER PUBLIC LIMITED COMPANIES	OTHER COMMITTEE MEMBERSHIP / CHAIRMANSHIP	
	AUDIT	STAKEHOLDERS RELATIONSHIP COMMITTEE
Avantha Holdings Limited	Member	-
Bilt Graphic Paper Products Limited	Member	-
Newquest Insurance Broking Services Limited	-	-
Solaris Chemtech Industries Limited	Chairman	-
Premier Tissues (India) Limited	-	-

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, 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 FY2019, the Committee met on 22 March 2019. The meeting was attended by all its members. The composition of the Committee is provided in Table 3. Constituted with a mandate that is in compliance with 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 FY2019, five complaints were received from Investors / Shareholders, which were resolved during the year. Akhil Mahajan, Company Secretary is also the 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 21 May 2018. 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 FY2019. 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 APPOINTMENT/ RE-APPOINTMENT

Mr. B.Hariharan

As per the provisions of the Companies Act, 2013, Mr. B. Hariharan retires by rotation at the forthcoming Annual General Meeting. Mr. Hariharan 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.

A brief profile of Mr. Hariharan is given hereunder:

TABLE 6: MR. RAJEEV RANJAN VEDERAH'S OTHER DIRECTORSHIPS AND MEMBERSHIPS OF BOARD COMMITTEES

DIRECTORSHIPS IN OTHER PUBLIC LIMITED COMPANIES	OTHER COMMITTEE MEMBERSHIP / CHAIRMANSHIP	
	AUDIT	STAKEHOLDERS RELATIONSHIP COMMITTEE
Talbros Automotives Components Limited	-	-
Bilt Graphic Paper Products Limited	-	-
Bilt Industrial Packaging Company Limited	Member	-
Solaris Chemtech Industries Limited	Member	-

Mr. Hariharan (DIN 00012432), aged 62 years, is a Director of the Company since 21 June 2001. Mr. B. Hariharan has been associated with the BILT Group since 1985. In June 2001, he was inducted as a member of the Board of Directors of BILT and designated as Group Director (Finance). He has over 36 years' experience in various positions of increasing responsibilities including finance, treasury, mergers and acquisitions. His expertise lies in the field of finance and corporate planning. Mr. Hariharan has contributed significantly in the successful foray of BILT in the international capital markets, notably the Global Depository Receipt, Foreign Currency Convertible Bonds and Subordinated Perpetual Capital Securities.

He has also contributed significantly to the Group's strategic mergers and acquisitions roadmap. Mr. Hariharan is a member of the Avantha Management Board, which formulates the strategy of the Avantha Group.

He is also on the Board of various companies which are part of the Avantha Group. Mr. Hariharan is a Member of the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India and the Institute of Cost and Works Accountants of India.

Mr. Krishan Varma

Mr. Varma, (DIN 06428524) aged 67 Years, was appointed as an Additional Director (Independent) by the Board of Directors in its meeting held on 16 May, 2019. His appointment is recommended for approval of members at the forthcoming Annual General Meeting of the Company.

A brief profile of Mr. Varma is given hereunder:

Mr. Varma, a former civil servant, superannuated from the post of Special Secretary, Cabinet Secretariat, Government of India in 2012. During an illustrious career spanning 35 years, he held several key appointments within the country and abroad. His diplomatic assignments include postings to countries in South Asia, East Asia and the USA.

He is the recipient of awards for Distinguished and Meritorious Service from the Prime Minister of India and several Commendation Letters for outstanding performance during his career.

Mr. Varma, an alumnus of St. Columba's School, New Delhi, holds a Bachelor's Degree in Arts (Honours) in Economics from Hindu College, Delhi University and Law from Faculty of Law, Delhi University.

Mr. Rajeev Ranjan Vederah

Mr. Vederah, (DIN 00012252) aged 69 Years, was appointed as an Additional Director (Independent) by the Board of Directors in its meeting held on 28th March, 2019 and continues to be the Vice Chairman of the Company. His appointment is recommended for approval of members at the forthcoming Annual General Meeting of the Company. Mr. Vederah does not have any relationship with any Director inter-se. The details of his other Directorships and memberships of committees of Board in other public limited companies are given in Table 6.

A brief profile of Mr. Vederah is given hereunder:

Mr. R. R. Vederah has more than 47 years of experience in the paper and other industries, and had been part of the Senior Management of several paper companies, including more than 35 years with BILT. Mr. Vederah is the Non-Executive Vice Chairman of BILT and is also Director on the boards of subsidiaries of Avantha Group and BILT. Further, Mr. Vederah is the Chairman of Thapar University, Patiala (India). Mr. Vederah is an Independent Director of Talbros Automotive Components Limited (India), a company listed at BSE Limited and the National Stock Exchange of India Limited.

Mr. Vederah began his career at M/s. Larsen & Toubro Ltd in 1971, where his last position with the company was Senior Manager. In 1981, Mr. Vederah joined BILT, and served in various positions until his departure in 1993 as a Vice President, Operations. He joined Sinar Mas Pulp & Paper (India) Ltd. as an Executive Director, heading the strategy function until 1996. In 1996, Mr. Vederah joined Shree Rayal-Seema Paper Mills Ltd. as joint Chief Executive Officer, overseeing the management and operations of the company until 1997. From 1997, Mr. Vederah served in various senior management positions within BILT, holding the last position as Managing Director and Executive Vice Chairman until June 2014 and was responsible for overall management operations, implementation of business strategy, new technology and quality initiatives aimed at achieving market leadership position in the South Asian Region, acquisitions & integration of SFI and major expansions at Units Bhigwan, Ballarpur and SFI. Mr. Vederah was named as Asian CEO for the Year 2011 by RISI, the definitive source for information on the global forest products industry and was consecutively ranked in Global Pulp and Paper Industry Power 50 list of RISI from 2009 to 2012. Mr. Vederah holds a Bachelor's Degree of Technology (Chemical) from the Indian Institute of Technology, New Delhi (India) and a Master of Science from the University of Aston, Birmingham (United Kingdom).

COMMUNICATION TO SHAREHOLDERS

Full and complete disclosure of information regarding the Company's financial situation and performance is an important part of 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.

TABLE 7: DETAILS OF GENERAL MEETINGS HELD DURING THE LAST THREE YEARS

YEAR	CATEGORY	PLACE	DATE
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
2018	AGM	P.O. Ballarpur Paper Mills – 442901, Distt. Chandrapur, Maharashtra	25 September 2018
Time of Meeting: 2016 -12.00 Noon; 2017 and 2018- 11.00 am			

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 7 gives the details of General Meetings held in the last three years. No Special Resolution was taken up in the previous three AGMs except for continuation of Mr. Amarjit Singh Dulat aged seventy seven years, as an Independent Director till 18th December, 2019 at the 2018 AGM.

POSTAL BALLOT

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

CAPITAL MARKET COMPLIANCE

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

TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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, 2011 has not been claimed or paid for a period of seven consecutive years or more to the 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 Chairman & Executive Director 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 2019.

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 FY2019, as prescribed by Schedule V of Listing Regulations, which is attached herewith.

GENERAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING

Date: 26th September, 2019

Time: 12.00 Noon

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

FINANCIAL CALENDAR 2020

Financial year (FY) 2020 is from 1 April 2019 to 31 March 2020. 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 20th September 2019 to 26th September 2019, both days inclusive.

UNCLAIMED DIVIDENDS

As statutorily required, dividends pertaining to the financial years 2011–12 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 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.

TABLE 8: UNCLAIMED DIVIDENDS

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

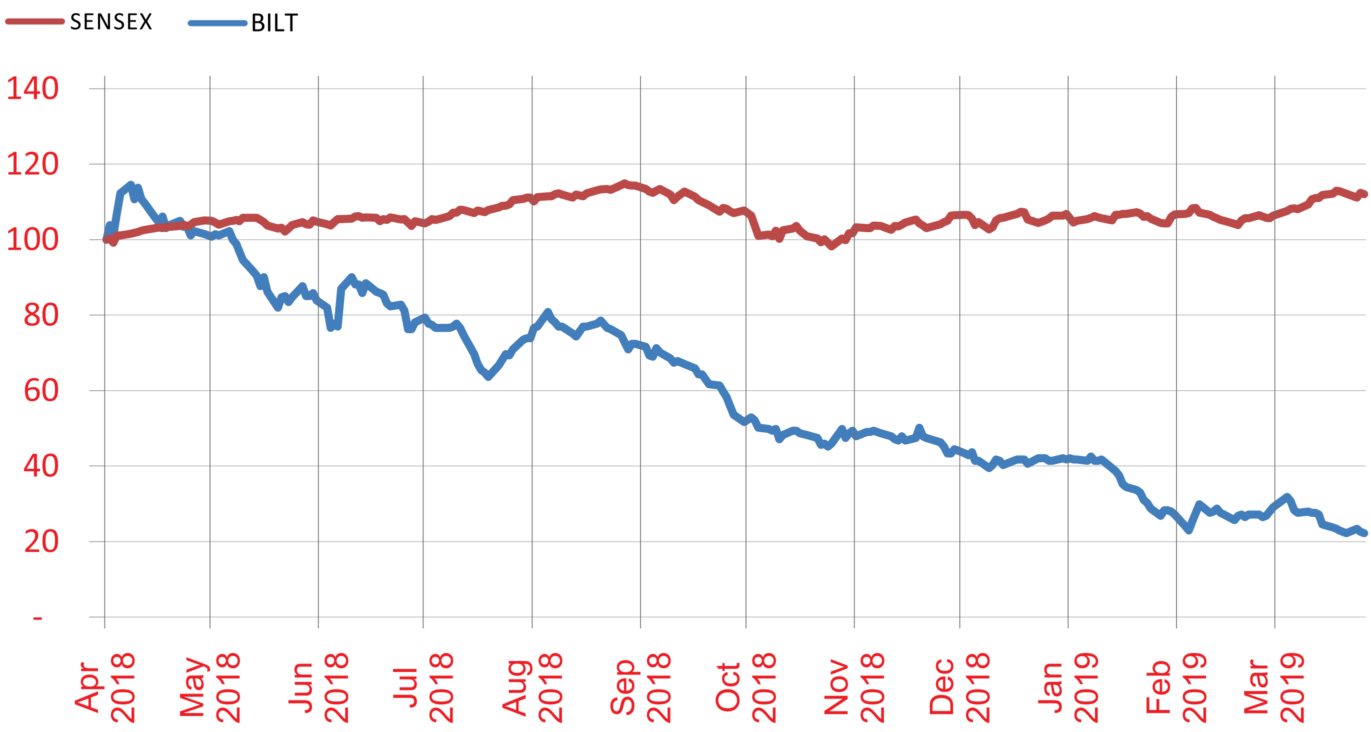
TABLE 9: BILT'S STOCK CODES

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 FY2019 AT THE BSE AND THE NSE

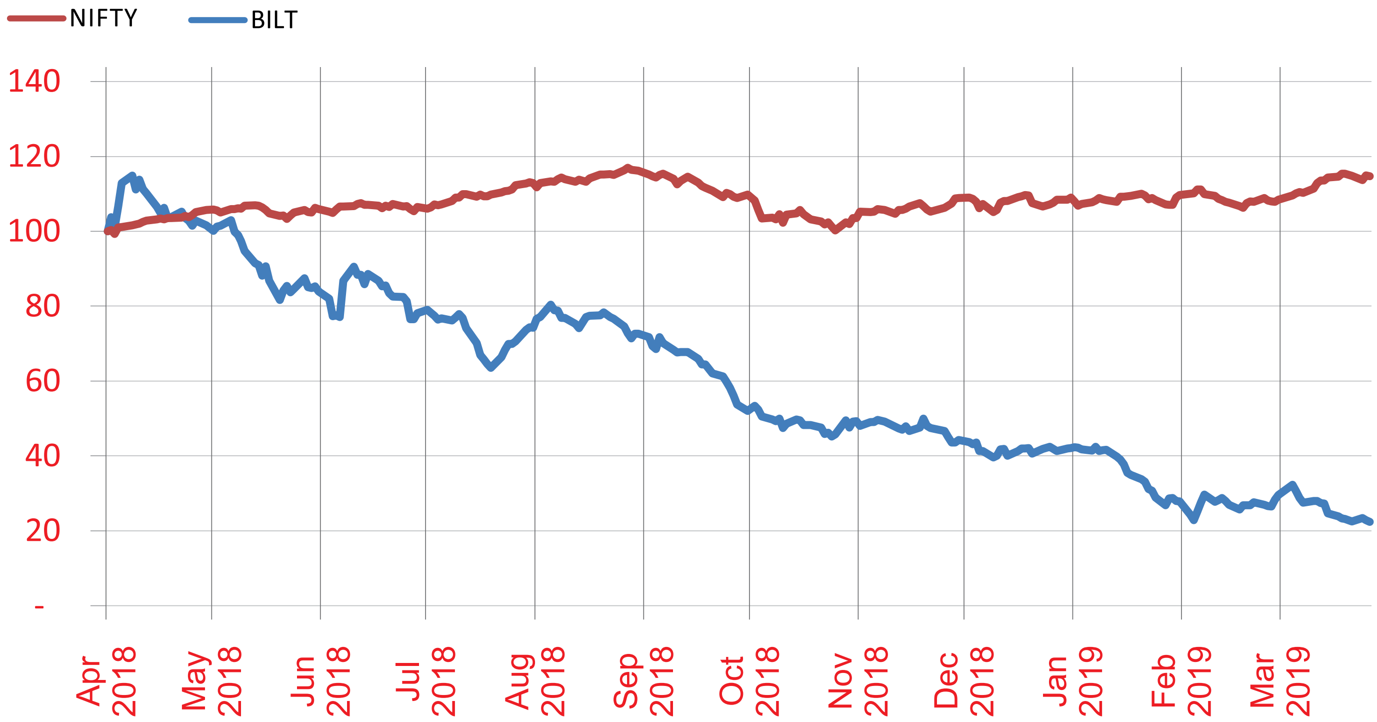
MONTH	BSE LIMITED				NATIONAL STOCK EXCHANGE OF INDIA LIMITED			
	HIGH (RS.)	LOW (RS.)	VOLUME	SENSEX (CLOSE)	HIGH (RS.)	LOW (RS.)	VOLUME	NIFTY (CLOSE)
Apr-18	15.65	12.56	4437831	35160	15.65	12.55	25590017	10739
May-18	13.55	10.41	3042683	35322	13.50	10.45	13349754	10736
June-18	12.15	9.60	3229056	35423	12.15	9.70	13894188	10714
July-18	11.09	8.25	4156787	37607	11.20	8.25	15693457	11357
Aug-18	10.90	9.27	5809908	38645	10.95	9.20	25095257	11681
Sep-18	9.90	6.95	4751849	36227	9.95	6.95	21002285	10930
Oct-18	7.45	5.81	3376833	34442	7.10	5.80	11786773	10387
Nov-18	6.84	5.35	48752466	36194	6.95	5.30	21547214	10877
Dec-18	6.16	5.10	3919529	36068	6.15	5.05	11903237	10863
Jan-19	5.85	3.10	6527929	36257	5.85	3.00	20613040	10831
Feb-19	4.25	2.90	4450771	35867	4.25	2.90	15850200	10793
Mar-19	4.25	2.87	14721951	38673	4.30	2.85	37985069	11624

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



Note: Both BILT's share price at BSE and SENSEX have been indexed to 100 as on 1 April 2018.

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 2018.

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 2019-20 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 shares 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 2019.

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 2019, 99.37% of the total Equity Shares of the Company were held in dematerialised form, as compared to 99.31% last year.

OUTSTANDING GLOBAL DEPOSITORY SHARES (GDS)

On 31 March 2019, 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, 2019

NUMBER OF EQUITY SHARES HELD	NUMBER OF SHARE HOLDERS	PER CENT OF SHARE HOLDERS	NUMBER OF SHARES	PER CENT OF SHAREHOLDING
1–1000	58,123	76.05	18,750,711	1.45
1001–5000	12,714	16.63	32,483,549	2.51
5001–10,000	2,676	3.50	21,061,415	1.63
10,001 and above	2,920	3.82	1,221,160,081	94.41
Total	**76,433**	**100.00**	**1,293,455,756**	**100.00**

TABLE 12 SHAREHOLDING PATTERN BY OWNERSHIP AS ON 31 MARCH, 2019

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	35,550	0.00
Mutual Funds	6	0.01	13,779	0.00
Central Govt/State Govt.	1	0.00	1,500	0.00
Foreign Portfolio Investors	9	0.01	103,778,699	8.02
Financial Institutions/Banks	35	0.05	336,733,381	26.03
Insurance Companies	4	0.00	95,959,313	7.42
NBFCs registered with RBI	10	0.01	571,313	0.04
NRIs	992	1.30	4,298,787	0.33
Bodies Corporate	757	0.99	209,929,963	16.24
Individuals and Others	74,604	97.61	218,122,804	16.87
Total	**76,433**	**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,

B. HARIHARAN
Chairman & Executive Director
DIN 00012432

GAUTAM THAPAR
Director
DIN 00012289

Date 16 May, 2019
Place Gurugram

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 compliance with the 'Code of Conduct for Directors and Senior Management'.

For Ballarpur Industries Limited

NEEHAR AGGARWAL
Chief Executive Officer

Date 16 May 2019
Place Gurugram

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, 2019, 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 16 May, 2019
Place New Delhi

EXCERPT OF NOMINATION & REMUNERATION POLICY

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

I. APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT

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

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

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

II. REMUNERATION OF DIRECTORS, KMP AND OTHER EMPLOYEES

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

The remuneration / sitting fee / commission payable to directors shall be in accordance with the statutory provisions of the Companies Act, 2013, and the Rules made thereunder for the time being in force. Review of remuneration of executive directors shall be made by NRC and shall be recommended to the Board for approval, if required. Further, the Board shall apportion the commission amongst the Non-Executive Directors out of available profits in compliance with statutory provisions, on the basis of their involvement and role played for the Company's initiatives and strategic direction. An Independent Director shall not be entitled to any stock option of the Company.

B. CEO and Executive Director

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

C. Key Managerial Personnel, Senior Management and other executives

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

D. Workmen

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

III. LOANS AND ADVANCES TO EMPLOYEES

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

IV. DEVIATIONS FROM THIS POLICY

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

V. EXTERNAL ASSISTANCE

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

BOARD'S REPORT

Your Directors hereby present the Seventy Fourth Annual Report together with the Audited Financial Statements for the financial year ended 31 March 2019.

FINANCIAL PERFORMANCE

The financial performance of your Company for the financial year ended 31 March, 2019 is given below.

(in ₹ Crore)

Particulars	STANDALONE		CONSOLIDATED	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations (Net of Excise duty)	455	303	3643	2519
EBIDTA	47	16	676	352
Less: Finance Cost	242	244	843	915
Less: Depreciation	63	60	266	277
Profit/(Loss) before Exceptional Items and Taxes	(258)	(288)	(433)	(840)
Share of Profit/(Loss) in Associate and Joint Venture	-	-	0.69	-
Exceptional Items	377	169	369	190
Profit / (Loss) before Tax	(635)	(457)	(801)	(1030)
Less: Tax	-	(146)	34	(166)
Profit/(Loss) After Tax	(635)	(311)	(835)	(864)
Profit/ (loss) from discontinued operations before tax	-	-	(236)	(1171)
Less: Tax expense on discontinued operations	-	-	-	-
Net profit/ (loss) from discontinued operations after tax	-	-	(236)	(1171)
Net profit/ (loss) after tax	(635)	(311)	(1071)	(2035)

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 2019.

TRANSFER TO RESERVES AND SHARE CAPITAL

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

FIXED DEPOSITS

No amount of principal or interest on erstwhile fixed deposits was outstanding as on 31 March 2019. Further, the Company has not invited any fresh deposits.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors at its meeting held on 28 March 2019 reappointed Mr. B. Hariharan (DIN 00012432) as Whole-time Director designated as Executive Director for a further period of 3 years i.e. from 1 April, 2019 upto 31 March, 2022, liable to retirement by rotation. His reappointment as Executive Director is recommended for approval by the Members of the Company at the forthcoming Annual General Meeting (AGM) of the Company for the aforesaid term. His profile is provided in the Corporate Governance Report.

Mr. Gautam Thapar (DIN 00012289) at the aforesaid Board Meeting informed the Board that he desired to step down as Chairman of the Company and continue as a Non-Executive Director. The Board of Directors at its aforesaid meeting appointed Mr. Hariharan as the Chairman w.e.f. 1 April, 2019.

To strengthen the leadership at the Board level with independent professionals, the Board of Directors at its meeting held on 28 March 2019 appointed Mr. Rajeev Ranjan Vederah (DIN 00012252) as an Additional Director (Independent) in accordance with the provisions of the Companies Act, 2013 (the 'Act') read with the Articles of Association of the Company. Mr. Vederah was a Non-Executive Director of the Company upto 28 March 2019. His appointment as an Independent Director is recommended for approval by the Members of the Company at the AGM of the Company for a term of 5 years. His profile is provided in the Corporate Governance Report. Mr. Vederah is also Vice Chairman.

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

To strengthen the leadership at the Board level with independent professionals, in accordance with the provisions of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company, Mr. Krishan Varma (DIN 06428524) has been appointed as an Additional Director (Independent) by the Board of Directors on 16 May, 2019. His appointment as an Independent Director is recommended for approval by the Members of the Company at the forthcoming Annual General Meeting (AGM) of the Company for a term of 5 years. His profile is provided in the Corporate Governance Report and AGM Notice.

Mr. Sanjay Labroo vide his letter dated 13 May, 2019 resigned as Independent Director of the Company on account of his inability to devote required time as Independent Director due to personal and unavoidable reasons. Mr. Sudhir Mathur vide his letter dated 16 May, 2019 resigned as Independent Director of the Company due to personal and other preoccupations. Mr. A.S. Dulat vide his letter dated 16 May, 2019 has resigned as Independent Director of the Company on account of health issues.

Mr. Labroo, Mr. Mathur and Mr. Dulat vide their respective letters have confirmed that there is no other material reason for their resignation other than that provided above. The Board places on record its appreciation for their valuable contributions during their tenure as Directors of the Company.

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, Independent Directors and its Directors in accordance with the criteria specified by the Nomination and Remuneration Committee. Overall, the Board was satisfied with the performance of the Board as a whole, its Committees and its Directors.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declaration 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.

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 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 2 Indian subsidiaries. These are: (i) Bilt Graphic Paper Products Limited (BGPPL) and (ii) Avantha Agritech Limited (AAL) which was formerly BILT Tree Tech Limited. AAL is a direct subsidiary 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 one joint venture. During the year under review, M/s Rubfila International Ltd. subscribed to 56,20,427 equity shares of ₹ 10/- each of M/s. Premier Tissues (India) Ltd. (PTIL) (an erstwhile wholly owned subsidiary of the Company) at a price of ₹ 28.47/- (aggregating to 50% Equity Share Capital of PTIL). Accordingly, PTIL became a joint venture w.e.f. 8 November, 2018.

CONSOLIDATION OF ACCOUNTS

The Consolidated Financial Statements of the Company, its Eight subsidiaries and one joint venture Company are annexed to this Annual Report. The performance and financial position of each subsidiary and joint venture are detailed in the 'Statement containing salient features of the financial statement of subsidiaries, associate companies/joint ventures 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 occurred between the end of the financial year of the Company, i.e. 31 March 2019, and the date of the Board's report, i.e. 16 May 2019.

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 are 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 the said 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 effective 7 May 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.

The Auditors have made qualifications in their report on the financial statements of the Company for the financial year ended 31 March 2019.

Board's explanation to Auditor's qualifications:

In respect of non-accrual of put option liability, note 45 to the accompanying standalone financial statements is self explanatory.

Further, with respect to audit qualification on differences in accrual of interest expense as compared to bank confirmations / loan agreement with the lenders and non receipt of direct confirmation from certain lenders for balance outstanding, it may be noted that negotiations for assignment/ settlement of loans is in progress and in view of the liquidity position of the Company and discussions with lenders, no provision is being made in the financial statements towards the penal interest. The Company does not expect a material variance upon settlement with lenders.

Reservation or disclaimer, if any, of the Statutory Auditor in its reports on financial statements has also been adequately addressed in the relevant notes accompanying said financial statements.

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 2018–2019. The Secretarial Audit Report is annexed to this report. Regarding observation in the said report on appointment of Chief Financial Officer (CFO), the Company is searching for a suitable candidate to be appointed as CFO.

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 and pulp, if any, in relation to the financial year ending 31 March 2020. 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 Fourth Annual General Meeting of your Company.

Further, the Company is required to maintain cost records as required under Section 148(1) of the Companies Act, 2013 and accordingly such accounts and records are made and maintained.

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 2019, 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 operations.

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.

Further, the Company has complied with the provisions relating to constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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 2019, 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 has 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,

B. HARIHARAN
Chairman & Executive Director
DIN 00012432

GAUTAM THAPAR
Director
DIN 00012289

Date 16 May, 2019
Place Gurugram

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:-

1. Reduction in power consumption by 190 kwh/hr with following initiatives:

- Installed 11 VFDs (Variable Frequency Drives) at the following 11 identified locations, resulted in reduction in power consumption to the tune of 132 kwh/hr
    - 37 KW DM water (De-mineralized) transfer Pump at DM Plant
    - 37KW Degasser pump in Boiler House at DM Plant.
    - 75KW UTM (Under The Machine) pulper at PM-4
    - 45KW Couch broke pulper at PM-4
    - 37KW PV blower (Pocket Ventilation) at PM-4
    - 37KW Black Liquor transfer pump to Soda Recovery Plant, at Pulp Mill.
    - 110KW sump pump at ET Plant (Effluent Treatment Plant).
    - 37KW Machine Chest pumps each, #2A at PM-4 & #1B at PM-2.
    - 90KW machine back water transfer pump from PM-4 to Pulp Mill.
    - 90KW FD Fan (Forced Draft fan) at ABL Boiler (ACC Babcock Ltd.)
- Replaced 17 old inefficient ACs (Air Conditioners) with energy efficient BEE (Bureau of Energy Efficiency) star rated A/C's, resulting in reduction of power consumption to the tune of 5 kwh/hr
- Provided Auto level controllers (i.e. hooked-up pulp transfer pumps On/Off control with respective Chest level) for PM-4 pulp chest and PM-5 fiber recovery chest both, resulting in reduction in power consumption to the tune of 13 kwh/hr.
- Installed new 500kVAR APFC (Automatic Power Factor Controller). Power saving 10kwh/hr.
- Replacement of conventional energy inefficient lighting fixtures with energy efficient LED lamps, resulting in reduction in power consumption to the tune of 30kwh/hr.

2. Reduced steam consumption to the tune of 2 TPH by carrying out the following jobs:

- Reduced Steam venting Losses: Steam venting is required during Turbine tripping & abnormal load fluctuations to maintain extraction pressure. Rectifying TG tripping problem & close monitoring and loading adjustment on both Turbines resulted in reduction of steam venting losses.
- Reduced Steam distribution losses: By carrying out close monitoring & maintaining desired steam Pressure & Temperature.
- Replaced damaged and weak insulation with new insulation pads on steam pipe lines to reduce radiation losses, resulting in reduction of steam losses.
- Arrested steam leakages:
    - By regular monitoring and repairing/ replacing the faulty & leaking steam traps.
    - Arrested all significant steam leakages by replacing flange joints & On-Line sealing resulting in reduction of steam losses.

(Un-accounted losses have been reduced from 7.2 TPH in FY2017-18 to 5.2 TPH in FY2018-19).

3. Unit Shree Gopal Sold 7,762 Renewable Energy Certificates (REC) which resulted in monetary gain to the tune of Rs 77.5 Lakhs in FY2018-19.

B) ENERGY CONSERVATION MEASURES PLANNED:

The following jobs have been planned for FY 2019-20:

(1) Thermal Energy Saving Measures: (Coal saving 1400 MT Per Annum.)

To replace the existing coal feeding system of boiler no. 2 & 3 with new modified coal feeding system to improve uniformity in coal spreading into the furnace for improving coal combustion. This will improve the boiler efficiency to the tune of 1%.

(2) Reduction in steam consumption to the tune of 1 TPH with the following proposed initiatives:-

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

(3) Reduction in power consumption to the tune of 100 kwh/hr with the following proposed initiatives:

- Installation of VFDs at 6 nos. of identified locations, expected reduction in power consumption to the tune of 60 kwh/hr.
- To replace old energy inefficient motors with energy efficient motors at identified locations, expected reduction in power consumption to the tune of 20kwh/hr.
- To replace inefficient conventional type lighting fixtures with new energy efficient LED fixtures with an expected reduction in power consumption by 20kwh/hr.

C) CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS

Proposed Investment for FY 2019-20 is ₹ 100 Lakhs.

2. TECHNOLOGY ABSORPTION

A) EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION

- Replacement of GCC filler with PCC filler, improved paper quality in terms of brightness and opacity.
- Manufacture of Good packing product like Cup Stock and Paper Straw.
- Use of Fuel Additive for reducing LSHS oil consumption.
- Enzymatic technology: Introduced Bleaching Enzyme i.e. Xylanase at pulp mill to reduce bleaching chemicals consumption. *(Xylanase enzyme degrades the linear polysaccharide xylan into xylose, thus breaking down hemicellulose, one of the major components of plant cell walls)*

B) BENEFITS DERIVED AS A RESULT OF THE ABOVE

- Reliability improvement with repeat orders of new products from customers.
- A step towards cleaner environment using paper in place of plastic.
- Improvement in customer satisfaction with improved product quality.
- Energy conservation through reduction in LSHS oil consumption.
- Reduction in bleaching chemicals consumption towards better environment.

C) IN CASE OF IMPORTED TECHNOLOGY (IMPORTED DURING THE LAST 3 YEARS RECKONED FROM THE BEGINNING OF THE FINANCIAL YEAR)

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

D) EXPENDITURE ON R&D (INCLUDING THROUGH APPROVED AGENCY)

a)	Capital	:	NIL
b)	Revenue (₹)	:	24.77 Lakhs
c)	Total Expenses as a percent of turnover (Net)	:	0.60%

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

a)	Foreign exchange used (₹)	:	234.60 Lakhs
b)	Foreign exchange earned (₹)	:	533.56 Lakhs

For and on behalf of the Board of Directors

B. HARIHARAN
Chairman & Executive Director
DIN 00012432

GAUTAM THAPAR
Director
DIN 00012289

Date 16 May, 2019
Place Gurugram

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	0.41
2	Mr. R. R. Vederah	0.35
3	Mr. B. Hariharan	-
4	Mr. Sanjay Labroo	0.12
5	Mr. A.S. Dulat	0.58
6	Mr. A. P. Singh	0.52
7	Mr. Sudhir Mathur	0.58
8	Ms. Payal Chawla	0.23

Remuneration for the financial year 2018-19 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 2018-2019, 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 2018-19 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 2018-19: Nil
4. The number of permanent employees on the rolls of Company as on 31 March, 2019: 1072
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	6,317,572	MSc.	30	01.05.2015	54	Group Insurance Head Cairn India Ltd
2	Mr. Akhil Mahajan	Co. Secretery & Chief General Manager	5,287,684	CS, MBA	27	19.05.2006	54	Manager - Gillette India Limited
3	Mr. R Hariharan	Chief General Manager	3,427,676	B.Sc (Engineering Mech)	34	01.10.1998	57	Dy. Manager - Purchase Binani Zinc Ltd
4	Mr. Atul Kumar Sharma	General Manager	2,170,725	Dip in Mech Engineering	30	15.11.2010	50	Maint. Head - Abhishek Industries Ltd.
5	Mr. Anil Mohan Sinha	Dy. General Manager-Accounts	1,732,956	M Com, Diploma In Co. Law , Insurance & Banking	35	25.09.1997	58	Accounts Officer APR Ltd.
6	Mr. Rakesh Kumar Malhotra	Dy. General Manager	1,815,668	B.Sc., BE Chem	34	05.04.1986	54	-
7	Mr. Payodhar Dangwal	Dy. General Manager	1,803,353	PGD in P&P,AMIE(Chem)	39	27.12.2010	60	Dy. General Manager Enmas Andritz Pvt Ltd
8	Mr. S S Sodhi	Dy. General Manager	1,672,574	Dip. Electrical	38	02.04.1981	59	Jr Engineer (trainee) Punjab Electricity Board
9	Mr. Rakesh Kumar	Manager	1,611,765	B Tech - Mech	21	06.06.2001	44	Shift Engineer Indian Acrylics Ltd.
10	Mr. Ashwani Sharma	Dy. General Manager	1,555,443	M Com., LLB	14	17.03.2017	38	Head Indirect Taxation, Indian Technomech Co

(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; Nil

Notes for Table (i) 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

B. HARIHARAN
Chairman & Executive Director
DIN 00012432

GAUTAM THAPAR
Director
DIN 00012289

Date 16 May, 2019
Place Gurugram

ANNEXURE 3

FORM NO. MGT. 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31 March, 2019.
[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	Joint Venture	50	2(6)
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. SHAREHOLDING 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, 2018)				NO. OF SHARES HELD AT THE END OF THE YEAR (31 MARCH, 2019)				% 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	0.09	1,202,108	-	1,202,108	0.09	-
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt.	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	322,799,469	-	322,799,469	24.96	322,799,469	-	322,799,469	24.96	-
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	**324,001,577**	**-**	**324,001,577**	**25.05**	**324,001,577**	**-**	**324,001,577**	**25.05**	**-**
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**	**25.05**	**324,010,667**	**-**	**324,010,667**	**25.05**	**-**
B	**PUBLIC SHARHOLDING**									
1)	**Institutions**									
a)	Mutual Funds	12,669	6,237	18,906	-	12,669	1,110	13,779	-	-
b)	Banks / FI	343,694,939	21,663	343,716,602	26.57	336,717,736	15,645	336,733,381	26.03	-0.54
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.	1,521	-	1,521	-	1,500	-	1,500	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	95,959,313	-	95,959,313	7.42	95,959,313	-	95,959,313	7.42	-
g)	FIIs	-	39,750	39,750	-	-	35,550	35,550	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others	-	-	-	-	-	-	-	-	-
	FPI	67,281,313	-	67,281,313	5.20	103,778,699	-	103,778,699	8.02	2.82
	Sub-total (B) (1)	**506,949,755**	**67,650**	**507,017,405**	**39.20**	**536,469,917**	**52,305**	**536,522,222**	**41.48**	**2.28**

	CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (1 April, 2018)				NO. OF SHARES HELD AT THE END OF THE YEAR (31 MARCH, 2019)				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
2)	**Non-Institutions**									
a)	Bodies Corp.									
i)	Indian	292,997,376	26,985	293,024,361	22.65	209,903,695	26,268	209,929,963	16.23	-6.42
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	90,076,896	2,890,234	92,967,130	7.19	131,798,199	2,194,734	133,992,933	10.36	3.17
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	54,215,837	0	54,215,837	4.19	65,960,069	0	65,960,069	5.10	0.91
c)	Others									
i)	NBFC Regd. with RBI	1,305,139	0	1,305,139	0.10	571,313	0	571,313	0.04	-0.06
ii)	Clearing Members	6,739,348	0	6,739,348	0.52	7,027,337	0	7,027,337	0.54	0.02
iii)	Non-Resident Indians	3,352,608	107,388	3,459,996	0.27	4,202,853	95,934	4,298,787	0.33	0.06
iv)	Foreign Company	3,685,010	5,734,335	9,419,345	0.73	3,676,010	5,722,464	9,398,474	0.73	0.00
v)	Trust	292,030	58,320	350,350	0.03	290,955	58,320	349,275	0.03	0.00
vi)	IEPF Account	946,055	0	946,055	0.07	1,394,716	0	1,394,716	0.11	0.03
	Sub-total (B) (2)	**453,610,299**	**8,817,262**	**462,427,561**	**35.75**	**424,825,147**	**8,097,720**	**432,922,867**	**33.47**	**-2.28**
	Total shareholding of Public (B) = (B)(1)+(B)(2)	**960,560,054**	**8,884,912**	**969,444,966**	**74.95**	**961,295,064**	**8,150,025**	**969,445,089**	**74.95**	**0.00**
C	**SHARES HELD BY CUSTODIAN FOR GDRs & ADRs**	0	123	123	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	**1,284,570,721**	**8,885,035**	**1,293,455,756**	**100.00**	**1,285,305,731**	**8,150,025**	**1,293,455,756**	**100.00**	**-**

(II) SHAREHOLDING OF PROMOTERS (INCLUDES PROMOTER 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	24.95	99.59	322,689,019	24.95	99.59	-
2	Avantha Realty Ltd	110,000	0.01	-	110,000	0.01	-	-
3	Blue Horizon Investments Ltd	450	0.00	-	450	0.00	-	-
4	Mr. Gautam Thapar	1,188,218	0.09	-	1,188,218	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**	**25.05**	**99.59**	**324,010,667**	**25.05**	**99.59**	**-**

(III) CHANGE IN PROMOTERS' SHAREHOLDING (INCLUDES PROMOTER 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	324,010,667	25.05	324,010,667	25.05
Increase/(Decrease) during the year	-	-	-	-
At the end of the year	324,010,667	25.05	324,010,667	25.05

(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, 2018		CHANGE IN SHAREHOLDING		SHAREHOLDING AS ON 31 MARCH, 2019	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	INCREASE	DECREASE	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	ICICI Bank Limited	155,937,658	12.06	461,921	-	156,399,579	12.09
2	Finquest Financial Solutions Pvt Ltd	188,499,675	14.57	-	63,387,493	125,112,182	9.67
3	Life Insurance Corporation of India	85,550,701	6.61	-	-	85,550,701	6.61
4	Axis Bank Limited	63,190,465	4.89	467,476	-	63,657,941	4.92
5	Hypnos Fund Limited	-	-	53,859,165	-	53,859,165	4.16
6	Oriental Bank of Commerce	41,664,443	3.22	-	-	41,664,443	3.22
7	Samena Special Situations Mauritius	40,335,023	3.12	-	-	40,335,023	3.12
8	Kotak Mahindra Bank Ltd	37,941,178	2.93	-	-	37,941,178	2.93
9	Export- Import Bank of India	25,801,668	1.99	-	-	25,801,668	1.99
10	Phoenix Arc Private Limited	27,785,557	2.15	-	5,747,897	22,037,660	1.70

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 (KMP)

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	0.09	1,188,218	0.09
	Increase / (Decrease) during the year	-	-	-	-
	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	0.04	495,802	0.04
	Increase / (Decrease) during the year	-	-	-	-
	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	-	-	-	-

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 Lakhs)

		SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the financial year					
i	Principal Amount	70,916	98,158	-	169,074
ii	Interest due but not paid	8,689	12,709	-	21,397
iii	Interest accrued but not due	765	-	-	765
	Total (i+ii+iii)	**80,370**	**110,867**	**-**	**191,237**
Change in Indebtedness during the financial year					
i	Addition	8,397	11,841	-	20,238
ii	Reduction	-	-		-
	Net Change	**8,397**	**11,841**	**-**	**20,238**
Indebtedness at the end of the financial year					
i	Principal Amount	71,225	94,348	-	165,573
ii	Interest due but not paid	9,830	28,361	-	38,191
iii	Interest accrued but not due	7,711	-	-	7,711
	Total (i+ii+iii)	**88,766**	**122,708**	**-**	**211,475**

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. A. S. DULAT**		**MS. PAYAL CHAWLA**	**MR. A. P. SINGH**	**MR. SUDHIR MATHUR**	
	Sitting Fee for attending Board/Committee meetings	40,000		2,00,000		80,000	1,80,000	2,00,000	7,00,000
	Commission	-	-	-	-			-	-
	Others, please specify	-	-	-	-			-	
	Total (1)	**40,000**		**2,00,000**		**80,000**	**1,80,000**	**2,00,000**	**7,00,000**
2	**Other Non-Executive Directors**	**MR. GAUTAM THAPAR**	**MR. R. R. VEDERAH**		-		-	-	-
	Sitting Fee for attending Board/Committee meetings	1,40,000	1,20,000						**2,60,000**
	Commission	-	-	-	-			-	
	Others, please specify	-	-	-	-			-	
	Total (2)	**1,40,000**	**120,000**	**-**	**-**		**-**	**-**	**2,60,000**
	Total (B) = (1 + 2)	-	-	-	-		-	-	**9,60,000**
	Total Managerial Remuneration	-	-	-	-		-	**-**	**9,60,000**
	Overall Ceiling as per the Act.	The sitting fee paid is within the limits prescribed as per the Act.							

