

Independent Auditor's Report
To the Members of Bilt Graphic Paper Products Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Bilt Graphic Paper Products Limited ('the Company'), which comprise the balance sheet as at 31st March, 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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

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- A- 425, SARITA VIHAR, NEW DELHI-110076.
- 331, KALIANDAS UDYOG BHAWAN, CENTURY BAZAR LANE, PRABHADEVI, MUMBAI- 400025.
- PRABHATARAPTS, 3rd FLOOR, WR, PARANJAPE LANE, NEAR HOTEL VAISHALI, SHIVAJINAGAR PUNE- 411004
- COSMOS REGENCY, JUPITER II, 102 WAGHBILL NAKA GHODBUNDER ROAD, THANE (W)- 400607



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 financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 46 of the Statement regarding invocation of Strategic Debt Restructuring by the Lenders due to non-fulfillment of debt obligations. On the basis of projected business plan as agreed with the lenders, these financial results have been prepared on a going concern basis. These financial results do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that may be necessary if the Company is unable to continue as going concern.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity 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 Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
 - (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 as on 31st March, 2017 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
- (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:
- a. the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 44 to the Ind AS financial statements;
 - b. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 23 & 28 to the Ind AS financial statements;
 - c. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - d. 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 45 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



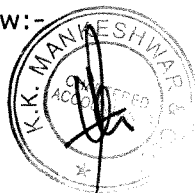
New Delhi, dated the
23rd May, 2017

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

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

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The fixed assets were physically verified during the year by the Management. No material discrepancies were noticed on such physical verification.
- c) On examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The inventory, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. The Company has not granted any loan, secured or unsecured, to Companies, firms or other parties covered in the registers maintained in pursuance of Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
4. According to the information and explanation given to us, the Company has complied with the provision of section 185 and 186 of the Act in respect of loans, guarantees, investments and securities made.
5. According to the information and explanation given to us, the Company has not accepted any deposits during the year.
6. We have broadly reviewed the books of account and records maintained by the Company relating to the products of the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Sub-section (1) of Section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
7. a) According to the information and explanation given to us, undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities though there have been a delay in few cases.

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

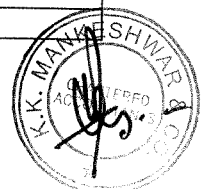


| Name of the Statute | Amount in Lacs | Due date | Actual date of payment |
|---|-----------------|------------------|------------------------|
| Professional Tax | 3.37 | July-2016 | Not Paid |
| Electricity Duty | 28.67 | July-2016 | Not Paid |
| Duty of Customs | 475.33 | Apr-16 to Aug-16 | Not Paid |
| Rent & Interest under section 61 of Customs Act, 1962 | 639.58 | Apr-16 to Aug-16 | Not Paid |
| Professional Tax | 2.69 | Jun-16 to Aug-16 | Not Paid |
| Duty of Customs | 14.97 | Dec-15 to Mar-16 | Not Paid |
| Rent & Interest under section 61 of Customs Act, 1962 | 63.48 | Dec-15 to Mar-16 | Not Paid |
| Dividend Tax | 67.19 | Apr-16 to Sep-16 | Not Paid |
| Withholding tax u/S 195 (foreign) | 905.15 | Apr-16 to Sep-16 | Not Paid |
| Total | 2,300.42 | | |

b) According to the information and explanations given to us, there are no dues of Income-Tax, Sales tax, Value added tax, Service Tax, Duty of Customs, Duty of Excise, Cess which have not been deposited with the appropriate authorities on account of disputes other than those mentioned in "Annexure A (1)" to this report.

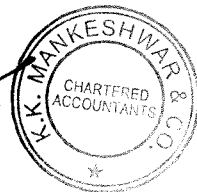
8. Based on our audit procedures and information and explanations given by the management, we are of the opinion that as on 31st March, 2017 the Company has defaulted in repayment of loans to banks and financial institutions aggregating to Rs 27,008.89 Lacs. Lender wise details of such default is as under:

