

FINANCIAL STATEMENTS
OF
AVANTHA AGRITECH LIMITED

For the year ended 31st March, 2017

K.K.MANKESHWAR & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of M/s Avantha Agritech Limited formerly known as Bilt Tree Tech Limited, which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement (including other comprehensive income), for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as Ind AS financial statements").

Management's Responsibility for the 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

OFFICES AT :

- 243, "SHRIKA RESIDENCY" CANAL ROAD, DHARAMPETH, NAGPUR - 440010
- BLOCK-E, NEW R D A BUILDING, BOMBAY MARKET, G.E. ROAD, RAIPUR - 492001
- A-425, SARITA VIHAR, NEW DELHI - 110076
- 331, KALIANDAS UDYOG, BHAWAN, CENTURY BAZAR LANE, PRABHADEVI, MUMBAI - 400025
- GERA GARDEN OFFICE NO. 201, BLDG. NO. 1, II FLOOR, NEAR VIVANTA TAJ HOTEL, KORAGAON PARK, PUNE - 411001
- COSMOS REGENCY, JUPITER II, 102 WAGHBILL NAKA, GHODBUNDER ROAD, THANE - (W) - 400607



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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March, 2017, and its losses for the year ended on that date.


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 section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the 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 proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rule issued there under.
 - e. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and



CHARTERED ACCOUNTANTS

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No.46 of the financial statements ;
- ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv) the Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No. 57 to the Ind AS financial statements.


Ashwin Mankeshwar
Partner
Membership No. 046219
For and on behalf of
K.K.Mankeshwar & Co
Chartered Accountants
FRN: - 106009W
Nagpur, dated the,
23rd May, 2017



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in our independent auditor's report to the members of Avantha Agritech Limited formerly known as Bilt Tree Tech Limited:

i. In respect of Fixed Assets:

- a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The fixed assets were physically verified during the year by the Management. No material discrepancies were noticed on such physical verification.
- c) The title deeds of all the immovable properties are held in the name of the Company.

ii. In respect of Inventories:

- a) The Inventories were physically verified during the year by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable.

iii. In respect of loans, secured or unsecured, the Company has granted unsecured loans amounting to Rs. 111.5 Crore to BILT & Rs. 4.05 Crore to BGPPL. As informed to us by the Management, the loan is an interest free loan & no repayment schedule has been stipulated for the same. Thus, the grant of such loan is prejudicial to the Company's interest.

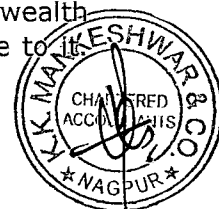
iv. In respect of loans, investments, guarantees and security, the provision of section 185 and 186 of the Companies Act, 2013 have been complied with.

v. Company has not accepted any deposits from public within the meaning of directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under where applicable. Therefore, the said clause is not applicable to the Company.

vi. The Central Government has not prescribed the maintenance of cost records under the section 148(1) of the Act, for any of the services rendered by the Company.

vii. In respect of Statutory dues:

- a) The Company is generally regular in depositing with the appropriate authorities statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess & other statutory dues applicable to it.



There are no undisputed amounts payable in respect of the aforesaid dues as on 31st March, 2017 for a period more than six months from the date of becoming payable.

b) There are no dues of sales tax, income tax, custom duty, wealth tax, excise duty/cess which have not been deposited on account of any dispute.

viii. The Company has defaulted in payment of interest of Rs. 14,28,904/- on the term loan taken during the year.

ix. The company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

The Company has raised money through term loan during the year. The same has not been utilized for the purpose for which it has been raised.

x. No fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. Managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

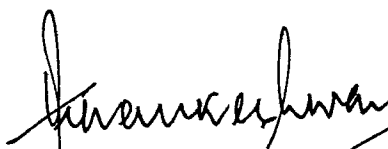
xii. The Company is not a Nidhi Company and so the conditions as specified in Nidhi Rules, 2014 does not apply to the Company.

xiii. All the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;

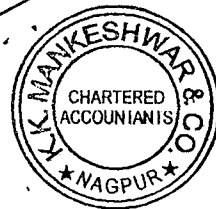
xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

xv. The company has not entered into any non-cash transactions with directors or persons connected with him.

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



Ashwin Mankeshwar
Partner
Membership No. 046219
For and on behalf of
K.K.Mankeshwar & Co
Chartered Accountants
FRN: - 106009W
Nagpur, dated the,
23rd May, 2017



**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS OF BILT TREE TECH LIMITED**

To,
The Members of Avantha Agritech Limited Formerly known as BILT Tree Tech Limited

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

We have audited the internal financial controls over financial reporting of Avantha Agritech Limited Formerly known as Bilt Tree Tech Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



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

Meaning of Internal Financial Controls Over Financial Reporting

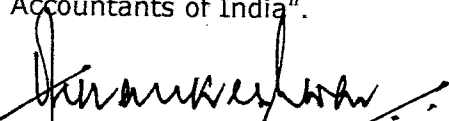
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

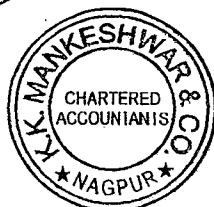
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

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



Ashwin Mankeshwar
Partner
Membership No. 046219
For and on behalf of
K.K.Mankeshwar & Co
Chartered Accountants
FRN: - 106009W
Nagpur, dated the,
23rd May, 2017



AVANTHA AGRITECH LIMITED

BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note No.	As at 31-Mar-17	As at 31-Mar-16	As at 31-Mar-15
ASSETS				
(1) Non-current Assets				
(a) Property, Plant and Equipment	5	686,80,085	736,43,980	698,50,852
(b) Capital work-in-progress	6	-	24,578	14,65,162
(c) Other intangible assets	7	3,063	17,396	31,768
(d) Intangible assets under development	8	-	-	57,655
(e) Biological assets other than bearer plants	9	6,78,425	14,56,132	491,87,152
(f) Financial assets				
(i) Loans	10	11889,46,723	-	-
(ii) Others	11	75,80,739	76,20,536	32,00,999
(2) Current assets				
(a) Inventories	12	636,50,304	1077,79,887	637,63,545
(b) Financial assets				
(i) Trade receivables	13	275,96,794	263,83,267	300,77,866
(ii) Cash and cash equivalents	14	110,01,770	340,03,793	499,94,095
(iii) Bank balances other than (iii) above	15	311,11,284	675,18,129	650,50,598
(iv) Others	16	22,15,869	41,71,124	7,61,266
(c) Current tax assets (Net)	17	1,96,270	1,96,270	3,70,851
(d) Other current assets	18	4,09,336	4,69,444	15,38,841
Asset Held For Sale		-	-	-
Total Assets		14020,70,662	3232,84,536	3353,50,650

EQUITY AND LIABILITIES

Equity

(a) Equity share capital	19	108,00,000	108,00,000	108,00,000
(b) Other equity	20	(254,59,390)	421,81,721	175,48,594

Liabilities

(1) Non-current liabilities

(a) Financial liabilities				
(i) Borrowings	21	6425,94,200	3,86,362	7,07,037
(b) Provisions	22	34,90,812	25,94,405	22,29,522
(c) Other non-current liabilities	23	22,37,112	23,43,888	54,810

(2) Current liabilities

(a) Financial liabilities				
(i) Borrowings	24	5200,93,798	-	-
(ii) Trade payables	25	782,06,249	1535,35,320	1847,59,520
(iii) Other financial liabilities	26	396,99,724	78,14,185	57,58,956
(b) Other current liabilities	27	1289,13,500	1034,97,319	1127,33,494
(c) Provisions	28	14,94,657	1,31,336	7,58,717

Total Equity and Liabilities

14020,70,662 3232,84,536 3353,50,650

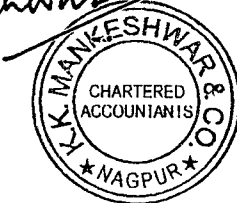
Significant accounting policies and notes to standalone financial statements

1-53

As per our report of even date attached

For and on behalf of Board of Directors

Ashwin Mankeshwar
Ashwin Mankeshwar
 Partner
 Membership No. 046219
 For and on behalf of
K.K.Mankeshwar & Co
 Chartered Accountants
 FRN: - 106009W
 Nagpur, dated the,
 23rd May, 2017