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	-	5,123,080	5,123,080
	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		-	164,604	164,604
	TOTAL		-	5,287,684	5,287,684

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

B. HARIHARAN
Chairman & Executive Director
DIN 00012432

GAUTAM THAPAR
Director
DIN 00012289

Date 16 May, 2019
Place Gurugram

ANNEXURE TO BOARD'S REPORT

ANNEXURE 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES FOR FY2018-19

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 partnerships with Non Governmental Organisations (NGOs). The Company conducts its 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.org.

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: ₹ (344.32) Lakhs.**

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'18-March'19): Nil

Actual Amount Spent (April'18-March'19): Nil on Programmes.

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.			

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 communities & 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
Chariman CSR Committee

NEEHAR AGGARWAL
Chief Executive Officer

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **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 secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2019 ("Audit Report") 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, 2019 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;

(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) The 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, 2018; (**Not applicable to the Company during the Audit Period)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (**Not applicable to the Company during the Audit Period)**

(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; (**Not applicable to the Company during the Audit Period)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**Not applicable to the Company during the Audit Period)**

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that the Company has Group Director (Finance) and Deputy Chief Finance Officer (CFO) in place of CFO, who has not yet been appointed.

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.

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

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

Date: 16 May, 2019
Place: New Delhi

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

SECRETARIAL AUDIT REPORT

Annexure A

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

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 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. Wherever 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: 16 May, 2019
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BALLARPUR INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of **Ballarpur Industries Limited** (the 'Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effect of the matters described in Basis for Qualified Opinion section of our report,* the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. *We draw reference to Note 45 accompanying the standalone financial statements, wherein the Company has not accrued the liability towards outstanding Put Options which forms the basis for our qualified opinion. As explained in the note, the management is unable to quantify the liability with respect to the outstanding Put Options. Accordingly, we are unable to quantify the impact.*

2. *(a) As of the year end, the Company while comparing the balances of borrowings with the confirmations received from the lenders identified differences in interest expense accrued to the tune of ₹ 583 Lakhs. The interest expense accrued in the books of accounts were lower when compared with the interest confirmed by the lenders.*

   (b) In respect of borrowings not confirmed by banks, the interest accrued by the Company in the books as compared to the interest payable by the Company in terms of the loan agreement with the lenders is lower by ₹ 12,401 Lakhs which includes penal interest of ₹ 6,270 Lakhs.

   (c) We have not received direct confirmation from certain lenders for the balance outstanding in borrowings aggregating to ₹ 82,031 Lakhs.

   These form the basis for our qualified opinion. Had the Company accrued the differences in the books, the finance cost and loss for the year would have increased by ₹ 12,984 Lakhs, total comprehensive income and shareholders' fund would have reduced by ₹ 12,984 Lakhs. The impact on borrowings and finance cost, if any, on account of non-receipt of direct confirmation from lenders could not be quantified.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to Going Concern

We draw attention to Note 43 accompanying the standalone financial statements, which contains conditions along with other matters which indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the outcome of the debt restructuring steps taken by the Company and the optimal utilization of the operational units. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Impairment of assets

Refer Note 4(f) on impairment of assets and Note 2.9 accounting policy on impairment of assets. We have considered impairment of assets as a Key Audit Matter due to the following reasons

a. The impairment loss assessed by the management is ₹ 34,697 Lakhs which is a significant item of cost accounted in Statement of Profit and Loss.

b. The impairment loss is computed based on management's estimates and assumptions regarding future operating cash flows, weighted average cost of capital to be used for discounting future cash flows and / net realisable value of assets for the Cash Generating Units identified.

Our procedures included the following

- Compared the performance of operating units with budgets and considered the recent trends to identify impairment indicators
- Assessed the methodology adopted by the management in identifying Cash Generating Units (CGU) to be tested for impairment taking into consideration the operating structure and applicable Accounting Standard.
- Verified the assumptions and estimates used by the management in arriving at the value in use for the respective CGUs.
- Independently checked the underlying calculation of net present value.
- Discussed the audit observations with the management and discussed significant details with respect to the approach, assumptions & estimates by management and our observations with the Audit Committee.

2. Valuation of assets held for sale

   Refer Note 40 on assets held for sale - land located at Choudwar, Odisha. We have considered assets held for sale as a Key Audit Matter due to the following reasons

   a. The value of assets held for sale constitutes 11 % of the total assets of the Company which is a significant item in the Balance Sheet.

   b. Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell.

   The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs.

   Our procedures included the following

   - Checked the minutes of the Board meetings held during 2018-19 to evaluate the status of the assets held for sale and the proposed steps taken by the management in realising those assets.
   - Examined the external valuation report provided by the Company supporting the carrying amount of assets held for sale.
   - Discussed with the management and assessed the appropriateness of the methodology adopted for the valuation.
   - Evaluated the objectivity, independence and competency of the experts used by the management by reference to their qualification and experience.

3. License Agreement for right to use BILT logo and trademark.

   Refer to Note 47(d)(xxiii) on license fees towards transfer of right to use BILT Logo and other trademarks. We have considered the supplemental agreement entered into by the Company for granting the right to use BILT Logo and other trademarks to Bilt Graphic Paper Products Limited (BGPPL), a step-down subsidiary, as a Key Audit Matter due to the following reasons

   a. The license fees of ₹ 26,400 Lakhs towards transfer of right to use BILT Logo and other trademarks for the period of 25 years is a significant related party transaction during the year.

   b. The valuation of the consideration involves estimates and judgements which may significantly affect the valuation. Accordingly, this is considered as a Key Audit Matter.

   Our procedures included the following

   - Examined the Company's external expert's reports supporting the valuation of right to use BILT logo.
   - Assessed the appropriateness of the valuation methodologies adopted.
   - Discussed with the management on the assumptions and the reasonableness of such assumptions considered in valuation such as discount rate, weighted average cost of capital, etc.
   - Checked, on a sample basis, the accuracy of the input data given to management's expert for determining the fair value of the right to use of BILT Logo and other trademarks.
   - Evaluated the objectivity, independence and competency of the experts used by the management.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises Board's Report including its annexures but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Except for the mattter started in the Basis for Qualified Opinon section above, we have nothing to report in this regard.

Responsibilities of management and those charged with Governance for the standalone financial statements.

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1) As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of sub-section (11) of the Act, we give in Annexure 'A' to this Report, a statement on the matters specified in paragraph 3 and 4 of the said Order, to the extent applicable.

2) As required by Section 143 (3) of the Act, we report that:

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion, *except for the possible effects of matters described in Basis for Qualified Opinion section of our report,* 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, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

(e) in our opinion, *except for the possible effects of matters described in Basis for Qualified Opinion section of our report,* the aforesaid financial statements comply with the Indian Accounting Standards notified under Section 133 of the Act, read with Companies (Indian Accounting Standards) 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 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2019 from being appointed as a Director in terms of Section 164(2) of the Act; *however we observed that the Company has defaulted in payment of interest to the debenture holders and such default continues for more than a year as at 31 March 2019*;

(h) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B';

(i) with respect to the other matters to be included in the auditor's report in accordance with the requirements of Section 197(16) of the Act (as amended);

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year; and

(j) with respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the impact of pending litigation on its financial position – Refer Note 44 to the financial statement.;

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 during the year *except unclaimed dividend of ₹ 3 Lakhs pertaining to financial year 2009-10 which has not been transferred to Investor Education and Protection Fund by the Company as at 31 March 2019 (Refer Note 16).*

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

V. Viswanathan
Partner
Membership No. 215565

Place: Gurugram
Date: 16 May 2019

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report to the members of Ballarpur Industries Limited ("the Company") 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, property, plant and equipment have been physically verified by the Management during the year. According to the information and explanations given to us, no 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 pledged with the bankers as security against borrowings, 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 as at the balance sheet date, *except the following:*

Type of asset	Total no. of instances	Cost as at 31 March 2019 (₹ in Lakhs)	Book value as at 31 March 2019 (₹ in Lakhs)	Remarks
Leasehold Land	1	9	6	Refer Note below

Note: In respect of immovable property of land that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease arrangement is yet to be registered in the name of the Company.

(ii) Inventories have been physically verified by the Management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. As explained to us, the discrepancies noticed on verification between the physical stock 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 2019. 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 employees' state insurance, goods and service tax, *the Company is generally not regular in depositing undisputed statutory dues of provident fund, income-tax, sales tax, value added tax, cess and professional tax 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 2019 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 2018	1,101
Income-tax deducted at source	March 2017 to August 2018	13
Professional tax	June 2016 to August 2018	29
Grama panchayath tax	2015-16 to 2018-19	109
Pension fund	May 2016 to August 2018	242
Value added tax	2002-03 to 2007-08	1,424
Central sales tax	2016-18	39

(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, service tax, duty of customs, duty of excise, value added tax as at 31 March 2019 which have not been deposited with statutory authorities on account of a dispute pending are given in *Appendix 1* to this report.

(viii) In our opinion and according to the explanations and information given to us and 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 (₹ in Lakhs)	Period of default (Days)	Amount of default (₹ in Lakhs)
EXIM Bank	60-517 days	3,966	1-609 days	1,183
Finquest Financial Solutions Private Limited	9-920 days	1,562	1-943 days	1,768
IDBI Bank	1-731 days	1,875	182-790 days	2,128
Phoenix Arc Pvt. Ltd.	6-93 days	912	1-609 days	1,573
Life Insurance Corporation of India	-	-	63-793 days	3,178
		8,315		**9,830**

(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 on 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 frauds 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 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: Gurugram
Date: 16 May 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT (Continued)

Appendix 1 to Annexure A: The particulars of income tax, sales tax, duty of customs, duty of excise, value added tax as at 31 March 2019 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)
AP Revenue Recovery Act, 1864	1986-1988	District Collector, Warangal	476	476
AP Tax on Entry of goods, 2001	2013-2015	Appellate Deputy Commissioner, Secunderabad	134	120
Electricity Act, 2003	Since 2002	Supreme Court of India	3,004	2,746
Income Tax Act, 1961	1991-92	Supreme Court of India	1,063	1,063
	1993-94	Supreme Court of India	325	325
	1994-95	ITAT	1,364	1,364
	2008-09	Supreme Court of India	17,453	17,453
	2009-10	ITAT	2,833	2,833
	2011-12	ITAT	2,269	2,269
	2012-13	ITAT	242	242
	2013-14	ITAT	755	755
The Central Excise Act, 1944	2005-2009	CESTAT, Chandigarh	91	91
	2012-13	CESTAT, Hyderabad	724	724
	2013-14	Commissioner, Panchkula	6	6
	2017-18	Assistant Commissioner, Yamuna nagar	12	12
	Apr-Dec 2009	Commissioner, Panchkula	20	20
	Apr-May 2011	Assistant Commissioner, Yamuna nagar	5	5
	Nov 2010 - Mar 2011	CESTAT, Delhi	15	15
The Central Excise Tariff Act, 1985	1996-97	Assistant Commissioner, Yamuna nagar	17	17
	1996-97	Joint Commissioner, Panchkula	11	11
	2004-2010	CESTAT, Chandigarh	70	62
The Central Sales Tax Act, 1956	1994-1995	High Court, Nainital	12	12
	1997-98	Trade Tax Tribunal, Saharanpur	2	2
	2001-02	Appellate Deputy Commissioner, Secunderabad	29	15
	2002-03	Trade Tax Tribunal, Saharanpur	1	1
	2014-15	CTO, Samarangam Chowk Circle, Vijayawada	80	80
	2014-15	DCCT, Kerala Commercial Taxes Department	3	3
	2014-15(*)	DCCT, Saharanpur	8	8
	2014-15	Deputy Commissioner (ST) (Large Taxpayer Unit), Secunderabad	75	66
	2015-16(*)	DCCT, Saharanpur	2	2
	2015-16	Deputy Commissioner (CT) (Large Taxpayer Unit), Secunderabad	4	4
The Customs Act, 1962	2012-13	Commissioner Custom (Appeals), Jam Nagar	33	29
	2012-13	Commissioner Custom (Appeals), Kandla	38	31
UP VAT Act, 2008	2001-02	Trade Tax Tribunal, Saharanpur	2	2
	2016-17	DCCT, Saharanpur	5	5

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: Gurugram
Date: 16 May 2019

ANNEXURE 'B'TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(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 2019 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at 31 March 2019:

a) The Company's internal financial control over periodic reconciliation of amount due to lenders were not operating effectively which needs to be strengthened.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, *except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria*, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the 31 March 2019 standalone financial statements of the Company, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

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

V. Viswanathan
Partner
Membership No. 215565

Place: Gurugram
Date : 16 May 2019

BALANCE SHEET

AS AT 31 MARCH 2019

₹ in Lakhs

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	4	177,245	258,693
(b) Capital work-in-progress	5	270	65
(c) Other intangible assets	6	1,003	2,170
(d) Intangible assets under development	7	-	-
(e) Financial assets			
(i) Investments	8	94,553	105,787
(ii) Loans	9	352	169
(iii) Others	10	48	-
(f) Deferred tax assets (net)	11	11,924	11,924
(g) Other non-current assets	12	3	15
(2) Current Assets			
(a) Inventories	13	5,307	5,371
(b) Financial assets			
(i) Trade receivables	14	1,126	705
(ii) Cash and cash equivalents	15	419	930
(iii) Bank balances other than (ii) above	16	519	70
(iv) Loans	17	20,252	20,322
(v) Others	18	301	972
(c) Other current assets	19	3,649	3,533
(d) Assets classified as held for sale	40	39,978	-
Total Assets		**356,949**	**410,726**
EQUITY AND LIABILITIES			
Equity			
(1) Equity share capital	20	25,871	25,871
(2) Other equity	21	(19,258)	52,576
Liabilities			
(1) Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	22	-	-
(ii) Other financial liabilities	23	13,902	98,079
(b) Provisions	24	2,415	2,750
(c) Other non-current liabilities	25	25,350	-
(2) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	22	94,348	98,158
(ii) Trade payables	26		
a) Total outstanding dues of micro and small enterprises		1,944	356
b) Total outstanding dues of creditors other than micro and small enterprises		20,246	19,641
(iii) Other financial liabilities	27	133,720	99,645
(b) Other current liabilities	28	50,217	6,587
(c) Provisions	29	2,089	1,358
(d) Current tax liabilities(net)	30	6,105	5,705
Total Equity and Liabilities		**356,949**	**410,726**
Significant Accounting Policies and Notes accompanying Standalone Ind AS Financial Statements	1-54		

As per our report of even date attached

For Sharp & Tannan
Chartered Accountants
(Firm's registration no. 003792S)

V. Viswanathan
Partner
Membership No. 215565

Place: Gurugram
Date: 16 May 2019

For Ballarpur Industries Limited

B. HARIHARAN
Chairman & Executive Director
DIN 00012432

R. R. VEDERAH
Vice Chairman
DIN 00012252

R. RAJAGOPAL
Deputy Chief Financial Officer

NEEHAR AGGARWAL
Chief Executive Officer

AKHIL MAHAJAN
Company Secretary

Place: Gurugram
Date: 16 May 2019

STATEMENT OF PROFIT AND LOSS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

₹ in Lakhs

Particulars	Note No.	2018-19		2017-18	
Revenue from operations	31		45,541		30,748
Other income	32		6,670		5,061
Total Income			**52,211**		**35,809**
Expenses					
Cost of materials consumed	33	18,237		12,059	
Purchase of stock in trade	34	44		427	
Changes in inventories of finished goods, work- in- progress and stock-in -trade	35	233		(1,689)	
			18,514		10,797
Employee benefits expense	36		6,811		6,670
Finance costs	37		24,216		24,434
Depreciation and amortisation expense	4 & 6		6,348		5,971
Excise duty			-		437
Other expenses	38		22,166		16,302
Total Expenses			**78,055**		**64,611**
Profit/ (loss) before exceptional items and tax			**(25,844)**		**(28,802)**
Exceptional items	39		37,707		16,929
Profit/ (loss) before tax			**(63,551)**		**(45,731)**
Tax expense:					
(1) Current tax	50	-		-	
(2) Deferred tax	11	-		(14,622)	
			-		(14,622)
Profit/ (loss) for the year			**(63,551)**		**(31,109)**
Other Comprehensive Income					
A (i) Items that will not be reclassified to profit or loss		17		(491)	
(ii) Income tax on the above		-		-	
B (i) Items that will be reclassified to profit or loss		(8,300)		-	
(ii) Income tax on the above		-		-	
Other comprehensive income for the year			**(8,283)**		**(491)**
Total comprehensive income for the year			**(71,834)**		**(31,600)**
Earnings per equity share	48				
(1) Basic (₹)			(4.91)		(2.85)
(2) Diluted (₹)			(4.91)		(2.85)
Significant Accounting Policies and Notes accompanying Standalone Ind AS Financial Statements	1-54				

As per our report of even date attached

For Sharp & Tannan
Chartered Accountants
(Firm's registration no. 003792S)

V. Viswanathan
Partner
Membership No. 215565

Place: Gurugram
Date: 16 May 2019

For Ballarpur Industries Limited

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Deputy Chief Financial Officer

NEEHAR AGGARWAL
Chief Executive Officer

AKHIL MAHAJAN
Company Secretary

Place: Gurugram
Date: 16 May 2019

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

₹ in Lakhs

Particulars	2018-19	2017-18
Cashflow from operating activities		
Profit/(Loss) before tax	(63,551)	(45,731)
Adjustment for:		
Depreciation and amortization expense	6,348	5,971
Finance costs (net)	24,216	24,434
Interest income	(536)	(464)
Unrealised gain on foreign exchange (net) as other income	(2,574)	-
Bad debts and other balances written off / Allowances for doubtful debts & advances	569	50
Unspent liabilities and excess provision of earlier years written back	(2,636)	(620)
Inventory written off	1,265	-
Exceptional items	37,707	16,929
(Profit) / Loss on sale of property plant and equipment	74	(28)
Operating profit before working capital changes	**882**	**541**
Adjustment for working capital		
(Increase)/decrease in trade receivable	(504)	(257)
(Increase)/decrease in loans, advances and other current assets	3,550	(47,208)
(Increase)/decrease in inventory	(1,201)	3,039
Increase/(decrease) in liabilities and provisions	(349)	45,759
Cash generated from / (used in) operations	**2,378**	**1,874**
Direct taxes (paid) / refund (net)	400	2,286
Net cash generated from / (used in) operating activities	**2,778**	**4,160**
Cashflow from investing activities		
Payment for acquisition of property, plant and equipment and intangible assets	(279)	(1,920)
Proceeds on disposal of property, plant and equipment	1,515	30
Interest received	532	472
(Increase) / Decrease in other bank balances (Refer note (c) below)	(450)	176
Net cash generated from / (used in) investing activities	**1,318**	**(1,242)**
Cashflow from financing activities		
Proceeds from / (Repayment of) borrowings (net)	(3,070)	219
Receipt/(Payment) for buy back (optional/convertible)	58	(2)
Interest paid (net)	(1,584)	(2,447)
Dividend paid (including payment to investor education fund)	(11)	(11)
Net cash generated from / (used in) financing activities	**(4,607)**	**(2,241)**
Net increase / (decrease) in cash and cash equivalents	(511)	677
Cash and cash equivalents at the beginning of the year	930	253
Cash and cash equivalents at the end of the year	**419**	**930**

Notes:

(a) The cash flow statements 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, intangible 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.

(e) Figures in brackets indicate cash outgo.

Significant Accounting Policies and Notes accompanying Standalone Ind AS Financial Statements form an integral part of the Cash Flow Statement. 1-54

As per our report of even date attached

For Sharp & Tannan
Chartered Accountants
(Firm's registration no. 003792S)

V. Viswanathan
Partner
Membership No. 215565

Place: Gurugram
Date: 16 May 2019

For Ballarpur Industries Limited

B. HARIHARAN
Chairman & Executive Director
DIN 00012432

R. R. VEDERAH
Vice Chairman
DIN 00012252

R. RAJAGOPAL
Deputy Chief Financial Officer

NEEHAR AGGARWAL
Chief Executive Officer

AKHIL MAHAJAN
Company Secretary

Place: Gurugram
Date: 16 May 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

₹ in Lakhs

A. EQUITY SHARE CAPITAL			
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 2018	13,112	12,759	25,871
For the year ended 31 March 2019	25,871	-	25,871

₹ in Lakhs

B. OTHER EQUITY										
Particulars	Capital Reserve	Securities Premium Account	Preference Share Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings	Other Comprehensive Income			Total
							Re-measurement of the net defined benefit Plans	Gain/(Loss) on Equity Instruments	Gain/(Loss) on Debt Instruments	
Balance as at 1st April 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 redemption reserve	-	-	-	(1,649)	-	1,649	-	-	-	-
Issue 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**
Loss for the year	-	-	-	-	-	(63,551)	-	-	-	(63,551)
Other comprehensive income for the year	-	-	-	-	-	-	17	-	(8,300)	(8,283)
Balance as at 31 March 2019	**1,515**	**115,833**	**7,385**	**2,101**	**80,809**	**(217,277)**	**(576)**	**(748)**	**(8,300)**	**(19,258)**

Significant Accounting Policies and Notes to Standalone Ind AS Financial Statements 1-54

As per our report of even date attached

For Sharp & Tannan
Chartered Accountants
(Firm's registration no. 003792S)

V. Viswanathan
Partner
Membership No. 215565

Place: Gurugram
Date: 16 May 2019

For Ballarpur Industries Limited

B. HARIHARAN
Chairman & Executive Director
DIN 00012432

R. R. VEDERAH
Vice Chairman
DIN 00012252

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Deputy Chief Financial Officer

NEEHAR AGGARWAL
Chief Executive Officer

AKHIL MAHAJAN
Company Secretary

Place: Gurugram
Date: 16 May 2019

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

1. COMPANY OVERVIEW

Ballarpur Industries Limited ("BILT" or the company) is a public Limited Company incorporated and domiciled in India with its registered office in Ballarpur, Maharashtra, India. The Company is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) and is engaged in the business of manufacturing and selling of writing and printing paper. The manufacturing operations of the Company are spread over two units namely Shreegopal (Haryana) and Kamalapuram (Telangana).

The functional and presentation currency of the Company is Indian rupee (INR) which is the currency of the primary economic environment in which the company operates and amounts in the financial statements are presented in Indian rupee rounded off to lakhs.

The Financial Statements for the year ended 31 March, 2019 were approved by the Board of Directors for issue on 16 May 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise stated.

2.1 STATEMENT OF COMPLIANCE

The financial statements (FS) have been prepared in accordance with the provisions of Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards Rules) 2015 and amendments thereof issues by Ministry of Corporate Affairs in exercise of the powers conferred by Section 133 of the Companies Act, 2013.

2.2 BASIS OF PREPARATION

The financial statements are presented in the format prescribed in the Schedule III to the Companies Act, (the Act) 2013. The statement of Cash flows has been prepared and presented as per the requirement of Ind AS-7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and 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 notified Accounting Standards and SEBI (LODR) Regulations 2015, as amended.

2.3 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.

2.4 USE OF ESTIMATES AND CRITICAL ACCOUNTING JUDGEMENTS

In the preparation of financial statements the Company makes critical judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the results are known. Key sources of estimation of uncertainty at the date of standalone financial statements, which may cause material adjustments to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, fair value measurement and are discussed below;

(a) Impairment

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 / Cash generating unit (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) Employee benefit obligations

The Company's obligations under defined benefit and other long term benefits are 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

Fair value is the price 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.

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 (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

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.

(f) Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

2.5 PROPERTY, PLANT AND EQUIPMENT (PPE)

An item of PPE is recognized as an asset if 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. This recognition principle is applied to all costs incurred initially to acquire property plant and equipment and to costs incurred subsequently to add to or replace part of it. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Trial run expenses (net of revenue) are capitalised.

PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Borrowing costs incurred during the period of construction is capitalized as part of cost of qualifying asset in accordance with the Company's accounting policy.

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

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

2.6 INTANGIBLE ASSETS

Intangible assets including software costs and product development expenditure are recognized when it is probable that associated future economic benefits would flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets are stated at original cost of acquisition net of tax/duty credits availed, less accumulated amortization and accumulated impairment losses, if any. Costs include expenditure that is directly attributable to the acquisition of the intangible assets. Recognition of cost of as an asset is ceased when the project is complete and available for its intended use, or if these criteria are no longer available.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "intangible assets under development".

2.7 RESEARCH AND DEVELOPMENT COSTS

Expenditure on research activities is recognised as an expense in the year in which it is incurred. Product Development costs incurred on new product development / 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 the intention to complete the intangible asset and use or sell it;
- 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 loss, 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.

2.8 DEPRECIATION AND AMORTIZATION OF PPE AND INTANGIBLE ASSETS

Depreciation/amortization is provided, so as to write off, on a straight-line basis, the cost / deemed cost of property plant and equipment and intangible assets (other than freehold land and properties under construction), including those held on finance lease to their residual values. The depreciation/amortization is charged from the dates the assets are available for their intended use and are spread over their estimated useful lives or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives for main categories of property plant and equipment and intangible assets are;

Categories of Assets	Estimated useful life (in years)
Lease hold land	upto 29
Buildings -Factory and Office buildings including RCC frame structures	30 to 60 *
Plant & Machinery	7 to 30 *
Railway Sidings	14
Furniture, Fixtures and Office equipment	
Computer equipment	3-5
Office equipment	5-30
Furniture and fixtures	4-10
Vehicles	7- 16

Freehold land is not depreciated.

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 estimated useful lives and residual values are reviewed regularly and when necessary revised. No further charge of depreciation / amortization is recognised in respect of assets that are fully written down but are still in use.

*Note: For these class of assets, based on internal assessment and independent technical evaluation carried out by chartered engineers, the Company believes that useful lives, as given above, represents the period over which the Company expects to use these assets. Hence, the useful lives for these assets are different from the useful lives prescribed under Schedule II.

2.9 IMPAIRMENT OF PPE AND INTANGIBLE ASSETS

As at each reporting date, the Company reviews the carrying values of its 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 recoverable amount of PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any. When the assets does not generate cash those that are independent from other assets, the company estimates the recoverable amount of the asset and recognizes an impairment loss when the carrying value 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).

An impairment loss is recognised in the Statement of Profit or 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 value of the asset (or cash generating unit), 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.

Goodwill and intangible assets with indefinite life are tested for impairment each year

2.10 NON CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE AND DISCONTINUED OPERATIONS

Non current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less cost to sell of an asset (or disposal group). But not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non current asset (or disposal group) is recognised at the date of recognition.

Non current assets (including that are part of disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non current assets classified as held for sale and the assets of a disposal group as held for sale are presented separately from the other assets in the balance sheet. The liabilities of disposal group classified as held for sale are presented separately from other liabilities in the Balance Sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operation, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

2.11 LEASES

As Lessee

The Company determines whether an arrangement contains a lease by assuming whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the company in return of a payment, where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or an operating lease. Leases are classified as finance leases where the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. 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 another systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentive is recognized as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from leases assets are consumed.

(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. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charge/s and lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized over the period of the lease 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.

As Lessor

(i) Operating Lease

Rental income from operating lease is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease unless other systematic basis is more representative of the time pattern in which economic benefits from the leased assets is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased assets and recognized on a straight-line basis over the lease term.

Assets leased out under operating leases are continued to be shown under the respective class of assets.

(ii) Finance Lease

When assets are leased out under a finance lease, the present value of minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant period of return.

2.12 INVESTMENT IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Investments in subsidiaries, associates and joint ventures are carried at cost/deemed cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

2.13 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the company becomes a party to a contract embodying the related financial instruments.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to and deducted from the fair value measured on the initial recognition of the financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of the Profit and Loss.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument of allocating interest income or expense over the relevant period. The effective interest rate is a rate that exactly discounts the future cash receipts or payments through the expected life of the instrument, or where appropriate, a shorter period.

Subsequent measurement

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

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

(1) Financial assets

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

Financial assets are measured at fair value through other comprehensive income if such financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell such financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the value of such equity instruments. Such an election as made by the company on an instrument by instrument basis at the time of initial recognition of equity instruments. These investments are held for medium or long term strategic purpose.

The Company has chosen to designate these investments in equity instruments as fair value through other comprehensive income as the management believe this provides a more meaningful presentation for medium or long term strategic investments, than reflecting changes in fair value immediately in the statement of profit and loss.

Financial asset not measured at amortised cost or fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

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 is assessed and allowance recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

De-recognition

The Company de-recognises a financial asset (or, where applicable, a part of financial asset or a part of a group of similar financial assets) 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 the company has;

  a) transferred all the risks and rewards of the asset to another entity; or,

  b) not 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.

  On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in Profit or Loss.

(2) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

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

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement and redemption of borrowings is recognised over the term of the borrowings in the statement of profit and 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.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligation is discharged, cancelled or they expire.

When an existing financial liabilities 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 and modification is treated as the de-recognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(3) 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.

(4) 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.

2.14 CASH AND BANK BALANCES

Cash and bank balances consist of:

i) Cash and cash equivalents

Cash and cash equivalents which includes cash in hand, deposits held at call with banks, and other short-term deposits which are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and have maturities of less than one year/three month from the reporting date are held for the purpose of meeting short-term cash commitments.

The balances with banks are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

ii) Other Bank balances

Other bank balances includes balances and deposits with banks that are restricted for withdrawal and usage.

2.15 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.

Re-measurements, 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, re-measurements 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. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution scheme where the Company's obligations under the scheme are equivalent to those arising in a defined contribution scheme.

(v) Termination benefits

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

(vi) Compensated absences/ Short term obligations

Compensated absences which are not expected to occur within twelve months after the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

2.16 INVENTORIES

Inventories comprise Raw Materials, Stores & Spares, Chemicals, Work in progress and finished goods.

Inventories are stated at the lower of cost, determined on weighted average basis, and net realizable value. However, Raw material, Stores, Spares parts and chemicals are not written down below cost, if the finished product in which they will be incorporated are expected to be sold at or above cost.

Costs comprise direct material cost and, applicable direct labour costs and related overheads which have been incurred in bringing the inventories to their present location and condition.

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.

Traded goods are valued at cost, determined on weighted average basis, and net realisable value whichever is lower.

Provisions are made to cover slow moving and obsolete item based on historical experience of utilisation of inventories.

2.17 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

i) Provisions

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can reliably estimated.

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. When the effect of the time value of money is material, provisions are measured on discounted bases. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

ii) Contingent Liabilities

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

iii) Contingent Assets

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

Provisions, contingent liabilities and assets are reviewed at each balance sheet date.

iv) Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a. estimated amount of contracts remaining to be executed on capital account and not provided for;

b. uncalled liability on shares and other investments partly paid;

c. funding related commitment to subsidiary, associate and joint venture companies; and

d. other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.18 GOVERNMENT GRANTS

Government grants with a condition to purchase, construct or otherwise acquire long-term assets are recognised when there is a reasonable assurance that the Company will comply with the conditions attached to that and the grants will be received and 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.

2.19 INCOME TAXES

Tax expense for the period comprises current and deferred tax.

(i) Current tax

Tax on income for the current period is determined on the basis of taxable profit for the period (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.

(ii) 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 and are accounted for using the balance sheet liability method.

Deferred tax liabilities are recognized for all taxable temporary differences.

In contrast, 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 value 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the company expects at the end of the reporting period to recover or settle the carrying value of assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there is legally enforceable right to set off current tax assets against current tax liabilities; within that jurisdiction.

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.

2.20 REVENUE RECOGNITION

(i) Sale of goods

Revenue from the sale of goods in the normal course of business is recognized at a point in time when the performance obligation is satisfied and it is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of the consideration to which the company expects to be entitled in exchange for transferring the promised goods to the customer.