| Sr No. | Bank/ Financial Institution | Amount of default as at the balance sheet date (In Lacs) | Due date of Repayment | Payment Status |
|--------|---|---|----------------------------|----------------|
| 1. | IDFC Limited | 961.53 | 14-Oct-16 | Not Paid |
| 2. | IDFC Limited | 961.53 | 14-Jan-17 | Not Paid |
| 3. | Ge Money Financial Services Private Limited | 681.81 | 27-Dec-16 | Not Paid |
| 4. | Ge Money Financial Services Private Limited | 681.81 | 27-Mar-17 | Not Paid |
| 5. | Ge Money Financial Services Private Limited | 227.27 | 13-Nov-16 | Not Paid |
| 6. | Ge Money Financial Services Private Limited | 227.27 | 13-Feb-17 | Not Paid |
| 7. | State Bank of India | 810.00 | 31-Dec-16 | Not Paid |
| 8. | State Bank of India | 810.00 | 31-Mar-17 | Not Paid |
| 9. | IDFC Limited | 105.26 | 30-Nov-16 | Not Paid |
| 10. | IDFC Limited | 105.26 | 31-Dec-16 | Not Paid |
| 11. | IDFC Limited | 105.26 | 31-Jan-17 | Not Paid |
| 12. | IDFC Limited | 105.26 | 28-Feb-17 | Not Paid |
| 13. | IDFC Limited | 128.06 | 31-Mar-17 | Not Paid |
| 14. | IDFC Limited | 105.26 | 31-Mar-17 | Not Paid |
| 15. | Aditya Birla Finance Ltd. | 200.00 | 28-Mar-17 | Not Paid |
| 16. | Axis Bank | 2,500.00 | 23-Dec-16 | Not Paid |
| 17. | Axis Bank | 2,500.00 | 23-Mar-17 | Not Paid |
| 18. | State Bank of Patiala | 50.00 | 29-Dec-16 | Not Paid |
| 19. | State Bank of Patiala | 50.00 | 28-Mar-17 | Not Paid |
| 20. | Rabo Bank -ECB | 1,802.23 | 12-Sep-2016 | Not Paid |
| 21. | Rabo Bank -ECB | 1,802.23 | 12-Mar-2017 | Not Paid |
| 22. | DBS Bank -ECB | 324.40 | 07-Aug-2016 | Not Paid |
| 23. | DBS Bank -ECB | 778.56 | 07-Feb-2017 | Not Paid |
| 20. | Debenture | 10,965.00 | 21-Dec-2016 to 31-Mar-2017 | Not Paid |
| 20. | Debentures | 20.89 | 30-Jun-2016 to 31-Mar-2017 | Not Paid |
| | Total | 27,008.89 | | |



9. The Company has not raised money by way of initial public offer or further public offer (including debt instruments). However the moneys raised by way of term loan which were applied for the purpose for which those were obtained.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. As the Company does not pay any managerial remuneration, accordingly clause (xi) of paragraph 3 of the Order is not applicable to the Company.
12. As the Company is not a Nidhi Company, accordingly clause (xii) of paragraph 3 of the order is not applicable to the Company.
13. According to the information and explanation given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act, wherever applicable and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
14. According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the paragraph 3 of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

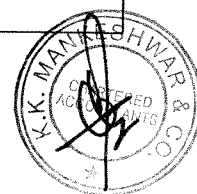

ASHWIN MANKESHWAR
Partner
Membership No. 046219
For and on behalf of
K. K. Mankeshwar & Co.,
Chartered Accountants
FRN: 106009W