S.K. Khandelwal
 Director
 S.K.Khandelwal

Sharad Sanjay Sen
 Director
 Sharad Sanjay Sen

AVANTHA AGRITECH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
OPERATING ACTIVITIES		
Net Profit tax	(65,552,821)	27,274,300
Adjustments for:		
Interest received	(3,471,849)	(5,966,309)
(Profit) / Loss on sale of Assets (net)	(191,769)	(381,284)
Unspent Liabilities and Excess Provisions of earlier years written back	-	(48,408,692)
Bad Debts	-	579,546
Assets discarded	-	509,523
Finance Cost	35,930,906	257,538
Re-measurement gains (losses) on defined benefit plans	(271,290)	(439,261)
Depreciation & amortisation expenses	7,006,479	7,366,610
Operating Profit before Working Capital Changes	(26,550,344)	(19,208,029)
Adjustment for Working Capital Changes :		
(Increase)/decrease in trade receivable	(1,213,527)	3,115,053
(Increase)/decrease in inventory & Biological Assets	44,907,290	3,714,678
(Increase)/decrease in loans, advances and other current assets	512,405	(4,474,570)
Increase/(decrease) in liabilities and provisions	(51,248,145)	10,347,982
Cash generated from operations	(7,041,977)	12,703,143
Income tax paid (net)	(482,773)	(2,672,034)
Net cash flow inflow from operating activities	(34,075,094)	(9,176,920)
INVESTING ACTIVITIES		
Proceed from Sale of property plant and equipment	231,111	465,293
Purchase of property, plant and equipment	(2,149,791)	(10,328,575)
Interest Received	5,014,604	3,680,881
Receipt of government grants	-	2,360,652
(Increase)/decrease in other bank balances	36,406,845	(2,467,531)
Net cash flow from investing activities	39,502,769	(6,289,280)
FINANCING ACTIVITIES		
Increase/(decrease) in borrowings	1,196,447,931	(266,564)
Increase/(decrease) in loan to related parties	(1,188,946,723)	-
Interest Paid	(35,930,906)	(257,538)
Net cash flow from financing activities	(28,429,698)	(524,102)
Net increase/(decrease) in cash and cash equivalents	(23,002,023)	(15,990,302)
Cash and cash equivalents at beginning of the year	34,003,793	49,994,095
Cash and cash equivalents at year end	11,001,770	34,003,793

NOTES

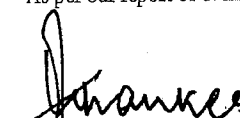
a) The Cash Flow Statement has been prepared under the Indirect method as set out in the Indian Accounting Standard (Ind AS) 7

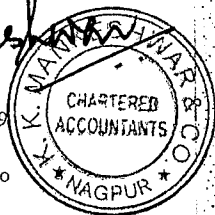
b) Cash and cash equivalents represent Cash & Bank balances only.

c) The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year's presentation.


As per our report of even date attached.

For and on behalf of Board of Directors


 Ashwin Mankeshwar
 Partner
 Membership No. 046219
 For and on behalf of
 K.K.Mankeshwar & Co
 Chartered Accountants
 FRN: - 106009W
 Nagpur, dated the,
 23rd May, 2017




 Director
 S.K.Khandelwal


 Director
 Sharad Sanjay Seh


AVANTHA AGRITECH LIMITED

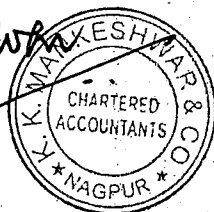
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017


Particulars	Note No.	Year ended 31-Mar-17	Year ended 31-Mar-16
I Revenue from operations	29	659,605,907	793,012,697
II Other income	30	3,998,674	55,374,934
III Total Income (I+II)		663,604,581	848,387,631
IV Expenses			
Cost of materials consumed	31	976,756	3,023,225
Purchase of stock in trade		557,938,760	688,827,050
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	40,645,339	4,127,937
Employee benefits expense	33	37,045,605	50,515,571
Finance costs	34	35,930,906	257,538
Depreciation and amortisation expense	35	7,006,479	7,366,610
Other expenses	36	49,613,557	66,995,400
Total expenses (IV)		729,157,402	821,113,331
V Profit/ (loss) before exceptional items and tax (III- IV)		(65,552,821)	27,274,300
VI Exceptional items		-	-
VII Profit/ (loss) before tax (V-VI)		(65,552,821)	27,274,300
VIII Tax expense:			
(1) Current tax (refer Note no 43)		1,817,000	2,201,912
Total Tax Expense (VIII)		1,817,000	2,201,912
IX Profit/ (loss) for the year (VII-VIII)		(67,369,821)	25,072,388
X Other Comprehensive Income			
Items that will not be reclassified to profit and loss			
(i) Re-measurement gains (losses) on defined benefit plans		(271,290)	(439,261)
(ii) Income tax effect on above		-	-
Total Other comprehensive income		(271,290)	(439,261)
XI Total Comprehensive Income for the year (IX+X)		(67,641,111)	24,633,127
(Comprising profit and other comprehensive income for the year)			
XII Earnings per equity share			
(1) Basic (Rs')		(62.38)	23.22
(2) Diluted (Rs')		(62.38)	23.22
Significant accounting policies and notes to standalone financial statements	1-53		


As per our report of even date attached

For and on behalf of Board of Directors


 Ashwin Mankeshwar
 Partner
 Membership No. 046219
 For and on behalf of
K.K.Mankeshwar & Co
 Chartered Accountants
 FRN: - 106009W
 Nagpur, dated the,
 23rd May, 2017




 Director
 S.K.Khandelwal


 Director
 Sharad Sanjay Sen

AVANTHA AGRITECH LIMITED FORMERLY KNOWN AS BILT TREE TECH LIMITED

(Incorporated in India)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

1 Corporate information

The Company is a limited liability company, incorporated and domiciled in India.

There have been no significant changes in the nature of the principal activities of the Company during the financial year.

The Registered office of the Company are located at Thapar House 124 Janpath New Delhi.

2 Basis of preparation

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

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

The unit has consistently applied the accounting policies used in the preparation of its opening IND AS Balance Sheet at April 1, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by IND AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Indian GAAP") which is considered as the previous GAAP, as defined in IND AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at April 1, 2015 and March 31, 2016 and on the net profit and cash flows for the year ended March 31, 2017 is disclosed in Note no 69 to these financial statements.

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

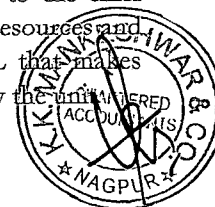
- Land and buildings classified as property, plant and equipment
- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

In addition, the carrying values of recognised assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The financial statements are presented in INR and all values are rounded to the nearest INR, except when otherwise indicated.

3 Significant accounting policies

a) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of BGPPL that makes strategic decisions. The accounting policies followed by the segments are same as those followed by the



b) Current versus non-current classification

The unit presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is 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

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

c) Foreign currencies

The unit's financial statements are presented in INR, which is also the parent unit's functional currency. For each entity the unit determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

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

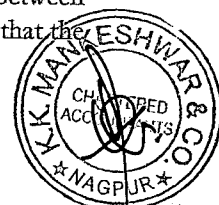
Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the unit's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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 gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

d) Fair value measurement

The unit measures financial instruments, such as, derivatives at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:



- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the unit.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The unit uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the unit determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the unit has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 38)
- Property, plant and equipment under revaluation model (note 5)

e) Property, plant and equipment

On transition to IND AS, the Unit has adopted optional exception under IND AS 101 to measure Property, Plant and Equipment at fair value (refer Note no 61). Consequently the fair value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition. Subsequently Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

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



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

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

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

f) Intangible Assets

Identifiable intangible assets are recognised a) when the Unit controls the asset, b) it is probable that future economic benefits attributed to the asset will flow to the Unit and c) the cost of the asset can be reliably measured.

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

Subsequent Expenditure

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

Amortization of intangible assets with finite useful lives

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current and previous years are as follows:

Research & Development cost

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

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



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

g) Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment and additionally whenever there is a triggering event for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are united at the lowest levels for which there are separately identifiable cash flows (cash-generating units) largely independent of cash flows of other cash-generating units. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

h) Financial instruments – initial recognition, subsequent measurement and impairment

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

(i) *Financial Assets*

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in units that share similar credit risk characteristics.

Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables the Unit may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

For foreign currency trade receivable, impairment is assessed after reinstatement at closing rates.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.



Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Available-for-sale financial assets are subsequently carried at fair value. Change in the fair value of securities classified as available for sale are recognised in other comprehensive income.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Subsequent recoveries of amounts previously written off are credited to other Income.

ii) Financial liabilities

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Unit has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ("EIR") except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Unit has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Unit prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liability



A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

i) Inventories

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

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

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

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.

m) Impairment of financial assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

j) Cash and cash equivalents

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

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

k) Provisions

General

Provisions are recognised when the Unit has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. 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.



Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Unit or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised, but are disclosed in the notes. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Share capital, share premium and perpetual securities

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

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

Instruments which have no contractual obligations towards principal redemption and interest distributions and meets the definition of equity instrument are also classified as Equity.

l) Borrowing costs

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

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

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

m) Revenue recognition

Revenue is recognized at the fair value of consideration received or receivable and represents the net invoice value of goods supplied to third parties after deducting discounts, volume rebates and outgoing sales tax and are recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods. Revenue is inclusive of excise duty.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue is recognized at the fair value of consideration received or receivable and represents the net invoice value of goods supplied to third parties after deducting discounts, volume rebates and outgoing sales tax and are recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods. Revenue is inclusive of excise duty.

Other operating income

Incentives on exports and other Government incentives related to operations are recognised in books after due consideration of certainty of utilization/ receipt of such incentives. For Government grant refer Para g) below



Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

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

n) Government grants

Government grants with a condition to purchase, construct or otherwise acquire long-term assets are initially measured based on grant receivable under the scheme. Such grants are recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset. Amount of benefits receivable in excess of grant income accrued based on usage of the assets is accounted as Government grant received in advance. Changes in estimates are recognised prospectively over the remaining life of the assets. Government revenue grants relating to costs are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate.

Sales tax incentives

The unit receives the benefit of certain sales tax incentives under the Packaged Scheme Incentive of the Maharashtra Government (the "Sales Tax Incentive Scheme"). The benefits under the Sales Tax Incentive Scheme are recognized when it is reasonable to expect that the benefit will be received and that all related conditions will be met. The main benefits relevant to the unit are the Sales Tax Deferment Scheme, the Sales Tax Exemption Scheme, the Sales Tax Refund Scheme or any other notified Schemes

Sales Tax Deferment Scheme

Under the Scheme, the Sales Tax amounts collected from sales to customers are deferred and repaid to the Government Authorities, without interest, after a specified period. The benefit of sales tax deferral with no associated interest outflow is recognized as deferred income in accordance with the imputation under IAS 20 Accounting for Governments Grants and Disclosure of Government Assistance. This deferred sales tax liability is measured in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The benefit of the interest free loan is measured as the difference between initial carrying value of the loan at fair value in accordance with IAS 39 and the sales tax collected. The deferred sales tax liability to the State is measured at amortized cost using the effective interest rate method and therefore a finance charge is recorded as the discount on this liability unwinds. In certain cases, the unit settles the net present value of deferred sales tax liability and recognizes the benefit as grant income over the period.

Sales Tax Exemption Scheme

The benefit of the sales tax exemption applies to qualifying sales to customers within the State of Maharashtra of paper produced from one of the paper machine in Bhigwan. As per the scheme, the unit is exempt from levying and payment of sales tax on sales of paper to customers that would otherwise be payable and hence no adjustment is made to revenue.

Mega Projects Incentive schemes

The benefit of sales tax refund scheme applies to qualifying sales made from the State of Maharashtra in respect of assets of the unit in Ballarpur and Bhigwan. Under the scheme, sales tax is levied and collected from the customer and claim for refund is filed with the sales tax authorities. These benefits are accounted for as revenue income for the period in which the related assets are acquired.

o) Employee benefits

Gratuity Plan



Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

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

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Government grants with a condition to purchase, construct or otherwise acquire long-term assets are initially measured based on grant receivable under the scheme. Such grants are recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset. Amount of benefits receivable in excess of grant income accrued based on usage of the assets is accounted as Government grant received in advance. Changes in estimates are recognised prospectively over the remaining life of the assets. Government revenue grants relating to costs are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate.

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Sales Tax Exemption Scheme

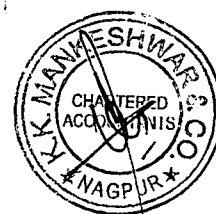
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o) Employee benefits

Gratuity Plan



The gratuity plan is a defined benefit plan that, at retirement or termination of employment, provides eligible employees with a lump sum payment, which is a function of the last drawn salary and completed years of service. The liability recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, if any, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using an appropriate government bond rate and that have terms to maturity approximating to the terms of the related gratuity liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service cost are recognised immediately in income.

Compensated absences

The unit operates both accumulating and non-accumulating absences plan. The unit measures the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur. The unit records a liability for accumulating balance based on actuarial valuation determined using projected unit credit method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to income statements in the period in which they arise.

Short-term employee benefits

The unit recognises a liability and an expense for bonuses. The unit recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the unit.

Post-employment benefits - Defined contribution plans

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

- i) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.
- ii) Leave encashment being a short term benefit is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.
- iii) Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.
- iv) Contribution to Superannuation fund, a defined contribution plan, is made in accordance with the Unit policy, and is recognised as an expense in the year in which employees have rendered services.
- v) The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.



The Unit operates a defined benefit plan for gratuity, which requires contributions to be made to a separately administered fund. The fund is managed by a trust. The trust has taken policies from an insurance Unit. These benefits are partially funded.

p) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the unit has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

unit as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the unit is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the unit's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the unit will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

unit as a lessor

Leases in which the unit does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the unit to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the unit's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

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.

Dividend/Distribution

Dividend distribution to the unit's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the unit's shareholders. Distribution on perpetual capital securities is recognised as a liability in the financial statements in the period in which the coupon payments are declared by the unit.

q) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the unit operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

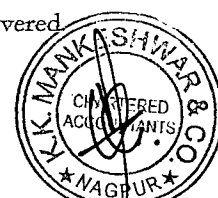
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

r) Discontinued operations and non-current assets held for sale

Non-current assets (disposal units comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale, and (a) represents a separate major line of business or geographical area of operations; and (b) is a part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired exclusively with a view to resale.

Non-current assets held for sale are carried at the lower of carrying amount or fair value less costs to sell. Any gain or loss from disposal of a business, together with the results of these operations until the date of disposal, is reported separately as discontinued operations. Tax effects are not considered for the purpose of allocation to continued and discontinued operations when these are not separately identifiable to individual units.



4 **Critical accounting estimates, assumptions and judgements**

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

(a) **Property, plant and equipment**

External adviser or internal technical team assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

On transition to IND AS, the unit has adopted optional exemption under IND AS 101 for fair valuation of property, plant and equipment, impact of fair valuation is provided in Note no 5, subsequent to fair valuation depreciation has been charged on fair valued amount less estimated salvage value. On transition to IND AS, the unit has revisited useful life of various categories of assets, impact of revision in estimate of useful life of various assets is provided in Note no 5 Property, plant and equipment also represent a significant proportion of the asset base of the unit. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the unit's financial position and performance.

(b) **Intangibles**

Internal technical or user team assess the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

Before transition to IND AS, the unit has revisited the useful life of the assets and the impact of change in life on transition is considered in opening carrying values. Also all Intangibles are carried at net book value on transition.

(c) **Income taxes**

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

(d) **Contingencies**

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

(e) **Allowance for uncollected accounts receivable and advances**

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

(f) **Insurance claims**

Insurance claims are recognised when the unit have reasonable certainty of recovery. Subsequently any change in recoverability is provided for.

(g) **Liquidated damages**

Liquidated damages payable are estimated and recorded as per contractual terms; estimate may vary from actuals as levy by customer.



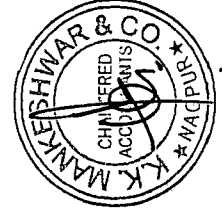
AVANTHA AGRITECH LIMITED FORMERLY KNOWN AS BILT TREE TECH LIMITED

Note 5: Property, Plant and Equipment

Particulars	Freehold land	Buildings*	Plant and Equipment	Furniture and Fixtures	Vehicles	Computers	Total
Gross Block							
As at April 1, 2015	9,30,022	487,28,268	786,21,643	20,29,490	53,38,237	23,36,871	1379,84,531
Additions	-	75,18,522	62,85,196	2,22,717	-	73,115	140,99,550
Disposal	-	(3,88,085)	(183,90,264)	(58,678)	(30,55,513)	(8,39,511)	(227,32,051)
Adjustments	-	(22,61,488)	(28,556)	(70,608)	-	-	(23,60,652)
As at March 31, 2016	9,30,022	535,97,217	664,88,019	21,22,921	22,82,724	15,70,475	1269,91,378
Additions during the year 16							
Additions	-	2,10,000	6,29,075	-	12,28,518	-	20,67,593
Adjustments	-	-	-	-	(7,86,830)	-	(7,86,830)
As at March 31, 2017	9,30,022	538,07,217	671,17,094	21,22,921	27,24,412	15,70,475	1282,72,141
Accumulated Depreciation							
As at April 1, 2015	-	146,38,132	465,64,316	11,88,318	37,57,867	19,85,046	681,33,679
Charge for the period	-	27,33,415	39,78,203	1,83,267	2,74,796	1,82,557	73,52,238
Disposal	-	(3,18,681)	(179,97,943)	(57,222)	(29,31,310)	(8,33,363)	(221,38,519)
Translation reserve	-	-	-	-	-	-	-
As at March 31, 2016	-	170,52,866	325,44,576	13,14,363	11,01,353	13,34,240	533,47,393
For the year	-	-	-	-	-	-	-
Charge for the period	-	25,16,844	40,25,687	1,22,967	2,40,070	86,578	69,92,146
Disposal	-	-	-	-	(7,47,488)	-	(7,47,488)
As at March 31, 2017	-	195,69,710	365,70,263	14,37,330	5,93,935	14,20,818	595,92,055
Net carrying amount							
As at April 1, 2015	9,30,022	340,90,136	320,57,327	8,41,172	15,80,370	3,51,825	698,50,852
As at March 31, 2016	9,30,022	365,44,351	339,43,443	8,08,558	11,81,371	2,36,235	736,43,980
As at March 31, 2017	9,30,022	342,37,507	305,46,831	6,85,591	21,30,477	1,49,657	686,80,085