Revenue for the sale of goods is recognized when control of the asset is transferred to the buyer and only when it is highly probable that a significant reversal of revenue will not occur when uncertainties related to a variable consideration are resolved. Transfer of control varies depending on the terms of the contract of sale.

Revenue is recognized when the performance obligation is satisfied. Revenues are recorded net of taxes. For products for which a right of return exists during defined period, revenue recognition is determined based on the historical pattern of actual returns, or in cases where such information is not available revenue recognition is postponed until the return period has lapsed. Return policies are typically based on customary return arrangements in local markets.

In the case of loss under a sales agreement, the loss is recognized immediately. Expenses incurred for shipping and handling of internal movements of goods are recorded as cost of sales. Shipping and handling related to sales to third parties are recorded as selling expenses. When shipping and handling are billed to the customer, then the related expenses are recorded as cost of sales. Shipping and handling billed to customers are distinct and separate performance obligations and recognized as revenues. Expenses incurred for sales commissions that are considered incremental to the contracts are recognized immediately in the income statement as selling expenses as a practical expedient under Ind AS 115.

The company receives payments from customers based on a billing schedule or credit period, as established in the contracts. Credit periods are determined based on standard terms, which vary according to local market conditions.

(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 has been established

2.21 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.

2.22 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 directly attributable to the acquisition, construction or production of qualifying assets which are assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost eligible for capitalization.

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

Discounts or premium and expenses on the issue of debt securities are amortised over the term of the related securities and included with borrowing costs. Premium payable on early redemption of debt securities, in lieu of future finance costs are written off as borrowing costs when paid.

2.23 EARNINGS PER SHARE (EPS)

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

Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential shares except where the result would be anti-dilutive.

2.24 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The effect on adoption of amendment to Ind AS 12 would be insignificant in the standalone financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company does not have any impact on account of this amendment.

₹ in Lakhs

4 PROPERTY, PLANT AND EQUIPMENT

Particulars	Leasehold land	Freehold land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Railway Sidings, Trolley Lines, Tramway & tipping tups	Total
Gross Block										
As at 1 April 2017	**9**	**112,602**	**32,779**	**166,041**	**1,048**	**355**	**100**	**12**	**62**	**313,008**
Additions	-	-	98	29,849	-	-	-	-	-	29,947
Disposals	-	-	-	-	-	12	-	-	-	12
As at 31 March 2018	**9**	**112,602**	**32,877**	**195,890**	**1,048**	**343**	**100**	**12**	**62**	**342,943**
Additions	-	-	-	73	1	-	-	-	-	74
Disposals	-	1,647	-	8	2	92	-	-	-	1,749
Re-classified to Asset held for sale	-	39,970	-	12	-	-	-	-	-	39,982
As at 31 March 2019	**9**	**70,985**	**32,877**	**195,943**	**1,047**	**251**	**100**	**12**	**62**	**301,286**
Accumulated depreciation										
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
On disposals	-	-	-	-	-	10	-	-	-	10
Upto 31 March 2018	**2**	**-**	**6,067**	**76,814**	**966**	**251**	**99**	**11**	**40**	**84,250**
Depreciation for the year	1	-	717	4,440	6	15	0	0	2	5,181
Impairment for the year	-	-	879	33,766	52	-	-	-	-	34,697
On disposals	-	-	-	7	1	75	-	-	-	83
Re-classified to Asset held for sale	-	-	-	4	-	-	-	-	-	4
As at 31 March 2019	**3**	**-**	**7,663**	**115,009**	**1,023**	**191**	**99**	**11**	**42**	**124,041**
Net carrying value										
As at 31 March 2018	7	112,602	26,810	119,076	82	92	1	1	22	258,693
As at 31 March 2019	**6**	**70,985**	**25,214**	**80,934**	**24**	**60**	**1**	**1**	**20**	**177,245**

(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 against borrowing facilities availed by the Company.

(d) The freehold land re-classified to Assets held for sale represents land held by the company, pledged against term loan taken by a step down subsidiary (BILT Graphic Paper Products Limited) (Also refer note 40).

(e) Refer note 44 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(f) Impairment of Assets

The Company's operations were affected due to inadequate working capital facilities which resulted in shut downs and losses in earlier years. The Company has reviewed the impairment indicators and has identified the following Cash Generating Units (CGUs) for impairment testing;

(a) Shreegopal Unit

(b) Kamalapuram Unit

Shreegopal Unit is an integrated pulp and paper manufacturing facility located in Yamunanagar, Haryana, and primarily caters to the uncoated paper segment of the Company. The recoverable amount of the assets under this CGU, determined based on value in use computed using a discount rate of 14% was lower than the carrying amount of the assets by ₹ 34,697 lakhs. Accordingly, an impairment loss for ₹ 34,697 lakhs is recognized during the year and included in exceptional item in the statement of profit or loss.

The Kamalapuram Unit was tested for impairment based on the independent fair valuation done by external valuation professional. The recoverable value of the assets under this CGU exceed the carrying amount of the assets and accordingly no impairment exists.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

₹ in Lakhs

5	CAPITAL WORK IN PROGRESS		
	Particulars	**As at 31 March 2019**	**As at 31 March 2018**
	Opening balance	65	28,112
	Additions	256	1,900
	Capitalized during the year	51	29,947
	Closing balance	**270**	**65**

6	OTHER INTANGIBLE ASSETS						
	Particulars	**As at 31 March 2019**			**As at 31 March 2018**		
		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	-	-	-	-	-	-
	Disposals	-	-	-	-	-	-
	Closing balance	**3,472**	**8,716**	**12,188**	**3,472**	**8,716**	**12,188**
	Accumulated amortization						
	Opening balance	2,153	7,865	10,018	1,459	7,378	8,837
	Amortization for the year	694	473	1,167	694	487	1,181
	Disposals	-	-	-	-	-	-
	Closing balance	**2,847**	**8,338**	**11,185**	**2,153**	**7,865**	**10,018**
	Net carrying value	**625**	**378**	**1,003**	**1,319**	**851**	**2,170**

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

(b) Refer note 44 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.

7	INTANGIBLE ASSETS UNDER DEVELOPMENT		
	Particulars	**As at 31 March 2019**	**As at 31 March 2018**
	Opening balance	-	3,144
	Impairment for the year	-	3,144
	Closing balance	**-**	**-**

8	NON-CURRENT INVESTMENTS					
	Particulars	**Face Value Per Share**	**As at 31 March 2019**		**As at 31 March 2018**	
			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
	(ii) Ballarpur International Holdings B.V.	€ 0.65	168,679,093	76,048	168,679,093	76,048
	(iii) BILT Graphic Paper Products Limited	₹ 10.00	50,000	5	50,000	5
	(iv) Ballarpur Speciality Paper Holdings B.V.	€ 1.00	18,000	12	18,000	12
	(v) Premier Tissues (India) Limited	₹ 10.00	-	-	5,620,427	4,522
	(b) Investments in fully paid equity shares of Joint Venture					
	(i) Premier Tissues (India) Limited (refer note 22(b)) (Net of provision of ₹ 2,934 Lakhs (Previous year-Nil))	₹ 10.00	5,620,427	1,588	-	-
				77,693		**80,627**

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

Particulars	Face Value Per Share	As at 31 March 2019		As at 31 March 2018	
		No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
B Investments 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
(ii) Avantha Power & Infrastructure Limited	₹ 10.00	8,654,186	-	8,654,186	-
			3		**3**
C Investments measured at fair value through OCI					
(a) Investment in debt instruments of subsidiaries					
(i) Zero coupon convertible notes (ZCCN) issued by Ballarpur International Holdings B.V		141	16,857	141	25,157
(141 ZCCN at $ 65,789.5 and premium of $ 214,912.25)					
			16,857		**25,157**
Grand Total			**94,553**		**105,787**

i) **Details of unquoted investments** ₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Aggregate amount of unquoted investments		
Book value	94,553	105,787
(b) Aggregate amount of impairment in value of investments	2,934	-

ii) During the year, the Company executed the Share Subscription Agreement (SSA) for dilution of shareholding in Premier Tissues (India) Limited (PTIL). Post execution of the SSA, PTIL ceased to be a subsidiary on 07th November, 2018 and is considered as a joint venture w.e.f. 08th November, 2018.

9 FINANCIAL ASSETS: LOANS - NON CURRENT

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Security Deposits	352	169
	352	**169**

10 OTHER FINANCIAL ASSETS - NON CURRENT

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Deposits with Government Authorities	48	-
	48	**-**

11 DEFERRED TAX ASSETS / (LIABILITIES) (NET)

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

Particulars	As at 31 March 2019	As at 31 March 2018
A Deferred tax assets		
(i) Expenses allowable on payment basis (Section 43B of Income Tax Act, 1961)	17,560	8,673
(ii) Unabsorbed tax depreciation	2,504	7,916
(iii) Unused tax losses (Business losses)	-	9,629
	20,064	**26,218**
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 1961.	8,140	14,294
	8,140	**14,294**
Net deferred tax assets / (liabilities)	**11,924**	**11,924**

(b) Movement in deferred tax assets and liabilities

2018-19 ₹ in Lakhs

Particulars		Opening Balance	Recognized in profit or loss	Closing Balance
(i)	Expenses allowable on payment basis (Section 43B of Income Tax Act, 1961)	8,673	8,887	17,560
(ii)	Unabsorbed tax depreciation	7,916	(5,412)	2,504
(iii)	Unused tax losses (Business losses)	9,629	(9,629)	-
(iv)	Difference between written down value of PPE and intangible assets as per books of account and as per Income Tax Act, 1961	(14,294)	6,154	(8,140)
		11,924	**-**	**11,924**

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, 1961	(17,860)	3,566	(14,294)
		(2,698)	**14,622**	**11,924**

(c) Items for which no deferred tax asset is recognised in the balance sheet :

Particulars		As at 31 March 2019		
		Base amount	**Deferred tax**	**Expiry date**
a)	Tax losses (revenue in nature) (business loss on which no deferred tax asset is created)			
	AY 2017-18	20,104	7,025	AY 2025-26
	AY 2018-19	1,121	392	AY 2026-27
b)	Tax losses (revenue in nature) (unabsorbed depreciation loss on which no deferred tax asset is created)	16,879	5,898	Not Applicable

(d) During the current year, the management on review of the financial performance and current affairs of the company has decided to recognise deferred tax asset on Property, plant and equipment and other assets to the extent the same can be set off against the deferred tax liability arising on timing difference between book depreciation as per the Income Tax Act, 1961. Other deferred tax assets have not been recognised.

12 OTHER NON CURRENT ASSETS

Particulars	As at 31 March 2019		As at 31 March 2018
Capital advances	17		14
Less: Allowance for doubtful advances	14		-
		3	14
Prepaid expenses		-	1
		3	**15**

13 INVENTORIES

Particulars	As at 31 March 2019	As at 31 March 2018
Raw materials [refer note (a) below]	671	358
Stores and spares [refer note (b) below]	1,976	1,988
Chemicals [refer note (c) below]	845	933
Packing material [refer note (d) below]	219	263
Work in progress	339	265
Finished goods [refer note (f) below]	1,257	1,564
	5,307	**5,371**

(a) Includes raw material-in-transit of ₹ 23 Lakhs (Previous year ₹ 20 Lakhs)

(b) Includes stores & spares-in-transit of ₹ 28 Lakhs (Previous year ₹ 52 Lakhs)

(c) Includes chemicals-in-transit of ₹ 101 Lakhs (Previous year ₹ 229 Lakhs)

(d) Includes packing material-in-transit of ₹ 0 Lakhs (Previous year ₹ 36 Lakhs)

(e) During the year, ₹ 103 Lakhs (Previous year ₹ Nil) was recognised as expense towards write down of inventories (refer note 38)

(f) Includes stock-in-trade of ₹ Nil (Previous year ₹ 1,048 Lakhs)

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

₹ in Lakhs

14 TRADE RECEIVABLES

Particulars	As at 31 March 2019	As at 31 March 2018
Considered good		
Due from others (refer note (a) below)	1,126	705
	1,126	**705**
Considered Doubtful		
Due from others	65	56
Less: Allowance for expected credit loss	65	56
	-	-
	1,126	**705**

(a) Includes ₹ 329 Lakhs (As at 31 March 2018 - ₹ 272 Lakhs) secured by way of security deposits received from the customers.

(b) The trade receivables are unsecured apart from note (a) above.

15 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with Banks :		
- in current accounts	417	928
Cash on hand	2	2
	419	**930**

16 OTHER BANK BALANCES

Particulars	As at 31 March 2019	As at 31 March 2018
Earmarked balance with banks in unpaid dividend Account*	42	53
Bank deposits with original maturity exceeding three months but less than twelve months	477	17
	519	**70**

*The Company had maintained unclaimed dividend account with Yes Bank Limited for the financial year 2009-10. The said dividend paid to shareholders by demand drafts which was not encashed, were credited to the Current Account of the Company by the said Bank, after transfer of amount to Investor Education and Protection Fund (IEPF). This amount was subsequently, transferred to IEPF on 10 May 2019.

17 FINANCIAL ASSETS : LOANS - CURRENT

Particulars	As at 31 March 2019		As at 31 March 2018	
Unsecured, considered good				
Loan to related parties (refer note 47)		19,320		19,270
Security Deposits		872		875
Others	66		177	
Less: Allowance for expected credit loss	6		-	
		60		177
		20,252		**20,322**

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

₹ in Lakhs

18	OTHER FINANCIAL ASSETS - CURRENT		
	Particulars	**As at 31 March 2019**	**As at 31 March 2018**
	Unsecured, considered good		
	Interest accrued on deposits	4	-
	Insurance Receivables [refer note (a) below]	257	948
	Scrap Receivables	40	-
	Advances to others	-	24
		301	**972**

(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 recognized as a receivable.

19	OTHER CURRENT ASSETS				
	Particulars	**As at 31 March 2019**		**As at 31 March 2018**	
	Prepaid expenses		97		54
	Advances to employees [refer note (a) below]		69		178
	Advances to trade creditors	2,728		2,306	
	Less: Allowance for doubtful advances	145		-	
			2,583		2,306
	Balance with government authorities		900		995
			3,649		**3,533**

(a) Advance to employees includes ₹ Nil (Previous Year ₹ 5 Lakhs) advances given to Director (refer note 47).

20	EQUITY SHARE CAPITAL		
	Particulars	**As at 31 March 2019**	**As at 31 March 2018**
	Authorised share capital		
	1,500,000,000 (31 March 2018: 1,500,000,000) equity shares of ₹ 2/- each	30,000	30,000
	10,000,000 (31 March 2018: 10,000,000) preference shares of ₹ 100/- each	10,000	10,000
		40,000	**40,000**
	Issued share capital		
	1,293,705,501 (31 March 2018: 1,293,705,501) equity shares of ₹ 2/- each	25,874	25,874
	Subscribed and paid-up share capital		
	1,293,705,501 (31 March 2018: 1,293,705,501) equity shares of ₹ 2/- each	25,874	25,874
	Less: Forfeited shares - 249,745 (31 March 2018: 249,745) equity shares of ₹ 2/- each	5	5
	1,293,455,756 (31 March 2018: 1,293,455,756) equity shares of ₹ 2/- each	25,869	25,869
	Add: Amount originally paid up on forfeited shares	2	2
		25,871	**25,871**

(a) Reconciliation of number of shares

Particulars	As at 31 March 2019		As at 31 March 2018	
	Nos	₹ in Lakhs	Nos	₹ in Lakhs
At the beginning of the year	1,293,455,756	25,871	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	1,293,455,756	25,871

(b) Terms and Rights attached to Equity 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. They entitle the holders to participate in dividends and to share in the proceeds of winding up the company in proportion to number of shares and amounts paid on the shares held.

(c) The Company does not have holding Company / ultimate Holding Company. The subsidiaries of the Company does not hold any shares in the Company.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Nos	Holding %	Nos	Holding %
(i) Avantha Holdings Limited	322,689,019	24.95%	322,689,019	24.95%
(ii) Life Insurance Corporation of India	85,550,701	6.61%	85,550,701	6.61%
(iii) Finquest Financial Solutions Private Limited	125,112,182	9.67%	188,499,675	14.57%
(iv) ICICI Bank Limited	156,399,579	12.09%	155,937,658	12.06%

(e) Changes to authorised share capital and Shares Allotment during the previous year

During the previous year, Company reclassified the Authorised Share Capital from ₹ 40,000 Lakhs comprising of 750,000,000 equity shares having face value of ₹ 2/- each and 25,000,000 preference shares having face value of ₹ 100/- each, to ₹ 40,000 Lakhs comprising of 1,500,000,000 equity shares having face value of ₹ 2/- each and 10,000,000 preference shares having face value of ₹ 100/- each, by converting 15,000,000 preference share of ₹ 100/- each into 750,000,000 equity shares of ₹ 2 each/-. Further during the financial year 2017-18, the Company had allotted collectively to the lenders 637,931,917 equity shares of face value ₹ 2/- each at a premium of ₹ 13.83/- per share aggregating ₹ 100,985 Lakhs as per the Strategic Debt Restructuring Scheme (SDR Scheme) of the Reserve Bank of India (refer note 42).

(f) Others

(i) The Company has not reserved any shares for issue under options as at 31 March 2019 (As at 31 March 2018 : Nil shares)

(ii) The Company has not allotted any bonus shares in the immediately preceding five year ended 31 March 2019 (previous period of five years ended 31 March 2018: 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 42 for detail of loans converted into equity.

(iv) The aggregate number of equity shares bought back in immediately preceding five years ended 31 March 2019 is Nil (previous period of five years ended 31 March 2018 - Nil).

(v) Calls unpaid as at 31 March 2019 - ₹ Nil (31 March 2018 : ₹ Nil).

₹ in Lakhs

21 OTHER EQUITY

Particulars	As at 31 March 2019	As at 31 March 2018
Capital reserve	1,515	1,515
Securities premium reserve	115,833	115,833
Preference share capital redemption reserve	7,385	7,385
Debenture redemption reserve	2,101	2,101
General reserve	80,809	80,809
Retained Earnings	(217,277)	(153,726)
Items of Other Comprehensive Income (OCI)		
Re-measurement of the net defined benefit plans	(576)	(593)
Equity instruments through OCI	(748)	(748)
Debt instruments through OCI	(8,300)	-
	(19,258)	**52,576**

(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 share holders.

(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 (DRR)

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 the 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.

(ix) Debt instruments through OCI

The fair value change of debt instruments as measured at fair value through other comprehensive income is recognised in debt instruments through other comprehensive income and are subsequently reclassified to statement of profit or loss. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified from equity to Profit & Loss.

(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 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)**
Remeasurement gain/(loss) on net defined benefit plans	17	-	17
Income tax effect	-	-	-
As at 31 March 2019	**(576)**	**(748)**	**(1,324)**

(ii) Items that will be subsequently reclassified to statement of profit or loss

Particulars	Debt instruments through OCI	Total
As at 1 April 2017	-	-
Gain/(loss) on changes in fair value of debt instruments at fair value through other comprehensive income	-	-
Income tax effect	-	-
As at 31 March 2018	**-**	**-**
Gain/(loss) on changes in fair value of debt instruments at fair value through other comprehensive income	(8,300)	(8,300)
Income tax effect	-	-
As at 31 March 2019	**(8,300)**	**(8,300)**

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

₹ in Lakhs

22	BORROWINGS		
	Particulars	**As at 31 March 2019**	**As at 31 March 2018**
	Non Current Borrowings		
	Redeemable non convertible debentures	-	-
	Term loans		
	Bank	-	-
	Financial institutions	-	-
		-	**-**
	Current borrowings		
	Secured		
	Working capital loans	17,437	22,915
	Unsecured		
	Working capital loans	76,911	75,243
		94,348	**98,158**

(a) Redeemable non convertible debentures

Name of lender	Rate of interest	As at 31 March 2019	As at 31 March 2018
Life Insurance Corporation of India	11.75%	8,402	8,402
Less: Current maturities		8,402	8,402
		-	-

Debentures are secured by way of first pari-passu charge over all movable 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(g) 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 3.48% to 16% (As at 31 March 2018 - 9.8% to 14.25%). The said facilities are unsecured except facilities taken from Axis Bank Limited and Finquest NBFC. Axis 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 2019	As at 31 March 2018	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 movable fixed assets of the company both present and future.	Repayable in 21 equal quarterly instalments ending on October 2019. Also refer note 22 (g) below.
2	Finquest Financial Solutions Private Limited assigned from State Bank of India (Earlier known as State Bank of Travancore) w.e.f. 17th Dec., 2018	4,599	4,599	Base Rate + 1.50% initially	The Loan is secured by way of a first pari-passu charge over all movable fixed assets of the company both present and future.	Repayable in 32 unequal quarterly instalments ending on June 2022. Also refer note 22 (g) below.
3	Phoenix Arc Pvt Ltd	6,412	6,412	12.80%	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 26, 2021. Also refer note 22 (g) 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 Kamalapuram & Shreegopal.	Repayable in 27 unequal quarterly instalments ending on June 2022. Also refer note 22 (g) below.
5	Suraksha Asset Reconstruction Pvt. Ltd. assigned from ICICI Bank w.e.f. 28th Aug 2018	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 and all brands of the company has been charged as per hyphothecation agreement.	Repayment schedule to be agreed mutually with Suraksha Asset Reconstruction Pvt. Ltd.
6	Suraksha Asset Reconstruction Pvt. Ltd. assigned from ICICI Bank w.e.f. 28th Aug 2018	8,319	8,319	Base Rate + 2.60% initially	The Loan is secured by way of a first pari-passu charge over all fixed assets of the company and all brands of the company has been charged as per hyphothecation agreement.	Repayment schedule to be agreed mutually with Suraksha Asset Reconstruction Pvt. Ltd.
7	Suraksha Asset Reconstruction Pvt. Ltd. assigned from ICICI Bank w.e.f. 28th Aug 2018	310	-	Base rate + 6% initially		Repayment schedule to be agreed mutually with Suraksha Asset Reconstruction Pvt. Ltd.
		62,824	62,514			
	Less: Current maturities	62,824	62,514			
		-	-			
	Banks	9,575	49,993			
	Financial Institutions	53,249	12,521			
		62,824	**62,514**			

(d) Balance Confirmation Pending from Banks and Financial Institutions

Bank balances and borrowings aggregating to ₹ 82,031 Lakhs are subject to confirmation and consequent reconciliation, if any.

(e) Penal Interest not accrued in the books of account

In view of the ongoing negotiations with lenders for assignment / settlement of loans, no provision has been made in these financial statements towards penal interest aggregating ₹ 6,270 Lakhs.

(f) Maturity profile of borrowings

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Financial year 2018-19	NA	70,916
Financial year 2019-20	71,226	-

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

The Company had defaulted in repayment of borrowings and payment of interest during the financial year 2016-17. During the financial year 2017-18, the company had executed the 'Strategic Debt Restructuring Scheme' (SDR) with lenders as per which the borrowings were restructured (refer note 42 for details of SDR). The Company has been legally advised that there is no default under section 164(2) of the Companies Act, 2013. The default in repayment of borrowing and payment of interest continues post SDR as well.

The particulars of default in repayment of borrowings and payment of interest as at 31 March 2019 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	3,966	60-517 days	1,183	1-609 days
Finquest Financial Solutions Private Limited assigned from State Bank of India (earlier known as State Bank of Travancore) w.e.f. 17th Dec., 2018	1,562	9-920 days	1,768	1-943 days
IDBI Bank	1,875	1 - 731 days	2,128	182-790 days
Phoenix Arc Pvt Ltd	912	6-93 days	1,573	1-609 days
Life Insurance Corporation of India	-	-	3,178	63-793 days
	8,315		**9,830**	

The particulars of default in repayment of borrowings and payment of interest as at 31March 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 - 155 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 have been classified as current liability in the financial statements.

(h) Assignment of borrowings

During the year, the Company has assigned borrowings of ICICI Bank of principal amount ₹ 36,129 Lakhs plus interest to Suraksha Asset Reconstruction Pvt. Ltd. w.e.f. 28th Aug 2018 and borrowing of State Bank of India (earlier known as State Bank of Travancore) of principal amount ₹ 4,599 Lakhs plus interest to Finquest Financial Solutions Private Limited w.e.f. 17th Dec., 2018 together with all securities, rights, title and interest in all agreements, deeds and documents in relation to the said borrowings.

During the previous 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 47(e)].

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

₹ in Lakhs

23 OTHER FINANCIAL LIABILITIES - NON CURRENT

Particulars	As at 31 March 2019	As at 31 March 2018
Security deposits	357	574
Due to related parties (refer note 47)	13,545	97,505
	13,902	**98,079**

24 NON-CURRENT PROVISIONS

Particulars	As at 31 March 2019	As at 31 March 2018
Provisions for employee benefits		
Provision for gratuity (refer note 46)	1,832	2,213
Provision for compensated absences	583	537
	2,415	**2,750**

25 OTHER LIABILITY - NON CURRENT

Particulars	As at 31 March 2019	As at 31 March 2018
License fees received in advance [refer note 47(d)(xxiii)]	25,350	-
	25,350	**-**

26 TRADE PAYABLES

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Total outstanding dues of micro and small enterprises [refer note (c) below]	1,944	356
(b) Total outstanding dues of creditors other than micro and small enterprises		
Others	20,216	19,641
Related parties (refer note 47)	30	0
Total	**22,190**	**19,997**

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

(b) All trade payables are non interest bearing and payable or settled within the 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	2018-19	2017-18
Principal amount remaining unpaid to any supplier at the end of year	1,944	356
Interest accrued and due thereon to suppliers under MSMED Act on the above amount remaining unpaid to any supplier at the end of year	90	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	1,742	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	111	14
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	201	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	-	-

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

₹ in Lakhs

27 OTHER FINANCIAL LIABILITIES - CURRENT

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of long term borrowings (refer note 22)	71,226	70,916
Bank book overdrawn	14	-
Interest accrued and due on borrowings	45,902	22,163
Security deposits	353	106
Unpaid dividends	45	56
Payables for capital goods	11	10
Payable to employees	6,911	6,176
Liability For Compulsory / Optional Buyback	235	177
Interest accrued on security deposits	34	33
Liability incurred on behalf of related party (net of recoverables from the related party) (refer note below)	-	-
Due to related parties (refer note 47)	8,989	8
	133,720	**99,645**

During the financial year 2018-19, a corporate guarantee issued by the Company with respect to Ballarpur International Holdings B.V. (BIH), has been invoked by the lenders of BIH. Accordingly the Company has recognized a liability of ₹ 47,153 Lakhs as at 31 March 2019. Further, the amount is recoverable from BIH and accordingly a receivable of ₹ 47,153 Lakhs [refer note 47(f)] has been recognized in the books of account.

28 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2019	As at 31 March 2018
Advance received from customers		
License fees & other advances from related party	2,410	-
Advance from other parties	422	451
Statutory payables	7,436	5,718
Advance received towards sale of land		
From related party [refer note 47(d)(xxiv)]	39,400	-
From Others	549	418
	50,217	**6,587**

29 CURRENT PROVISIONS

Particulars	As at 31 March 2019	As at 31 March 2018
Provisions for employee benefits		
Provision for gratuity (refer note 46)	1,382	792
Provision for compensated absences	552	416
Other provisions [refer note (a) below]	155	150
	2,089	**1,358**

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

(i) Movement in provisions

Particulars	Provision for disputed sales tax / VAT liability	Total
As at 1 April 2017	71	71
Deposits netted off in previous year reclassified	74	74
Additional provision during the year	5	5
As at 31 March 2018	**150**	**150**
Additional provision during the year	5	5
As at 31 March 2019	**155**	**155**

(ii) 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.

(iii) Disclosures in respect of contingent liabilities is given in note 44.

₹ in Lakhs

30 CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for current taxes	11,958	11,958
Less: Tax paid (including TDS)	5,853	6,253
	6,105	**5,705**

31 REVENUE FROM OPERATIONS

Particulars	2018 - 19	2017 - 18
Revenue from sale of products (including excise duty*)		
Paper	44,921	29,926
Others	37	400
	44,958	**30,326**
Other operating revenue		
Scrap sale	575	422
Export incentives	8	-
	583	**422**
	45,541	**30,748**

* sale of products for the year 2017-18 includes excise duty of ₹ 437 Lakhs.

Disclosure pursuant to Ind AS 115 'Revenue from contracts with customers'

(a) Reconciliation of revenue from contract with customers

Particulars	2018 - 19	2017 - 18
Revenue from contract with customers as per contract price (net of discounts/ rebates/incentives)*	44,958	30,326
Other operative revenue	583	422
Revenue from operations	**45,541**	**30,748**

* Details of discounts/rebates/incentives are not disclosed since these are considered as sensitive information pertaining to the operations of the Company.

(b) Disaggregation of revenue from contracts with customers is the same as disclosed in note 49 pursuant to Ind AS 108.

(c) Contract balances

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables	1,191	761
Contract assets	-	-
Contract liabilities (Advance received from customers)	1,782	451

(d) The Company has recognized allowance for expected credit loss amounting to ₹ 65 Lakhs towards trade receivable (Previous year: ₹ 56 Lakhs) (refer note 14).

(e) Movement in contract liability (Advance received from customers)

Particulars	2018 - 19	2017 - 18
Contract liability as at the beginning of the year	451	134
Advance received during the year	1,668	373
Invoices raised on satisfaction of performance obligation	337	56
Contract liability as at the end of the year	**1,782**	**451**

(f) Other disclosures

(i) Company normal payment terms is twenty four days and Company also received security deposit from their customer on the basis of their sales plan.

(ii) There is no significant financing component in any transaction with the customers.

(iii) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for shorter duration.

(iv) Other details with respect to performance obligation, transaction price, etc are disclosed in Note 2.20.

₹ in Lakhs

32 OTHER INCOME

Particulars	2018 - 19	2017 - 18
Interest Income	536	464
Rent and license fees	9	23
Corporate guarantee charges [refer note 44(a) and 47(d)(vi)]	820	3,755
Other non operating income	95	171
Profit on sale of property, plant and equipment (net)	-	28
Foreign exchange gains (net)	2,574	-
Unclaimed liabilities and excess provisions of earlier years written back	2,636	620
	6,670	**5,061**

33 COST OF MATERIALS CONSUMED

Particulars	2018 - 19	2017 - 18
Bamboo	1,431	897
Wood and wood species	8,072	6,353
Chemicals	7,333	3,959
Wood pulp	304	-
Packing materials	1,097	850
	18,237	**12,059**

34 PURCHASE OF STOCK IN TRADE

Particulars	2018 - 19	2017 - 18
Stock in trade	44	427
	44	**427**

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

Particulars	2018 - 19	2017 - 18
Stocks at the beginning of the year		
Finished goods (including stock in trade)	1,564	17
Work in progress	265	123
	1,829	**140**
Stocks at the end of the year		
Finished goods (including stock in trade)	1,257	1,564
Work in progress	339	265
	1,596	**1,829**
Changes in inventories of finished goods, work- in- progress and stock- in- trade	**233**	**(1,689)**

36 EMPLOYEE BENEFITS EXPENSE

Particulars	2018 - 19	2017 - 18
Salaries and wages	5,971	5,841
Contribution to provident and other funds [refer note 46(a)]	356	394
Staff welfare expenses	484	435
	6,811	**6,670**

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

₹ in Lakhs

37 FINANCE COSTS

Particulars	2018 - 19	2017 - 18
Interest expenses [also refer note 22(e)]	25,152	22,173
Other borrowing costs	261	2,437
Net loss / (gain) in foreign currency transactions and translation [refer note (a) below]	25	1,115
Interest income other than those reported in other income [refer note (b) below]	(1,222)	(1,291)
	24,216	**24,434**

(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 47(d)].

38 OTHER EXPENSES

Particulars	2018 - 19	2017 - 18
Consumption of stores and spares	1,174	639
Power and fuel	14,714	11,649
Excise duty on year end inventory of finished goods	-	(16)
Repair and Maintenance		
Buildings	73	71
Plant and machinery	731	524
Others	75	81
Other manufacturing expenses	436	384
Rent	279	447
Rates and taxes	1,787	68
Insurance	125	67
Legal and professional charges [refer note (a) below]	709	507
Office & other expenses	941	1,071
Sales commission	128	95
Expenditure on Corporate Social Responsibility activities (refer note 41)	-	-
Selling expenses	7	75
Foreign exchange loss (net)	-	133
Bad debts and impairment of financial assets (net)	90	50
Allowance for doubtful advances on non financial assets (net)	159	-
Inventory written off [includes write down of inventory - ₹ 103 Lakhs (Previous year - ₹ Nil)]	217	-
Balances written off (net)	320	210
Loss on sale of Property, plant and equipment (net)	74	-
Carriage and freight charges	117	232
Directors sitting fees	10	15
	22,166	**16,302**

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

Particulars	2018 - 19	2017 - 18
Statutory audit fee	34	34
Limited Review	8	5
Other services (including certification fees)	0	2
Reimbursement of expenses	1	0
	43	**41**

"0"represent amount below ₹ 50,000/-

39 EXCEPTIONAL ITEMS

Exceptional items for the financial year 2018-19 includes exceptional loss of ₹ 37,707 Lakhs (Previous year ₹ 125,929 Lakhs) and exceptional gain of ₹ Nil (Previous year ₹ 109,000 Lakhs).

Exceptional loss for the financial year 2018-19 represents loss arising from impairment in the carrying value of property, plant and equipment of ₹ 34,697 Lakhs, impairment of investments held by the company in Premier Tissues (India) Limited of ₹ 2,934 Lakhs and loss on sale of surplus assets amounting to ₹ 76 Lakhs.

Exceptional loss for the previous year represents loss arising from impairment in the carrying value of intangible assets of ₹ 3,144 Lakhs, impairment of inventories amounting to ₹ 24,058 Lakhs and write off of other receivables amounting to ₹ 98,727 Lakhs. Exceptional gain for financial year 2017-18 represents write back of amounts payable to a step- down subsidiary amounting to ₹ 109,000 Lakhs.

₹ in Lakhs

40 ASSETS HELD FOR SALE

Particulars	As at 31 March 2019	As at 31 March 2018
Non Current Assets		
Property, Plant and Equipments		
Freehold Land	39,970	-
Plant and Machinery	8	-
Assets held for Sale	**39,978**	**-**

Freehold land held for sale represents 590.64 acres of land at Choudwar, Odisha, acquired from the Government of Odisha during the year 1990-91 under a scheme approved by Board for Industrial and Financial Reconstruction (BIFR). During the year, the Company observed certain inconsistencies in the title documents with respect to the freehold nature of the land. The Company is in the process of correcting these inconsistencies in the title documents.

Plant and Machinery held for sale represents certain items which are discarded from active use and are held for sale.

41 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

Particulars	2018 - 19			2017 - 18		
	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	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**

42 STRATEGIC DEBT RESTRUCTURING

During the year 2017-18, the Company implemented a Strategic Debt Restructuring (SDR) with the lenders. As per the SDR, borrowings aggregating ₹ 100,985 Lakhs were converted into equity shares and the Company allotted 637,931,917 equity shares of face value of ₹ 2/- each at a premium of ₹ 13.83/- per share to the lenders.

43 GOING CONCERN

The Company has incurred net loss of ₹ 63,551 Lakhs and ₹ 31,109 Lakhs for the financial year ended 31 March 2019 and 31 March 2018 respectively. Further the Company has a net current liability position as at the reporting date. This is primarily on account of the financial stress experienced and the resultant temporary shut down in operations during the last few years.

The Company has taken various steps to ease the financial stress and stabilise the operations of the Company. During the financial year 2017-18, the Company implemented a Strategic Debt Restructuring ("SDR") with its lenders wherein a portion of the borrowings were converted into equity (refer note 42).

The Company's operations have improved during current year on account of this and the Company is in discussions with the lenders for further restructuring of the borrowings.

During the current year, the Company also received an Order from the Government of Telangana proposing to provide certain concessions to the Company for recommencing the operations of its manufacturing unit at Kamalapuram. The Company is actively pursuing to fulfil the various conditions put forth in the Order and has decided to hive off the Kamalapuram Unit into a separate entity to expediate this.