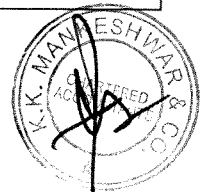
New Delhi, dated the
23rd May, 2017

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

| Name of Statute | Nature of dues | Amount (Rs. In Lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|---------------------------------|-------------------------------------|-----------------------|---|--|
| Custom Act, 1962 | Custom Duty | 6.78 | 1983-1984 | Hon'ble High Court of Orissa |
| Central Excise Tariff Act, 1985 | Excise duty | 1,198.93 | 1999-2015 | Appellate authority |
| Central Excise Tariff Act, 1985 | Service tax | 62.32 | 1997-1998, 2005-2007 | Assessing authority |
| Central and Various Sales Tax | Sales Tax | 262.40 | 1985-1987, 1995-2007 | Appellate authority & Hon'ble High Court of Orissa |
| Income Tax Act, 1961 | Tax deducted at Source | 2.75 | 2007-2014 | Assessing authority (ITO) |
| Orissa Entry Tax Act, 1999 | Entry Tax | 601.60 | 1999-2009 | Sales Tax Appellate Tribunal & Hon'ble High Court Orissa |
| Payment of Bonus Act, 1965 | Bonus | 75.00 | 2014-15 | Hon'ble Kerala High Court |
| Maharashtra Value Added Tax Act | Sales Tax | 65.11 | 2005-06 | High Court Mumbai |
| Custom Act, 1962 | Custom | 104.33 | 2006-07 | CESTAT |
| Custom Act, 1962 | Custom | 504.93 | 2014-15 | CESTAT |
| Custom Act, 1962 | Custom | 196.02 | 2013-14 | CESTAT |
| Custom Act, 1962 | Custom | 42.55 | 2013-14 | Commissioner of custom (Appeal) |
| Service Tax | Service Tax | 2.26 | 2006-07 | Commissioner of Central Excise Pune |
| Central Excise Tariff Act, 1985 | Demand for penalty on short receipt | 3.98 | 2015-16 | Commissioner of Central Excise Pune |
| Central Excise Tariff Act, 1985 | Reversal of Excise Duty availed | 5.06 | 2014-15 | Additional Commissioner Central Excise , Pune- III |
| Central Excise Tariff Act, 1985 | Service Tax | 7.17 | 2013-14 | Additional Commissioner Central Excise , Pune- III |
| Central Excise Tariff Act, 1985 | Excise duty | 136.59 | 1984-86, 1984-85, 1991-93, 2001-02, 2001-03 | Assessing authority |
| Central Excise Tariff Act, 1985 | Excise duty | 925.14 | 2005-06, 1995-96 | Appellate authority |
| Central Excise Tariff Act, 1985 | Excise duty | 595.20 | 1990-91 | High Court |
| Central Excise Tariff Act, 1985 | Excise duty | 7.28 | 1988-89 | Supreme Court |
| Central Excise Tariff Act, 1985 | Excise duty | 484.81 | 2003-04 & 2008-09 | CESTAT Mumbai |
| Central Excise Tariff Act, 1985 | Excise duty | 6.58 | 2015-16 | Commissioner (Appeals), Central Excise, Nagpur |
| Central Excise Tariff Act, 1985 | Excise duty | 1.12 | 2007-08 | Asstt. Commissioner Central Excise, Chandrapur |



| | | | | |
|----------------------|--------------|------------------|---------|--|
| Sales Tax Act | BST | 3.98 | 2002-03 | Joint Commissioner of Sales Tax, Nagpur. |
| Sales Tax Act | CST | 86.01 | 2002-03 | Joint Commissioner of Sales Tax, Nagpur. |
| Finance Act, 1994 | Service tax | 28.24 | 2003-04 | Mumbai High Court, Bench at Nagpur |
| Income Tax Act, 1961 | Income Tax | 427.11 | 2008-09 | High Court |
| Income Tax Act, 1961 | Income Tax | 1,855.68 | 2009-10 | ITAT |
| Income Tax Act, 1961 | Income Tax | 2,638.95 | 2010-11 | ITAT |
| | Total | 10,337.88 | | |



Annexure - B to the Auditors' Report

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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


ASHWIN MANKESHWAR

Partner

Membership No. 046219

For and on behalf of

K. K. Mankeshwar & Co.,

Chartered Accountants

FRN: 106009W



New Delhi, dated the
23rd May, 2017

BILT GRAPHIC PAPER PRODUCTS LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

₹ in Lacs

| Particulars | Note No. | As at 31st Mar-2017 | As at 31st Mar-2016 | As at 1st Apr-2015 |
|---|----------|------------------------|------------------------|-----------------------|
| ASSETS | | | | |
| (1) Non Current Assets | | | | |
| (a) Property, Plant and Equipment | 5 | 541,992 | 555,717 | 554,959 |
| (b) Capital work-in-progress | 6 | 7,542 | 8,472 | 7,579 |
| (c) Other intangible assets | 7 | 3,219 | 2,862 | 545 |
| (d) Intangible assets under development | 8 | - | 1,157 | 192 |
| (e) Financial assets | | | | |
| (i) Investments | 9 | 3,305 | 4,265 | 3,305 |
| (ii) Others | 10 | 4,755 | 4,956 | 4,277 |
| (f) Other non current assets | 11 | 23,965 | 40,393 | 28,497 |
| (2) Current Assets | | | | |
| (a) Inventories | 12 | 20,877 | 107,189 | 91,410 |
| (b) Financial assets | | | | |
| (i) Trade receivables | 13 | 5,887 | 30,946 | 24,958 |
| (ii) Cash and cash equivalents | 14 | 8,441 | 18,010 | 501 |
| (iii) Bank balances other than (ii) above | 15 | 727 | 37 | 20,034 |
| (iv) Loans | 16 | 90,068 | 14,225 | 3,120 |
| (v) Others | 17 | 1,687 | 4,652 | 6,018 |
| (c) Current tax assets (Net) | 18 | 799 | 632 | 777 |
| (d) Other current assets | 19 | 89,980 | 77,099 | 40,935 |
| (e) Assets held for sale | | 2 | 16 | 2 |
| Total Assets | | 803,246 | 870,628 | 787,109 |