Notes

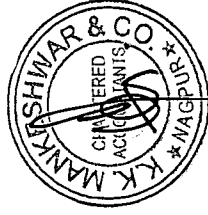
* Includes building and superstructure constructed on land belonging to Bilt Graphics Paper Products Limited.



AVANTHA AGRITECH LIMITED FORMERLY KNOWN AS BILT TREE TECH LIMITED

Note 6: Movement in Capital work-in-progress

	31-Mar-17	31-Mar-16	31-Mar-15
Opening net book amount	24,578	14,65,162	15,27,386
Acquisition of subsidiary			
Additions	7,88,797	63,30,630	31,51,525
Transferred to PPE	(8,13,375)	(77,71,214)	(32,13,749)
Closing net book amount	-	24,578	14,65,162
Components of CWIP			
Machinery and equipments	-	24,578	14,65,162
Closing net book amount	-	24,578	14,65,162



AVANTHA AGRITECH LIMITED

8 Intangible Assets under Development

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
(a) Intangible Assets under Development	-	-	57,655
	-	-	57,655

9 Biological assets under than bearer plants

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Biological Assets	6,78,425	14,56,132	491,87,152
Biological Assets-Acc. Depreciation	-	-	-
	6,78,425	14,56,132	491,87,152

10 Non current loans

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Loans to other	-	-	-
Loans to related parties	11889,46,723	-	-
	11889,46,723	-	-

11 Other non-current Financial Assets

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Unsecured, considered good			
(a) Security Deposits	43,74,666	43,70,590	84,045
(b) Balance with Govt Authorities	32,06,073	32,49,946	31,16,954
	75,80,739	76,20,536	32,00,999

12 Inventories

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Raw materials	8,88,095	13,13,160	11,04,329
Work in progress	54,62,368	283,70,315	296,01,749
Finished goods	486,45,234	445,30,100	241,99,810
Stock in trade	35,85,513	246,60,332	1,56,105
Stores and spares	50,69,094	89,05,980	87,01,552
	636,50,304	1077,79,887	637,63,545

CURRENT ASSES - FINANCIAL ASSETS

13 Trade receivables

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Unsecured Considered good			
- Due from related parties	227,71,660	201,65,758	224,39,964
- Due from others (more than 6 months)	36,76,734	60,80,906	74,32,921
- Due from others (less than 6 months)	11,48,400	1,36,603	2,04,981
Total Trade receivables	275,96,794	263,83,267	300,77,866

14 Cash and cash equivalents

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Balances with Banks :			
- On current accounts	109,51,791	339,09,767	499,36,403
Fixed deposits with original maturity of less than three months	-	-	-
Cheques on Hand	-	-	41,100
Cash on hand	49,979	94,026	16,592
Total Cash and cash equivalents	110,01,770	340,03,793	499,94,095



AVANTHA AGRITECH LIMITED

15 Other bank balances

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
In deposit accounts exceeding three months but less than twelve months	311,11,284	675,18,129	650,50,598
In other accounts	-	-	-
Total	311,11,284	675,18,129	650,50,598

16 Other financial assets

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Interest accrued on deposits	12,52,869	27,95,624	5,10,196
Security Deposit - Considered Good	9,63,000	13,75,500	2,51,070
Total	22,15,869	41,71,124	7,61,266

17 Current assets (net)

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Advance tax, tax deducted at source (including income tax refund receivable)	1,96,270	1,96,270	3,70,851
Total	1,96,270	1,96,270	3,70,851

18 Other current assets

NF

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Prepaid Expenses	1,58,818	2,08,535	6,08,034
Advances To Employees	1,97,520	23,047	91,954
Advances To Trade Creditors	52,998	2,06,375	6,59,306
Other current assets	-	31,487	1,79,547
Total	4,09,336	4,69,444	15,38,841

19 Equity share capital

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Opening balance	-	-	-
Equity share capital	108,00,000	108,00,000	108,00,000
Opening balance	-	-	-
Addition during the year	-	-	-
Total	108,00,000	108,00,000	108,00,000

20 Other equity

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Balance in Statement of Profit and Loss	426,20,982	175,48,594	347,86,080
Adjustment for Depreciation in accordance with schedule II of the Companies Act,2013	-	-	(40,58,025)
Reserve & Surplus OCI	(7,10,551)	(4,39,261)	-
Profit for the year as per statement of profit and loss	(673,69,821)	250,72,388	(131,79,461)
Total	(254,59,390)	421,81,721	175,48,594



AVANTHA AGRITECH LIMITED

NON-CURRENT FINANCIAL LIABILITY

21 Borrowings

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Term Loans :			
Banks	6425,94,200	3,86,362	7,07,037
	<u>6425,94,200</u>	<u>3,86,362</u>	<u>7,07,037</u>

22 Provisions

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Provisions for employee benefits :-			
- Provision for gratuity	22,77,253	22,08,424	18,62,485
- Provision for leave encashment	12,13,559	3,85,981	3,67,037
	<u>34,90,812</u>	<u>25,94,405</u>	<u>22,29,522</u>

23 Other non-current liability

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Liability for Capital Grant from World Bank	22,37,112	23,43,888	54,810
	<u>22,37,112</u>	<u>23,43,888</u>	<u>54,810</u>

CURRENT LIABILITY - FINANCIAL LIABILITY

24 Borrowings

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Working Capital Loan	5200,93,798	-	-
	<u>5200,93,798</u>	<u>-</u>	<u>-</u>

25 Trade payables

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
For Acceptances			
To micro,small and medium enterprises	-	-	-
Payable to Related Parties	87,74,231	80,89,864	1587,13,900
Other payables	694,32,018	1454,45,456	260,45,620
	<u>782,06,249</u>	<u>1535,35,320</u>	<u>1847,59,520</u>

26 Other financial liabilities

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Current maturities of long term debt	3,55,104	3,20,674	2,66,563
Interest accrued but not due on borrowings	341,11,865	-	-
Payables for capital goods	1,45,929	1,45,929	1,62,271
Payable to employee	23,17,492	46,11,487	35,50,267
Statutory dues	27,69,334	27,36,095	17,79,855
	<u>396,99,724</u>	<u>78,14,185</u>	<u>57,58,956</u>

27 Other current liabilities

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Advance received from customers	20,36,231	34,03,146	30,31,405
Advance from related party	1268,77,269	1000,94,173	1097,02,089
	<u>1289,13,500</u>	<u>1034,97,319</u>	<u>1127,33,494</u>



AVANTHA AGRITECH LIMITED

28 Provisions

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Provisions for employee benefits :			
- Provision for gratuity	65,543	62,279	45,620
- Provision for leave encashment	39,287	13,457	12,794
Provision For Taxation Including Mat	13,89,827	55,600	7,00,303
	<u>14,94,657</u>	<u>1,31,336</u>	<u>7,58,717</u>

29 Revenue from Operations

Particulars	31-Mar-17	31-Mar-16
Sale of products-Produced		
Plants, Wood & Green Fruits	751,27,913	1110,10,116
Sub Total	<u>751,27,913</u>	<u>1110,10,116</u>
Sale of products-Traded		
Wood	5791,36,124	6682,64,024
Plants	-	1,51,000
Seed	7,86,759	9,77,900
Green Fruits	33,05,111	2,79,258
Sub Total	<u>5832,27,994</u>	<u>6696,72,182</u>
Other operating revenue		
Harvesting Expenses Received	-	123,02,954
Sale of services	12,50,000	27,445
Sub Total	<u>12,50,000</u>	<u>123,30,399</u>
	<u>6596,05,907</u>	<u>7930,12,697</u>