The management has carried out an internal assessment of the future operating cash flows of the Company and considering the improvement in capacity utilisation and financial position of the Company, the management is confident that the company has the ability to continue as a going concern. The ability of the Company to continue as a going concern is depended on the ability of the Company to further re-align the borrowings with the lenders and generate free cashflows from operations. In view of these, the financial statements have been prepared on a going concern basis.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

₹ in Lakhs

44 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Contingent liabilities		
Claims against the Company not acknowledged as debts	22,984	27,624
Corporate guarantees issued by the Company on behalf of subsidiaries	14,262	63,609
Indemnity and undertaking executed for stand-by Letter of credit facility on behalf of one of the subsidiaries (refer note below)	5,983	35,790
	43,229	**127,023**

This represents stand-by Letter of Credit (SBLC) issued by IndusInd Bank Limited (on behalf of the Company) to ICICI Bank Limited in respect of loan availed by Ballarpur International Holdings B.V, a wholly owned subsidiary of the Company. On 11 April 2019, the SBLC has been invoked by ICICI Bank for EURO 7.2 millions (₹ 5,676 Lakhs) which has been honoured by IndusInd Bank with the corresponding debit to the Company. This is a non adjusting event after the reporting period and accordingly, the financial impact of the same has not been considered in the financial statements.

Particulars	As at 31 March 2019	As at 31 March 2018
(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	104	3
	104	**3**

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

45 PUT OPTION

The Company had written options in favour of investors of Bilt Paper B.V, a step down subsidiary of the Company, which requires the Company to comply with the certain conditions within a stipulated time. Since the conditions were not met, the Company is required to acquire the shares from the investors of Bilt Paper B.V. at a premium of 20% internal rate of return (IRR) on the value of the Options as per the terms of the Option.

The exercise period has commenced and the Option holders have not exercised the Option as at 31 March 2019. Pending the on-going negotiations for settlement of loans with lenders and the discussions with the options holders, the Company is unable to determine the potential outflow arising from exercising of options by the holders.

46 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	2018 - 19	2017 - 18
Employer's contribution to provident fund	158	177
Employer's contribution to superannuation fund	45	40
Employer's contribution to pension scheme	153	177
	356	**394**

(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 2019	As at 31 March 2018
	Gratuity	Gratuity
Present value of defined benefit obligation		
- wholly funded	-	-
- wholly unfunded	3,214	3,005
	3,214	3,005
Less: Fair value of plan assets	-	-
Amount recognized as a liability / (asset)	**3,214**	**3,005**
Net liability / (asset) - current	1,382	792
Net liability / (asset) - non-current	1,832	2,213

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

Particulars	2018 - 19	2017 - 18
	Gratuity	Gratuity
Opening balance of present value of obligation	3,005	3,024
Current service cost	107	120
Net interest on obligation	225	219
Re-Measurement (or actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(17)	-
- change in financial assumptions	20	(158)
- experience variance (i.e. actual experience vs assumptions)	(20)	(99)
Past service cost	-	27
Benefits paid	(106)	(128)
Closing balance of present value of obligation	**3,214**	**3,005**

iv) Amount recognized in statement of profit and loss

Particulars	2018 - 19	2017 - 18
	Gratuity	Gratuity
a) Statement of profit or loss		
Current service cost	107	120
Past service cost	-	27
Net interest income / (cost) on the net defined benefit liability (assets)	225	219
Total expenses recognized in profit or loss	**332**	**366**
Included in employee benefits expense	107	147
Included in finance cost	225	219
b) Other Comprehensive Income (OCI):		
Actuarial (gain) / losses		
- change in demographic assumptions	(17)	-
- change in financial assumptions	20	(158)
- experience variance (i.e. actual experience vs assumptions)	(20)	(99)
	(17)	**(257)**

v) Principal assumptions

Economic assumptions

Particulars	As at 31 March 2019	As at 31 March 2018
	Gratuity	Gratuity
Discount rate	7.30%	7.50%
Salary growth rate	0.00% to 5.00%	0.00% to 5.00%

Demographic assumptions

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
	Gratuity	Gratuity
Retirement age (years)	60 - 58	60 - 58
Mortality Rate (as % of IALM 06-08)	100.00%	100.00%
Withdrawal/Attrition rate		
Upto 30 years	0.50%	0.20% - 2.00%
From 31 years to 44 years	2.00%	2.00%
More than 44 years	1.00%	2.00% - 5.00%

vi) **Sensitivity analysis**

Particulars	Changes in assumptions	As at 31 March 2019		As at 31 March 2018	
		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%	98	(108)	(101)	111
Salary growth rate	+/- 1%	(116)	107	119	(110)
Attrition rate	+/- 50%	(11)	12	21	(23)
Mortality rate	+/- 10%	(5)	5	6	(6)

vii) **Maturity profile of defined benefit obligation**

Weighted average duration (based on discounted cashflow)

Particulars	As at 31 March 2019	As at 31 March 2018
Gratuity	4 - 5 years	4 - 5 years

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

Particulars	As at 31 March 2019	As at 31 March 2018
1 year	1,383	792
2 to 5 years	1,347	1,758
6 to 10 years	864	897
More than 10 years	758	743

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 for 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 escalation 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 liability.

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.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

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

(a) Enterprises over which control exists

(i)	Subsidiary	-	Avantha Agritech Limited
		-	Ballarpur International Holdings B.V
		-	Ballarpur Speciality Paper Holdings B.V.
		-	Premier Tissues (India) Limited (upto 07th Nov 2018)
(ii)	Step down subsidiaries	-	BILT Paper B.V. (Subsidiary of Ballarpur International Holdings B.V)
		-	Ballarpur Paper Holdings B.V. (Subsidiary of BILT Paper B.V.)
		-	BILT Graphic Paper Products Limited (Subsidiary of Ballarpur Paper Holdings B.V.)
		-	Sabah Forest Industries Sdn. Bhd. (Subsidiary of Ballarpur Paper Holdings B.V.)
		-	BILT General Trading FZE (Subsidiary 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 (upto 07 Nov. 2018)
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) Joint Venture - Premier Tissues (India) Limited (w.e.f. 08 Nov. 2018) (refer note 8)

(iii) Other related parties

1)	Biltech Building Elements Limited
2)	CG Power and Industrial Solutions Limited (formerly known as Crompton Greaves Limited)
3)	Avantha Holdings Limited
4)	Avantha Realty Limited
5)	Mirabelle Trading Pte. Ltd.
6)	Varun Prakashan Private Limited
7)	BILT Industrial Packaging Company Limited
8)	Solaris Chemtech Industries Limited (upto 27th Dec., 2018)
9)	Karam Chand Thapar & Bros. Ltd-PF Trust
10)	Arizona Printers & Packers Private Limited
11)	Avantha Power and Infrastructure Limited
12)	Korba West Power Company Limited
13)	Global Green Company Limited
14)	UHL Power Company Limited

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

(d) Details of related party transactions

₹ in Lakhs

Particulars	2018 - 19		2017 - 18	
(i) Purchase of goods and services				
1) Subsidiaries				
BILT Graphic Paper Products Limited	105		2	
Premier Tissues India Limited	30		-	
Sabah Forest Industries Sdn. Bhd.	-		400	
		135		402
2) Other related parties				
Biltech Building Elements Limited	56		26	
		56		26
		191		**428**
(ii) Sale of goods and services				
1) Subsidiaries				
BILT Graphic Paper Products Limited	68		421	
		68		421
		68		**421**
(iii) Deputation charges recovered from				
1) Subsidiaries				
BILT Graphic Paper Products Limited	811		818	
		811		818
		811		**818**
(iv) Interest income				
1) Subsidiaries				
Ballarpur International Holdings B.V	1,222		1,057	
Sabah Forest Industries Sdn. Bhd.	-		226	
		1,222		1,283
		1,222		**1,283**
(v) Interest expense				
1) Other related parties				
Karam Chand Thapar & Bros. Ltd-PF Trust	63		29	
		63		29
		63		**29**
(vi) Corporate guarantee income				
1) Subsidiaries				
BILT Graphic Paper Products Limited	-		1,275	
Ballarpur International Holdings B.V	820		2,480	
		820		3,755
		820		**3,755**
(vii) Rental expense				
1) Other related parties				
Avantha Realty Limited	276		381	
		276		381
		276		**381**
viii) Advances received from related parties				
1) Subsidiaries				
BILT Graphic Paper Products Limited	71		-	
		71		-
2) Other related parties				
Avantha Holding Limited	1,360		-	
		1,360		-
		1,431		**-**

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

₹ in Lakhs

Particulars	2018 - 19		2017 - 18	
(ix) Advances given to related parties				
1) Subsidiaries				
BILT Graphic Paper Products Limited	39		-	
BILT Paper B.V.	10		-	
Ballarpur Paper Holdings B.V	759		-	
Ballarpur International Holdings B.V	617		-	
Premier Tissues (India) Limited	-		54	
Sabah Forest Industries Sdn. Bhd.	-		365	
		1,425		419
		1,425		**419**
(x) Reimbursement of Expenses paid				
1) Subsidiaries				
BILT Graphic Paper Products Limited	13		10	
		13		10
2) Other related parties				
BILT Industrial Packaging Company Limited	-		0	
		-		0
		13		**10**
(xi) Reimbursement of Expenses Recovered				
1) Subsidiaries				
BILT Graphic Paper Products Limited	30		28	
Avantha Agritech Limited	35		42	
Ballarpur Paper Holdings B.V.	-		11	
		65		81
2) Other related parties				
Biltech Building Elements Limited	3		-	
		3		-
		68		**81**
(xii) Repayment of Advances by related parties				
1) Other related parties				
Mirabelle Trading Pte. Ltd.	-		10,936	
		-		10,936
		-		**10,936**
(xiii) Director's sitting fees				
1) Key management personnel				
Mr. Gautam Thapar	1		2	
		1		2
		1		**2**
(xiv) Contribution to PF				
1) Other related parties				
Karam Chand Thapar & Bros. Ltd-PF Trust	591		597	
		591		597
		591		**597**
(xv) Loan and interest recoveries				
1) Other related parties				
Karam Chand Thapar & Bros. Ltd-PF Trust	151		189	
		151		189
		151		**189**
(xvi) Loans given to related parties				
1) Subsidiaries				
Ballarpur Paper Holdings B.V.	-		207	
Ballarpur International Holdings B.V	-		134	
		-		341

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

₹ in Lakhs

Particulars	2018 - 19		2017 - 18	
2) Other related parties				
Varun Prakashan Private Limited	-		6,143	
		-		6,143
		-		**6,484**
(xvii) Loans received from related parties				
1) Other related parties				
Avantha Holdings Limited *	-		4,873	
* Net of Repayment of ₹ Nil (Financial year 2017-18 ₹ 5,344 Lakhs)				
		-		4,873
		-		**4,873**
(xviii) Repayment of loans to related parties				
1) Subsidiaries				
Avantha Agritech Limited	-		4,482	
BILT Graphic Paper Products Limited	-		13,342	
		-		17,824
		-		**17,824**
(xix) Repayment of loans by related parties				
1) Other related parties				
Varun Prakashan Private Limited	-		1,330	
		-		1,330
		-		**1,330**
(xx) Waiver of dues from related parties				
1) Subsidiaries				
Avantha Agritech Limited	320		-	
BILT Graphic Paper Products Limited	-		109,000	
		320		109,000
2) Other related parties				
Avantha Power and Infrastructure Limited	103		-	
Solaris Chemtech Industries Limited	1,974		-	
		2,077		-
		2,397		**109,000**
(xxi) Payment for services of KMP (net of recoveries from subsidiaries)				-
Mr. B. Hariharan [refer note (a) below and note 47(g)(vii)]	-		-	
		-		-
		-		**-**
(a) The Company created provision for post-employment and other long term benefits based on acturial valuation for the company as a whole and accordingly the post-employment and other long term benefits attributable to key management personnel is not readily available.				
(xxii) Settlement of balances due to / (due from)				
1) Subsidiaries				
BILT Graphic Paper Products Limited [refer note (c) below]	17,393		-	
Avantha Agritech Limited [Refer note (b) below]	6,204		-	
Ballarpur International Holdings B.V [refer note (c) below]	(17,393)		-	
		6,204		-

₹ in Lakhs

Particulars	2018 - 19		2017 - 18	
2) Other related parties				
Avantha Holding Limited [refer note (a) below]	4,813		-	
Varun Prakashan Private Limited [refer note (a) below]	(4,813)		-	
Avantha Realty Limited [refer note (b) below]	(6,204)		-	
		(6,204)		-
		-		**-**
(a) The Company has during the year entered into a Tripartite Settlement agreement with related parties, pursuant to which receivables amounting ₹ 4,813 Lakhs due from Varun Prakashan Private Limited has been settled against amount payable to Avantha Holding Limited.				
(b) The Company has during the year entered into a Tripartite Settlement agreement with related parties, pursuant to which payable amounting ₹ 6,204 Lakhs to Avantha Agritech Limited has been settled against the amount due from Avantha Realty Limited.				
(c) Further in terms of Tripartite Settlement agreement entered between the Company and its subsidiaries / step down subsidiary an amount of ₹ 17,393 Lakhs due to step down subsidiary (BGPPL) has been set off against the amount recoverable from the subsidiary (BIH), subject to relevant approvals from regulatory bodies.				
(xxiii) License fees from				
1) Subsidiaries				
BILT Graphic Paper Products Limited [refer note (a) below]	26,400		-	
		26,400		-
		26,400		**-**
(a) The Company has during the year granted right to use "BILT" logo and other trademarks registered in the name of the Company to its step down subsidiary, BILT Graphic Paper Products Limited for a term of twenty five years for a consideration of ₹ 26,400 Lakhs arrived through an (independent) valuation report carried out by an independent valuer, which has been offset against the amount payable to step down subsidiary (BGPPL).				
(xxiv) Advance against sale of land				
1) Subsidiaries				
The Company has entered into an "Agreement to Sell" with BILT Graphic Paper Products Limited (BGPPL), a step down subsidiary, and has agreed to transfer all its rights title and interest in Choudwar land, subject to necessary approvals, in partial settlement of amounts aggragating ₹ 39,400 Lakhs, due to the step down subsidiary. this land is pledged against a facility availed by the step down subsidiary (BGPPL).				

(e) Balances due to related parties

Particulars	As at 31 March 2019		As at 31 March 2018	
(i) Subsidiaries				
1) Avantha Agritech Limited	-		6,560	
2) Bilt Graphic Paper Products Limited (refer note below)	52,945		97,505	
		52,945		104,065
(ii) Other related parties				
1) Korba West Power Company Limited	0		0	
2) Solaris Chemtech Industries Limited	-		1,974	
3) Avantha Power and Infrastructure Limited	-		103	
4) Avantha Holdings Limited	3,487		6,939	
5) Avantha Realty Limited	6,847		725	
6) Karam Chand Thapar & Bros. Ltd-PF Trust	786		760	
7) CG Power and Industrial Solutions Limited	7		7	
		11,127		10,508
		64,072		**114,573**

"0"represent amount below ₹ 50,000/-

Note: During the previous year, 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(h)].

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

(f) Balances due from related parties

₹ in Lakhs

Particulars	As at 31 March 2019		As at 31 March 2018	
(i) Subsidiaries				
1) Sabah Forest Industries Sdn. Bhd.	5,926		5,560	
2) Ballarpur Paper Holding B.V.	1,020		230	
3) Ballarpur International Holdings B.V. (Also refer note 27)	56,473		21,882	
4) Premier Tissues (India) Limited	-		115	
5) BILT Paper B.V.	10		-	
		63,429		27,787
(ii) Joint Ventures				
1) Premier Tissues (India) Limited	85		-	
		85		-
(iii) Other related parties				
1) BILT Industrial Packaging Company Limited	858		858	
2) Global Green Company Limited	376		376	
3) Arizona Printers & Packers Private Limited	1		1	
4) UHL Power Company Limited	473		473	
5) Varun Prakashan Private Limited	-		4,813	
6) Biltech Building Elements Limited	1,213		1,249	
		2,921		7,770
(iv) Key management personnel				
1) Mr. B. Hariharan	-		5	
		-		5
		66,435		**35,562**

(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) All the balances due to and due from related parties are unsecured. All the balances due to and due from related parties are interest free other than interest bearing loans.

(iii) There have been no write back of dues to related parties during the year (2017-18 - ₹ 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 (2017-18 - ₹ Nil).

(v) Apart from above related party balances, the Company had also granted to the lender a corporate guarantee in respect of loan availed by Ballarpur International Holdings B.V. a wholly owned subsidiary of the company (Outstanding Corporate Guarantee as at 31st March, 2019 ₹ 14,262 Lakhs (previous year ₹ 63,609 Lakhs). The Company had also executed an indemnity and undertaking for stand-by-letter of credit facility in respect of this subsidiary (Outstanding amount as at 31st March, 2019 ₹ 5,983 Lakhs (previous year ₹ 35,790 Lakhs) (also refer note 44).

(vi) For the year ended 31 March 2019, the Company has not recognized any impairment of receivables relating to amounts due from related parties (2017-18 - ₹ 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.

(vii) During the year the Company has paid ₹ 811Lakhs (Previous year ₹ 467 Lakhs) to Mr. B. Hariharan on behalf of BILT Graphic Paper Products Limited (BGPPL), a step-down subsidiary of the Company, towards services rendered by him to BGPPL. The same is set off against the amounts due to BGPPL.

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

Particulars		2018 - 19	2017 - 18
Loss as per statement of profit or loss (₹ in lakhs)	[A]	(63,551)	(31,109)
Weighted average number of shares outstanding (Nos)	[B]	1,293,455,756	1,092,463,508
Basic and diluted earnings per share (₹)	[A]/[B]	(4.91)	(2.85)
Face value per equity share (₹)		2	2

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

49 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 & services, the differing risks and returns and the internal business reporting systems.

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		2018 - 19			
		Uncoated Paper	Coated Paper	Others	Total
A	**Segment revenue**				
	External customers (Gross)	44,958	-	-	44,958
	Less: Excise duty	-	-	-	-
	External customers (Net)	**44,958**	**-**	**-**	**44,958**
	Inter-Segment	-	-	-	-
	Total revenue	**44,958**	**-**	**-**	**44,958**
B	**Segment results**				
	Segment results before interest income and exceptional items	1,272	-	(3,436)	(2,164)
	Interest income	533	-	3	536
	Exceptional items [gain/(loss)] (refer note 39)	(37,707)	-	-	(37,707)
		(35,902)	**-**	**(3,433)**	**(39,335)**
C	**Reconciliation of segment results with profit / (loss) before tax**				
	Segment results				(39,335)
	Finance cost				(24,216)
	Profit / (loss) before tax				**(63,551)**
D	**Specified amounts included in segment results**				
	Interest income	533	-	3	536
	Depreciation and amortization	5,444	-	904	6,348
	Bad debts and impairment of financial assets (net of reversal)	249	-	-	249
	Loss on sale of property, plant and equipment (net)	74	-	-	74
	Exceptional items (refer note 39)	37,707	-	-	37,707

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**

₹ in Lakhs

Particulars	2017 - 18			
	Uncoated Paper	Coated Paper	Others	Total
B Segment results				
Segment results before interest income and exceptional items	(1,394)	-	(3,438)	(4,832)
Interest income	464	-	-	464
Exceptional items [gain/(loss)] (refer note 39)	(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 (refer note 39)	16,752	-	177	16,929

(c) Segment assets and liabilities

Particulars	As at 31 March 2019			
	Uncoated Paper	Coated Paper	Others	Total
Segment assets	221,514	-	28,020	249,534
Unallocable corporate assets				
Cash and cash equivalents				419
Other bank balances				519
Deferred tax assets (net)				11,924
Investments				94,553
Total assets	**221,514**	**-**	**28,020**	**356,949**
Segment liabilities	167,827	-	10,830	178,657
Unallocable corporate liabilities				
Current borrowings				94,348
Current maturities of non current borrowings				71,226
Current tax liabilities (net)				6,105
Total liabilities	**167,827**	**-**	**10,830**	**350,336**
Additions to non-current assets	282	-	-	282

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

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

(d) Geographical information

(i) Revenue from external customers

₹ in Lakhs

Particulars	2018 - 19	2017 - 18
India	44,354	29,347
Outside India	604	979
	44,958	**30,326**

(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 external customers in 2018-19. Revenue earned from such customers is ₹ 9,480 Lakhs in year 2018-19 and ₹ 6,610 Lakhs in year 2017-18.

50 INCOME TAXES

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

Particulars	2018 - 19	2017 - 18
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(b)]		
Relating to origination and reversal of temporary differences	(15,041)	(9,997)
Deferred tax asset recognized on unused tax losses and depreciation	15,041	(4,625)
	-	**(14,622)**
Income tax recognized in other comprehensive income		
(i) Current tax:		
Remeasurement gain/(loss) on net defined benefit plans	-	-
Gain/(loss) on changes in fair value of equity instruments through OCI	-	-
Gain/(loss) on changes in fair value of debt instruments through OCI	-	-
	-	**-**

(b) The Company does not have 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.

51 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:

Particulars	As at 31 March 2019	As at 31 March 2018
Payable not later than 1 year	104	66
Payable later than 1 year and not later than 5 years	165	-
Payable later than 5 years	-	-
	269	**66**

2) Lease rental expense recognised in the Statement of Profit and Loss for the year is ₹ 279 Lakhs (Previous year: ₹ 447 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 ₹ 9 Lakhs (Previous year ₹ 23 Lakhs) including contingent rent/sublease receipt of ₹ Nil (Previous year ₹ Nil).

52 FINANCIAL INSTRUMENTS

(a) Capital management

The Company's objective when managing capital is to:

- Safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may sell assets to reduce debt or issue new shares or adjust the return to shareholders or return capital to shareholders.

Consistent with others in the industry, the company monitors the capital basis the gearing ratio, which is net debt divided by total capital plus net debt.

The gearing ratio is as follows:

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Loans and borrowings	165,574	169,074
Less: cash and cash equivalents	419	930
Net debt	165,155	168,144
Equity	6,613	78,447
Capital and net debt	171,768	246,591
Gearing ratio	0.96	0.68

(b) Financial Risk Management

The Company's activities exposes it to a variety of financial risks/ market risks (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects in the Company's financial performance.

The risk management is carried out under the policies approved by the Board of Directors which provides principle for overall risk management.

The note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, other financial assets	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk- foreign exchange	Recognized financial assets and liabilities denominated in Indian Rupees	Cash Flow forecasting Sensitivity analysis	Forward Contracts
Market risk- interest rate	Borrowings at variable rates	Sensitivity analysis	Optimisation of borrowing costs by replacing high cost debt with low cost debt
Market risk-security prices	Investment in quoted and unquoted securities	Sensitivity analysis	Monitoring of invested entities and Portfolio diversification

(1) Credit Risk

The credit risk arises from cash and cash equivalents, investments and deposits with banks and financial institutions, trade receivables, and other financial assets, as well as credit exposure to customers including outstanding receivables.

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/ institutions with which balances 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 the normal course of business after evaluation of customers financial condition and credit history. The Company monitors the payment track record of the customers and assesses the financial reliability of the customer taking into consideration the current economic trends ageing of accounts receivable and history of default. The Company has also accepted security deposits from certain customers, which further mitigate the credit risk in these cases. The Company 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 2019			
Secured by security deposits	326	3	329
Unsecured	725	137	862
	1,051	**140**	**1,191**
Provision for expected credit loss			65
	1,051	**140**	**1,126**
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**

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due or when the extended credit period expires. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors.

The Company provides for expected credit loss when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been impaired, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Reconciliation of Loss Allowance

₹ in Lakhs

Particulars	2018 - 19	2017 - 18
Provision as at the beginning of the year (refer note 14 & 17)	56	86
(a) Allowance for the year	90	50
(b) Provision used during the year	(75)	(80)
Provision as at the end of the year (refer note 14 & 17)	**71**	**56**

(2) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash flows through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying business the management maintains flexibility in raising funds as and when required.

Considering the current liquidity position, the Company had taken steps to reduce the financial burden by restructuring its financial liabilities and is in the process of further negotiating with the lenders to reach sustainable debt levels and is also exploring options such as sale of non core assets to ease the financial burden. The operational efficiencies of the manufacturing unit have improved during current year and the Company has made progress for revival of closed unit. In view of the improved market conditions and ongoing negotiations, the Company is confident of a positive outcome and expects to ease the liquidity position of the Company relying on capital infusion, operating cash flows and borrowings at sustainable rates.

The Company monitors rolling forecasts of the liquidity position to ensure its has sufficient cash to meet operational needs and service its borrowings.

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 2019			As at 31 March 2018		
	<1 year	> 1 year	Total	< 1 year	> 1 year	Total
Borrowing (including interest accrued thereon)	211,476	-	211,476	191,237	-	191,237
Dues to related parties	9,019	13,545	22,564	8	97,505	97,513
Other trade payables	22,160	-	22,160	19,997	-	19,997
Security deposit (including interest accrued thereon)	387	357	744	139	574	713
Other financial liabilities	7,216	-	7,216	6,419	-	6,419
	250,258	**13,902**	**264,160**	**217,800**	**98,079**	**315,879**

(3) 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.

(i) Foreign Exchange Risk

The Company transacts business primarily in Indian Rupee, USD, Euro, GBP and AED 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 2019	As at 31 March 2018
Monetary liabilities			
United States Dollar	$	1,205	1,103
Euro	€	0	-
Great Britain Pounds	£	7	7
Monetary assets			
United States Dollar	$	16,071	27,462
Arab Emirates Dirham	DH	29	0

"0"represent amount below ₹ 50,000/-

The following table demonstrates the sensitivity in the USD, Euro, GBP, AED 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 2019	As at 31 March 2018
Sensitivity to a 5% increase			
United States Dollar	$	743	1,318
Euro	€	(0)	-
Great Britain Pounds	£	(0)	(0)
Arab Emirates Dirham	DH	1	0
Sensitivity to a 5% decrease			
United States Dollar	$	(743)	(1,318)
Euro	€	0	-
Great Britain Pounds	£	0	0
Arab Emirates Dirham	DH	(1)	(0)

"0"represent amount below ₹ 50,000/-

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

Particulars	As at 31 March 2019	As at 31 March 2018
Currency fluctuations		
Net foreign exchange (gain) / losses shown as finance cost	25	1,115
Net foreign exchange (gain) / losses shown as other income	(2,574)	-
Net foreign exchange (gain) / losses shown as other expense	-	133
	(2,549)	**1,248**

(ii) 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 22.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing borrowings is as follows:

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Floating rate borrowings		
Borrowings	126,875	149,257
	126,875	**149,257**

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

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 2019	As at 31 March 2018
Change of +0.50%	(634)	(746)
Change of -0.50%	634	746

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

(iii) 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 2019. Therefore, sensitivity analysis for market risk is not disclosed.

(iv) Price Risk

The Company does not have significant equity investments that are publicly traded and investments in unlisted securities are of strategic importance

53 Fair value measurement

(a) Financial assets by category

Particulars		Note No.	As at 31 March 2019			As at 31 March 2018		
			FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
(i)	Investments	8	-	16,860	-	-	25,160	-
(ii)	Trade receivables	14	-	-	1,126	-	-	705
(iii)	Cash and cash equivalents	15	-	-	419	-	-	930
(iv)	Other bank balances	16	-	-	519	-	-	70
(v)	Loans (including security deposit)	9 & 17	-	-	20,604	-	-	20,491
(vi)	Other financial assets	10 & 18	-	-	349	-	-	972
			-	**16,860**	**23,017**	**-**	**25,160**	**23,168**

(b) Financial liabilities by category

₹ in Lakhs

Particulars	Note No.	As at 31 March 2019			As at 31 March 2018		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
(i) Long term borrowings (including current maturities)	22 & 27	-	-	71,226	-	-	70,916
(ii) Short term borrowings	22	-	-	94,348	-	-	98,158
(iii) Interest accrued on borrowings	27	-	-	45,902	-	-	22,163
(iv) Trade payables	26	-	-	22,190	-	-	19,997
(v) Other financial liabilities	23 & 27	-	-	30,494	-	-	104,645
		-	**-**	**264,160**	**-**	**-**	**315,879**

(c) Fair value of Hierarchy

Particulars	Note No.	Carrying Amount	Fair value hierarchy			Total
			Level 1	Level 2	Level 3	
Financial assets and liabilities measured at fair value-recurring fair value measurements						
Financial assets						
As at 31 March 2019						
(i) Investments	8	16,860	-	-	16,860	16,860
As at 31 March 2018						
(i) Investments	8	25,160	-	-	25,160	25,160
Financial liabilities						
As at 31 March 2019		-	-	-	-	-
As at 31 March 2018		-	-	-	-	-
Assets and liabilities which are measured at amortised cost for which fair values are disclosed						
Financial assets						
As at 31 March 2019						
(i) Trade receivables	14	1,126	-	-	1,126	1,126
(ii) Cash and cash equivalents	15	419	-	-	419	419
(iii) Other bank balances	16	519	-	-	519	519
(iv) Loans (including security deposit)	9 & 17	20,604	-	-	20,604	20,604
(v) Other financial assets	10 & 18	349	-	-	349	349
Financial liabilities						
As at 31 March 2019						
(i) Long term borrowings (including current maturities)	22 & 27	71,226	-	-	71,226	71,226
(ii) Short term borrowings	22	94,348	-	-	94,348	94,348
(iii) Interest accrued on borrowings	27	45,902	-	-	45,902	45,902
(iv) Trade payables	26	22,190	-	-	22,190	22,190
(v) Other financial liabilities	23 & 27	30,494	-	-	30,494	30,494
Financial assets						
As at 31 March 2018						
(i) Trade receivables	14	705	-	-	705	705
(ii) Cash and cash equivalents	15	930	-	-	930	930
(iii) Other bank balances	16	70	-	-	70	70
(iv) Loans (including security deposit)	9 & 17	20,491	-	-	20,491	20,491
(v) Other financial assets	10 & 18	972	-	-	972	972

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

₹ in Lakhs

Particulars	Note No.	Carrying Amount	Fair value hierarchy			Total
			Level 1	Level 2	Level 3	
Financial liabilities						
As at 31 March 2018						
(i) Long term borrowings (including current maturities)	22 & 27	70,916	-	-	70,916	70,916
(ii) Short term borrowings	22	98,158	-	-	98,158	98,158
(iii) Interest accrued on borrowings	27	22,163	-	-	22,163	22,163
(iv) Trade payables	26	19,997	-	-	19,997	19,997
(v) Other financial liabilities	23 & 27	104,645	-	-	104,645	104,645

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.

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.

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.

Other assumptions used in the estimation of fair values

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.

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

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

54 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

Place: Gurugram
Date: 16 May 2019

For Ballarpur Industries Limited

B. HARIHARAN
Chairman & Executive Director
DIN 00012432

R. R. VEDERAH
Vice Chairman
DIN 00012252

R. RAJAGOPAL
Deputy Chief Financial Officer

NEEHAR AGGARWAL
Chief Executive Officer

AKHIL MAHAJAN
Company Secretary

Place: Gurugram
Date: 16 May 2019

Form AOC-I

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

Part "A": 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 (a)	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 31,2019**	**March 31,2019**	**March 31,2019**	**March 31,2019**	**March 31,2019**	**March 31,2019**	**March 31,2019**	**March 31,2019**	**March 31,2019**
Reporting Currency	US Dollar	US Dollar	US Dollar	Indian Rupees	Indian Rupees	Indian Rupees	Malaysian Ringgit	US Dollar	US Dollar
Closing Exchange Rate	69.57	69.57	69.57	1.00	1.00	1.00	17.05	69.57	69.57
Average Exchange rate	69.92	69.92	69.92	1.00	1.00	1.00	17.16	69.92	69.92
- Equity Share Capital	73,204	5,418	70,536	-	108	56,832	179,082	13	27
Reserves	(20,896)	455,167	(5,209)	-	(726)	42,236	(165,438)	(262)	123
Total Assets	188,874	509,246	262,345	-	1,246	760,041	221,360	1	283
Total Liabilities	188,874	509,246	262,345	-	1,246	760,041	221,360	1	283
Investment									
(Except investment in Subsidiaries)									
- Government or Trust Securities	-	-	-	-	-	0	-	-	-
- Shares, Debentures or Bonds	-	-	-	-	-	7,262	-	-	-
Turnover (including Other Income)	460	11,358	674	3,119	923	318,940	2,109	79	-
Profit Before Taxation	(8,040)	11,075	(20,543)	(349)	(252)	(3,613)	(17,836)	47	-
Provision for Taxation									
- Current Tax	-	-	-	-	5	(1,591)	-	-	-
- MAT Entitlement Credit	-	-	-	-	-	-	-	-	-
- Deferred Tax	-	-	-	(108)	-	5,046	-	-	-
- Excess provision relating to earlier years	-	-	-	-	-	-	-	-	-
Profit after Taxation	(8,040)	11,075	(20,543)	(240)	(257)	(7,068)	(17,836)	47	-
Proposed Dividend	-	-	-	-	-	-	-	-	-
Share Holding Percentage in the Subsidiary (in %)	100	62.21 (b)	100 (c)	0	91.67	96.79(d)	98.08 (d)	100	100 (e)

"0"represent amount below ₹ 50,000/-

Notes

a. Ceased to be subsidiary w.e.f. 08th November, 2018

b. Held through Ballarpur International Holdings B.V.

c. Held through Bilt Paper B.V.

d. Held through Ballarpur Paper Holdings B.V.

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

Part "B": Statement containing salient features of the financial statement of Associates and Joint Ventures

Name of Joint Venture	Share of Joint Venture held by the company at the year end					Profit/(Loss) for the year			
	Latest Audited Balance Sheet Date	No. of Shares	Amount of Investment in Joint Venture (₹ in Lakhs)	Extent of Holding (%)	Net Worth attributable to shareholding as per latest Audited Balance Sheet (₹ in Lakhs)	Considered in Consolidation (₹ in Lakhs)	Not considered in Consolidation (₹ in Lakhs)	Description of how there is significant influence	Reason why the joint venture is not consolidated
Premier Tissues (India) Limited	31 March 2019	5,620,427	1,588	50%	1,544	138	(240)	Refer note below	NA

Note: This is joint venture due to percentage (%) of share capital.

INDEPENDENT AUDITOR'S REPORT

To the members of Ballarpur Industries Limited

Report on the audit of the consolidated financial statements

Qualified Opinion

We have audited the consolidated financial statements of **Ballarpur Industries Limited** (the 'Parent' or the 'Holding Company') and its subsidiaries (Parent and its subsidiaries together referred to as the 'Group'), which includes Group's share of profit in its joint venture, comprising the consolidated balance sheet as at 31 March 2019, the consolidated statement of profit and loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effect of the matters described in Basis for Qualified Opinion section of our report,* the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31 March 2019, the consolidated loss (including consolidated other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

1. ***We draw reference to Note 47 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. As explained in the note, the management is unable to quantify the liability with respect to the outstanding Put Options. Accordingly, we are unable to quantify the impact.***

2. ***(a) As of the year end, the holding company while comparing the balances of borrowings with the confirmations received from the lenders identified differences in interest expense accrued to the tune of ₹ 583 lakhs. The interest expense accrued in the books of accounts were lower when compared with the interest confirmed by the lenders.***

   (b) In respect of borrowings not confirmed by banks, the interest accrued by the holding company in the books as compared to the interest payable by the holding company in terms of the loan agreement with the lenders is lower by ₹ 12,401 Lakhs which includes penal interest of ₹ 6,270 Lakhs.

   (c) We have not received direct confirmation from certain lenders for the balance outstanding in borrowings aggregating to ₹ 82,031 Lakhs.

   These form the basis for our qualified opinion. Had the holding company accrued the differences in the books, the finance cost would have increased by ₹ 12,984 lakhs, profit for the year, total comprehensive income and shareholders' fund would have reduced by ₹ 12,984 lakhs. The impact on borrowings and finance cost, if any, on account of non-receipt of direct confirmation from lenders could not be quantified.