EQUITY AND LIABILITIES

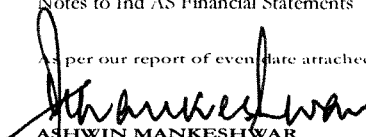
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|-------------------------------------|----|----------------|----------------|----------------|
| Equity | | | | |
| (a) Equity Share Capital | 20 | 55,005 | 55,005 | 55,005 |
| (b) Other Equity | | 22,466 | 107,606 | 112,767 |
| Liabilities | | | | |
| (1) Non Current Liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 21 | 247,857 | 282,102 | 215,503 |
| (ii) Other financial liabilities | 22 | 3,241 | 4,180 | 4,090 |
| (b) Provisions | 23 | 5,662 | 5,313 | 4,290 |
| (c) Deferred tax liabilities (Net) | 24 | 10,084 | 21,094 | 21,581 |
| (2) Current Liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 21 | 215,923 | 197,029 | 188,668 |
| (ii) Trade payables | 25 | 62,699 | 117,325 | 109,995 |
| (iii) Other financial liabilities | 26 | 171,452 | 70,424 | 61,657 |
| (b) Other current liabilities | 27 | 5,300 | 7,684 | 10,770 |
| (c) Provisions | 28 | 3,557 | 2,866 | 2,783 |
| Total Equity and Liabilities | | 803,246 | 870,628 | 787,109 |

Significant Accounting Policies and
Notes to Ind AS Financial Statements

1-48


As per our report of even date attached

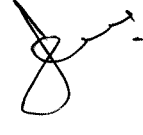
For Bilt Graphic Paper Products Limited



ASHWIN MANKESHWAR
Partner
Membership No. 046219
For and on behalf of
K.K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W

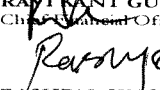


New Delhi, dated the
23rd May, 2017


B. HARIHARAN
Director


R. R. VEDERAH
Director


RAVI KANT GUPTA
Chief Financial Officer


RASHPAL SINGH
Company Secretary

BILT GRAPHIC PAPER PRODUCT LIMITED

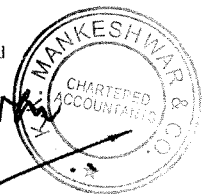
STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