30 Other income

Particulars	31-Mar-17	31-Mar-16
Profit on sale of PPE (Net)	1,91,769	3,81,284
Unspent liabilities and excess provisions of earlier years written back	-	484,08,692
Interest earned	34,71,849	59,66,309
Grant Received (World Bank-DM and Other)	1,06,776	6,18,649
Other non operating income (net of expenses directly attributable to such income)	2,28,280	-
	<u>39,98,674</u>	<u>553,74,934</u>



AVANTHA AGRITECH LIMITED

31 Cost of material consumed

Particulars	31-Mar-17	31-Mar-16
Cocopeth	6,20,969	14,26,182
Vermiculite	42,199	4,16,957
Boric acid	3,154	10,861
Captaf	171	3,406
IBA	38,086	3,35,381
Talcum power	849	10,076
Blitox	1,57,760	2,47,156
Carbonised rice huck	80,034	5,67,683
Sand	33,534	5,523
	<u>9,76,756</u>	<u>30,23,225</u>

32 Changes in inventories of finished Goods, work in progress and stock in trade:

Particulars	31-Mar-17	31-Mar-16
Stocks at the beginning of the year		
Finished goods	445,30,100	2,41,99,810
Work in progress	283,70,315	2,96,01,749
Stock-in-trade	246,60,332	1,56,105
Biological Assets	14,56,132	1,91,87,152
Total (A)	<u>990,16,879</u>	<u>10,31,44,816</u>
Stocks at the end of the year		
Finished goods	486,45,234	445,30,100
Work in progress	54,62,368	283,70,315
Stock-in-trade	35,85,513	246,60,332
Biological Assets	6,78,425	14,56,132
Total (B)	<u>583,71,540</u>	<u>990,16,879</u>
Net (Increase)/Decrease in Stocks (A-B)	<u>406,45,339</u>	<u>41,27,937</u>

33 Employee benefit expenses

Particulars	31-Mar-17	31-Mar-16
Salaries and wages	343,57,492	470,39,240
Contribution to provident and other funds	13,86,407	22,87,080
Staff welfare expenses	13,01,706	11,89,251
	<u>370,45,605</u>	<u>505,15,571</u>

34 Finance costs

Particulars	31-Mar-17	31-Mar-16
Interest expenses :-		
- to others	358,92,965	2,57,538
Other borrowing costs	37,941	-
	<u>359,30,906</u>	<u>2,57,538</u>

35 Depreciation and amortisation expense

Particulars	31-Mar-17	31-Mar-16
Depreciation on tangible assets	69,92,146	73,52,238
Amortization of intangible assets	14,333	14,372
Amortization Of Biological Assets	-	-
	<u>70,06,479</u>	<u>73,66,610</u>



AVANTHA AGRITECH LIMITED

36 Other expenses

Particulars	31-Mar-17	31-Mar-16
Consumption of stores and spare parts	49,04,146	57,90,265
Power and fuel	14,32,991	17,73,143
Water charges	8,83,842	9,75,463
Rent	10,25,762	11,04,119
Repairs to buildings	6,23,086	6,63,158
Repairs to machinery	4,57,050	15,59,991
Repairs others	60,775	1,99,612
Insurance	8,11,777	10,64,381
Rates and taxes	2,95,283	2,85,812
Other manufacturing expenses	130,02,831	217,98,313
Office & other expenses	125,02,464	152,22,873
Payment to auditors		
- Statutory Audit Fees	2,00,000	2,33,280
- Tax Audit Fees	75,000	87,480
- Certification fee and Other services	42,000	55,381
- Reimbursement of expenses	20,869	7,250
Selling expenses	2,43,183	7,35,232
Bad Debts	-	5,79,546
Assets discarded	-	5,09,523
Carriage and freight	107,01,230	115,57,861
Legal and professional charges	23,31,268	27,92,717
	496,13,557	669,95,400



Notes to the financial statements as on 31st March 2017

37 Financial risk management

(1) Financial risk factors

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Company also enters into derivative transactions. The Company's activities expose it to a variety of financial risks:

i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at March 31, 2017 and March 31, 2016.

ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

iii) Liquidity risk

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

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes.

Risk management is carried out by the treasury department under policies approved by the board of directors. The treasury team identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Market Risk

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange forward contracts and interest rate swaps of varying maturity depending upon the underlying contract and risk management strategy to manage its exposures to foreign exchange fluctuations and interest rate.

(a) Foreign exchange risk and sensitivity

The Company transacts business primarily in Indian Rupee, USD, Euro, GBP and Yen 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.

The following table demonstrates the sensitivity in the USD, Euro, GBO, Yen and other currencies to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

Particulars	Change in currency exchange rate	Effect on profit before tax	Change in currency exchange rate	Effect on profit before tax
For the year ended March 31, 2017				
USD	+5%	-	-5%	-
Euro	+5%	-	-5%	-
GBP	+5%	-	-5%	-
JPY	+5%	-	-5%	-
RM	+5%	-	-5%	-
SEK	+5%	-	-5%	-
SGD	+5%	-	-5%	-



Particulars	Change in currency exchange rate	Effect on profit before tax
For the year ended March 31, 2016		
USD	+5%	-
	-5%	-
Euro	+5%	-
	-5%	-
GBP	+5%	-
	-5%	-
JPY	+5%	-
	-5%	-
RM	+5%	-
	-5%	-
SEK	+5%	-
	-5%	-
SGD	+5%	-
	-5%	-

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

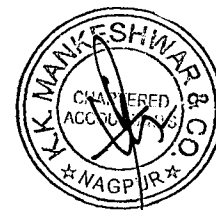
Summary of exchange difference accounted in Statement of Profit and Loss:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Currency fluctuations		
Net foreign exchange (gain) / losses shown as operating expenses	-	-
Net foreign exchange (gain) / losses shown as finance cost	-	-
Net foreign exchange (gain) / losses shown as Other Income	-	-
Derivatives		
Currency forwards (gain) / losses shown as operating expense	-	-
Interest rate swaps (gain) / losses shown as finance cost	-	-
Total	-	-

(b) Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The management also maintains a portfolio mix of floating and fixed rate debt. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. As at March 31, 2017, Company's 100% borrowings are at a floating rate of interest. Borrowings issued at fixed interest rate exposes the Company to fair value interest rate risk. The Company has borrowed the long term loans in the financial year ended 31-March-2017, and the company will start the repayment after one year moratorium period as scheduled in Sactioned letter. for interest rate risk, in financial year ended 31-March-2017 the Company will Presumed that No interest rate risk are exist for the Company.

With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings and loans on which interest rate swaps are taken.



(c) **Commodity price risk and sensitivity**

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company enter into contracts for procurement of material, most of the transactions are short term fixed price contract and a few transactions are long term fixed price contracts.

Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions and other financial instruments.

Trade Receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company has also taken advances and security deposits from its customers, which mitigate the credit risk to an extent.

The ageing of trade receivable is as below:

Particulars	Neither due nor impaired (including unbilled)	Past due			Total
		upto 6 months	6 to 12 months	Above 12 months	
Trade Receivables					
As at March 31, 2017					
Secured	-	-	-	-	-
Unsecured	-	39,10,394	10,52,113	226,34,287	275,96,794
Gross Total	-	39,10,394	10,52,113	226,34,287	275,96,794
Provision for doubtful receivables	-	-	-	-	-
Net Total	-	39,10,394	10,52,113	226,34,287	275,96,794
As at March 31, 2016					
Secured	-	-	-	-	-
Unsecured	-	4,11,050	2,39,562	257,32,655	263,83,267
Total	-	4,11,050	2,39,562	257,32,655	263,83,267
Provision for doubtful receivables	-	-	-	-	-
Net Total	-	4,11,050	2,39,562	257,32,655	263,83,267

Financial instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings.

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

Liquidity risk

The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below provides undiscounted cash flows towards non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

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



Rs. In Lac

Particulars	As at March 31, 2017					Total
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1years	
Interest bearing borrowings (including current maturities)	6,500	-	-	-	6,500	6,500
Financial derivatives	-	-	-	-	-	-
Other liabilities	-	-	-	1,348	0	1,349
Trade and other payables	-	-	-	782	0	782
Total	6,500	-	-	2,130	6,500	8,631

Particulars	As at March 31, 2016					Total
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1years	
Interest bearing borrowings (including current maturities)	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-
Other liabilities	-	-	-	1,032	4	1,035
Trade and other payables	-	-	-	1,535	-	1,535
Total	-	-	-	2,567	4	2,571

Unused lines of credit

Particulars	As at March 31, 2017	As at March 31, 2016
Secured	-	-
Unsecured	-	-
Total	-	-

Interest rate and currency of borrowings

The below details do not necessarily represent foreign currency or interest rate exposure to the income statement, since the Company has taken derivatives for offsetting the foreign currency and interest rate exposure.