3. ***(a) We draw attention to Note 44 to the consolidated financial statements, wherein one of the subsidiaries, Bilt Graphic Paper Products Limited (BGPPL) included in the consolidated financial statements of the Group has entered into a Master Restructuring Arrangement (MRA) with its lenders during the year 2017-18. One of the non-assenting lenders has issued a Corporate Insolvency and Resolution Process Notice (CIRP notice) under Insolvency and Bankruptcy Code, 2016 during the year 2017-18 against which BGPPL has obtained stay order from the Hon'ble High Court of Delhi during the year 2017-18. During the current year, the stay order has been partially vacated by the Hon'ble High Court of Delhi. Subsequently, pursuant to a transfer petition filed by BGPPL, the case has been transferred to and is pending at the Hon'ble Supreme Court of India as at 31 March 2019. We are not in a position to comment on the appropriateness of giving effect to the MRA and accrual of interest based on MRA for the year ended 31 March 2019 when the matter is subjudice. Further, the management has informed us that BGPPL has entered into two amendments (2nd Amendment and 3rd Amendment) to the MRA with the lenders during the financial year 2018-19. We have not been provided with copy of the official documents for the amendments to verify the accounting implications if any.***

   (b) As stated in the Note, BGPPL has not accrued interest for the year ended 31 March 2019 on the amounts due to lenders towards which shares were agreed to be allotted under the MRA. However, BGPPL has not received a confirmation from the lenders on waiver of this interest. Had the Group accrued the said interest, the finance cost and loss for the year would have been greater by ₹ 11,569 Lakhs.

   (c) Further, as per the terms of the MRA, there is an annual reset of interest rate. BGPPL continues to accrue interest at the original rate as per MRA in the absence of confirmation from the lenders to the contrary.

   (d) The balance of borrowings and interest accrued in the books of BGPPL are subject to confirmation from the lenders and / or reconciliation.

The accounting for finance cost as per the MRA and not accruing interest on amounts for which shares are yet to allotted has resulted in lower finance cost and losses by ₹ 34,237 Lakhs for the year ended 31 March 2019. The impact of (a) accounting implication, if any, warranted by the amendments to the MRA, (b) reset of the interest as per MRA which has not been confirmed by the lenders and (c) the non-receipt of confirmation of balance and reconciliation of confirmation received from lenders with the balances of borrowings and interest accrued in the books, cannot be quantified.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group and joint venture company incorporated in India in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to Going Concern

We draw attention to Note 45 accompanying the consolidated financial statements, which contains conditions along with other matters which indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The ability of the Group to continue as a going concern is dependent on the outcome of the debt restructuring steps taken by the Parent Company, the optimal utilization of the operational units of the Parent Company and the outcome of the legal proceedings arising out of MRA.

Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. **Impairment of assets**

   Refer Note 4 on impairment of assets and Note 2.11 accounting policy on impairment of assets in the consolidated financial statements. We have considered impairment of assets as a Key Audit Matter due to the following reasons

   a. The impairment loss assessed by the management is ₹ 37,204 Lakhs which is a significant item of cost accounted in consolidated statement of profit and loss.

   b. The impairment loss is computed based on management's estimates and assumptions regarding future operating cash flows, weighted average cost of capital to be used for discounting future cash flows and / net realisable value of assets for the Cash Generating Units identified

   Our procedures included the following

   - Compared the performance of operating units with budgets and considered the recent trends to identify impairment indicators.
   - Assessed the methodology adopted by the management in identifying Cash Generating Units (CGU) to be tested for impairment taking into consideration the operating structure and applicable Accounting Standard.
   - Verified the assumptions and estimates used by the management in arriving at the value in use for the respective CGUs.
   - Independently checked the underlying calculation of net present value.
   - Discussed the audit observations with the management and discussed significant details with respect to the approach, assumptions & estimates by management and our observations with the Audit Committee.

2. **Valuation of assets held for sale**

   Refer Note 57 on discontinued operations and assets held for sale in the consolidated financial statements. We have considered assets held for sale as a Key Audit Matter due to the following reasons:

   a. The value of assets held for sale constitutes 25.32 % of the total assets of the Group which is a significant item in the Balance Sheet.

   b. Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell.

   The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs.

Our procedures included the following

- Checked the minutes of the Board meetings held during 2018-19 to evaluate the status of the assets held for sale and the proposed steps taken by the management in realising those assets.
- Examined the external valuation report provided by the Management supporting the carrying amount of assets held for sale.
- Discussed with the management and assessed the appropriateness of the methodology adopted for the valuation.
- Evaluated the objectivity, independence and competency of the experts used by the management by reference to their qualification and experience.
- With respect to the assets of Sabah Forest Industries Sdn Bhd. (SFI), discussed with the management on the current status of the transaction and pursued the communications from the receiver and manager of SFI.

Information other than the consolidated financial statements and auditor's report thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises Board's Report including its annexures but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. *Except for the matters stated in the Basis for Qualified Opinion section above*, we have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the consolidated 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 financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group include its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint venture 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its joint venture for assessing the ability of Group and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its joint venture are also responsible for overseeing the financial reporting process of the Group and its joint venture.

Auditor's responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group and joint venture company incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

1. We did not audit the financial statements of 5 subsidiaries (1 domestic subsidiary and 4 foreign subsidiary), included in the consolidated Ind AS financial statements, whose financial statements reflect total assets of ₹ 961,711 lakhs as at 31 March 2019, total revenue of ₹ 12,352 lakhs and net cash outflows amounting to ₹ 49 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The financial information of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statement, in so far as it related to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (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.

   Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of such other auditors.

2. We did not audit the financial statements of one foreign subsidiary, whose financial statements reflect total assets of ₹ 283 Lakhs as at 31 March 2019, total revenue of ₹ Nil and net cash outflow of ₹ Nil for the year ended on that date, as considered in the consolidated 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial statements which is certified by the management.

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 on the consolidated financial statements is not modified in respect of the above matter with respect to our reliance on the financial information certified by the Management.

Report on other legal and Regulatory requirements

1) As required by Section 143 (3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) in our opinion, *except for the possible effects of matters descried in Basis for Qualified Opinion section of our report,* proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

(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 statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) in our opinion, *except for the possible effects of matters descried in Basis for Qualified Opinion section of our report,* the aforesaid consolidated financial statements comply with the Indian Accounting Standards notified under Section 133 of the Act, read with Companies (Indian Accounting Standards) 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 2019 taken on record by the Board of Directors of the Parent, and the reports of the statutory auditors of its subsidiary and joint venture company incorporated in India, none of the Directors of the Group companies and its joint venture incorporated in India is disqualified as on 31 March 2019 from being appointed as a Director in terms of section 164(2) of the Act; *however we observed that the Parent has defaulted in payment of interest to the debenture holders and such default continues for more than a year as at 31 March 2019* ;

(g) 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', which is based on the auditors reports of the Parent and its subsidiary companies and joint venture incorporated in India;

(h) with respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act (as amended);

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act; and

(i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the consolidated financial statements disclose the impact of pending litigation on the consolidated financial position of the Group and its joint venture – Refer Note 46 to the financial statement.

ii. the Group 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 Parent, applicable subsidiary companies and joint venture to the extent incorporated in India *except Unclaimed dividend of ₹ 3 Lakhs pertaining to financial year 2009-10 which has not been transferred to Investor Education and Protection Fund by the Parent as at 31 March 2019 (Also refer Note 17).*

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

V. Viswanathan
Partner
Membership No. 215565

Place: Gurugram
Date: 16 May 2019

ANNEXURE 'A' TO INDEPENDENT AUDITOR'S 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

In conjunction with our audit of the consolidated financial statements of Ballarpur Industries Limited (hereinafter referred to as “Parent” or the ‘Holding Company’) for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of the Parent, its subsidiary companies (the parent and its subsidiaries together referred to as the “Group”), which includes internal financial controls over financial reporting of its joint venture company, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and its joint venture company 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, its subsidiary companies and its joint venture company 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 report 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, its subsidiary companies and its joint venture company 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 AUDITOR'S REPORT

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at 31 March 2019:

The Parent's internal financial control over periodic reconciliation of amounts due to lenders were not operating effectively which needs to be strengthened.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion and based on the consideration of the report of other auditor referred to in the Other Matters paragraph below, *except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria*, the Parent, its subsidiary companies and its joint venture company incorporated in India, have, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31 March 2019, 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 issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the 31 March 2019 consolidated financial statements of the Group and its joint venture company incorporated in India, and these material weakness has affected our opinion on the consolidated financial statements of the Group and its joint venture company incorporated in India and we have issued a qualified opinion on the consolidated financial statements.

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 furnished to us by 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 by and the Report of the other auditor.

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

V. Viswanathan
Partner
Membership No. 215565

Place: Gurugram
Date: 16 May 2019

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2019

₹ in Lakhs

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	4	651,234	750,426
(b) Capital work-in-progress	5	632	830
(c) Other intangible assets	6	1,886	4,354
(d) Intangible assets under development	6(a)	-	-
(e) Biological assets other than bearer plants	7	39	34
(f) Investments accounted for using the equity method	8	1,656	-
(g) Financial assets			
(i) Investments	9	7,265	3
(ii) Loans	10	1,027	965
(iii) Others	11	4,301	4,074
(h) Deferred tax assets (net)	12	16,814	21,861
(i) Other non-current assets	13	9,663	8,911
(2) Current Assets			
(a) Inventories	14	44,687	35,052
(b) Financial assets			
(i) Trade receivables	15	15,831	8,741
(ii) Cash and cash equivalents	16	26,984	12,970
(iii) Bank balances other than (ii) above	17	1,829	1,227
(iv) Loans	18	4,521	2,516
(v) Others	19	521	9,043
(c) Current tax assets (Net)	20	1	-
(d) Other current assets	21	33,056	54,492
(e) Group of assets classified as held for sale and discontinued operations	57	278,697	236,217
Total Assets		**1,100,644**	**1,151,716**
EQUITY AND LIABILITIES			
Equity			
(1) Equity Share Capital	22	25,871	25,871
(2) Other Equity	23	(99,645)	5,576
Equity attributable to the owners of the Company		(73,774)	31,447
(3) Non-Controlling Interest	24	(37,919)	(13,652)
Liabilities			
(1) Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	25	427,133	479,539
(ii) Other financial liabilities	26	4,145	4,126
(b) Provisions	27	8,992	7,800
(c) Deferred tax liabilities (Net)	12	-	460
(d) Other non-current liabilities	28	20	21
(2) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	25	122,523	120,307
(ii) Trade payables	29		
a) Total outstanding dues of micro and small enterprises		3,732	1,715
b) Total outstanding dues of creditors other than micro and small enterprises		92,074	104,381
(iii) Other financial liabilities	30	491,978	377,545
(b) Other current liabilities	31	32,881	10,988
(c) Provisions	32	7,069	5,063
(d) Current tax liabilities(net)	33	7,166	6,628
(e) Liabilities associated with group of assets classified as held for sale and discontinued operations	57	14,624	15,348
Total Equity and Liabilities		**1,100,644**	**1,151,716**
Significant Accounting Policies and Notes accompanying Consolidated Ind AS Financial Statements	1-59		

As per our report of even date attached

For Sharp & Tannan
Chartered Accountants
(Firm's registration no. 003792S)

V. Viswanathan
Partner
Membership No. 215565

Place: Gurugram
Date: 16 May 2019

For Ballarpur Industries Limited

B. HARIHARAN
Chairman & Executive Director
DIN 00012432

R. R. VEDERAH
Vice Chairman
DIN 00012252

R. RAJAGOPAL
Deputy Chief Financial Officer

NEEHAR AGGARWAL
Chief Executive Officer

AKHIL MAHAJAN
Company Secretary

Place: Gurugram
Date: 16 May 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

₹ in Lakhs

Particulars	Note No.	2018 - 19		2017 - 18	
Revenue from operations	34		364,306		254,614
Other income	35		4,777		2,600
Total Income			**369,083**		**257,214**
Expenses					
Cost of materials consumed	36	191,749		130,751	
Purchase of stock-in-trade	37	363		2,162	
Changes in inventories of finished goods, work- in-progress and stock-in-trade	38	(3,634)		(4,126)	
			188,478		128,787
Employee benefits expense	39		27,188		22,730
Finance costs	40		84,255		91,559
Depreciation and amortisation expense	41		26,555		27,667
Excise duty			-		2,744
Other expenses	42		85,918		67,769
Total Expenses			**412,394**		**341,256**
Profit/ (loss) before share in profit/(loss) of Joint Venture and exceptional items			**(43,311)**		**(84,042)**
Share in profit/(loss) of Joint Venture			69		-
Profit/ (loss) before exceptional items and tax			**(43,242)**		**(84,042)**
Exceptional items (net loss)	43		36,941		19,012
Profit/ (loss) before tax			**(80,183)**		**(103,054)**
Tax expense:					
(1) Current tax	53	(1,586)		12	
(2) Deferred tax	12	4,938		(16,655)	
			3,352		(16,643)
Profit/ (loss) for the year from continuing operations			**(83,535)**		**(86,411)**
Profit/ (loss) for the year from discontinuing operations before tax	57	(23,635)		(117,149)	
Tax expense on discontinued operations		-		-	
Profit/ (loss) for the year from discontinuing operations after tax			**(23,635)**		**(117,149)**
Profit/ (loss) for the year			**(107,170)**		**(203,560)**
Other Comprehensive Income					
A Items that will not be reclassified to profit or loss (net of tax)		(191)		(3,741)	
B Items that will be reclassified to profit or loss (net of tax)		(13,743)		8,934	
Other Comprehensive Income for the year			**(13,934)**		**5,193**
Total comprehensive income for the year			**(121,104)**		**(198,367)**
Net Profit/ (loss) attributable to					
(a) Owners of the Company			(93,095)		(139,495)
(b) Non - Controlling Interest			(14,075)		(64,065)
Other Comprehensive Income attributable to					
(a) Owners of the Company			(9,185)		3,042
(b) Non - Controlling Interest			(4,749)		2,151
Total Comprehensive Income attributable to					
(a) Owners of the Company			(102,280)		(136,453)
(b) Non - Controlling Interest			(18,824)		(61,914)
Earnings per equity share (for continuing operation):					
(1) Basic (₹)	50		(6.09)		(6.24)
(2) Diluted (₹)	50		(6.09)		(6.24)
Earnings per equity share (for discontinuing operation):					
(1) Basic (₹)	50		(1.11)		(6.53)
(2) Diluted (₹)	50		(1.11)		(6.53)
Earnings per equity share					
(1) Basic (₹)	50		(7.20)		(12.77)
(2) Diluted (₹)	50		(7.20)		(12.77)
Significant Accounting Policies and Notes accompanying Consolidated Ind AS Financial Statements	1-59				

As per our report of even date attached

For Ballarpur Industries Limited

For Sharp & Tannan
Chartered Accountants
(Firm's registration no. 003792S)

B. HARIHARAN
Chairman & Executive Director
DIN 00012432

R. R. VEDERAH
Vice Chairman
DIN 00012252

V. Viswanathan
Partner
Membership No. 215565

R. RAJAGOPAL
Deputy Chief Financial Officer

NEEHAR AGGARWAL
Chief Executive Officer

AKHIL MAHAJAN
Company Secretary

Place: Gurugram
Date: 16 May 2019

Place: Gurugram
Date: 16 May 2019

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

₹ in Lakhs

Particulars	2018 - 19	2017 - 18
CASHFLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax from continuing operations	(80,183)	(103,054)
Adjustment for:		
Depreciation and amortization expense	26,555	27,667
Finance costs (net)	84,255	91,559
Interest income	(940)	(589)
Share in profit of joint venture	(69)	-
Gain on discounting sales tax deferral to present value	-	(274)
Gain on Sale or fair valuation of investment	(142)	-
Exceptional items (net)	36,941	19,012
Bad debts written off / Allowance for doubtful debts	991	1,090
Unspent liabilities and excess provision of earlier years written back	(2,823)	(1,126)
Inventories written off	1,350	-
Balances written off	1,209	-
Assets discarded	127	-
(Profit) / Loss on sale of property plant and equipment	81	(30)
Operating profit before working capital changes	**67,352**	**34,255**
Adjustment for working capital		
(Increase)/decrease in trade receivables	(7,573)	(2,727)
(Increase)/decrease in loans, advances and other current assets	14,538	(25,881)
(Increase)/decrease in inventories	(12,287)	(9,488)
Increase/(decrease) in liabilities and provisions	7,906	50,869
Cash generated from / (used in) operations	**69,936**	**47,028**
Direct taxes (paid) /refund(net)	2,124	4,002
Net cash generated from / (used in) operating activities of continuing operations	**72,060**	**51,030**
Net cash generated from / (used in) operating activities of discontinued operations	**13,385**	**(9,311)**
Net cash generated from / (used in) operating activities	**85,445**	**41,720**
Cashflow from investing activities		
Payment for acquisition of property, plant and equipment, biological assets and intangible assets	(3,143)	(2,789)
Proceeds on disposal of property, plant and equipment	1,550	40
Interest received	1,382	581
(Increase) / decrease in other bank balances (refer note (c) below)	(595)	50
(Increase) / decrease in investment	(7,120)	-
Net cash generated from / (used in) investing activities of continuing operations	**(7,926)**	**(2,118)**
Net cash generated from / (used in) investing activities of discontinued operations	**(34)**	**(2,082)**
Net cash generated from / (used in) investing activities	**(7,960)**	**(4,200)**
Cashflow from financing activities		
Proceeds from / (Repayment of) borrowings (net)	(27,756)	(30,492)
Receipt/(Payment) for buy back (optional / convertible)	58	(2)
Interest paid (net)	(35,972)	(13,360)
Dividend paid (including payment to investor education and protection fund)	(11)	(11)
Net cash generated from / (used in) financing activities of continuing operations	**(63,681)**	**(43,865)**
Net cash generated from / (used in) financing activities of discontinued operations	**99**	**(100)**
Net cash generated from / (used in) financing activities	**(63,582)**	**(43,965)**
Net increase / (decrease) in cash and cash equivalents	13,903	(6,445)
Cash and cash equivalents at the beginning of the year	13,883	11,014
Impact of foreign currency translation reserve	(387)	9,314
Cash and cash equivalents at the end of the year	**27,399**	**13,883**
Cash and cash equivalents from continuing operations	26,984	12,970
Cash and cash equivalents from discontinued operations	415	913
Total cash and cash equivalents	**27,399**	**13,883**

Notes:

(a) The cash flow statements 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, biological assets 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 and deposits with banks having a maturity exceeding 3 months.

(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 16 for components of cash and cash equivalents from continuing operations.

(f) Figures in brackets indicate cash outflow.

Significant Accounting Policies and Notes accompanying Consolidated Ind AS Financial Statements. 1-59

As per our report of even date attached

For Sharp & Tannan
Chartered Accountants
(Firm's registration no. 003792S)

V. Viswanathan
Partner
Membership No. 215565

Place: Gurugram
Date: 16 May 2019

For Ballarpur Industries Limited

B. HARIHARAN
Chairman & Executive Director
DIN 00012432

R. R. VEDERAH
Vice Chairman
DIN 00012252

R. RAJAGOPAL
Deputy Chief Financial Officer

NEEHAR AGGARWAL
Chief Executive Officer

AKHIL MAHAJAN
Company Secretary

Place: Gurugram
Date: 16 May 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

₹ in Lakhs

A. EQUITY SHARE CAPITAL

	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 2018	13,112	12,759	25,871
For the year ended 31 March 2019	25,871	-	25,871

₹ in Lakhs

B. OTHER EQUITY

Particulars	Note No.	Capital Reserve	Amount towards shares to be allotted	Equity Component of Compulsorily Redeemable Preference Shares	Securities 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	Share of OCI in Joint Venture			
Balance as at 1 April 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	23 (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)
Issue of capital under Strategic Debt Restructuring		-	-	-	88,226	-	-	-	-	-	-	-	-	-	-	88,226	-	88,226
Equity component of compulsorily redeemable preference shares	23 & 44	-	-	45,227	-	-	-	-	-	-	-	-	-	-	-	45,227	-	45,227
Amount towards shares to be allotted under MRA	23 & 44	-	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)**
Loss for the year		-	-	-	-	-	-	-	-	-	(93,095)	-	-	-	-	(93,095)	(14,075)	(107,170)
Other comprehensive income for the year	23 (c)	-	-	-	-	-	-	-	-	-	-	(9,071)	(113)	-	(1)	(9,185)	(4,749)	(13,934)
Exchange difference		-	-	-	-	-	-	8,996	-	-	-	-	-	-	-	8,996	-	8,996
Distribution for the year		-	-	-	-	-	-	-	-	-	(8,962)	-	-	-	-	(8,962)	(5,443)	(14,405)
Equity component of compulsorily redeemable preference shares	23 & 44	-	-	(4,720)	-	-	-	-	-	-	-	-	-	-	-	(4,720)	-	(4,720)
Amount towards shares to be allotted under MRA	23 & 44	-	(1,728)	-	-	-	-	-	-	-	-	-	-	-	-	(1,728)	-	(1,728)
Derecognition of Goodwill due to loss of control		-	-	-	-	-	-	-	3,473	-	-	-	-	-	-	3,473	-	3,473
Balance as at 31 March 2019		**1,515**	**42,381**	**40,507**	**115,024**	**7,385**	**11,704**	**139,117**	**20,012**	**80,810**	**(495,495)**	**(58,972)**	**(895)**	**(2,737)**	**(1)**	**(99,645)**	**(37,919)**	**(137,564)**
Significant Accounting Policies and Notes accompanying Consolidated Ind AS Financial Statements						1-59												

As per our report of even date attached

For Sharp & Tannan
Chartered Accountants
(Firm's registration no. 003792S)

V. Viswanathan
Partner
Membership No. 215565

Place: Gurugram
Date: 16 May 2019

For Ballarpur Industries Limited

B. HARIHARAN
Chairman & Executive Director
DIN 00012432

R. RAJAGOPAL
Deputy Chief Financial Officer

AKHIL MAHAJAN
Company Secretary

Place: Gurugram
Date: 16 May 2019

R. R. VEDERAH
Vice Chairman
DIN 00012252

NEEHAR AGGARWAL
Chief Executive Officer

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. COMPANY INFORMATION

Ballarpur Industries Limited ("BILT" or the company) is a public Limited Company incorporated and domiciled in India with its registered office in Ballarpur, Maharashtra, India. The company is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The Company and its subsidiaries (collectively referred to as 'the Group') are engaged in the business of manufacturing and selling of writing and printing paper (Coated and Uncoated) and Pulp. The Group's manufacturing operations span across six production units, five of which are in India and one in Malaysia. The Indian units are located at Ballarpur, Bhigwan, Ashti in the state of Maharashtra, Sewa in Odisha, and Yamunanagar in the state of Haryana and the Malaysian unit is located in the State of Sabah. The Rayon Grade Pulp manufacturing unit is located at Kamalapuram in the state of Telangana.

The Consolidated financial statements as at 31 March 2019 present the financial position of the Group as well as the interests in associate companies and joint arrangements. The list of entities consolidated is provided in Note 2.5

The functional and presentation currency of the Company and the presentation currency of the group is Indian rupee (INR) and amounts in the financial statements are presented in Indian rupee rounded off to Lakhs.

As at 31 March 2019, Avantha Holdings Limited holds 24.95% of the Equity shares of the Company, and has the ability to influence the Group's operations.

The Financial Statements for the year ended 31 March, 2019 were approved by the Board of Directors for issue on 16 May 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise stated.

2.1 STATEMENT OF COMPLIANCE

The consolidated financial statements (FS) have been prepared in accordance with the provisions of Companies Act, 2013 and the Indian Accounting Standards (referred to as Ind AS) notified under the Companies (Indian Accounting Standards Rules) 2015 and amendments thereof issues by Ministry of Corporate Affairs in exercise of the powers conferred by Section 133 of the Companies Act, 2013.

2.2 BASIS OF PREPARATION

The financial statements are presented in the format prescribed in the Schedule III to the Companies Act, (the Act) 2013. The statement of Cash Flows has been prepared and presented as per the requirement of Ind AS-7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and 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 notified Accounting Standards and SEBI (LODR) Regulations 2015, as amended.

2.3 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.

2.4 USE OF ESTIMATES AND CRITICAL ACCOUNTING JUDGEMENTS

In the preparation of financial statements the Group makes critical judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the results are known. Key sources of estimation of uncertainty at the date of consolidated financial statements, which may cause material adjustments to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment, intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, fair value measurement as discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in the respective policies.

(a) **Impairment**

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 / Cash generating unit (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) **Employee benefit obligations**

The Group's obligations under defined benefit and other long term benefits are 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**

Fair value is the price 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.

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 (i.e. as prices) or indirectly (i.e. derived from prices): and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

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 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 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.

(f) **Useful lives of property, plant and equipment and intangible assets**

The Group reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

(g) **Valuation of deferred tax assets**

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been detailed in 2.20(ii).

2.5 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group's share of profits, net assets and retained post acquisition reserves of joint arrangements and associates that are consolidated using the equity or proportionate method of consolidation, as applicable.

Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity.

The results of subsidiaries, joint arrangements and associates acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Wherever necessary, adjustments are made to the financial statements of subsidiaries, joint arrangements and associates to bring their accounting policies in line with those used by other members of the Group. Intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.

Interest in joint arrangements

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity where the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control. Where Group entity undertakes its activities under joint arrangements as joint operations, the Group's share of jointly controlled assets and any liabilities incurred jointly with other parties are recognised in its financial statements and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in joint operations are accounted for on the accrual basis. Income from the sale or use of the Group's share of the output of joint operations, and its share of joint arrangements expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to the Group and their amount can be measured reliably. Joint arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as joint ventures. The Group reports its interests in joint ventures using the equity method of accounting whereby an interest in joint venture is initially recorded at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the joint venture. The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture. When the Group's share of losses exceeds the carrying value of the joint venture, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint venture, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of joint ventures are modified to confirm to the Group's accounting policies.

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.

Investment in associates

Associates are those enterprises over which the Group has significant influence, but does not have control. Investments in associates are accounted for using the equity method and are initially recognised at cost from the date significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any. When the Group's share of losses exceeds the carrying value of the associate, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of associates are modified to confirm to the Group's accounting policies.

The list of consolidated entities are as under;

Name of the Company	Country of Incorporation	Proportion of ownership interest either directly or through subsidiary as on	
		31.03.2019	31.03.2018
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 (i)	India	-	100%
Step down Subsidiaries			
Bilt Paper B.V. (ii)	Netherlands	62.21%	62.21%
Ballarpur Paper Holdings B.V. (iii)	Netherlands	62.21%	62.21%
BILT Graphic Paper Products Limited. (iv)	India	60.22%	60.22%
Sabah Forest Industries Sdn. Bhd. (iv)	Malaysia	61.02%	61.02%
Bilt General Trading (FZE) (v)	UAE	100%	100%
Joint Venture			
Premier Tissues (India) Limited	India	50%	-

(i) Subsidiary upto 7 November 2018.

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

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

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

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

2.6 PROPERTY, PLANT AND EQUIPMENT (PPE)

An item of property, plant and equipment (PPE) is recognized as an asset if 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. This recognition principle is applied to all costs incurred initially to acquire property plant and equipment and to costs incurred subsequently to add to or replace part of it. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred. Trial run expenses (net of revenue) are capitalised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted as separate items.

PPE is stated at cost / deemed cost less accumulated depreciation and cumulative impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Borrowing costs incurred during the period of construction is capitalized as part of cost of qualifying asset in accordance with the Group's policy.

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

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

2.7 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.

2.8 INTANGIBLE ASSETS

Intangible assets including software costs and product development expenditure, which is recognized when it is probable that associated future economic benefits would flow to the Group 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 losses, if any. Costs include expenditure that is directly attributable to the acquisition of the intangible assets.

These assets are amortized on a straight line basis over their estimated useful lives from the date when they are available for their intended use.

Recognition of costs as an asset is ceased when the project is complete and available for its intended use, or if these criteria are no longer available.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as intangible assets under development".

2.9 RESEARCH AND DEVELOPMENT COSTS

Expenditure on research activities is recognised as an expense in the year in which it is incurred. Product Development costs incurred product development / 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 the intention to complete the intangible asset and use or sell it;
- 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 loss, 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.

2.10 DEPRECIATION AND AMORTIZATION OF PPE AND INTANGIBLE ASSETS

Depreciation or amortization is provided, so as to write off, on a straight line basis, the cost / deemed cost of property plant and equipment and intangible assets (other than freehold land and properties under construction) including those held on finance lease to their residual values. The depreciation is charged from the dates the assets are available for their intended use and are spread over their estimated useful or economic lives or, in the case of leased assets, over the lease period, if shorter. The estimated useful life is reviewed regularly and, when necessary revised. No further charge is recognised in respect of assets that are fully written down but are still in use. The estimated useful lives for main categories of property plant and equipment and intangible assets are;

Categories of Assets	Estimated useful life (in years)
Lease hold land	upto 29
Buildings -Factory and Office buildings including RCC frame structures	30 to 60*
Plant & Machinery	7 to 30*
Railway Sidings	14
Furniture, Fixtures and Office equipment	
Computer equipment	3-5
Office equipment	5-30
Furniture and Fixtures	4-10
Vehicles	7- 16

Freehold land is not depreciated.

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 estimated useful life and residual values are reviewed regularly and when necessary reversed. No further change is provided in respect of assets that are fully written down but are still in use.

*Note: For these class of assets, based on internal assessment and independent technical evaluation carried out by Chartered engineers, the Company believes that useful lives, as given above, represents the period over which the Company expects to use these assets. Hence, the useful lives for these assets are different from the useful lives prescribed under Schedule II.

2.11 IMPAIRMENT OF PPE AND INTANGIBLE ASSETS

As at each reporting date, the Group reviews the carrying values of its property plant and equipment and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any. When the assets does not generate cash those that are independent from other assets, the company estimates the recoverable amount of the asset and recognizes an impairment loss when the carrying value 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).

An impairment loss is recognised in the Statement of Profit or 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 value of the asset (or cash generating unit), 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.

Goodwill and intangible assets with indefinite life are tested for impairment each year.

2.12 NON CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE AND DISCONTINUED OPERATIONS

Non current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less cost to sell of an asset (or disposal group). But not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non current asset (or disposal group) is recognised at the date of recognition.

Non current assets (including that are part of disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non current assets classified as held for sale and the assets of a disposal group as held for sale are presented separately from the other assets in the balance sheet. The liabilities of disposal group classified as held for sale are presented separately from other liabilities in the Balance Sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operation, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

2.13 LEASES

Group as a Lessee

The Group determines whether an arrangement contains a lease by assuming whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the company in return of a payment, where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or an operating lease. Leases are classifies as finance leases where the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(i) Operating lease

Lease rentals on assets under operating lease are charged to the consolidated statement of profit and loss on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentive is recognized as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from leases assets are consumed.

(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. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized over the period of the lease 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.

Group as a Lessor

(i) Operating Lease

Rental income from operating lease is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease unless other systematic basis is more representative of the time pattern in which economic benefits from the leased assets is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased assets and recognized on a straight line basis over the lease term.

Assets leased out under operating lease are continued to be shown under the respective class of assets.

(ii) Finance Lease

When assets are leased out under a finance lease, the present value of minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant period of return.

2.14 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the group becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to and deducted from the fair value measured on the initial recognition of the financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of the Profit and Loss.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument of allocating interest income or expense over the relevant period. The effective interest rate that exactly discounts the future cash receipts or payments through the expected life of the instrument, or where appropriate, a shorter period.

Subsequent measurement

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

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

(a) Financial assets

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

Financial assets are measured at fair value through other comprehensive income if such financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell such financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the value of such equity instruments. Such an election as made by the company on an instrument by instrument basis at the time of initial recognition of equity instruments. These investments are held for medium or long term strategic purpose.

The Group has chosen to designate these investments in equity instruments as fair value through other comprehensive income as the management believe this provides a more meaningful presentation for medium or long term strategic investments, than reflecting changes in fair value immediately in the statement of profit and loss.

Financial asset not measured at amortised cost or fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

Impairment of financial assets

The Group 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 is assessed and allowance recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

De-recognition

The Group de-recognises a financial asset (or, where applicable, a part of financial asset or a part of a group of similar financial assets) 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 the company has;
  - a) transferred all the risks and rewards of the asset to another entity;
  - b) not 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 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.

On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in the statement of profit and loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

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

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement and redemption of borrowings is recognised over the term of the borrowings in the statement of profit and 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.

De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Company's obligation is discharged, cancelled or they expire.

When an existing financial liabilities 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 and modification is treated as the de-recognition of the original liability and the recognition of the 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.

(iv) 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.

2.15 CASH AND BANK BALANCES

Cash and bank balances consist of:

i) Cash and cash equivalents

Cash and cash equivalents which includes cash in hand, deposits held at call with banks, and other short-term deposits which are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and have maturities of less than one year/three month from the reporting date are held for the purpose of meeting short-term cash commitments.

The balances with banks are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

ii) Other Bank balances

Other bank balances includes balances and deposits with banks that are restricted for withdrawal and usage.

2.16 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 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.

Re-measurements, 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, re-measurements 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. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution scheme where the Group's obligations under the scheme are equivalent to those arising in a defined contribution scheme.

(v) Termination benefits

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

(vi) Compensated absences /Short term obligations

Compensated absences which are not expected to occur within twelve months after the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

2.17 INVENTORIES

Inventories comprise Raw Materials, Stores & Spares, Chemicals, Work in progress and Finished goods.

Inventories are stated at the lower of cost and net realizable value. Cost is determined on weighted average basis. However, raw material, stores, spare parts and chemicals are not written down below cost, if the finish product in which they will be incorporated are expected to be sold at or above cost.

Costs comprise direct materials cost and, applicable direct labour costs and related overheads which have been incurred in bringing the inventories to their present location and condition.

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.

Traded goods are valued at cost, determined on weighted average basis, and net realisable value whichever is lower.

Provisions are made to cover slow moving and obsolete item based on historical experience of utilisation of inventories.

2.18 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

i) Provisions

Provisions are recognised in the balance sheet when the Group has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can reliably estimated.

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. When the effect of the time value of money is material, provisions are measured on discounted bases. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

ii) Contingent Liabilities

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

iii) Contingent Assets

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

Provisions, contingent liabilities and assets are reviewed at each balance sheet date.

iv) Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a. estimated amount of contracts remaining to be executed on capital account and not provided for;

b. uncalled liability on shares and other investments partly paid;

c. funding related commitment to subsidiary, associate and joint venture companies; and

d. other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management

2.19 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 consolidated Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate.

2.20 INCOME TAXES

Tax expense for the period comprises current and deferred tax.

(i) Current tax

Tax on income for the current period is determined on the basis of taxable profit for the period (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.

(ii) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in computation of taxable profit and are accounted for using the balance sheet liability method.

Deferred tax liabilities are recognized for all taxable temporary differences.

In contrast, 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 value 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the company expects at the end of the reporting period to recover or settle the carrying value of assets and liabilities

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there is legally enforceable right to set off current tax assets against current tax liabilities; within that jurisdiction.

It is recognised in the consolidated 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.

2.21 REVENUE RECOGNITION

(i) Sale of goods

Revenue from the sale of goods in the normal course of business is recognized at a point in time when the performance obligation is satisfied and it is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of the consideration to which the company expects to be entitled in exchange for transferring the promised goods to the customer.

Revenue for the sale of goods is recognized when control of the asset is transferred to the buyer and only when it is highly probable that a significant reversal of revenue will not occur when uncertainties related to a variable consideration are resolved. Transfer of control varies depending on the terms of the contract of sale.

Revenue is recognized when the performance obligation is satisfied. Revenues are recorded net of taxes. For products for which a right of return exists during defined period, revenue recognition is determined based on the historical pattern of actual returns, or in cases where such information is not available revenue recognition is postponed until the return period has lapsed. Return policies are typically based on customary return arrangements in local markets.

In the case of loss under a sales agreement, the loss is recognized immediately. Expenses incurred for shipping and handling of internal movements of goods are recorded as cost of sales. Shipping and handling related to sales to third parties are recorded as selling expenses. When shipping and handling are billed to the customer, then the related expenses are recorded as cost of sales. Shipping and handling billed to customers are distinct and separate performance obligations and recognized as revenues. Expenses incurred for sales commissions that are considered incremental to the contracts are recognized immediately in the income statement as selling expenses as a practical expedient under Ind AS 15.