₹ in Lacs

| Particulars | | Note No. | Year ended 31-Mar-2017 | Year ended 31-Mar-2016 |
|-------------|---|----------|---------------------------|---------------------------|
| I | Revenue from operations | 29 | 181,081 | 381,553 |
| II | Other income | 30 | 1,374 | 2,699 |
| III | Total Income (I+II) | | 182,455 | 384,252 |
| IV | Expenses | | | |
| | Cost of materials consumed | 31 | 93,558 | 210,574 |
| | Purchase of stock in trade | | 1,754 | 7,552 |
| | Changes in inventories of finished goods, stock-in-trade and work-in-progress | 32 | 20,074 | 1,125 |
| | Employee benefits expense | 33 | 21,977 | 21,848 |
| | Finance costs | 34 | 74,617 | 41,948 |
| | Depreciation and amortisation expense | 5 & 7 | 21,922 | 20,457 |
| | Excise duty | | 9,813 | 20,452 |
| | Other expenses | 35 | 38,633 | 56,634 |
| | Total expenses (IV) | | 282,348 | 380,590 |
| V | Profit/ (loss) before exceptional items and tax (III- IV) | | (99,893) | 3,662 |
| VI | Exceptional items | 36 | 5,481 | (34) |
| VII | Profit/ (loss) before tax (V-VI) | | (105,374) | 3,696 |
| VIII | Tax expense: | | | |
| | (1) Current tax | | - | 387 |
| | (2) Deferred tax | | (11,010) | (486) |
| | (3) MAT credit entitlement | | - | (342) |
| | Total Tax Expense (VIII) | | (11,010) | (441) |
| IX | Profit/ (Loss) for the year (VII-VIII) | | (94,364) | 4,137 |
| X | Other Comprehensive Income/(Loss) | | | |
| | Items that will not be reclassified to profit and loss | | | |
| | (i) Re-measurement gains (losses) on defined benefit plans | | (131) | 466 |
| | (ii) Income tax effect on above | | - | - |
| | Total Other Comprehensive Income/(Loss) | | (131) | 466 |
| | Total Comprehensive Income/(Loss) for the year (IX+X) | | | |
| XI | (Comprising profit and other comprehensive income/(loss) for the year) | | (94,495) | 4,603 |
| XII | Earnings Per Equity Share | 37 | | |
| | (1) Basic (₹) | | (17.16) | 0.75 |
| | (2) Diluted (₹) | | (13.14) | 0.94 |

As per our report of even date attached

ASHWIN MANKESHWAR
 Chartered Accountant
 Membership No. 046219
 For and on behalf of
K.K. MANKESHWAR & CO.
 Chartered Accountants
 FRN: 106009W



For Bilt Graphic Paper Products Limited

B.HARIHARAN
 Director

R R VEDERAH
 Director

RAJ RANT GUPTA
 Chief Financial Officer

RASHPAL SINGH
 Company Secretary

New Delhi, dated the
 23rd May, 2017

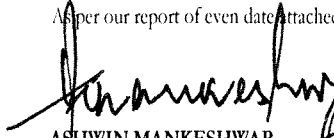
BILT GRAPHIC PAPER PRODUCTS LIMITED
CASH FLOW STATEMENT FOR THE YAER ENDED MARCH 31, 2017


₹ in Lacs

| Particulars | 31st March 2017 | 31st March 2016 |
|---|-----------------|-----------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax | (105,374) | 3,696 |
| Adjustments for: | | |
| (Profit) / Loss on sale of Assets (net) | (56) | (12) |
| Unspent Liabilities and Excess Provisions of earlier years written back | (9) | (22) |
| Depreciation ,Impairment & amortisation expenses | 21,922 | 20,457 |
| Inventory written off | 380 | - |
| Interest Received on VAT refund | (84) | - |
| Finance costs (net) | 74,617 | 41,948 |
| | 96,771 | 62,371 |
| Operating Profit before Working Capital Changes | (8,603) | 66,067 |
| Adjustment for Working Capital Changes : | | |
| (Increase)/decrease in trade receivable | 25,059 | (4,715) |
| (Increase)/decrease in loans, advances and other current assets | (65,443) | (67,057) |
| (Increase)/decrease in inventory | 85,932 | (15,578) |
| Increase/(decrease) in liabilities and provisions | (53,838) | 9,640 |
| | (8,290) | (77,710) |
| Cash generated from operations | (16,893) | (11,643) |
| Income tax paid (net) | (167) | (242) |
| Net cash flow from operating activities(A) | (17,060) | (11,885) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Increase in fixed assets, capital work-in-progress and capital advances | (724) | (25,442) |
| Proceed from Sale of property plant and equipment | 86 | 67 |
| Interest received | 1,553 | 12,755 |
| Increase/decrease in Investment | 960 | (960) |
| (Increase)/decrease in other bank balances | (691) | 19,994 |
| Net cash flow from investing activities(B) | 1,184 | 6,414 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Increase/(decrease) in long-term borrowings | 62,320 | 84,458 |
| Interest paid (Net) | (56,013) | (51,713) |
| Dividend paid(including dividend tax) | - | (9,765) |
| Net cash flow from financing activities(C) | 6,307 | 22,980 |
| Net increase/(decrease) in cash and cash equivalents(A+B+C) | (9,569) | 17,509 |
| Cash and cash equivalents at beginning of reporting year | 18,010 | 501 |
| Cash and cash equivalents (closing balance) | 8,441 | 18,010 |