Rs. In Lac

Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average interest rate (%)
INR	6,500	6,500	-	9.50%
USD	-	-	-	-
Euro	-	-	-	-
Total as at March 31, 2017	6,500	6,500	-	9.50%
INR	-	-	-	-
USD	-	-	-	-
Euro	-	-	-	-
Total as at March 31, 2016	-	-	-	-



37.2 Competition and price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

37.3 Capital risk management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2017 and March 31, 2016.

For the purpose of the Company's capital management, capital includes issued capital, compulsorily convertible debentures, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits, excluding discontinued operations.

The Company monitors capital using gearing ratio, which is net debt divided by total capital. During 2016-17, the company's strategy was to maintain a gearing ratio within 15% to 20%, the gearing ratios at March 31, 2017 and March 31, 2016 were as follows:

Particulars	Rs in Lac	
	As at March 31, 2017	As at March 31, 2016
Loans and borrowings	6,500	-
Less: cash and cash equivalents	110	340
Net debt	6,390	(340)
Total capital	(201)	530
Capital and net debt	6,188	190
Gearing ratio	-0.03	-1.56

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest bearing loans and borrowing for reported periods.

38 Fair value of financial assets and liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

Particulars	As at March 31, 2017		As at March 31, 2016		As at April, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets designated at fair value through profit and loss						
Derivatives - not designated as hedging						
- Forward contracts Investment						
- In mutual funds and others						
Financial assets designated at fair value through other comprehensive Investment						
- In Equity shares*						
Financial assets designated at amortised cost						
Fixed deposits with banks						
Cash and bank balances	421,13,054	421,13,054	1015,21,922	1015,21,922	1150,44,693	1150,44,693
Investment	-	-	-	-	-	-
Trade and other receivables	363,36,803	363,36,803	355,75,573	355,75,573	339,00,786	339,00,786
Other financial assets	11901,99,592	11901,99,592	27,95,624	27,95,624	5,10,196	5,10,196
Total	12686,49,449	12686,49,449	1398,93,119	1398,93,119	1494,55,675	1494,55,675



Particulars	As at March 31, 2017		As at March 31, 2016		As at April, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities designated at fair value through profit or						
Derivatives - not designated as						
- Forward contracts	-	-	-	-	-	-
- Interest rate swaps	-	-	-	-	-	-
Financial liabilities designated at amortised cost						
Borrowings - fixed rate	3,86,363	3,86,363	7,07,036	7,07,036	9,73,600	9,73,600
Borrowings - floating rate	11626,56,739	11626,56,739	-	-	-	-
Trade & other payables	754,91,081	754,91,081	1554,63,179	1554,63,179	320,46,094	320,46,094
Other financial liabilities	382,71,026	382,71,026	2,01,529	2,01,529	24,80,158	24,80,158
Total	12768,05,209	12768,05,209	1563,71,744	1563,71,744	354,99,852	354,99,852

* Non-current investment in equity shares designated at fair value through other comprehensive income where carrying value and fair value is nil as on March 31, 2017

Fair valuation techniques

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

The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 2) Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.
- 3) The fair values of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity, and market parameters such as interest rates, foreign exchange rates, and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.
- 4) IND AS 101 allow Company to fair value property, plant and machinery on transition to IND AS, the Company has fair valued property, plant and equipment, and the fair valuation is based on replacement cost approach.
- 5) IND AS 101 allows Company to fair value investment in subsidiary on transition to IND AS, the Company has fair valued investment in some subsidiaries, and the fair valuation is based on income approach.

Fair Value hierarchy

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

- Quoted prices / published NVA (unadjusted) in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value (NAV) is published mutual fund operators at the balance sheet date.
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 2 as described below Assets / Liabilities measured at fair value (Accounted)

Assets / Liabilities measured at fair value (Accounted)	As at March 31, 2017			
	As at March 31, 2017	Level 1	Level 2	Level 3
Financial assets				
Derivatives - not designated as hedging instruments				
- Forward contracts	-	-	-	-
Investment				
- In mutual funds and others	-	-	-	-
- Equity shares	-	-	-	-
Other financial assets				
Financial liabilities				
Derivatives - not designated as hedging instruments				
- Forward contracts	-	-	-	-
- Interest rate swaps	-	-	-	-

Assets / Liabilities measured at fair value (Accounted)	As at March 31, 2016			
	As at March 31, 2016	Level 1	Level 2	Level 3
Financial assets				
Derivatives - not designated as hedging instruments				
- Forward contracts	-	-	-	-
Investment				
- In mutual funds and others	-	-	-	-
- Equity shares	-	-	-	-



Other financial assets	-	-	-
Financial liabilities			
Derivatives - not designated as hedging instruments			
- Forward contracts	-	-	-
- Interest rate swaps	-	-	-

Assets / Liabilities measured at fair value (Accounted)		As at April 01, 2015		
Particulars	As at March 31, 2015	Level 1	Level 2	Level 3
Financial assets				
Derivatives - not designated as hedging instruments				
- Forward contracts	-	-	-	-
Investment				
- In mutual funds and others	-	-	-	-
- Equity shares	-	-	-	-
Other financial assets	-	-	-	-
Financial liabilities				
Derivatives - not designated as hedging instruments				
- Forward contracts	-	-	-	-
- Interest rate swaps	-	-	-	-

Assets / Liabilities for which fair value is disclosed (only disclosed)		As at March 31, 2017		
Particulars	As at March 31, 2017	Level 1	Level 2	Level 3
Financial liabilities				
Borrowings- fixed rate	-	-	-	-
Other financial	-	-	-	-

Assets / Liabilities for which fair value is disclosed (only disclosed)		As at March 31, 2016		
Particulars	As at March 31, 2016	Level 1	Level 2	Level 3
Financial liabilities				
Borrowings- fixed rate	-	-	-	-
Other financial	-	-	-	-

Assets / Liabilities for which fair value is disclosed (only disclosed)		As at April 01, 2015		
Particulars	As at March 31, 2015	Level 1	Level 2	Level 3
Financial liabilities				
Borrowings- fixed rate	-	-	-	-
Other financial	-	-	-	-



During the year ended March 31, 2017 and March 31, 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements. There is no transaction / balance under level 3.

Following table describes the valuation techniques used and key inputs to valuation for level 2 of the fair value hierarchy as at March 31, 2017 and March 31, 2016, respectively:

Particulars	Fair value hierarchy	Valuation technique	Inputs used	Quantitative Information about
Financial assets				
Derivatives - not designated as hedging instruments				
- Forward contracts	-	-	-	-
- Interest rate swaps	-	-	-	-
Financial liabilities				
Derivatives - not designated as hedging instruments	-	-	-	-
- Forward contracts	-	-	-	-
- Interest rate swaps	-	-	-	-

Assets / Liabilities for which fair value is disclosed

39

Segment information

Information about primary segment

The Company is engaged primarily into producing sapling and sale to farmers and land owner for generation of pulp wood. Also engaged in trading activities wood purchase from farmers and agriculture market committee and sale to paper manufacturer industries

Other :-

The measurement principles for segment reporting are based on IND AS. Segment's performance is evaluated based on segment revenue and profit or loss from operating activities:-

1. Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.
2. Finance income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting.

Particulars	Fair value hierarchy	Valuation technique	Inputs used
Financial liabilities	-	-	-
Other borrowings- fixed rate	-	-	-
Other financial liabilities	-	-	-

3. The total assets disclosed for each segment represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, intersegment assets and exclude derivative financial assets, deferred tax assets and income tax recoverable.

4. Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial liabilities.

5. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets (net of rebates, where applicable).



6. Unallocated expenses/ results, assets and liabilities include expenses/ results, assets and liabilities (including inter-segment assets and liabilities) and other activities not allocated to the operating segments. These also include current taxes, deferred taxes and certain financial assets and liabilities not allocated to the operating segments.

A) Primary business segment

As at March 31, 2017

Particulars	Agroforestry Operations	Non Agroforestry Operations	Total
Revenue from external customer Inter Segment Sales	751,27,913	5844,77,994	6596,05,907
Total Revenue	751,27,913	5844,77,994	6596,05,907
Share of results of joint ventures and associates			-
Segment Result before interest, exceptional and Taxes	(350,55,525)	19,61,761	(330,93,764)
Finance income			34,71,849
Finance costs			359,30,906
Exceptional items			-
Profit before tax			(655,52,821)
Less: Current tax			18,17,000
Less: Deferred tax			-
Less: MAT			-
Net profit after tax			(673,69,821)
Other segment items			-
Additions to Property, Plant and Equipment and Intangibles			-
Depreciation and amortisation for the year	68,73,938	1,32,541	70,06,479
Segment assets	2063,96,165	65,31,504	2129,27,669
Segment liabilities	541,45,530	1949,11,055	2490,56,585

Operating expenses comprises of consumption of materials, employee benefit expenses, depreciation and amortisation and other expenses.