The company receives payments from customers based on a billing schedule or credit period, as established in our contracts. Credit periods are determined based on standard terms, which vary according to local market conditions.

(ii) Other operating income

(a) Incentives

Incentives on exports and other Government incentives are recognized 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 recognized on a time proportion basis using the effective interest method.

(b) Dividends

Dividends is recognised when the Group's right to receive the payment has been established.

2.22 FOREIGN CURRENCY TRANSACTIONS

The Group'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 Group'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 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.

2.23 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 directly attributable to the acquisition, construction or production of qualifying assets which are assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost eligible for capitalization.

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

Discounts or premium and expenses on the issue of debt securities are amortised over the term of the related securities and included with borrowing costs. Premium payable on early redemption of debt securities, in lieu of future finance costs are written off as borrowing costs when paid.

2.24 EARNINGS PER SHARE (EPS)

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

Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential shares except where the result would be anti dilutive.

2.25 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

  Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Group is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Group will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The effect on adoption of amendment to Ind AS 12 would be insignificant in the consolidated financial statements.

Amendment to Ind AS 19 – **plan amendment, curtailment or settlement**- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Group does not have any impact on account of this amendment.

4. PROPERTY, PLANT AND EQUIPMENT

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 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**
Additions	-	-	10	2,544	1	-	4	18	-	2,577
Exchange difference capitalized	-	-	-	4,803	-	-	-	-	-	4,803
Disposal	-	1,647	11	223	14	103	11	1	-	2,010
Re-classified to Assets held for sale (refer note 57)	-	39,970	-	16,412	-	-	-	-	-	56,382
Derecognition due to loss of control of subsidiary	-	280	1,192	3,135	54	53	35	50	-	4,799
As at 31 March 2019	**29,936**	**88,538**	**120,090**	**706,909**	**1,420**	**577**	**1,080**	**506**	**62**	**949,118**
Accumulated depreciation										
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
On 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**
Depreciation for the year	485	-	3,674	19,804	30	42	46	11	2	24,094
Impairment	-	-	2,006	35,146	52	-	-	-	-	37,204
On disposal	-	-	3	70	13	79	10	0	-	175
Re-classified to Assets held for sale (refer note 57)	-	-	-	15,834	-	-	-	-	-	15,834
Derecognition due to loss of control of subsidiary	-	-	342	1,397	42	47	34	46	-	1,908
As at 31 March 2019	**1,400**	**-**	**26,305**	**266,992**	**1,332**	**406**	**926**	**481**	**42**	**297,884**
Net carrying value										
As at 31 March 2018	29,021	130,435	100,313	489,989	182	243	198	23	22	750,426
As at 31 March 2019	**28,536**	**88,538**	**93,785**	**439,917**	**88**	**171**	**154**	**25**	**20**	**651,234**

Notes:

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

(b) Exchange loss on foreign currency borrowings capitalized during the year is ₹ 4,803 Lakhs (Previous Year: Exchange loss of ₹ 70 Lakhs).

(c) 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 New Quest India Private Limited for a period of 10 years. Annual lease rental of ₹ 90 Lakhs (previous year ₹ 67 Lakhs) has been accounted as other income in the statement of profit and loss.

(d) Refer note 25 for property, plant and equipment pledged as security against borrowing facilities availed by the Group.

(e) Refer note 46 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(f) Impairment of Assets

The Group's operations have been affected due to lack of adequate working capital facilities which has resulted in losses and shut down of various Units of the Holding Company and its step down subsidiary, BILT Graphic Paper Products Limited

Holding Company

The management of the Holding Company has identified the following Cash Generating Units (CGUs) for impairment testing

(a) Shreegopal Plant

(b) Kamalapuram Plant

Shreegopal Plant is an integrated pulp and paper manufacturing facility located in Yamunanagar, Haryana and primarily caters to the uncoated paper segment of the Group. The recoverable amount of the assets under this CGU determined based on value in use computed using a discount rate of 14% was lower than the carrying amount of the assets by ₹ 34,697 Lakhs and accordingly impairment loss for ₹ 34,697 Lakhs is recognized during the year.

The Kamalapuram Plant (CGU) was tested for impairment based on the independent fair valuation done by external valuation professional. The recoverable value of Kamalapuram Plant exceed the carrying amount of the assets and accordingly no impairment exist.

BILT Graphic Paper Products Limited (BGPPL)

BGPPL has identified the following CGUs for impairment

(a) Ballarpur Unit

(b) Bhigwan Unit

(c) Ashti Unit

The SEWA Unit being a discontinued operation is covered under the measurement principles of Ind AS 105 (refer note 57).

BGPPL has tested the Ballarpur and Bhigwan CGUs for impairment on the basis of value in use determined based on the future cashflow projections and is satisfied that the recoverable amount exceeds the carrying amount and accordingly no impairment exist as at the end of the reporting period.

Ashti plant is engaged in the business of producing uncoated paper for writing and printing. The recoverable amount of the assets in Ashti Unit, determined based on value in use computed using a discount rate of 14% was lower than the carrying amount of the assets by ₹ 2,507 Lakhs and accordingly impairment loss for ₹ 2,507 Lakhs is recognized during the year.

The aggregate impairment loss amounting to ₹ 37,204 Lakhs pertain to the 'uncoated paper' segment and is included under exceptional items in the statement of profit or loss.

₹ in Lakhs

5	CAPITAL WORK-IN-PROGRESS		
	Particulars	**As at 31 March 2019**	**As at 31 March 2018**
	Opening balance	830	35,655
	Additions	1,881	2,913
	Capitalized during the year	2,003	31,431
	Assets written off	73	-
	Transferred to discontinued operations (refer note 57)	-	6,307
	Derecognition due to loss of control	3	-
	Closing balance	**632**	**830**

6	OTHER INTANGIBLE ASSETS						
	Particulars	**As at 31 March 2019**			**As at 31 March 2018**		
		Product development expense	**Others**	**Total**	**Product development expense**	**Others**	**Total**
	Gross block						
	Opening balance	7,861	9,168	17,029	8,277	8,830	17,107
	Additions	-	-	-	-	338	338
	Transferred to discontinued operations (refer note 57)	-	-	-	416	-	416
	Derecognition due to loss of control of subsidiary	-	30	30	-	-	-
	Closing balance	**7,861**	**9,138**	**16,999**	**7,861**	**9,168**	**17,029**
	Accumulated amortization						
	Opening balance	4,706	7,969	12,675	3,082	7,444	10,526
	Amortization for the year	1,927	534	2,461	1,700	525	2,225
	Transferred to discontinued operations (refer note 57)	-	-	-	76	-	76
	Derecognition due to loss of control of subsidiary	-	23	23	-	-	-
	Closing balance	**6,633**	**8,480**	**15,113**	**4,706**	**7,969**	**12,675**
	Net carrying value as at the end of year	**1,228**	**658**	**1,886**	**3,155**	**1,199**	**4,354**

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

(b) Refer note 46 for disclosure of contractual commitments for the acquisition of property, plant and equipment and/or other intangible assets.

(c) The Group 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.

6(a)	INTANGIBLE ASSETS UNDER DEVELOPMENT		
	Particulars	**As at 31 March 2019**	**As at 31 March 2018**
	Opening balance	-	3,144
	Impairment for the year	-	3,144
	Closing balance	**-**	**-**

₹ in Lakhs

7	BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS		
	Particulars	**As at 31 March 2019**	**As at 31 March 2018**
	Cost		
	Balance as at the beginning of the year	34	7
	Additions	5	27
	Balance as at the end of the year	**39**	**34**
	Accumulated amortization		
	Balance as at the beginning of the year	-	-
	Charge for the year	-	-
	Balance as at the end of the year	**-**	**-**
	Net carrying amount	**39**	**34**

8	INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD					
	Particulars	**Face Value per Share/ NAV Per Unit**	**As at 31 March 2019**		**As at 31 March 2018**	
			No. of shares/units	**₹ in Lakhs**	**No. of shares/units**	**₹ in Lakhs**
	Unquoted investments					
	Investments accounted for using Equity Method					
	(a) Investments in fully paid equity shares of joint venture					
	(i) Premier Tissues (India) Limited (refer note (ii) below)	₹ 10.00	5,620,427	1,588	-	-
	Add: Share in profit/(loss) of joint venture			69		-
	Add: Share in OCI of joint venture			(1)		-
				1,656		**-**

(i) Details of unquoted investments

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
(a) Aggregate amount of unquoted investments		
Book value	1,656	-
Market value (Fair value)	1,656	-

(ii) During the year, The Group had executed a Share Subscription Agreement (SSA) for dilution of shareholding in Premier Tissues (India) Limited (PTIL). Consequently, PTIL ceased to be a subsidiary and is considered as a joint venture with effect from 8 November 2018.

Accordingly, the Group has derecognized the assets and liabilities from the consolidated financial statements. The investment retained in PTIL is recognized at fair value as on the date of loss of control and subsequently measured under equity method. Further a loss of ₹ 3,237 Lakhs is recognized towards loss of control attributable to PTIL and is included in exceptional items in the statement of profit or loss (refer note 43).

9	NON-CURRENT INVESTMENTS					
	Particulars	**Face Value Per Share/ NAV Per Unit**	**As at 31 March 2019**		**As at 31 March 2018**	
			No. of shares/units	**₹ in Lakhs**	**No. of shares/units**	**₹ in Lakhs**
	A Investments 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
	(ii) Avantha Power & Infrastructure Limited	₹ 10.00	39,880,940	-	39,880,940	-
	(b) Investment in government securities					
	6-year National Savings Certificate	₹ 5000	1	0	1	0
				3		**3**

Particulars	Face Value Per Share/ NAV Per Unit	As at 31 March 2019		As at 31 March 2018	
		No. of shares/units	₹ in Lakhs	No. of shares/units	₹ in Lakhs
B Investments measured at fair value through profit or loss					
(a) Investment in mutual funds					
(i) Edelweiss Liquid fund - Direct Plan Growth	₹ 2403	302,209	7,262	-	-
			7,262		**-**
Grand Total			**7,265**		**3**

(i) Details of unquoted investments

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Aggregate amount of unquoted investments		
Book value	7,265	3
Market value (Fair value)	7,265	3

"0" represent amount below ₹ 50,000/-

10 FINANCIAL ASSETS: LOANS - NON CURRENT

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Security Deposits	1,027	965
	1,027	**965**

11 OTHER FINANCIAL ASSETS - NON CURRENT

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Balance with Government Authorities	4,301	4,067
Bank deposits with maturity more than twelve months	-	7
	4,301	**4,074**

12 DEFERRED TAX ASSETS / (LIABILITIES) (NET)

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

Particulars	As at 31 March 2019	As at 31 March 2018
A Deferred tax assets		
(i) Expenses allowable on payment basis (Section 43B of Income Tax Act, 1961)	31,117	17,710
(ii) Unabsorbed tax depreciation	47,195	46,046
(iii) Unused tax losses (Business losses)	13,682	29,441
(iv) Unused tax credits (MAT credit entitlement)	18,018	18,062
(v) Other items of temporary difference	8,354	8,075
	118,366	**119,334**
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, 1961	101,552	97,933
	101,552	**97,933**
Net deferred tax assets / (liabilities)	**16,814**	**21,401**
Presentation in Balance Sheet		
Deferred tax assets (net)	16,814	21,861
Deferred tax liabilities (net)	-	(460)
	16,814	**21,401**

(b) Movement in deferred tax assets and liabilities

2018-19

₹ in Lakhs

Particulars	Opening Balance	Recognized in profit or loss	Recognized in OCI	Derecognition due to loss of control of subsidiary	Closing Balance
(i) Expenses allowable on payment basis (Section 43B of Income Tax Act, 1961)	17,710	13,440	-	(33)	31,117
(ii) Unabsorbed tax depreciation	46,046	1,312	-	(163)	47,195
(iii) Unused tax losses (Business losses)	29,441	(15,759)	-	-	13,682
(iv) Unused tax credits (MAT credit entitlement)	18,062	-	-	(44)	18,018
(v) Difference between written down value of PPE and intangible assets as per books of account and as per Income Tax Act, 1961	(97,933)	(4,211)	-	592	(101,552)
(vi) Other items of temporary difference	8,075	280	-	(1)	8,354
	21,401	**(4,938)**	**-**	**351**	**16,814**

2017-18

Particulars	Opening Balance	Reclassified from Other non current assets	Recognized in profit or 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, 1961	(108,066)	-	10,133	-	(97,933)
(vi) Other items of temporary difference	7,595	-	480	-	8,075
	4,712	**34**	**16,655**	**-**	**21,401**

(c) Deferred tax assets recognized on unabsorbed depreciation and unused tax losses and tax credits

The Group has recognized deferred tax asset on unabsorbed depreciation, unused tax losses and unused tax credits (MAT credit entitlement) only to the extent the same can be realised against the profit arising on reversal of deferred tax liability on the difference between depreciation as per books of account and as per the provisions of Income Tax Act, 1961.

The deferred tax assets recognized by the Group pertain to the Holding Company (BILT) and its step-down subsidiary, BILT Graphic Paper Products Limited (BGPPL). Based on the forecast of future profit, the various debt restructuring measures taken by BILT and BGPPL (refer note 44) and the other measures taken by the Group (refer note 45), 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 deferred tax assets will be realised in the respective companies.

13 OTHER NON CURRENT ASSETS

Particulars	As at 31 March 2019		As at 31 March 2018	
Capital advances	674		184	
Less: Allowance for doubtful advances	14		-	
		660		184
Prepaid expenses		5		1
Withholding tax recoverable		8,751		8,187
Balances with government authorities		247		539
		9,663		**8,911**

₹ in Lakhs

14 INVENTORIES

Particulars	As at 31 March 2019	As at 31 March 2018
Raw materials [refer note (a) below]	14,453	7,703
Stores and spares [refer note (b) below]	10,235	10,690
Chemicals [refer note (c) below]	3,985	3,497
Packing material [refer note (d) below]	1,092	1,441
Work in progress	4,589	4,961
Finished goods [refer note (f) below]	10,333	6,760
	44,687	**35,052**

(a) Includes raw material-in-transit of ₹ 5,080 Lakhs (Previous year ₹ 2,083 Lakhs)

(b) Includes stores & spares-in-transit of ₹ 440 Lakhs (Previous year ₹ 491 Lakhs)

(c) Includes chemicals-in-transit of ₹ 743 Lakhs (Previous year ₹ 986 Lakhs)

(d) Includes packing material-in-transit of ₹ 28 Lakhs (Previous year ₹ 219 Lakhs)

(e) During the year, ₹188 Lakhs (Previous year ₹ Nil) was recognised as expense towards write down of inventories (refer note 42).

(f) Includes stock-in-trade of ₹ Nil (Previous year ₹ 1,048 Lakhs).

15 TRADE RECEIVABLES

Particulars	As at 31 March 2019	As at 31 March 2018
Considered good		
Due from related parties [refer note 49(c)]	3,815	16
Due from others [refer note (a) below]	12,016	8,725
	15,831	**8,741**
Considered doubtful		
Due from others	1,633	1,332
Less: Allowance for expected credit loss	1,633	1,332
	-	-
	15,831	**8,741**

(a) Includes ₹ 1,911 lakhs (Previous year - ₹ 1,967 lakhs) secured by way of security deposits received from the customers.

(b) The trade receivables are unsecured apart from note (a) above.

16 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with Banks :		
- In current accounts	8,589	9,080
- Bank deposits with original maturity of less than three months	18,382	3,871
Cheques on hand	-	3
Cash on hand	13	16
	26,984	**12,970**

17 OTHER BANK BALANCES

Particulars	As at 31 March 2019	As at 31 March 2018
In margin money, security for borrowings, guarantees and other commitments	141	47
Bank deposit with original maturity exceeding three months but less than twelve months	1,646	1,127
Earmarked Balance with Banks in unpaid dividend accounts	42	53
	1,829	**1,227**

The Holding Company had maintained unclaimed dividend account with Yes Bank Limited for the financial year 2009-10. The said Dividend paid to shareholders by demand drafts which was not encashed, were credited to the Current Account of the Holding Company by the said Bank, after transfer of amount to Investor Education and Protection Fund (IEPF). This amount was subsequently, transferred to IEPF on 10 May 2019.

₹ in Lakhs

18	FINANCIAL ASSETS: LOANS - CURRENT				
	Particulars		**As at 31 March 2019**		**As at 31 March 2018**
	Unsecured, considered good				
	Loans to related parties (net) [refer note 49(c)]		3,050		-
	Security Deposits		1,178		1,202
	Others	299		1,314	
	Less: Allowance for expected credit loss	6		-	
			293		1,314
			4,521		**2,516**

19	OTHER FINANCIAL ASSETS - CURRENT		
	Particulars	**As at 31 March 2019**	**As at 31 March 2018**
	Unsecured, considered good		
	Interest accrued on deposits	76	74
	Insurance receivables [refer note (a) below]	263	985
	Scrap Receivables	83	53
	Due from related parties (Refer note 49(c))	99	7,908
	Other receivables	-	23
		521	**9,043**

(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.

20	CURRENT TAX ASSETS (NET)		
	Particulars	**As at 31 March 2019**	**As at 31 March 2018**
	Income tax paid (included TDS)	6	-
	Provision for current taxes	5	-
		1	**-**

21	OTHER CURRENT ASSETS				
	Particulars		**As at 31 March 2019**		**As at 31 March 2018**
	Prepaid expenses		455		991
	Advances to employees [refer note (a) below]		96		216
	Balance with government authorities		12,174		22,464
	Advances to related parties (refer note 49(c))	21,953		21,513	
	Less: Allowance for doubtful advances	10,244		78	
			11,709		21,435
	Advances to trade creditors	8,748		9,360	
	Less: Allowance for doubtful advances	147		-	
			8,601		9,360
	Other current assets		21		26
			33,056		**54,492**

(a) Advance to employees includes ₹ Nil (Previous year ₹ 5 Lakhs) advances given to Director [refer note 49(c)].

₹ in Lakhs

22 EQUITY SHARE CAPITAL		
Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Authorised share capital		
1,500,000,000 (31 March 2018: 1,500,000,000) equity shares of ₹ 2/- each	30,000	30,000
10,000,000 (31 March 2018: 10,000,000) preference shares of ₹ 100/- each	10,000	10,000
	40,000	**40,000**
Issued share capital		
1,293,705,501 (31 March 2018: 1,293,705,501) equity shares of ₹ 2/- each	25,874	25,874
Subscribed and paid-up share capital		
1,293,705,501 (31 March 2018: 1,293,705,501) equity shares of ₹ 2/- each	25,874	25,874
Less: Forfeited shares - 249,745 (31 March 2018: 249,745) equity shares of ₹ 2/- each	5	5
1,293,455,756 (31 March 2018: 1,293,455,756) equity shares of ₹ 2/- each	25,869	25,869
Add: Amount originally paid up on forfeited shares	2	2
	25,871	**25,871**

(a) Reconciliation of number of shares

Particulars	As at 31 March 2019		As at 31 March 2018	
	Nos	₹ in Lakhs	Nos	₹ in Lakhs
At the beginning of the year	1,293,455,756	25,871	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	1,293,455,756	25,871

(b) Terms and Rights attached to Equity 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. They entitle the holders to participate in dividends and to share in the proceeds of winding up the company in proportion to number of shares and amounts paid on the shares held.

(c) The Company does not have holding Company / ultimate Holding Company. 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 2019		As at 31 March 2018	
	Nos	Holding %	Nos	Holding %
(i) Avantha Holdings Limited	322,689,019	24.95%	322,689,019	24.95%
(ii) Life Insurance Corporation of India	85,550,701	6.61%	85,550,701	6.61%
(iii) Finquest Financial Solutions Private Limited	125,112,182	9.67%	188,499,675	14.57%
(iv) ICICI Bank Limited	156,399,579	12.09%	155,937,658	12.06%

(e) Changes to authorised share capital and shares allotment during the previous year

During the previous year, Holding Company reclassified the Authorised Share Capital from ₹ 40,000 Lakhs comprising of 750,000,000 equity shares having face value of ₹ 2/- each and 25,000,000 preference shares having face value of ₹ 100/- each, to ₹ 40,000 Lakhs comprising of 1,500,000,000 equity shares having face value of ₹ 2/- each and 10,000,000 preference shares having face value of ₹ 100/- each, by converting 15,000,000 preference share of ₹ 100/- each into 750,000,000 equity shares of ₹ 2/- each. Further during the financial year 2017-18, Holding Company had allotted collectively to the lenders 637,931,917 equity shares of face value ₹ 2/- each at a premium of ₹ 13.83/- per share aggregating ₹ 100,985 Lakhs as per the Strategic Debt Restructuring Scheme (SDR Scheme) of the Reserve Bank of India (refer note 44).

(f) Others

(i) The Holding Company has not reserved any shares for issue under options as at 31 March 2019 (As at 31 March 2018 : Nil shares).

(ii) The Holding Company has not allotted any bonus shares in the immediately preceding five year ended 31 March 2019. (previous period of five years ended 31 March 2018: Nil shares).

(iii) The Holding Company has not issued any shares for consideration other than cash during the period of five years immediately preceding the reporting date. Refer note 44 for detail of loans converted into equity.

(iv) The aggregate number of equity shares bought back in immediately preceding five years ended 31 March 2019 is Nil (Previous period of five years ended 31 March 2018 - Nil).

(v) Calls unpaid as at 31 March 2019 - ₹ Nil (31 March 2018 : ₹ Nil).

₹ in Lakhs

23 OTHER EQUITY

Particulars	As at 31 March 2019	As at 31 March 2018
Capital reserve	1,515	1,515
Securities premium reserve	115,024	115,024
Preference share capital redemption reserve	7,385	7,385
Debenture redemption reserve	11,704	11,704
Subordinate perpetual capital securities	139,117	130,121
Amount towards shares to be allotted under Master Restructuring Agreement (MRA)	42,381	44,109
Equity component of compulsorily redeemable preference shares(refer note 25(b))	40,507	45,227
Capital reserve on consolidation	20,012	16,539
General reserve	80,810	80,810
Retained earnings	(495,495)	(393,438)
Items of Other Comprehensive Income (OCI)		
Re-measurement of the net defined benefit plans	(895)	(782)
Equity instruments through OCI	(2,737)	(2,737)
Foreign currency translation reserve	(58,972)	(49,901)
Share of OCI in Joint Venture	(1)	-
	(99,645)	**5,576**

(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 available 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 (DRR)

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). 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 perpetual 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 "Interest". 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).

BILT Graphic 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 44(b) 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. 44(b) 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 Group.

(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 or 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.

(xiii) Share of OCI in Joint Venture

The Group's share of the Joint Venture's OCI is recognised as a separate component in OCI.

(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	Share of OCI in Joint Venture	Total
As at 1 April 2017	(1,066)	-	-	(1,066)
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)
Income tax effect	-	-	-	-
As at 31 March 2018	**(782)**	**(2,737)**	**-**	**(3,519)**
Remeasurement gain/(loss) on net defined benefit plans	(113)	-	-	(113)
Share of OCI in Joint Venture	-	-	(1)	(1)
Income tax effect	-	-	-	-
As at 31 March 2019	**(895)**	**(2,737)**	**(1)**	**(3,633)**

(ii) Items that will be subsequently reclassified to statement of profit or loss

Particulars	Foreign currency translation reserve	Total
As at 1 April 2017	(55,396)	(55,396)
Exchange differences in translating the financial statements of foreign subsidiaries	5,495	5,495
Income tax effect	-	-
As at 31 March 2018	**(49,901)**	**(49,901)**
Exchange differences in translating the financial statements of foreign subsidiaries	(9,071)	(9,071)
Income tax effect	-	-
As at 31 March 2019	**(58,972)**	**(58,972)**

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Items that will not be reclassified to profit or loss	(3,633)	(3,519)
Items that will be reclassified to profit or loss	(58,972)	(49,901)
	(62,605)	**(53,420)**

24 NON-CONTROLLING INTEREST

Particulars	2018 - 19	2017 - 18
Balance at the beginning of the year	(13,652)	48,262
Share of Profit / (loss) for the year	(14,075)	(64,065)
Share of other comprehensive income		
Re-measurement of the net defined benefit Plans	(77)	28
Equity instruments through OCI	-	(1,316)
Foreign currency translation reserve	(4,672)	3,439
Distribution to subordinated perpetual capital securities	(5,443)	-
	(37,919)	**(13,652)**

(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 2019	As at 31 March 2018	2018 - 19	2017 - 18
(i) BILT Graphic Paper Products Limited	India	39.78%	39.78%	(2,812)	(16,383)
(ii) BILT Paper B.V.	Netherlands	37.79%	37.79%	4,185	3,826
(iii) Ballarpur Paper Holdings B.V.	Netherlands	37.79%	37.79%	(7,763)	(14,916)
(iv) Sabah Forest Industries Sdn. Bhd.	Malaysia	38.98%	38.98%	(6,953)	(36,575)

(b) Summarized financial information in respect of subsidiaries that have material non-controlling interest

Summarized statement of profit and loss

Particulars	BILT Graphic Paper Products Limited		BILT Paper B.V.		Ballarpur Paper Holdings B.V.		Sabah Forest Industries Sdn. Bhd.	
	2018 - 19	2017 - 18	2018 - 19	2017 - 18	2018 - 19	2017 - 18	2018 - 19	2017 - 18
Revenue	315,432	218,792	11,215	10,435	500	1,931	1,376	5,585
Profit / (loss) for the year	(7,068)	(41,178)	11,075	10,125	(20,543)	(206,093)	(17,836)	(93,819)
Other comprehensive income	(192)	(3,234)	21,013	871	5,649	848	(831)	9,260
Total comprehensive income	(7,260)	(44,412)	32,088	10,996	(14,894)	(205,245)	(18,667)	(84,559)
Profit / (loss) allocated to non-controlling interest	(2,812)	(16,383)	4,185	3,826	(7,763)	(14,916)	(6,953)	(36,575)
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 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Current assets (a)	205,561	240,411	33,848	21,223	4,726	3,945	18,056	2,264
Current liabilities (b)	182,945	184,153	48,660	31,978	76,987	52,758	182,967	148,531
Net current assets/(liabilities)								
(c = a - b)	22,616	56,258	(14,812)	(10,755)	(72,261)	(48,813)	(164,911)	(146,267)
Non-current assets (d)	519,065	506,399	475,398	444,662	257,619	246,169	0	-
Non-current liabilities (e)	463,246	469,807	-	-	120,031	117,135	24,749	22,365
Net non current assets / (liabilities) (f = d - e)	55,819	36,592	475,398	444,662	137,588	129,034	(24,749)	(22,365)
Net assets / (liabilities) (c+f)	78,435	92,850	460,586	433,907	65,327	80,221	(189,660)	(168,632)

Summarized Cash flow

₹ in Lakhs

Particulars	BILT Graphic Paper Products Limited		BILT Paper B.V.		Ballarpur Paper Holdings B.V.		Sabah Forest Industries Sdn. Bhd.	
	2018 - 19	2017 - 18	2018 - 19	2017 - 18	2018 - 19	2017 - 18	2018 - 19	2017 - 18
Cash flow from operating activities	61,503	35,556	-	(11)	912	(13,367)	19,544	2,429
Cash flow from investing activities	(9,370)	(1,172)	-	-	-	-	4	(1,477)
Cash flow from financing activities	(54,328)	(30,177)	0	-	(915)	11,329	99	12,361
Total cash flow	**(2,195)**	**4,207**	**0**	**(11)**	**(3)**	**(2,038)**	**19,647**	**13,313**

"0" represents to amount below ₹ 50,000/-.

(c) Change in Group's ownership interest in a subsidiary without ceding control

During the year 2017-18, BILT Graphic Paper Products Limited (BGPPL), a stepdown subsidiary, 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 reduced from 62.21% to 60.22%. Accordingly, an amount of ₹ 884 Lakhs (Loss), being proportionate share on the total comprehensive income, has been transferred to non-controlling interest during the year 2017-18.

25 BORROWINGS

Particulars	As at 31 March 2019	As at 31 March 2018
Non current borrowings		
Secured		
Redeemable non convertible debentures	100,699	96,150
Compulsorily redeemable preference shares	13,695	14,026
External commercial borrowings	-	-
Term loans		
Bank	52,439	125,605
Financial institutions	254,505	238,370
Unsecured		
Zero coupon convertible bonds	3,982	3,725
Deferred payment liabilities	1,813	1,663
	427,133	**479,539**
Current borrowings		
Secured		
Working capital loans	23,047	45,064
Unsecured		
Working capital loans	99,476	75,243
	122,523	**120,307**

(a) Redeemable non convertible debentures

Rate of interest	As at 31 March 2019	As at 31 March 2018
11.75% (Refer note (i) below)	8,402	8,402
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(Refer note (ii) &(iv) below)	65,374	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(Refer note (iii) &(iv) below)	35,325	36,174
	109,101	104,552
Less: Current maturities	8,402	8,402
	100,699	**96,150**

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 instalments starting from financial year 2019-20 to 2023-24.

(ii) Redeemable non convertible debenturs of ₹ 65,374 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, and 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 debentures of ₹ 35,325 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 the 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.

(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 as on Mar-19	Amount of redemption as on Mar-18
31 March 2034	23,406	26,132
31 March 2035	28,628	31,963
	52,034	**58,095**

The compulsorily redeemable preference shares is presented in the financial statements as follows

Particulars	Note	As at 31 March 2019	As at 31 March 2018
Non-current borrowings	25	13,695	14,026
Equity portion	23	40,507	45,227
		54,202	**59,253**

Refer note 44 for other details of compulsorily redeemable preference shares

(c) External commercial borrowings

Terms of repayment	Rate of interest	As at 31 March 2019	As at 31 March 2018
The loan is repayable in 9 semi annual installments starting by end of 36 months from the utilisation date.	3.30% + LIBOR initially	13,452	12,653
The loan is repayable in 8 semi annual installments starting by end of 30 months from the utilisation date.	2.7% + LIBOR initially	13,566	12,689
		27,019	25,342
Less: Current maturities		27,019	25,342
		-	-

The Loan is secured by way of a first pari-passu charge over all movable fixed assets of BGPPL.

(d) Secured borrowings from banks and financial institutions

As at 31 March 2019 ₹ 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 movable fixed assets of the company both present and future.	Repayable in 21 equal quarterly installments ending on October 2019. Also refer note 25 (k) below.
2	Finquest Financial Solutions Private Limited assigned from State Bank of India (Earlier known as State Bank of Travancore) w.e.f. 17th Dec., 2018	4,599	-	-	4,599	Base Rate + 1.50% initially	The Loan is secured by way of a first pari-passu charge over all movable fixed assets of the company both present and future.	Repayable in 32 unequal quarterly installments ending on June 2022. Also refer note 25 (k) below.
3	Phoenix Arc Private Limited	6,412	-	-	6,412	12.80%	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 installments ending on 26 September 2021. Also refer note 25 (k) below.

As at 31 March 2019 ₹ 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
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 Kamalapuram & Shreegopal.	Repayable in 27 unequal quarterly installments ending on June 2022. Also refer note 25 (k) below.
5	Suraksha Asset Reconstruction Pvt. Ltd. assigned from ICICI Bank w.e.f. 28th Aug 2018	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.	Repayment schedule to be agreed mutually with Suraksha Asset Reconstruction Pvt. Ltd.
6	Suraksha Asset Reconstruction Pvt. Ltd. assigned from ICICI Bank w.e.f. 28th Aug 2018	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.	Repayment schedule to be agreed mutually with Suraksha Asset Reconstruction Pvt. Ltd.
7	Suraksha Asset Reconstruction Pvt. Ltd. assigned from ICICI Bank w.e.f. 28th Aug 2018	310	-	-	310	Base rate + 6% initially		Repayment schedule to be agreed mutually with Suraksha Asset Reconstruction Pvt. Ltd.
8	EARC Trust - SC 309 (earlier from Acton Global Pvt Ltd)	13,465	1,114	-	14,579	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;	Refer note (e) below for maturity profile of the borrowings and note 44 for repayment terms as per MRA
9	EARC Trust – SC 268 (earlier from Axis Bank)	80,845	6,692	-	87,537		(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);	
10	Deutsche Bank	1,840	152	-	1,992		(iii) Second pari-passu charge on Borrower's movable fixed assets and all immovable properties of the Borrower, both present and future;	
11	Clix Capital Services Private Limited	8,356	692	-	9,048		(iv) First pari-passu charge on Borrower's current assets, both present and future (except receivables from Sabah Forest Industries Sdn Bhd, a step-down subsidiary);	
12	EARC Trust – SC 267 (earlier from ICICI Bank)	38,675	3,201	-	41,876		(v) Receivables from Sabah Forest Industries Sdn Bhd (a step-down subsidiary) is secured by Second pari-passu charge	
13	EARC Trust – SC 244 (earlier from IDFC)	20,497	1,697	-	22,194		(vi)The Existing Priority Facility, the New Priority Facilities, the RTL I Facility, the NCD Facility, the FITL Facility and the WC Facility shall be 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 the RTL I Facility, the NCD Facility, the FITL Facility and the WC Facility shall have a second priority over the rights and receivables in relation to the Pledged Shares.	
14	Goldman Sachs	16,316	1,350	-	17,666			
15	EARC Trust – SC 307 (earlier from State Bank of India)	20,568	1,704	-	22,272			
16	EARC Trust – SC 299 (earlier from Yes Bank)	18,072	1,496	-	19,568			
17	EARC Trust - SC 356 (earlier from DBS Bank)	6,489	538	-	7,027			
18	HDFC Bank Limited	2,833	233	-	3,066			
19	IDBI Bank Limited	21,334	1,752	-	23,086			
20	Kotak Mahindra Bank Limited	6,801	560	-	7,361			

As at 31 March 2019

₹ 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
21.1	Ecap Equities Ltd (earlier from Invesco MF)	1,829	151	-	1,980			
21.2	EC Special Situations Fund (earlier from Invesco MF)	1,447	120	-	1,567			
21.3	Edelweiss India Special Situations Fund (earlier from Invesco MF)	852	70	-	922			
22	ECL Finance Limited	-	-	10,000	10,000	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	Refer note (e) below for maturity profile of the borrowings and note 44 for repayment terms as per MRA
23	Finquest Financial Solutions Private Limited.	-	-	3,850	3,850	16%	(i) First pari-passu charge on movable fixed assets and all immovable properties of the BGPPL, both present and future; (ii) Second pari-passu charge on BGPPL's current assets, both present and future; (iii) Second charge on Receivables from Sabah Forest Industries Sdn Bhd	
24	IDBI	13,827			13,827	4.8% + LIBOR	The loan is secured by way of corporate guarantee of holding company Ballarpur Industries Limited.	Repayable in three annual equal installments ending in October, 2021.
25	Credit Agricole	38,028			38,028	4.8% + LIBOR	The Loan was secured by corporate guarantee of holding company 'Ballarpur Industries Ltd' & lender has invoked the corporate guarantee.	Repayable in three annual equal installments ending in January, 2021.The lender has initiated the accelaration of period clause for recovery of outstanding loan.
26	ICICI Bank Limited	5,754			5,754	2.5% plus EUROBOR	The loan is secured by way of SBLC from Indusind Bank.	Repayable in three annual equal installments ending in March, 2019. The lender has granted the roll over till 12th April, 2019.
27	DBS Bank	9,392			9,392	3.25% + LIBOR	The loan is secured by way of first preferential charge over shares of Sabah Forest Industries Sdn. Bhd.(SFI), a stepdown 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.

As at 31 March 2019

₹ 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
28	EC Holdings PTE Limited	15,851			15,851	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 installments starting by end of 15 month from the date of agreement 08th March, 2017 i.e. 08th June 18 ending on 07th June 22.
29	Standard Chartered Bank (USD 25 Million)	5,224			5,224	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 installments commencing from 8 February 2013.
30	Standard Chartered Bank (USD 20 Million)	5,224			5,224	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 installments commencing from 4 January 2014.
31	RABO Bank (USD 50 Million)	5,224			5,224	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 installments commencing from 15 March 2013.
32	RABO Bank (USD 25 Million)	7,137			7,137	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 installments commencing from 28 September 2014.
33	ICICI Bank (USD 50 Million)	21,443			21,443	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 installments commencing from 28 December 2013.
34	ICICI Bank (USD 25 Million)	14,759			14,759	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 installments commencing from 31 January 2014.
		464,906	**21,522**	**13,850**	**500,278**			
	Less: Current maturities	188,824	110	4,400	193,334			
		276,082	**21,412**	**9,450**	**306,944**			

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 movable fixed assets of the company both present and future.	Repayable in 21 equal quarterly installments ending in October 2019. Also refer note 25 (k) 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 movable fixed assets of the company both present and future.	Repayable in 32 equal quarterly installments ending in June 2022. Also refer note 25 (k) 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 movable fixed assets of the company.	Repayable in 20 equal quarterly installments ending on 26 September 2021. Also refer note 25 (k) 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 Kamalapuram & Shreegopal.	Repayable in 27 equal quarterly installments ending in June 2022. Also refer note 25 (k) below.

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
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 installments ending in 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 installments ending in December 2022. Also refer note 25(k) below.
7	Acton Global Private Limited.(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, a step-down subsidiary); (v) Receivables from Sabah Forest Industries Sdn Bhd (a step-down subsidiary) is secured by Second pari-passu charge	Refer note (e) below for maturity profile of the borrowings and note 44 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	ECL Finance 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 Forest Industries Sdn Bhd	Refer note (e) below for maturity profile of the borrowings and note 44 for repayment terms as per MRA
24	Finquest Financial Solutions Private Limited	-	-	5,250	5,250	16%	(i) First pari-passu charge on movable fixed assets and all immovable properties of the BGPPL, both present and future; (ii) Second pari-passu charge on BGPPL's current assets, both present and future; (iii) Second charge on Receivables from Sabah Forest Industries Sdn Bhd	
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 months of utilisation i.e. in July 2018.

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
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 installments 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 installments 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 installments 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 stepdown 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 & irrevocable guarantee of Bilt Paper B.V..	The loan is repayable in 12 equal quarterly installments starting by end of 15 month from the date of agreement 08 March, 2017 i.e. 8 June 18 ending on 07 June 22.
31	Yes Bank Limited	125			125	Bank Rate + 2.85%	The loan is secured by exclusive charge on movable fixed assets of the company and immovable fixed assets at Mysore.	The loan is repayable in 16 quarterly installments starting from the end of moratorium period of 12 Month i.e. from Nov 2016 ending in 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 installments commencing from 8 February 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 installments 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 installments commencing from 15 March 2013.

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
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 installments 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 installments 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 installments 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**			

(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

Particulars	As at 31 March 2019	As at 31 March 2018
Financial year 2018-19	181,026	235,121
Financial year 2019-20	70,370	24,948
Financial year 2020-21	31,301	37,712
Financial year 2021-22	38,803	35,112
Financial year 2022-23	42,698	43,827
Financial year 2023-24	45,857	47,069
Financial year 2024-25	46,072	47,291
Financial year 2025-26	50,657	51,996
Financial year 2026-27	47,105	48,350
Financial year 2027-28	3,558	3,654
	557,447	**575,080**

(f) Zero coupon convertible bonds

In accordance with the Subscription and Participation Agreement signed by the Group with Avantha International Assets B.V., the Group has issued Zero Coupon Convertible bonds.

Name of lender	Rate of interest	As at 31 March 2019	As at 31 March 2018
Avantha International Assets B.V.	Zero Coupon	3,982	3,725
Less: Current maturities		-	-
		3,982	**3,725**

The balance outstanding as at 31 March 2019 was due for conversion in March 2017. Further the Group is in the process to extend the conversion date till the March 2022.

(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 2019	As at 31 March 2018
VAT & CST collected in 2010-11 payable in 7 equal annual installments from 2029. (Interest free)	90	82
VAT & CST collected in 2011-12 payable in 7 equal annual installments from 2030. (Interest free)	317	291
VAT & CST collected in 2012-13 payable in 7 equal annual installments from 2031. (Interest free)	317	290
VAT & CST collected in 2013-14 payable in 7 equal annual installments from 2032. (Interest free)	321	295
VAT & CST collected in 2014-15 payable in 7 equal annual installments from 2033. (Interest free)	269	247
VAT & CST collected in 2015-16 payable in 7 equal annual installments from 2034. (Interest free)	256	235
VAT & CST collected in 2016-17 payable in 7 equal annual installments from 2035. (Interest free)	183	168
VAT & CST collected in 2017-18 payable in 7 equal annual installments from 2036. (Interest free)	60	55
	1,813	**1,663**
Less: Current maturities	-	-
	1,813	**1,663**

(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 3.48% to 16% (As at 31 March 2018 - 3.15% to 14.25%). All facilities are unsecured except following facilities.

Axis bank's facility is secured by a charge by way of hypothecation over the Holding 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 Holding Company's current assets on pari passu first charge and pledge on Premier Tissues India Limited's Shares, both present and future.

In Ballarpur International Holding B.V. (BIH), Indus Ind bank's facility is secured by assignment/charge on inter-corporate loan extended to Ballarpur Paper Holding B.V. The facility will be mandatorily repayable on as soon as the Ballarpur Paper Holding B.V. receives the proceeds from sale of its investment in their subsidiary, Sabah Forest Industries Sdn. Bhd.

In Sabah Forest Industries Sdn. Bhd (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.

(i) Balance Confirmation pending from Banks and Financial Institutions

Bank balances and borrowings of the Holding Company aggregating to ₹ 82,031 Lakhs are subject to confirmation and consequent reconciliation, if any.

(j) Penal Interest not accrued in books of account

In view of the ongoing negotiation with lenders for assignment / settlement of loans, no provision has been made in these financial statements towards penal interest aggregating ₹ 6,270 Lakhs on borrowings outstanding at the year end pertaining to the Holding Company.

(k) 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 the financial year 2016-17. During the financial year 2017-18, BILT had executed the 'Strategic Debt Restructuring Scheme' (SDR) with lenders as per which the borrowings were restructured. [refer note 44(a) for details of SDR]. The Holding Company has been legally advised that there is no default under section 164(2) of the Companies Act, 2013. The default in repayment of borrowings and payment of interest continues post SDR as well.

₹ in Lakhs

The particulars of default in repayment of borrowings and payment of interest as at 31 March 2019 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	3,966	60-517 days	1,183	1-609 days
Finquest Financial Solutions Private Limited assigned from State Bank of India (earlier known as State Bank of Travancore) w.e.f. 17th Dec., 2018	1,562	9-920 days	1,768	1-943 days
IDBI Bank	1,875	1 - 731 days	2,128	182-790 days
Phoenix Arc Pvt Ltd	912	6-93 days	1,573	1-609 days
Life Insurance Corporation of India	-	-	3,178	63-793 days
	8,315		**9,830**	

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
Exim Bank	1,109	60 - 152 days	620	1 - 243 days
State Bank of India (earlier known as State Bank of Travancore)	875	9 - 155 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**	**-**

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 financial year 2017-18, BGPPL has executed the 'Master Restructuring Agreement' (MRA) with lenders as per which the borrowings were restructured. [refer note 44(b) for details of MRA].

BGPPL 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 2019. The particulars of default in payment of interest and repayment of borrowings as at 31 March 2019 is as follows:

Particulars	Default outstanding amount	Upto 3 months	3 to 6 months	6 to 12 months	more than 12 months
HDFC Bank Limited	320	71	73	145	31
IDBI Bank Limited	2405	536	548	1092	229
Kotak Mahindra Bank Limited	768	171	175	349	73
	3,493	**778**	**796**	**1,586**	**333**

The particulars of default repayment of borrowings and payment of interest 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**	**-**

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

(l) Assignment of borrowings

During the year, the Holding Company has assigned borrowings of ICICI Bank of principal amount ₹ 36,129 Lakhs plus interest to Suraksha Asset Reconstruction Pvt. Ltd. w.e.f. 28 August 2018 and borrowing of State Bank of India (earlier known as State Bank of Travancore) of principal amount ₹ 4,599 Lakhs plus interest to Finquest Financial Solutions Private Limited w.e.f. 17 December 2018 together with all securities, rights, title and interest in all agreements, deeds and documents in relation to the said borrowings.

₹ in Lakhs

26 OTHER FINANCIAL LIABILITIES: NON-CURRENT

Particulars	As at 31 March 2019	As at 31 March 2018
Security Deposits	4,145	4,126
	4,145	**4,126**

27 NON-CURRENT PROVISIONS

Particulars	As at 31 March 2019	As at 31 March 2018
Provisions for employee benefits		
Provision for gratuity (refer note 48)	5,920	5,761
Provision for compensated absences	3,072	2,039
	8,992	**7,800**

28 OTHER LIABILITY- NON CURRENT

Particulars	As at 31 March 2019	As at 31 March 2018
Other liability	20	21
	20	**21**

29 TRADE PAYABLES

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Total outstanding dues of Micro and small enterprises	3,732	1,715
(b) Total outstanding dues of creditors other than micro and small enterprises:		
Related Parties [refer note 49(c)]	2,607	17,178
Others	89,467	87,203
Total (a + b)	**95,806**	**106,096**

(i) All trade payables are non interest bearing and payable or settled within normal operating cycle.

30 OTHER FINANCIAL LIABILITIES- CURRENT

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of long term borrowings [refer note (a) below]	278,414	236,447
Bank book overdrawn	2,210	2,201
Interest accrued on borrowings	137,031	81,504
Security deposits	1,536	1,419
Payables for capital goods	2,116	2,787
Payable to employees	17,733	15,346
Liability for compulsory / optional buyback	235	177
Unpaid dividends	45	56
Derivative financial instruments (Interest Swap)	49	48
Interest accrued on security deposits	264	258
Due to related parties [refer note 49(c)]	30,414	19,131
Other payables	21,931	18,171
	491,978	**377,545**

(a) Current maturities includes ₹ 49,659 Lakhs (Previous year ₹ 45,840 Lakhs) due to lenders who have opted for one time settlement as per the terms of MRA [refer note 44 (b)].

₹ in Lakhs

31 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2019	As at 31 March 2018
Advance received from customers		
Related party [refer note 49(c)]	1,564	204
Others	1,952	2,792
Statutory payables	8,354	7,574
Advance received towards		
Sale of land	549	418
Sale of assets held for sale/discontinued operation	20,462	-
	32,881	**10,988**

32 PROVISIONS - CURRENT

Particulars	As at 31 March 2019	As at 31 March 2018
Provisions for employee benefits :		
Provision for gratuity (refer note 48)	1,924	1,278
Provision for compensated absences	1,453	1,075
Other provisions	3,692	2,710
	7,069	**5,063**

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

(a) Movement in Other provisions

Particulars	Anti- dumping duty	Water cess	Provision for disputed sales tax / VAT liability	Total
As at 1 April 2017	27	2,257	71	2,355
Reclassifications	17	-	74	91
Additional provision during the year	-	349	5	354
Provision used / reversed during the year	-	(90)	-	(90)
As at 31 March 2018	**44**	**2,516**	**150**	**2,710**
Additional provision during the year	-	1,144	5	1,149
Provision used / reversed during the year	(27)	(140)	-	(167)
As at 31 March 2019	**17**	**3,520**	**155**	**3,692**

(b) Nature of provisions

(i) Anti-dumping duty

This represents provision for Anti-dumping duty 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.

(c) Disclosures in respect of contingent liabilities is given in note 46.

₹ in Lakhs

33	CURRENT TAX LIABILITIES (NET)		
	Particulars	**As at 31 March 2019**	**As at 31 March 2018**
	Provision for current taxes	32,827	34,605
	Less: Tax paid (included TDS)	25,661	27,977
		7,166	**6,628**

34	REVENUE FROM OPERATIONS		
	Particulars	**2018 - 19**	**2017 - 18**
	Revenue from sale of products (including excise duty*)		
	Paper	358,417	249,449
	Pulp	-	231
	Others	1,158	789
		359,575	**250,469**
	Other operating revenue		
	Mega project benefit	811	1,154
	Scrap sale	963	743
	Other operating income	226	238
	Export incentive and others	2,731	2,010
		4,731	**4,145**
		364,306	**254,614**

* Sale of products for the year 2017-18 includes excise duty of ₹ 2,744 Lakhs.

Disclosure pursuant to Ind AS 115 'Revenue from contracts with customers'

(a) Reconciliation of revenue from contract with customers

Particulars	2018 - 19	2017 - 18
Revenue from contract with customers as per contract price (net of discounts/rebates/ incentives)*	359,575	250,469
Other operative revenue	4,731	4,145
Revenue from operations	**364,306**	**254,614**

*Details of discounts/rebates/incentives are not disclosed since these are considered as sensitive information.

(b) Disaggregation of revenue from contracts with customers is the same as disclosed in note 52 pursuant to Ind AS 108.

(c) Contract balances

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables	17,464	10,073
Contract assets	-	-
Contract liabilities (Advance received from customers)	3,516	2,996

(d) The Group has recognized allowance for expected credit loss amounting to ₹ 1,633 Lakhs towards trade receivable as at 31 March 2019 (Previous year ₹ 1,332 Lakhs) (refer note 15).

(e) Movement in contract liability (Advance received from customers)

Particulars	2018 - 19	2017 - 18
Contract liability as at the beginning of the year	2,996	1,303
Advance received during the year	4,876	4,684
Invoices raised on satisfaction of performance obligation	(4,326)	(3,008)
Exchange Difference	1	17
Derecognition due to loss of control of subsidiary	(31)	-
Contract liability as at the end of the year	**3,516**	**2,996**

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₹ in Lakhs

35	OTHER INCOME		
	Particulars	**2018 - 19**	**2017 - 18**
	Interest income	940	589
	Profit on sale of property, plant and equipment (Net)	-	30
	Foreign exchange gains (net)	454	424
	Rent and license fee	110	93
	Unspent liabilities and excess provisions of earlier years written back	2,823	1,126
	Fair Valuation gain on Investment	36	-
	Gain on Sale of Investment	106	-
	Other non operating income	308	338
		4,777	**2,600**

36	COST OF MATERIAL CONSUMED		
	Particulars	**2018 - 19**	**2017 - 18**
	Bamboo	6,690	5,992
	Wood and wood species	50,958	43,622
	Chemicals	62,288	42,162
	Wood pulp	62,973	31,647
	Packing materials	8,356	6,537
	Others	484	791
		191,749	**130,751**

37	PURCHASE OF STOCK-IN-TRADE		
	Particulars	**2018 - 19**	**2017 - 18**
	Stock-in-trade	363	2,162
		363	**2,162**

38	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
	Particulars	**2018 - 19**	**2017 - 18**
	Stocks at the beginning of the year		
	Finished goods (including stock in trade)	6,760	5,882
	Work in progress	4,961	3,071
		11,721	**8,953**
	Stocks at the end of the year		
	Finished goods (including stock in trade)	10,333	6,760
	Work in progress	4,589	4,961
		14,922	**11,721**
	Net (increase)/decrease in stocks	**(3,201)**	**(2,768)**
	Adjustment for loss of control in subsidiary [refer note 8]	(433)	-
	Adjustment for transfer to discontinuing operations [refer note (a) below]	-	(1,358)
	Changes in inventories of finished goods, work in progress and stock in trade	**(3,634)**	**(4,126)**

(a) Adjustment for transfer to discontinuing operations pertains to opening inventory pertaining to discontinued operations which is transferred to discontinued operations during the year 2017-18.

39	EMPLOYEE BENEFITS EXPENSE		
	Particulars	**2018 - 19**	**2017 - 18**
	Salaries and wages	24,675	20,487
	Contribution to provident and other funds (refer note 48)	1,098	883
	Staff welfare expenses	1,415	1,360
		27,188	**22,730**

₹ in Lakhs

40 FINANCE COSTS		
Particulars	**2018 - 19**	**2017 - 18**
Interest expenses [also refer note 25(j)]	82,952	80,239
Other borrowing costs	1,579	8,456
Net loss / (gain) in foreign currency transaction and translation [refer note (a) below]	168	2,864
Less: Interest income other than those reported in other income [refer note (b) below]	(444)	-
	84,255	**91,559**

(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 other than those reported in other income includes interest income on deposits and other miscellaneous interest income.

41 DEPRECIATION AND AMORTISATION EXPENSE		
Particulars	**2018 - 19**	**2017 - 18**
Depreciation on property, plant and equipment (refer note 4)	24,094	26,380
Amortization of intangible assets (refer note 6)	2,461	2,225
	26,555	**28,605**
Adjustment pertaining to discontinued operations	-	(938)
	26,555	**27,667**

42 OTHER EXPENSES		
Particulars	**2018 - 19**	**2017 - 18**
Consumption of stores and spare parts	7,225	5,018
Power and fuel	48,094	37,582
Excise duty on year end inventory of finished goods	-	(22)
Rent	912	1,051
Repair and Maintenance		
Buildings	474	261
Plant and Machinery	4,934	4,307
Others	440	802
Foreign exchange loss (net)	9	133
Insurance	315	374
Rates and taxes	2,286	537
Other manufacturing expenses	831	533
Office & other expenses	6,282	7,732
Bank charges	296	125
Sales commission	1,176	923
Expenditure on corporate social responsibility activities	-	-
Selling expenses	398	572
Bad Debts and impairment of financial assets (net)	597	1,090
Allowance for doubtful advances on non financial assets (net)	394	-
Inventories written off [includes write down of inventory- ₹ 188 Lakhs (Previous year- ₹ Nil)]	302	-
Balances written off (net)	1,209	235
Loss on sale of Property, plant and equipment(net)	81	-
Assets discarded	127	-
Carriage and freight charges	5,407	3,290
Detention & demurrage charges	-	(1,167)
Director sitting fees	94	93
Legal and professional charges	3,946	4,274
Miscellaneous expenses	89	26
	85,918	**67,769**

43 EXCEPTIONAL ITEMS

Exceptional items for the financial year 2018-19 includes exceptional gain of ₹ 13,576 Lakhs (Previous year ₹ 1,06,958) and exceptional loss of ₹ 50,517 Lakhs (Previous year ₹ 1,25,970 Lakhs).

Exceptional gains for the financial year 2018-19 represents gain of ₹ 13,576 Lakhs arising on one time settlement of loans by lenders under Master Restructuring Agreement (MRA) in BILT Graphic Paper Products Limited, a step-down subsidiary (refer note 44). Exceptional loss represents impairment in carrying value of property, plant and equipment of ₹ 37,204 Lakhs, loss associated with the loss of control in a subsidiary ₹ 3,237 Lakhs (refer note 8), loss allowance on advances to related party of ₹ 10,000 Lakhs and loss on sale of surplus assets amounting to ₹ 76 Lakhs.

Exceptional items for the previous year includes exceptional gain on one time settlement on execution of Master Restructuring Agreement (MRA) amounting ₹ 106,958 Lakhs with lenders in BILT Graphic Paper Products Limited, a step-down subsidiary (refer note 44) and exceptional loss representing impairment in carrying value 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.

44 DEBT RESTRUCTURING

(a) Strategic Debt Restructuring (SDR) at Holding Company

During the year 2017-18, the Holding Company implemented a Strategic Debt Restructuring (SDR) with the lenders. Accordingly, borrowings aggregating ₹ 100,985 Lakhs were converted into equity shares and the Holding Company alloted 637,931,917 equity shares of face value of ₹ 2/- each at a premium of ₹ 13.83/- per share to its lenders.

(b) Debt restructuring at BILT Graphic Paper Products Limited (BGPPL)

BGPPL in earlier years availed secured /unsecured financial facilities from the banks and financial institutions ('the Lenders'). The Board of Directors in its meeting held on 07 November 2017 approved a Corrective Action Plan (CAP) in the form of a Debt restructuring scheme based on the re-assessed cash flows of the BGPPL.

Resolution plan

FY 2017-18

"The Corrective Action Plan ('CAP') based on the re-assessed cashflows of the BGPPL was presented to lenders in the Joint Lenders Forum (JLF) and the lenders agreed in principal 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 meeting 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 vide its order dated 13 November 2017.

Pursuant to the approval, BGPPL executed the Master Restructuring Agreement (MRA) dated 6 December 2017 and as amended vide Amendment Agreement dated 6 March 2018 with its lenders, which entitled BGPPL to certain reliefs and concessions from the cut off date 31 March 2017. ("COD"). The MRA was signed by twenty two lenders and the balance seven lenders either abstained from the voting or did not agree to the debt restructuring scheme as envisaged in the MRA. However, IDBI Bank Limited, one of the non-assenting lenders, had initiated Corporate Insolvency Resolution Process ("CIRP") against the BGPPL under the provisions of the Insolvency & Bankruptcy Code, 2016. BGPPL had appealed to the Hon'ble High Court of Delhi and obtained stay on RBI's directive to IDBI Bank for taking the BGPPL to National Company Law Tribunal (NCLT) even after successful implementation of the MRA with the majority of its lenders. Further, BGPPL sought 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 that the conditions stipulated in the aforesaid RBI Circular have been complied with by BGPPL, majority of lenders (except non assenting lenders) have signed the MRA and as advised by the BGPPL's legal counsel, BGPPL had given effect to the MRA in the financial statements for the year ended 31 March 2018. Accordingly, the existing secured and unsecured borrowings (comprising of the term loans, non-convertible debentures, short-term borrowings, and other working capital facilities) for all lenders (except the ECB Loans) aggregating ₹ 310,694 Lakhs and ₹ 170,740 Lakhs respectively, outstanding as on the COD, were converted on the specified terms as follows:

Particulars	Total Debts (₹ in Lakhs)	Interest Term	Terms of repayment
Rupee Term Loans (RTL I)	268,876	Interest @ 9% p.a. payable monthly on loans other than External Commercial Borrowings(ECB). The rate shall be linked to 1 year MCLR of Axis Bank with an annual reset option to lenders.	Over a period of 10 years beginning from financial year 2017-18 as per specified schedule
Funded Interest term loans (FITL)	22,143		Over a period of 10 years beginning from financial year 2018-19 as per specified schedule
Non convertible debentures (NCD)	88,211		Bullet maturity date of 31 March 2027 with the discretion to subscribe to fresh NCD's of the outstanding principal and interest accumulated till 31 March 2027 to be repaid from fiscal years ending 31 March 2028 in 4 equal quarterly instalments until 31 March 2034

Particulars	Total Debts (₹ in Lakhs)	Interest Term	Terms of repayment
Compulsorily Redeemable Preference Shares (CRPS))	58,095	Interest shall be payable @ 0.01% per annum, as may be described in the instrument relating to issuance of CRPS and is subject to changes as per RBI guidelines.	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.
Equity Shares (ES)	44,109		

Contribution as envisaged in the resolution plan was brought upfront by promoters during the previous year.

Further 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 ₹ 45,840 lakhs and waived the balance portion amounting to ₹ 106,958 lakhs and the same has been accounted as exceptional item during the previous year (refer note 43). BGPPL in the aforesaid 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.

Priority loans aggregating ₹ 30,050 Lakhs obtained by BGPPL from ECL Finance Limited, Finquest Financial Solutions Private Limited and IndusInd Bank Limited are repayable as per repayment term agreed with Priority lenders.

FY 2018-19

(a) Post execution of MRA, BGPPL is regular in servicing its debt of the assenting lenders as per the terms agreed in the MRA and amounts due to non-assenting lenders are being deposited in the Trust and Retention Account (TRA) upto 31 March 2019. The particulars of amount transferred to TRA for non assenting lenders towards RTL I and FITL is stated in note 25(k).

(b) The MRA was subsequently amended during the year vide second amendment agreement and third amendment agreement which has the effect of extending the timelines for (i) Repayment of outstanding to OTS lenders, (ii) Allotment of Equity and Preference shares and (iii) Security creation & authorisation, specified under various clauses in the MRA from initial period of 45 days to 541 days from 7 December 2017.

Further, the unsecured borrowing facilities from DBS Bank (since assigned to EARC TrustSC-356) was revised by an aggregate amount (including interest) of ₹ 218 lakhs which resulted in an increase in the RTL I loan by ₹ 80 lakhs, NCD by ₹ 45 lakhs, CRPS by ₹ 64 lakhs, FITL by ₹ 7 lakhs and Equity share capital by ₹ 22 lakhs.

(c) During the year, BGPPL has entered into a settlement agreement with Finquest Financial Solutions Private Limited (loan transferred from DHFL) as a result of which the restructured borrowings (RTL I, FITL, NCD, CRPS and ES) were reclassified to loans during the year with effect from the COD. The reclassification has resulted in a reduction in the RTL I loan by ₹ 6,086 lakhs, NCD by ₹ 3,500 lakhs, CRPS by ₹ 1,356 lakhs, FITL by ₹ 503 lakhs, interest accrued on the restructured borrowings of ₹ 985 Lakhs, Equity Component of CRPS - ₹ 4,769 lakhs and ES by ₹ 1,750 lakhs.

Finquest Financial Solutions Private Limited in the aforesaid settlement agreement has agreed to accept the amount at a reduced value of ₹ 5412 Lakhs and waived the balance portion amounting to ₹ 13,575 Lakhs and the same has been accounted as exceptional item during the year (refer note 43).

BGPPL during the year has repaid OTS lenders principal amounting to ₹ 2,015 lakhs and interest @ 9% aggregating ₹ 3,818 lakhs. The aggregate outstanding as on 31 March 2019 is ₹ 49,659 Lakhs (refer note 30).

(d) Rupee Term Loans ("RTL I") - During the year, on account of the amendments to the MRA and OTS agreement entered with lenders, there has been changes in RTL I aggregating to ₹ 6,006 Lakhs (net). BGPPL has repaid principal of ₹ 2,117 Lakhs and interest of ₹ 21,370 Lakhs to assenting lenders. The aggregate amount outstanding as on 31 March 2019 has been classified as long-term RTL I (non-current) - ₹ 258,676 lakhs and short-term RTL (current) - ₹ 1,545 lakhs.

(e) Funded Interest Term Loans ("FITL") - During the year, on account of the amendments to the MRA and OTS agreement entered with lenders, there has been changes in FITL aggregating to ₹ 497 Lakhs (net). BGPPL has repaid principal of ₹ 126 Lakhs and interest of ₹ 1,868 Lakhs to assenting lenders. The aggregate amount outstanding as on 31 March 2019 has been classified as long-term FITL (non-current) - ₹ 21,412 lakhs and short-term FITL (current) - ₹ 110 lakhs.

(f) Long-term Non-Convertible Debentures ("NCDs"). During the year, on account of the amendments to the MRA and OTS agreement entered with lenders, there has been changes in NCD aggregating to ₹ 3,455 Lakhs (net). BGPPL has accrued interest at rate of 9% on a monthly basis during the year.

(g) Equity Shares ("ES") - During the year, on account of the amendments to the MRA and OTS agreement entered with lenders, there has been reclassification from Equity to the long term borrowing aggregating to ₹ 1,728 Lakhs (net). Subsequent to the aforesaid reclassification, the borrowing amounting to ₹ 42,381 lakhs are proposed to be converted into Equity Shares. The equity shares 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 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 2019 and the same has been disclosed as a separate component under Other Equity (refer note 23).

(h) Compulsory Redeemable Preference Shares ("CRPS") - During the year, on account of the amendments to the MRA and OTS agreement entered with lenders, there has been reclassification from CRPS (Debt component of ₹ 1,341 lakhs and Equity component of ₹ 4,720 Lakhs) to the long term borrowing aggregating to ₹ 6,061 lakhs. Redemption of the CRPS amounting to ₹ 23,406 Lakhs shall be on 31 March 2034 and for the balance amount of ₹ 28,628 Lakhs shall be on 31 March 2035. Refer significant accounting policies accompanying the financial statements on the accounting treatment of CRPS (refer note 2). The amount of borrowing converted into equity shares (refer (g) above) and CRPS as stated above has resulted in a reduction of ₹ 82,888 Lakhs of borrowing and thereby resulting in a reduction of finance cost.

(i) The External Commercial Borrowings ("ECB") lenders amounting to ₹ 27,019 Lakhs (USD 38.84 Million), Previous year ₹ 25,342 Lakhs (USD 38.94 Million), covered under the MRA, are subject to the compliance with the Master Directions on ECB issued by the RBI. Hence no effect has been given to such borrowings in the books of account as at 31 March 2019 and 31 March 2018. The amount outstanding including accrued interest are being reinstated at each reporting period and year end and the same has been classified under current maturities (refer note 25(c)).

(j) From the COD, the interest on the restructured debts has been recomputed at interest rate agreed with lenders at 9% pursuant to which has resulted in reduction of interest cost aggregating ₹ 34,237 Lakhs for 31 March 2019 and ₹ 35,321 Lakhs for 31 March 2018. Further the terms of the MRA provides for an annual reset of the interest rate and in the absence of confirmation from the lenders to the contrary, BGPPL continues to accrue interest at the rates specified in the original MRA.

(k) During the year, the stay order from Delhi High Court has been partially vacated and subsequently BGPPL has filed a transfer petition before the Hon'ble Supreme Court of India, which has ordered to maintain status quo as on the date of order i.e. 03 December 2018 and tagged the case with existing case. The matter is currently sub judice.

Subsequent to the balance sheet date, Kotak Mahindra Bank (KMB), one of the non-assenting lenders, initiated Corporate Insolvency Resolution Process ("CIRP") against BGPPL under the provisions of the Insolvency & Bankruptcy Code, 2016 for which the application is yet to be listed in the NCLT. Further, in pursuance of the defaults by BGPPL, facilities granted were recalled by KMB and an application for consideration as a secured lender was filed before Dispute Recovery Tribunal, Delhi which is pending for hearing and disposal as on date.

Adjustments, if any, arising upon pronouncement of the aforesaid decisions by the relevant Courts / Authorities shall be given effect in the year in which the decision is pronounced.

(l) BGPPL is actively engaged with non assenting lender for providing exit options as per guidelines under which the MRA was executed.

(m) The balances of borrowings and interest accrued in the books are subject to confirmation from the lenders and/or reconciliation as at 31 March 2019 and consequent reconciliation, if any.

45 GOING CONCERN

The Holding Company and BILT Graphic Paper Products Limited (BGPPL), a step-down subsidiary, are two significant operating companies in the Group on which the going concern status of the Group is depended on.

(a) Holding Company ("BILT")

The Holding Company has incurred losses during current year and in the previous year. Further the Parent Company has a net current liability position as at the reporting date. This is primarily on account of the financial stress experienced and the resultant temporary shut downs in operations during the last few years.

The Holding Company has taken various steps to ease the financial stress and stabilise its operations. During the financial year 2017-18, the Holding Company implemented a Strategic Debt Restricting ("SDR") with its lenders wherein a portion of the borrowings were converted into equity [refer note 44(a)].

The Holding Company's operations have improved during the current year on account of this and the Holding Company is in discussion with the lenders for further restructuring of the borrowings. Further, during the year 2017-18 the Holding Company has received an Order from the Government of Telengana proposing to provide certain concessions to the Company for recommencing the operations of its manufacturing Unit at Kamalapuram. The Holding Company is actively pursuing to fulfil the various conditions put forth in the Order and has decided to hive off the Kamalapuram Unit into a separate entity to expediate this.

Based on the internal assessment of the future cash flows of the Holding Company and considering its improvement in capacity utilization, the management is confident that the Holding Company has the ability to continue as a going concern. The ability of the Holding Company to continue as a going concern is depended on its ability to further re-align the borrowings with the lenders and generate free cashflows from operations.

(b) Step-down Subsidiary Company ("BGPPL")

BGPPL's operations was significantly affected during the previous years due to lack of adequate working capital. During the financial year 2017-18 BGPPL entered into a Master Restructuring Agreement ("MRA") with its lenders for restructuring its borrowings [refer note 44(b)] which has resulted in a substantial reduction in the finance cost burden of BGPPL. Owing to improvements in the availability of working capital the BGPPL's manufacturing Units at Ballarpur and Bhigwan had stable operations during the current year and its EBITDA (before exceptional items) has increased by around 79% as compared to previous year. Further, BGPPL continues to actively pursue disposing off the surplus assets, including its manufacturing Unit at SEWA, to further ease out the financial stress.

Based on the internal assessment of the future cash flows of BGPPL and considering its improvement in capacity utilization, the management is confident that BGPPL has the ability to continue as a going concern. The ability of BGPPL to continue as a going concern is depended on the outcome of the legal proceedings arising out of MRA as stated in note 44(b).

In view of the above, the consolidated financial statements of the Group have been prepared on a going concern basis.

₹ in Lakhs

46 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Contingent liabilities		
Claims against the Group not acknowledged as debts [refer note (i) below]	143,462	122,226
Corporate guarantees issued by the Group [refer note (ii) below]	156,902	7,240
Guarantees issued by the Group to banks towards farmers' loans	-	4
Indemnity and undertaking issued by the Group	19,868	19,638
	320,232	**149,108**
(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	276	850
	276	**850**

(i) The Contingent liabilities includes ₹ 29,837 Lakhs (As at 31 March 2018 - ₹ 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 by the company legal counsel. Currently, the challenge against the constitutional validity of this recovery is pending before High Court of Odisha.

(ii) Ballarpur Paper Holding B.V., a step-down subsidiary has issued guarantee in favour of ICICI Bank Bahrain, towards the term loans and credit facilities availed by Mirabelle Trading Pte. Ltd, the term loans availed by Avantha International Asset B.V. and term loan availed by MTP New Ocean (Mauritius) Limited, aggregating to USD 215 million (₹ 1,49,577 Lakhs) against which an amount of USD 79.91 million (₹ 55,594 Lakhs) is outstanding at the year end.

It is not possible to predict the outcome of the pending litigations with accuracy, the Group 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.

47 PUT OPTIONS

The Holding Company had written options in favour of investors of Bilt Paper B.V, a step down subsidiary of the holding Company, which requires the holding Company to comply with the certain conditions within a stipulated time. Since the conditions were not met, the holding Company is required to acquire the shares from the investors of Bilt Paper B.V. at a premium of 20% internal rate of return (IRR) on the value of the Options as per the terms of the Option.

The exercise period has commenced and the Option holders have not exercised the Option as at 31st March, 2019. Pending the ongoing negotiations for settlement of loans with the lenders and the discussions with the option holders, the Holding Company is unable to determine the potential outflow arising from exercising of options by the holders.