Unallocated assets comprise of:

Particulars	As at 31-Mar-17
Investments	-
Loans	11889,46,723
Current Tax Assets (Net)	1,96,270
Total	11891,42,993

Unallocated Liabilities comprise of:

Particulars	As at 31-Mar-17
Borrowings	11626,87,998
Provisions	49,85,469
Deferred tax liabilities (net)	-
Total	11676,73,467

Information about Geographical Segment – Secondary

The Company's operations are located in India. The following table provides an analysis of the Company's sales by geography in which the customer is located, irrespective of the origin of the goods.

Particulars	2016 - 17			2015-16			2014-15		
	Within India	Outside India	Total	Within India	Outside India	Total	Within India	Outside India	Total
Revenue from Operations	6,596.06	-	6,596.06	7,930.13	-	7,930.13	6,545.89	-	6,545.89
Non current Assets	12,658.89	-	12,658.89	827.63	-	827.63	1,237.94	-	1,237.94



Income tax expense

Particulars	for the year ended March 31, 2017	for the year ended March 31, 2016
Current tax	18,17,000	22,01,912
	<u>18,17,000</u>	<u>22,01,912</u>
Deferred tax		
- Relating to origination & reversal of temporary differences	-	-
- Relating to change in tax rate	-	-
Tax expense attributable to current year's profit	-	-
Adjustments in respect of income tax of previous year		
- Current income tax	-	-
- Deferred tax	-	-
	-	-
- MAT	-	-
MAT credit entitlement	-	-
MAT credit utilisation	-	-
	-	-
Total Tax expense	<u>18,17,000</u>	<u>22,01,912</u>



Effective tax Reconciliation

Numerical reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

S.No.	Particulars	for the year ended March 31, 2017	for the year ended March 31, 2016
	Net Loss/(Income) before taxes	(655,52,821)	272,74,300
	Enacted tax rates for parent company under MAT	18.50%	18.50%
	Computed tax Income/(expense)	(121,27,272)	50,45,746
	Increase/(reduction) in taxes on account of:		
1	Previous year tax adjustments	-	-
2	Deferred tax of previous years	-	-
3	Other non deductible expenses		
4	Income not taxable /exempt from tax		
5	Tax on which no deduction is admissible		
6	Change in Rate of tax		
	Income tax expense reported	18,17,000	22,01,912

41 Deferred income tax

The analysis of deferred tax assets and deferred tax liabilities is as follows.

Particulars	As at March 31, 2017	As at March 31, 2016
Book base and tax base of Fixed Assets	-	-
(Disallowance)/Allowance (net) under Income Tax	-	-
Brought forward losses set off	-	-
Total	-	-

Component of tax accounted in OCI and equity

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Component of OCI	2,71,290	4,39,261
Deferred Tax (Gain)/Loss on defined benefit	Nil	Nil

42 Retirement benefit obligations

1. Expense recognised for Defined Contribution plan

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Company's contribution to provident fund	13,86,407	22,87,080
Company's contribution to ESI	-	-
Company's contribution to superannuation fund	-	-
Total	13,86,407	22,87,080



Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the standalone Balance Sheet as at March 31, 2017 and March 31, 2016, being the respective measurement dates:

1. Movement in obligation

Particulars	Gratuity (Funded)	leave encashment (unfunded)
Present value of obligation - April 1, 2015	19,08,105	3,79,831
Acquisitions / Transfer in/ Transfer out	-	-
Current service cost	2,91,713	99,764
Interest cost	1,47,878	29,437
Benefits paid	(1,55,954)	(4,69,894)
Remeasurements - actuarial loss/ (gain)	78,961	3,60,300
Present value of obligation - March 31, 2016	22,70,703	3,99,438
Present value of obligation - April 1, 2016	22,70,703	3,99,438
Acquisitions / Transfer in/ Transfer out	-	-
Current service cost	2,45,438	2,51,040
Past service cost	-	9,33,070
Interest cost	1,77,115	1,03,936
Benefits paid	(3,83,077)	(6,73,311)
Remeasurements - actuarial loss/ (gain)	32,617	2,38,673
Present value of obligation - March 31, 2017	23,42,796	12,52,846

2 Movement in Plan Assets - Gratuity

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Fair value of plan assets at beginning of year	-	-
Acquisitions / Transfer in/ Transfer out	-	-
Expected return on plan assets	-	-
Employer contributions	3,83,077.00	1,55,954.00
Benefits paid	(3,83,077.00)	(1,55,954.00)
Actuarial gain / (loss)	-	-
Fair value of plan assets at end of the year	-	-
Present value of obligation - March 31, 2017	-	-
Net funded status of plan		
Actuarial return on plan assets		

The components of the gratuity & leave encashment cost are as follows:

3 Recognised in profit and loss

Particulars	Gratuity	leave encashment
Current Service cost	2,91,713	99,764
Interest cost	1,47,878	29,437
Expected return on plan assets	-	-
Remeasurement - Actuarial loss/(gain)	-	#
For the year ended March 31, 2016	4,39,591	4,89,501
Actual return on plan assets	-	-
Current Service cost	2,45,438	2,51,040
Interest cost	1,77,115	#
Expected return on plan assets	-	-
Remeasurement - Actuarial loss/(gain)	-	2,38,673
For the year ended March 31, 2017	4,22,553	5,93,649
Actual return on plan assets	-	-

4 Recognised in Other Comprehensive Income

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	78,961
For the year ended March 31, 2016	78961
Remeasurement - Actuarial loss/(gain)	32617
For the year ended March 31, 2017	32617



5 The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market. Same assumptions were considered for comparative period i.e. 2015-16 as considered in previous GAAP on transition to IND AS.

Weighted average actuarial assumptions	As at March 31, 2017	As at March 31, 2016
Attrition rate	2.00%	2.00%
Discount Rate	7.80%	7.80%
Expected Rate of increase in salary	5.00%	5.00%
Expected Rate of Return on Plan Assets	0	0
Mortality rate	IALM 06-08 Ultimate	IALM 06-08 Ultimate
Expected Average remaining working lives of employees (years)	23.65	22.08

6. Sensitivity analysis:

Particulars	change in Assumption Effect on Gratuity	
for the year ended march 2016		
Discount rate	+1%	8.80%
	-1%	6.80%
Salary Growth rate	+1%	6.00%
	-1%	4.00%
Withdrawal Rate	+1%	3.00%
	-1%	1.00%
for the year ended march 2017		
Discount rate	+1%	8.80%
	-1%	6.80%
Salary Growth rate	+1%	6.00%
	-1%	4.00%
Withdrawal Rate	+1%	3.00%
	-1%	1.00%

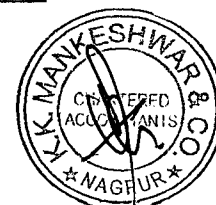
The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

7. History of experience adjustments is as follows:

Particulars	Gratuity
For the year ended March 31, 2016	
Plan Liabilities - (loss)/gain	
Plan Assets - (loss)/gain	
For the year ended March 31, 2017	
Plan Liabilities - (loss)/gain	
Plan Assets - (loss)/gain	

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	Gratuity
01 Apr 2017 to 31 Mar 2017	65543.00
01 Apr 2018 to 31 Mar 2019	321839.00
01 Apr 2019 to 31 Mar 2020	321839.00
01 Apr 2020 to 31 Mar 2021	321839.00
01 Apr 2021 to 31 Mar 2022	321839.00
01 Apr 2022 Onwards	40,18,547.00



8 Statement of Employee benefit provision

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Gratuity	23,42,796	22,70,703
leave encashment	12,52,846	3,99,438
Total	35,95,642	26,70,141

The following table sets out the funded status of the plan and the amounts recognised in the Company's balance sheet.