48 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:

Particulars	2018-19	2017-18
Employer's contribution to provident fund	497	397
Employer's contribution to superannuation fund	71	62
Employer's contribution to pension scheme	530	424
	1,098	**883**

(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 2019	As at 31 March 2018
	Gratuity	Gratuity
Present value of defined benefit obligation		
- wholly funded	986	770
- wholly unfunded	7,119	6,478
	8,105	7,248
Less: Fair value of plan assets	261	209
Amount recognized as a liability / (asset)	**7,844**	**7,039**
Net liability / (asset) - current	1,924	1,278
Net liability / (asset) - non-current	5,920	5,761

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

Particulars	2018-19		2017-18	
	Gratuity (funded)	Gratuity (unfunded)	Gratuity (funded)	Gratuity (unfunded)
Opening balance of present value of obligation	770	6,478	746	7,941
Current service cost	60	351	51	345
Net interest on obligation	58	482	54	465
Acquisition	-	3	-	-
Re-Measurement (or Actuarial) (gain) / loss arising from:				
- change in demographic assumptions	(14)	(62)	(14)	4
- change in financial assumptions	20	101	(19)	(248)
- experience variance (i.e. Actual experience vs assumptions)	142	233	(23)	(142)
Past service cost	-	-	4	64
Benefits paid	(50)	(397)	(29)	(422)
Less: Reclassified under held for sale	-	-	-	(1,529)
Less: Derecognition due to loss of control	-	(70)	-	-
Closing balance of present value of obligation	**986**	**7,119**	**770**	**6,478**

iv) Reconciliation of opening and closing balances of the fair value of plan assets

Particulars	2018-19		2017-18	
	Gratuity (funded)	Gratuity (unfunded)	Gratuity (funded)	Gratuity (unfunded)
Opening balance of fair value of plan assets	209	-	223	-
Investment Income	16	-	16	-
Contributions/Effects of business combinations or disposals	94	148	6	-
Benefits Paid	(50)	(148)	(29)	-
Return on plan assets, excluding amount recognised in net interest expense	(8)	-	(7)	-
Closing balance of fair value of plan assets	**261**	**-**	**209**	**-**

Expected contribution to the Gratuity Fund for FY 2019-20 - ₹ 804 Lakhs

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

₹ in Lakhs

Particulars	2018-19		2017-18	
	Gratuity (funded)	Gratuity (unfunded)	Gratuity (funded)	Gratuity (unfunded)
a) Statement of profit or loss				
Current service cost	60	351	51	345
Past service cost	-	-	4	64
Net interest income / (cost) on the net defined benefit liability (Assets)	42	482	38	465
Total expenses recognized in profit or loss - [A]	**102**	**833**	**93**	**874**
b) Other Comprehensive Income (OCI):				
Actuarial (gain) / losses				
- change in demographic assumptions	(14)	(62)	(14)	4
- change in financial assumptions	20	101	(19)	(248)
- experience variance (i.e. Actual experience vs assumptions)	142	233	(23)	(142)
Return on plan assets, excluding amount recognised in net interest expense	8	-	7	-
	156	**272**	**(49)**	**(386)**
Remeasurement of defined benefit obligation pertaining to discontinued operations (refer note 57)	-	(237)	-	122
Total expenses recognized in OCI - [B]	**156**	**35**	**(49)**	**(264)**
Total expenses recognized in Statement of profit and loss [A+B]	**258**	**868**	**44**	**610**

vi) **Principal assumptions**

Economic assumptions

Particulars	As at 31 March 2019		As at 31 March 2018	
	Gratuity (funded)	Gratuity (unfunded)	Gratuity (funded)	Gratuity (unfunded)
Discount rate	7.30%	7.30%	7.50%	7.25% - 7.74%
Salary growth rate	5.00%	0.00% to 5%	5.00%	0.00% - 6.00%

Demographic assumptions

Particulars	As at 31 March 2019		As at 31 March 2018	
	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	0.50%	0.50%	3.00%	0.20% - 7.00%
From 31 years to 44 years	2.00%	2.00%	3.00%	2.00% - 15.00%
More than 44 years	1.00%	1.00%	3.00%	2.00% - 5.93%

vii) **Maturity Profile of Defined Benefit Obligation**

Weighted average duration (based on discounted cashflow)

Particulars	As at 31 March 2019	As at 31 March 2018
Gratuity (in years)	4 to 12	4 to 12.49

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Gratuity (funded)	Gratuity (unfunded)	Gratuity (funded)	Gratuity (unfunded)
1 year	48	1,876	48	1,234
2 to 5 years	197	2,532	193	2,912
6 to 10 years	462	2,298	333	2,292
More than 10 years	1,718	6,357	1,313	5,548

viii) Sensitivity Analysis

Particulars	Changes in assumptions	As at 31 March 2019		As at 31 March 2018	
		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%	475	(546)	(445)	509
Salary growth rate	+/- 1%	(572)	506	530	(470)
Attrition rate	+/- 50%	(63)	70	90	(102)
Mortality rate	+/- 10%	(22)	22	23	(81)

ix) 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 Group is exposed to various risks in provision for gratuity benefit which are as follows:

1) Interest rate risk

The plan exposes the Group 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 Group 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 escalation 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 liability.

4) Demographic risk

The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group 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.

49 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) Joint Venture

1) Premier Tissues (India) Limited (w.e.f. 08 Nov. 2018) (refer note 8)

(ii) Key management personnel (KMP)

1) Mr. B. Hariharan

2) Mr. Gautam Thapar

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Other Related Parties over which key management personnal are able to exercise control

1)	Saraswati Travels Private Limited	13)	Avantha Power and Infrastructure Limited
2)	SMI New Quest India Private Limited	14)	Global Green Company Limited
3)	Biltech Building Elements Limited	15)	Avantha International Asset B.V
4)	CG Power and Industrial Solutions Limited *(formerly known as Crompton Greaves Limited)*	16)	Avantha International Holding B.V
		17)	TAF Asset 2 BV
5)	Avantha Holdings Limited	18)	MTP New Ocean (Mauritius) Limited
6)	Imerys Newquest (India) Private Limited.	19)	Korba West Power Company Limited (till 15 Dec., 2017)
7)	Avantha Realty Limited		
8)	Mirabelle Trading Pte. Limited.	20)	CG Middle East FZE
9)	Varun Prakashan Private Limited	21)	Jhabua Power Limited
10)	BILT Industrial Packing Company Limited	22)	Karam Chand Thapar & Bros. Ltd-PF Trust
11)	UHL Power Company Limited	23)	New Quest Insurance Broking Services Limited
12)	Solaris Chemtech Industries Limited (till 27 Dec., 2018)	24)	Arizona Printers and Packers Private Limited

(b) Details of related party transactions

₹ in Lakhs

Particulars	2018-19		2017-18	
(i) Purchase of goods and services				
Biltech Building Elements Limited	266		187	
Saraswati Travels Private Limited	-		3	
SMI New Quest India Private Limited	5,638		5,259	
CG Power and Industrial Solutions Limited	2		11	
Imerys Newquest (India) Private Limited	9,701		4,602	
Mirabelle Trading Pte. Limited	-		3,771	
Global Green Company Limited	2		3	
Avantha Holdings Limited	-		6	
		15,609		13,842
		15,609		**13,842**
(ii) Sale of goods and services				
SMI New Quest India Private Limited	280		279	
Biltech Building Elements Limited	89		72	
Avantha Holdings Limited	48		52	
Imerys Newquest (India) Private Limited	800		415	
Global Green Company Limited	70		80	
		1,287		898
		1,287		**898**
(iii) Rental expense				
Avantha Realty Limited	338		443	
		338		443
		338		**443**
(iv) Rental income				
SMI New Quest India Private Limited	90		67	
Avantha Holdings Limited	8		8	
Imerys Newquest (India) Private Limited	0		-	
Biltech Building Elements Limited	3		-	
		101		75
		101		**75**
(v) Interest expense				
Mirabelle Trading Pte. Limited	-		59	
Karam Chand Thapar & Bros. Ltd-PF Trust	63		29	
		63		88
		63		**88**

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₹ in Lakhs

Particulars	2018-19		2017-18	
(vi) Reimbursement of expenses paid				
Avantha Holdings Limited	-		0	
Global Green Company Limited	0		0	
		0		0
		0		**0**
(vii) Reimbursement of expenses recovered				
Biltech Building Elements Limited	4		3	
Imerys Newquest (India) Private Limited	8		4	
Avantha Holdings Limited	6		15	
Solaris Chemtech Industries Limited	-		11	
		18		33
		18		**33**
(viii) Advances given to related parties				
Varun Prakashan Private Limited	1,000		-	
		1,000		-
		1,000		**-**
(ix) Advances received from related parties				
Avantha International Assets B.V.	-		599	
Mirabelle Trading Pte. Ltd.	-		5,293	
CG Middle East FZE	1,406		1,936	
Avantha Holdings Limited	1,360		-	
		2,766		7,828
		2,766		**7,828**
(x) Repayment of advance by related party				
Mirabelle Trading Pte. Limited	-		10,936	
		-		10,936
		-		**10,936**
(xi) Director's sitting fees to KMP				
Mr. Gautam Thapar	1		2	
		1		2
		1		**2**
(xii) Contribution to PF				
Karam Chand Thapar & Bros. Ltd-PF Trust	1,756		1,538	
		1,756		1,538
		1,756		**1,538**
(xiii) Loan and Interest recovery				
Karam Chand Thapar & Bros. Ltd-PF Trust	476		490	
		476		490
		476		**490**
(xiv) Commission income				
MTP New Ocean (Mauritius) Limited	-		87	
		-		87
		-		**87**
(xv) Brand royalty expenses (net of reversals)				
Avantha Holdings Limited	-		(115)	
		-		(115)
		-		**(115)**
(xvi) Loans given to related parties				
Varun Prakashan Private Limited	-		6,143	
		-		6,143
		-		**6,143**

₹ in Lakhs

Particulars	2018-19		2017-18	
(xvii) Loans received from related parties				
Avantha Holdings Limited *	-		4,873	
		-		4,873
		-		**4,873**
* Net of repayments of ₹ Nil (FY 2017-18 - ₹ 5,344 Lakhs)				
(xviii) Repayment of loans by related parties				
Varun Prakashan Private Limited	-		1,330	
		-		1,330
		-		**1,330**
(xix) Assignment of dues to/(from)				
Avantha Holdings Limited*	4,813		-	
Varun Prakashan Private Limited*	(4,813)		-	
		-		-
		-		**-**

*The Group has during the year entered into a Tripartite Settlement agreement with related parties, pursuant to which receivables amounting ₹ 4,813 Lakhs due from Varun Prakashan Private Limited has been settled against amount payable to Avantha Holdings Limited.

Particulars	2018-19		2017-18	
(xx) Waiver of dues from related parties				
Avantha Power and Infrastructure Limited	103		-	
Solaris Chemtech Industries Limited	1,974		-	
		2,077		-
		2,077		**-**
(xxi) Allotment of share capital (including share premium)				
Avantha Holdings Limited	-		3,820	
		-		3,820
		-		**3,820**
(xxii) Payment for services of KMP				
Mr. B Hariharan	811		467	
		811		467
		811		**467**

(c) Balances due to / due from related parties

Particulars	As at 31 March 2019		As at 31 March 2018	
	Due to	**Due from**	**Due to**	**Due from**
1) Korba West Power Company Limited	0	-	1	-
2) Solaris Chemtech Industries Limited	-	-	1,974	-
3) Avantha Power and Infrastructure Limited	-	-	103	-
4) Avantha Realty Limited	7,375	-	7,401	-
5) Avantha Holdings Limited	356	-	3,917	-
6) Karam Chand Thapar & Bros. Ltd-PF Trust	921	-	1,172	-
7) CG Power and Industrial Solutions Limited	5,466	-	5,107	-
8) CG Middle East FZE	3,476	-	1,936	-
9) Saraswati Travels Private Limited	123	-	85	-
10) SMI New Quest India Private Limited	2,440	-	3,979	-
11) MTP New Ocean (Mauritius) Limited	703	-	658	-
12) Imerys New Quest (India) Private Limited	1,085	-	2,785	-
13) BILT Industrial Packaging Company Ltd	-	858	-	858

₹ in Lakhs

Particulars	As at 31 March 2019		As at 31 March 2018	
	Due to	Due from	Due to	Due from
14) Global Green Company Limited	-	390	-	392
15) Arizona Printers & Packers Pvt. Ltd	-	1	-	1
16) UHL Power Company Limited	-	473	-	473
17) Varun Prakashan Private Ltd	-	1,000	-	4,813
18) Biltech Building Elements Limited	-	1,314	-	1,300
19) Mirabelle Trading Pte. Ltd.	-	11,004	-	11,476
20) Jhabua Power Limited	-	-	-	0
21) New Quest Insurance Broking Services Limited	-	-	-	0
22) Avantha International Asset B.V	-	68	-	63
23) Avantha International Holdings B.V	-	1	-	1
24) TAF Asset 2 B.V	-	3	-	2
25) Premier Tissues (India) Limited	-	88	-	-
	21,945	**15,200**	**29,118**	**19,379**
Key management personnel				
1) Mr. B. Hariharan	-	-	-	5
	21,945	**15,200**	**29,118**	**19,384**

"0" represents to amount below ₹ 50,000/-.

(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) All the balances due to and due from related parties are unsecured. All the balances due to and due from related parties are interest free other than interest bearing loans.

(iii) For the year ended 31 March 2019, the Company has not recognized any impairment of receivables relating to amounts due from related parties (Previous year - ₹ 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.

(iv) For the year ended 31 March 2019, the Group has made a provision for loss allowance of ₹ 10,166 lakhs against amounts due from related parties (Previous year - ₹ 78 Lakhs).

(v) Refer note 46 for guarantees issued by the Group on behalf of related parties.

50 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		2018 - 19	2017 - 18
Shares outstanding as at the beginning of the year	(nos)	1,293,455,756	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	1,293,455,756
Weighted average number of shares outstanding	(nos)	**1,293,455,756**	**1,092,463,508**

(b) From continuing operations

Particulars		2018 - 19	2017 - 18
Profit / (loss) for the year from continuing operations (₹ in Lakhs)	[A]	(83,535)	(86,411)
Share of non-controlling interest (₹ in Lakhs)	[B]	(4,814)	(18,206)
Profit / (loss) from continuing operations attributable to the owners of the Company (₹ in Lakhs)	[C=A-B]	**(78,721)**	**(68,205)**
Weighted average number of shares outstanding (Nos)	[D]	1,293,455,756	1,092,463,508
Basic and diluted Earnings per share (₹)	[E=C/D]	(6.09)	(6.24)
Face value per equity share (₹)		2	2

(c) From discontinued operations

₹ in Lakhs

Particulars		2018 - 19	2017 - 18
Profit / (loss) for the year from discontinued operations (₹ in Lakhs)	[A]	(23,635)	(117,149)
Share of non-controlling interest (₹ in Lakhs)	[B]	(9,261)	(45,859)
Profit / (loss) from discontinued operations attributable to the owners of the Company (₹ in Lakhs)	[C=A-B]	**(14,374)**	**(71,290)**
Weighted average number of shares outstanding (Nos)	[D]	1,293,455,756	1,092,463,508
Basic and diluted Earnings per share (₹)	[E=C/D]	(1.11)	(6.53)
Face value per equity share (₹)		2	2

(d) From total operations (continuing and discontinued operations)

Particulars		2018 - 19	2017 - 18
Profit / (loss) for the year (₹ in Lakhs)	[A]	(107,170)	(203,560)
Share of non-controlling interest (₹ in Lakhs)	[B]	(14,075)	(64,065)
Profit / (loss) from attributable to the owners of the Company (₹ in Lakhs)	[C=A-B]	**(93,095)**	**(139,495)**
Weighted average number of shares outstanding (Nos)	[D]	1,293,455,756	1,092,463,508
Basic and diluted Earnings per share (₹)	[E=C/D]	(7.20)	(12.77)
Face value per equity share (₹)		2	2

51 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).

Particulars	2018-19	2017-18
Government grants recognised in the financial statements	1,487	1,155

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 the components of the Group that are evaluated regularly by the 'Chief Operating Officer'(COO) of the Group (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segment'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, differing risks and returns and the internal business reporting systems.

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 Group 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".

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Segment information

₹ in Lakhs

Particulars		2018-19			
		Uncoated Paper	Coated Paper	Others	Total
A	**Segment revenue**				
	External customers (Gross)	207,128	148,184	4,263	359,575
	Inter-Segment	-	-	27	27
	Total revenue (Gross)	207,128	148,184	4,290	359,602
	Less: Excise duty	-	-	-	-
	Total revenue (Net)	**207,128**	**148,184**	**4,290**	**359,602**
	Elimination of inter segment revenue	-	-	(27)	(27)
	External customers (Net)	**207,128**	**148,184**	**4,263**	**359,575**
B	**Segment results**				
	Segment results before interest income and exceptional items	31,735	11,891	(3,622)	40,004
	Interest income	922	-	18	940
	Exceptional items (Net) (refer note 43)	(28,826)	(4,879)	(3,236)	(36,941)
		3,831	**7,012**	**(6,840)**	**4,003**
C	**Reconciliation of segment results with profit / (loss) before tax**				
	Segment results				4,003
	Finance cost				(84,255)
	Share of Profit in Joint Venture (refer note 8)				69
	Profit / (Loss) before tax				**(80,183)**
D	**Specified amounts included in segment results**				
	Interest revenue	922	-	18	940
	Depreciation and amortization	19,995	5,512	1,048	26,555
	Bad debts and impairment of financial assets (net of reversal)	547	12	38	597
	Loss on sale of property, plant and equipment (net)	74	-	7	81
	Assets discarded	73	52	2	127
	Exceptional items (Net) (refer note 43)	28,826	4,879	3,236	36,941

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 revenue (Net)	**166,005**	**73,877**	**9,387**	**249,269**
	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)	(24,565)	5,730	(177)	(19,012)
		(13,527)	**5,913**	**(3,881)**	**(11,495)**

₹ in Lakhs

Particulars	2017-18			
	Uncoated Paper	Coated Paper	Others	Total
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 included in segment results				
Interest revenue	454	109	26	589
Depreciation and amortization	21,043	5,526	1,098	27,667
Bad debts and impairment of financial assets (net of reversal)	1,088	-	2	1,090
Profit on sale of property, plant and equipment (net)	30	0	-	30
Exceptional items (Net) (refer note 43)	24,565	(5,730)	177	19,012

(c) Segment assets and liabilities

Particulars	As at 31 March 2019				As at 31 March 2018			
	Uncoated Paper	Coated Paper	Others	Total	Uncoated Paper	Coated Paper	Others	Total
Segment assets	507,773	230,554	29,071	767,398	564,147	274,844	40,447	879,438
Unallocable corporate assets								
Cash and cash equivalents				26,984				12,970
Other bank balances				1,829				1,227
Deferred tax assets				16,814				21,861
Current tax assets (net)				1				-
Investments				8,921				3
Group of assets classified as held for sale and discontinued operations				278,697				236,217
Total assets	**507,773**	**230,554**	**29,071**	**1,100,644**	**564,147**	**274,844**	**40,447**	**1,151,716**
Segment liabilities	322,878	28,719	12,693	364,290	235,887	23,383	17,585	276,855
Unallocable corporate liabilities								
Non current borrowings (excluding deferred payment liabilities)				425,320				477,876
Current borrowings				122,523				120,307
Current maturities of non current borrowings				278,414				236,447
Deferred tax liabilities (net)				-				460
Current tax liabilities (net)				7,166				6,628
Liabilities associated with group of assets classified as held for sale and discontinued operations				14,624				15,348
Total liabilities	**322,878**	**28,719**	**12,693**	**1,212,337**	**235,887**	**23,383**	**17,585**	**1,133,921**
Additions to non-current assets	3,100	106	1	**3,207**	2,953	4	9	**2,966**

(d) Geographic information

(i) Revenue from external customers

₹ in Lakhs

Particulars	2018-19	2017-18
India	291,797	205,746
Outside India	67,778	44,723
	359,575	**250,469**

(ii) 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 2019	As at 31 March 2018
India	668,948	756,251
Outside India	8,755	8,294
	677,703	**764,545**

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	6	2
Adjustment in respect to previous years	(1,592)	10
	(1,586)	**12**
(ii) Deferred tax:[refer note 12(b)]		
Relating to origination and reversal of temporary differences	(9,509)	(18,976)
Deferred tax asset recognized on unused tax losses and depreciation	14,447	2,321
	4,938	**(16,655)**
Income tax recognized in Other comprehensive income		
(i) Deferred tax:		
Remeasurement gain/(loss) on net defined benefit plans	-	-
Gain/(loss) on changes in fair value of equity instruments through OCI	-	-
Gain/(loss) on changes in fair value of debt instruments through OCI	-	-
Exchange difference in translating the financial statements of foreign subsidiaries	-	-
Share of OCI in Joint Venture	-	-
	-	**-**

(b) The Holding Company does not have taxable income for the current and previous 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 taken on lease. Future minimum lease payments in respect of these non-cancellable operating leases are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Payable not later than 1 year	464	575
Payable later than 1 year and not later than 5 years	731	392
Payable later than 5 years	10	-
	1,205	**967**

2) Lease rental expense recognised in the Statement of Profit and Loss for the year is ₹ 1,070 Lakhs (Previous year: ₹ 1,364 Lakhs) including contingent rent of ₹ Nil (Previous year ₹ Nil). This includes ₹ 158 Lakhs (Previous year ₹ 313 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 ₹ 110 Lakhs (Previous year ₹ 182 Lakhs) including contingent rent/sublease receipt of ₹ Nil (Previous year ₹ Nil).

55 FINANCIAL INSTRUMENTS

(a) Capital management

The Group's objective when managing capital is to:

- Safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may sell assets to reduce debt or issue new shares or adjust the return to shareholders or return capital to shareholders.

Consistent with others in the industry, the Group monitors the capital basis the gearing ratio, which is net debt divided by total capital plus net debt.

The gearing ratio is as follows: ₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Loans and borrowings	828,070	836,293
Less: cash and cash equivalents	26,984	12,970
Net debt	801,086	823,323
Equity	(73,774)	31,447
Capital and net debt	727,312	854,770
Gearing ratio	1.10	0.96

(b) Financial Risk Management

The Group's activities exposes it to a variety of financial risks/ market risks (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects in the Group's financial performance.

The risk management is carried out under the policies approved by the Board of Directors which provides principle for overall risk management.

The note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, other financial assets	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk- foreign exchange	Recognized financial assets and liabilities denominated in Indian Rupees	Cash Flow forecasting Sensitivity analysis	Forward Contracts
Market risk- interest rate	Borrowings at variable rates	Sensitivity analysis	Optimisation of borrowing costs by replacing high cost debt with low cost debt
Market risk-security prices	Investment in quoted and unquoted securities	Sensitivity analysis	Monitoring of invested entities and Portfolio diversification

(1) Credit Risk

The credit risk arises from cash and cash equivalents, investments and deposits with banks and financial institutions, trade receivables, and other financial assets, as well as credit exposure to customers including outstanding receivables.

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/ institutions with which balances 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 the normal course of business after evaluation of customers financial condition and credit history. The Group monitors the payment track record of the customers and assesses the financial reliability of the customer taking into consideration the current economic trends ageing of accounts receivable and history of default. The Group has also accepted security deposits from certain customers, which further mitigate the credit risk in these cases. 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 2019			
Secured by security deposits	1,860	52	1,912
Unsecured	10,177	5,375	15,552
	12,037	**5,427**	**17,464**
Provision for expected credit loss			1,633
	12,037	**5,427**	**15,831**
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**

The Group considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due or when the extended credit period expires. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors.

The Group provides for expected credit loss when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Group. Where loans or receivables have been impaired, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Reconciliation of Allowance for Expected Credit Loss

₹ in Lakhs

Particulars	2018 - 19	2017 - 18
Provision as at the beginning of the year (refer note 15 & 18)	1,332	350
(a) Allowance for expected credit loss*	646	1,088
(b) Provision used / reversed during the year	(322)	(105)
(c) Transferred to discontinued operations	-	(1)
(d) Derecognition due to loss of control of Subsidiary	(17)	-
Provision as at the end of the year (refer note 15 & 18)	**1,639**	**1,332**

* Allowance for expected credit loss includes ₹ 49 Lakhs (Previous year ₹ Nil) pertaining to discontinued operations.

(2) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash flows through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying business the management maintains flexibility in raising funds as and when required.

Considering the current liquidity position, the Group had taken steps to reduce the financial burden by restructuring its financial liabilities and is in the process of further negotiating with the lenders to reach sustainable debt levels and is also exploring options such as sale of non core assets to ease the financial burden. The operational efficiencies of the manufacturing unit have improved during current year and the Group has made progress for revival of closed unit. In view of the improved market conditions and ongoing negotiations, the Group is confident of a positive outcome and expects to ease the liquidity position of the Group relying on capital infusion, operating cash flows and borrowings at sustainable rates.

The Group monitors rolling forecasts of the liquidity position to ensure it has sufficient cash to meet operational needs and service its borrowings.

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 2019			As at 31 March 2018		
	< 1 year	> 1 year	Total	< 1 year	> 1 year	Total
Borrowing (including interest accrued thereon)	537,968	427,133	965,101	438,258	479,539	917,797
Dues to related parties	33,021	-	33,021	36,309	-	36,309
Other trade payables	93,199	-	93,199	88,918	-	88,918
Security deposit (including interest accrued thereon)	1,800	4,145	5,945	1,677	4,126	5,803
Other financial liabilities	44,319	-	44,319	38,786	-	38,786
	710,307	**431,278**	**1,141,585**	**603,948**	**483,665**	**1,087,613**

(3) 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.

(i) Foreign Exchange Risk

The Group transacts business primarily in Indian Rupee, USD, Euro, GBP and AED 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.

Particulars		As at 31 March 2019	As at 31 March 2018
Monetary liabilities			
United States Dollar	$	50,873	51,745
Euro	€	637	1,420
Great Britain Pounds	£	14	23
Japanese Yen	¥	52	51
Monetary assets			
United States Dollar	$	3,145	2,685
Euro	€	36	28
Arab Emirates Dirham	DH	175	0

"0"represent amount below ₹ 50,000/-

The following table demonstrates the sensitivity in the USD, Euro, GBP, AED 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 2019	As at 31 March 2018
Sensitivity to a 5% increase			
United States Dollar	$	(2,386)	(2,453)
Euro	€	(30)	(70)
Great Britain Pounds	£	(1)	(1)
Japanese Yen	¥	(3)	(3)
Arab Emirates Dirham	DH	9	0
Sensitivity to a 5% decrease			
United States Dollar	$	2,386	2,453
Euro	€	30	70
Great Britain Pounds	£	1	1
Japanese Yen	¥	3	3
Arab Emirates Dirham	DH	(9)	(0)

"0"represent amount below ₹ 50,000/-

Summary of exchange difference accounted in Statement of Profit and Loss:

Particulars	2018 - 19	2017 - 18
Currency fluctuations		
Net foreign exchange (gain) / losses shown as finance cost	168	2,864
Net foreign exchange (gain) / losses shown as other income	(454)	(424)
Net foreign exchange (gain) / losses shown as other expense	9	133
Derivatives		
Interest rate swaps (gain) / losses shown as finance cost	-	(1,295)
	(277)	**1,278**

(ii) Interest rate risk and sensitivity

Interest rate risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group'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 25.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing borrowings is as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Floating rate borrowings		
INR borrowings	553,673	591,033
USD borrowings	97,699	107,061
MYR borrowings	2,193	2,201
	653,565	**700,295**

The Group does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

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.

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
INR borrowings		
Change of +0.50%	(2,768)	(2,955)
Change of -0.50%	2,768	2,955
USD borrowings		
Change of +0.50%	(488)	(536)
Change of -0.50%	488	536
MYR borrowings		
Change of +0.50%	(11)	(11)
Change of -0.50%	11	11

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

(iii) 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 2019. Therefore, sensitivity analysis for market risk is not disclosed.

(iv) Price Risk

The Group does not have significant equity investments that are publicly traded and investments in unlisted securities are of strategic importance

56 FAIR VALUE MEASUREMENT

(a) Financial assets by category

Particulars	Note No.	As at 31 March 2019			As at 31 March 2018		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
(i) Investments	9	7,262	3	-	-	3	-
(ii) Trade receivables	15	-	-	15,831	-	-	8,741
(iii) Cash and cash equivalents	16	-	-	26,984	-	-	12,970
(iv) Other bank balances	17	-	-	1,829	-	-	1,227
(v) Loans (including security deposit)	10 & 18	-	-	5,548	-	-	3,481
(vi) Other financial assets	11 & 19	-	-	4,822	-	-	13,117
		7,262	**3**	**55,014**	**-**	**3**	**39,536**

(b) Financial liabilities by category

Particulars	Note No.	As at 31 March 2019			As at 31 March 2018		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
(i) Long term borrowings (including current maturities)	25 & 30	-	-	705,547	-	-	715,986
(ii) Short term borrowings	25	-	-	122,523	-	-	120,307
(iii) Interest accrued on borrowings	30	-	-	137,031			81,504
(iv) Trade payables	29	-	-	95,806	-	-	106,096
(v) Other financial liabilities	26 & 30	49	-	80,629	48	-	63,672
		49	**-**	**1,141,536**	**48**	**-**	**1,087,565**

(c) Fair value of Hierarchy

₹ in Lakhs

Particulars	Note No.	Carrying Amount	Fair value hierarchy			Total
			Level 1	Level 2	Level 3	
Financial assets and liabilities measured at fair value- recurring fair value measurements						
Financial assets						
As at 31 March 2019						
(i) Investments	9	7,265	7,262	-	3	7,265
As at 31 March 2018						
(i) Investments	9	3	-	-	3	3
Financial liabilities						
As at 31 March 2019						
(i) Derivative financial instruments	30	49	-	-	49	49
As at 31 March 2018						
(i) Derivative financial instruments	30	48	-	-	48	48
Assets and liabilities which are measured at amortised cost for which fair values are disclosed						
Financial assets						
As at 31 March 2019						
(i) Trade receivables	15	15,831	-	-	15,831	15,831
(ii) Cash and cash equivalents	16	26,984	-	-	26,984	26,984
(iii) Other bank balances	17	1,829	-	-	1,829	1,829
(iv) Loans (including security deposit)	10 & 18	5,548	-	-	5,548	5,548
(v) Other financial assets	11 & 19	4,822	-	-	4,822	4,822
Financial liabilities						
As at 31 March 2019						
(i) Long term borrowings (including current maturities)	25 & 30	705,547	-	-	705,547	705,547
(ii) Short term borrowings	25	122,523	-	-	122,523	122,523
(iii) Interest accrued on borrowings	30	137,031	-	-	137,031	137,031
(iv) Trade payables	29	95,806	-	-	95,806	95,806
(v) Other financial liabilities	26 & 30	80,629	-	-	80,629	80,629
Financial assets						
As at 31 March 2018						
(i) Trade receivables	15	8,741	-	-	8,741	8,741
(ii) Cash and cash equivalents	16	12,970	-	-	12,970	12,970
(iii) Other bank balances	17	1,227	-	-	1,227	1,227
(iv) Loans (including security deposit)	10 & 18	3,481	-	-	3,481	3,481
(v) Other financial assets	11 & 19	13,117	-	-	13,117	13,117
Financial liabilities						
As at 31 March 2018						
(i) Long term borrowings (including current maturities)	25 & 30	715,986	-	-	715,986	715,986
(ii) Short term borrowings	25	120,307	-	-	120,307	120,307
(iii) Interest accrued on borrowings	30	81,504	-	-	81,504	81,504
(iv) Trade payables	29	106,096	-	-	106,096	106,096
(v) Other financial liabilities	26 & 30	63,672	-	-	63,672	63,672

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.

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.

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.

Other assumptions used in the estimation of fair values

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.

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

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

(i) The Group has the following discontinued operations as at 31 March 2019 and 31 March 2018:

Particulars	Segment
SEWA Unit - Manufacturing facility of BILT Graphic Paper Products (BGPPL) Limited located at Sewa, Odisha	Uncoated paper
Operations of Sabah Forest Industries Sdn. Bhd (SFI)	Uncoated paper

(ii) SEWA Unit

The Group had classified SEWA Unit as a discontinued operations during the financial year 2017-18 pursuant to an operate, maintain and manage agreement with an operator, which provided an option to sell the plant to the operator at a future date, and the terms of the 'Master Restructuring Agreement' [refer note 44(b)] which provides for sale of the plant to ease the financial stress of BGPPL. The Group was unable to find a suitable buyer to dispose off the Unit during the financial year 2018-19, but BGPPL continues to actively pursue to identifying a suitable buyer and expects to dispose off the plant during the next financial year.

(iii) SFI

The disposal of the operations of SFI is in progress and pending delay in the closure of the previous bid, the receiver initiated the re-bidding process. The company expects no reduction in the bid value as confirmed by the Receiver and Manager.

(iv) The major classes of Assets and Liabilities of the discontinued operations are as under:

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Assets		
Property, Plant and Equipment	175,885	174,962
Biological assets other than bearer plants	52,521	51,911
Inventories	3,138	2,681
Trade receivables	170	167
Cash and cash equivalents	415	913
Loans (current and non current)	1,324	311
Others financial assets (Current and non current)	24	67
Other assets (current and non current)	4,672	5,205
Total (A)	**238,149**	**236,217**
Liabilities		
Non Current Provisions	951	958
Trade payables		
a) Total outstanding dues of micro and small enterprises	28	32
b) Total outstanding dues of creditors other than micro and small enterprises	9,319	12,211
Other financial liabilities	3,410	1,142
Other current liabilities and provisions	916	1,005
Total (B)	**14,624**	**15,348**
Net Assets/Liabilities directly associated with discontinued operations (A-B)	**223,525**	**220,869**

₹ in Lakhs

(v) Analysis of loss from discontinued operations:

Particulars	2018-19	2017-18
Revenue from operations	10,784	8,133
Other income	763	103
	11,547	**8,236**
Less: Expenses (Refer note (a) below)	35,182	125,385
Profit/ (loss) before tax	**(23,635)**	**(117,149)**
Tax expense:	-	-
Profit/ (loss) from a discontinued operations	**(23,635)**	**(117,149)**

(a) Expenses include₹ 900 Lakhs (Previous year ₹ 86,017 Lakhs) towards impairment and write down of assets to fair value less costs to sell

(vi) Remeasurement of defined benefit obligation amounting to ₹ 237 Lakhs (net of tax ₹ Nil) is recognized in Other Comprehensive Income. [Previous year ₹ (122) Lakhs (net of tax ₹ Nil)]

(vii) Net cash flows form discontinued operations

Particulars	2018-19	2017-18
Cash flow from operating activities	13,385	(9,311)
Cash flow from investing activities	(34)	(2,082)
Cash flow from financing activities	99	(100)

(b) Assets held for sale

Particulars	As at 31 March 2019	As at 31 March 2018
Non Current Assets		
Property, Plant and Equipments		
Freehold Land (refer note 1 below)	39,970	-
Plant and Machinery (refer note 2 below)	578	-
Assets held for Sale (Net)	**40,548**	**-**

1 Freehold land held for sale represents 540.64 acres of land at Choudwar, Odisha acquired by the Holding Company from the Government of Odisha during the year 1990-91 under a scheme approved by Board for Industrial and Financial Reconstruction (BIFR). During the year, the Holding Company observed certain inconsistencies in the title documents with respect to the freehold nature of the land. The Holding Company is in the process of correcting these inconsistencies in the title documents.

2 Plant and Machinery represents certain items which are discarded from active use and are held for sale.

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	-9%	6,612	68%	(63,551)	90%	(8,283)	70%	(71,834)
Indian Subsidiaries								
Premier Tissues India Limited	0%	(0)	0%	(240)	0%	(12)	0%	(252)
Avantha Agritech Limited	1%	(618)	0%	(257)	0%	(3)	0%	(260)
BILT Graphic Paper Products Limited.	-134%	99,068	8%	(7,068)	2%	(192)	7%	(7,260)
Foreign Subsidiaries								
Ballarpur International Holdings B.V	-71%	52,308	9%	(8,040)	-43%	3,940	4%	(4,100)

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

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
Ballarpur Speciality Paper Holdings B.V.	0%	(249)	0%	47	0%	(19)	0%	28
Bilt Paper B.V.	-624%	460,586	-12%	11,075	-229%	21,013	-31%	32,088
Ballarpur Paper Holdings B.V.	-89%	65,327	22%	(20,543)	-62%	5,649	15%	(14,894)
Sabah Forest Industries Sdn. Bhd.	-18%	13,644	19%	(17,836)	9%	(831)	18%	(18,667)
Bilt General Trading	0%	150	0%	-	0%	10	0%	10
Total subsidiaries		**690,216**		**(42,862)**		**29,555**		**(13,307)**
Joint Venture								
Premier Tissues India Limited	0%	-	0%	69	0%	(1)	0%	68
Non controlling interest in all subsidiaries	51%	(37,919)	15%	(14,075)	52%	(4,749)	18%	(18,824)
Consolidation adjustments and eliminations	984%	(726,071)	39%	(36,227)	370%	(33,990)	69%	(70,217)
Total	**100%**	**(73,774)**	**100%**	**(93,095)**	**100%**	**(9,185)**	**100%**	**(102,280)**

59 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

Place: Gurugram
Date: 16 May 2019

For Ballarpur Industries Limited

B. HARIHARAN
Chairman & Executive Director
DIN 00012432

R. R. VEDERAH
Vice Chairman
DIN 00012252

R. RAJAGOPAL
Deputy Chief Financial Officer

NEEHAR AGGARWAL
Chief Executive Officer

AKHIL MAHAJAN
Company Secretary

Place: Gurugram
Date: 16 May 2019

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