9. Current and non-current provision for Gratuity and leave encashment

Particulars	Gratuity	leave encashment
For the year ended March 2016		
Current provision	62,279	13,457
Non current provision	22,08,424	3,85,981
Total Provision	22,70,703	3,99,438
For the year ended March 2017		
Current provision	65,543	39,287
Non current provision	22,77,253	12,13,559
Total Provision	23,42,796	12,52,846

10. Employee benefit expenses

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and Wages	343,57,492	470,39,240
Contribution to provident and other funds	13,86,407	22,87,080
Costs-defined benefit plan	-	-
Costs-defined contribution plan	-	-
Welfare expenses	13,01,706	11,89,251
Total	370,45,605	505,15,571

(Figure in nos.)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Average no of people employed	84	63

OCI presentation of defined benefit plan

- Gratuity is in the nature of defined benefit plan, Re-measurement gains/(losses) on defined benefit plans is shown under OCI as Items that will not be reclassified to profit or loss and also the income tax effect on the same.

Leave encashment cost is in the nature of short term employee benefits.

Presentation in Statement of Profit & Loss and Balance Sheet

Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss.

IND AS 19 do not require segregation of provision in current and non-current, however net defined liability (Assets) is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

When there is surplus in defined benefit plan, company is required to measure the net defined benefit asset at the lower of; the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified, i.e. market yield at the end of the reporting period on government bonds, this is applicable for domestic companies, foreign company can use corporate bonds rate.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.



Other disclosures

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a) Auditors Remuneration		
1 Statutory Auditors		
i. Audit Fee	2,00,000.00	233280.00
ii. Tax Audit Fee	75,000.00	87480.00
iii. Certification/others	42,000.00	55381.00
iv. Other capacity	-	0.00
iv. Out of pocket Expenses	20,869.00	7250.00
Total	3,37,869.00	383391.00
2. Cost Auditors		
i. Audit Fee	-	-
ii. Out of pocket Expenses	-	-
Total	-	-

(b) Expenditure on Corporate Social Responsibility :

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Preventive health care and sanitation	-	-
Charity and Donation	-	-
Expenses for differently abled	-	-
Rural development	-	-
Livelihood Enhancement Projects	-	-
Total	-	-

c) Details of loans given, investment made and Guarantees given, covered u/s 186(4) of the Companies Act, 2013.

- Loans given and investment made are given under the respective heads
- Corporate Guarantees have been issued on behalf of subsidiary companies, details of which are given in related Party transactions refer Note no. **

Borrowing cost and currency fluctuations capitalised

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a) Borrowing cost		
Borrowing Cost Capitalised		

No general purpose borrowing has been capitalised.

b) Foreign currency fluctuation on long term borrowings

The Company has opted to continue the policy to capitalise foreign currency fluctuation on long term borrowings which was followed as per previous I-GAAP as per optional election of Ind AS -101, on all long term foreign currency borrowings outstanding on March 31, 2016. Accordingly, the Company has capitalised such exchange fluctuation to fixed assets of `----- lacs and `----- lacs for the year ended March 31, 2017 and March 31, 2016 respectively.

The Company is doing specific borrowing cost capitalisation only.



Contingent Liabilities

i) Guarantees

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Guarantees issued by the Company's bankers on behalf of the Company	4,17,000	4,17,000	4,17,000
Corporate guarantees/ undertaking issued to lenders of subsidiary companies	-	-	-
Performance guarantees issued on behalf of subsidiary company	-	-	-
Liability in respect of Corporate Guarantee/Duty Saved for availing various export based incentive schemes	-	-	-
Total	4,17,000	4,17,000	4,17,000

ii) Letter of Credit Outstanding

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Letter of Credit Outstanding	-	-	-

iii) Other contingent liabilities

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Claims against the company not acknowledged as debt	50,60,000	488,87,045	396,37,930
Income tax demands against which company has preferred appeals	-	-	-
Disputed Sales Tax	-	-	-
Total	50,60,000	488,87,045	396,37,930

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.

46 Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Property, Plant and Equipment	45,500	1,14,714	28,39,923

47 Detail of related party transactions.



Related party transactions

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

Related party name and relationship**Holding Company**

Ballarpur Industries Limited

Subsidiaries (including step down subsidiaries) of Holding Company

Ballarpur International Holdings B.V.

BILT Paper B.V.

Ballarpur Paper Holdings B.V.

BILT Graphic Paper Products Limited

Ballarpur Speciality Paper Holdings B.V.

Premier Tissues (India) Limited

Sabah Forest Industries Sdn. Bhd.

Name of the related Parties with whom transactions were carried out during the year and nature of Relationship**Holding Company**

Ballarpur Industries Limited

Fellow Subsidiary Company

BILT Graphic Paper Products Limited

Key management Personnel

Ms. Suchita Bhandari

Details of transaction with related parties

Particulars	31st March, 2017 Rs.	31st March, 2016 Rs.	31st March, 2015 Rs.
Sale			
- BILT Graphic Paper Products Limited	5796,99,995	6687,90,324	5421,20,644
- Ballarpur Industries Limited	-	-	19,615
Harvesting Charges			
- Ballarpur Industries Limited	-	-	-
- BILT Graphic Paper Products Limited	-	123,02,954	105,04,389
Purchase			
- Ballarpur Industries Limited	-	-	59,131
- BILT Graphic Paper Products Limited	1,12,750	1,00,796	1,69,878
Charges for use of Land			
- BILT Graphic Paper Products Limited	1,69,280	1,89,364	1,38,502
Outstanding Balance Debit (Credit)			
- Ballarpur Industries Limited (Net)	11084,68,006	-	(1493,12,302)
- BILT Graphic Paper Products Limited (Net)	(324,01,123)	(880,18,278)	(966,63,723)

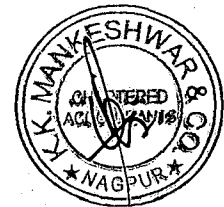


Government Grant**World Bank -India Development Market**

Company has received grant from World Bank and others for carrying out Sustainable Agro Forestry Project for Chhattisgarh state. Also development of company infrastructure received Capital Grant. Company has recognised as income in the Statement of Profit & Loss to match with related cost and depreciation. The Capital Grant used for purchase of fixed Assets and create Liability for Capital Grant from World Bank to adjust the Fixed Assets against the Capital Grant, related fixed depreciable asset is adjusted against the Liability for Capital Grant as per useful life of assets.

Balances of Government grant received and income recognized during the period are as follows:

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Government grant opening	23,43,888	54,810
Addition During the Year	-	29,07,727
Revenue recognized	1,06,776	6,18,649
Government grant received in advance Closing	22,37,112	23,43,888



49 Earnings per share

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

Particulars	(Number of shares)	
	Year Ended March 31, 2017	Year Ended March 31, 2016
Issued equity shares	1080000	1080000
Equity shares compulsorily issuable on conversion of CCD		
Weighted average shares outstanding - Basic and Diluted - A	1080000	1080000

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

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
	Profit and loss after tax	(673,69,821)
Less: Premium on redemption of debentures		
Profit and loss after tax for EPS	(673,69,821)	250,72,388
Basic Earnings per share (B/A)	-62.38	23.22
Diluted Earnings per share (B/A)	-62.38	23.22

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

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



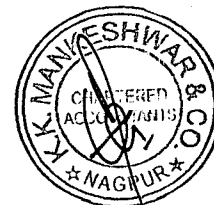
Provisions

Movement in each class of provision during the financial year are provided below:

Particulars	Employee Benefits	Restoration Obligation	Total
As at March 31, 2015	22,87,936		22,87,936
Provision during the year	3,91,477		3,91,477
Remeasurement losses accounted for in OCI	4,39,261		4,39,261
Payment during the year	(6,25,848)		(6,25,848)
Interest charge	1,77,315		1,77,315
As at March 31, 2016	26,70,141	-	26,70,141
Provision during the year	4,96,478		4,96,478
Acquisitions / Transfer in/ Transfer out	9,33,070		9,33,070
Remeasurement losses accounted for in OCI	2,71,290		2,71,290
Payment during the year	(10,56,388)		(10,56,388)
Interest charge	2,81,051		2,81,051
As at March 31, 2017	35,95,642	-	35,95,642
As at March 31, 2016			
Current	75,736		75,736
Non Current	25,94,405		25,94,405
As at March 31, 2017			
Current	1,04,830		1,04,830
Non Current	34,90,812		34,90,812

"Provision during the year" for asset retirement obligation is after considering the impact of change in discount rate.

The expected outflow of provisions for asset retirement obligation is 45 to 47 years.



51 Events occurring after the Balance Sheet date

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
	Nil	Nil

52 Transition to IND AS

Basis of preparation

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

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

53 Denomination

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

Particulars	Specified Bank notes	Other denomination notes	Total
Closing Cash in hand as on 08-11-16	91,500	36,539	1,28,039
(+) Permitted Receipts	-	7,69,244	7,69,244
(-) Permitted Payments	-	6,20,685	6,20,685
(-) Amount deposited in Banks	91,500	-	91,500
Closing Cash in hand as on 30-12-2016	-	1,85,098	1,85,098