As per our report of even date attached



ASHWIN MANKESHWAR
Partner
Membership No. 046219
For and on behalf of
K.K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W




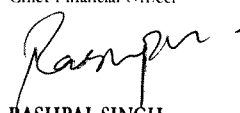
New Delhi, dated the
23rd May, 2017

For Bilt Graphic Paper Products Limited


B. HARIHARAN
Director


R R VEDERAH
Director


RAVI KANT GUPTA
Chief Financial Officer


RASHPAL SINGH
Company Secretary

BILT GRAPHIC PAPER PRODUCTS LIMITED

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

A. EQUITY SHARE CAPITAL

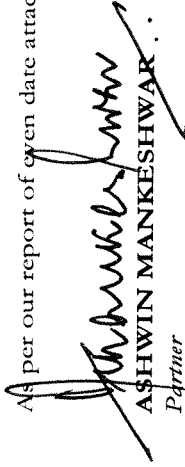
| For the year ended 31st March 2016 | | ₹ in Lacs | |
|------------------------------------|---|-------------------------------|--|
| Balance as at 1st April 2015 | Changes in equity share capital during the year | Balance as at 31st March 2016 | |
| 55,005 | - | 55,005 | |
| For the year ended 31st March 2017 | | ₹ in Lacs | |
| Balance as at 1st April 2016 | Changes in equity share capital during the year | Balance as at 31st March 2017 | |
| 55,005 | - | 55,005 | |

B. OTHER EQUITY

| Particulars | Capital Reserve | Share Premium Reserve | Debenture Redemption Reserve | Equity Component of CCD | Retained Earnings | ₹ in Lacs | |
|--|-----------------|-----------------------|------------------------------|-------------------------|-------------------|--|---|
| | | | | | | Items of Other Comprehensive Income | Total |
| | | | | | | Items that will not be reclassified to profit and loss | Re-measurement of the net defined benefit Plans |
| Balance as at April 1, 2015 | 939 | 9,191 | 12,750 | 21,961 | 68,990 | (1,064) | 112,767 |
| Profit for the year | | | | | 4,137 | | 4,137 |
| Transfer to debenture redemption reserve | | | (3,500) | | 3,500 | | |
| Dividend Paid | | | | | (8,113) | | (8,113) |
| Tax on distributed profits | | | | | (1,652) | | (1,652) |
| Re-measurements of the net defined benefit Plans | | | | | | 466 | 466 |
| Balance as at March 31, 2016 | 939 | 9,191 | 9,250 | 21,961 | 66,862 | (598) | 107,606 |
| Profit for the year | | | | | (94,364) | | (94,364) |
| Transfer to debenture redemption reserve | | | 3,251 | | (3,251) | | |
| Others | | | | | 9,356 | | 9,356 |
| Re-measurements of the net defined benefit Plans | | | | | | (131) | (131) |
| Balance as at March 31, 2017 | 939 | 9,191 | 12,501 | 21,961 | (21,397) | (729) | 22,466 |



As per our report of even date attached


ASHWIN MANKESHWAR .
Partner

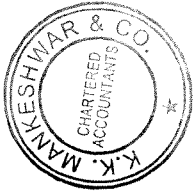
Membership No. 046219

For and on behalf of

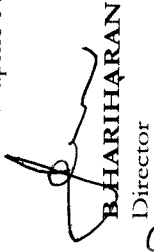
K.K. MANKESHWAR & CO.

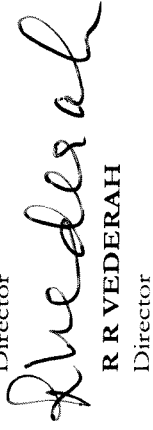
Chartered Accountants

FRN: 106009W

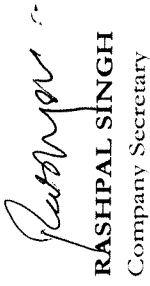


For Bilt Graphic Paper Products Limited


B. HARIHARAN
Director


R R VEDERAH
Director


RAVI KANT GUPTA
Chief Financial Officer


RASHPAL SINGH
Company Secretary

New Delhi, dated the
23rd May, 2017

BILT GRAPHIC PAPER PRODUCTS LIMITED

1 COMPANY OVERVIEW

BILT Graphic Paper Products Limited (“BGPPL” or the company) is in the business of manufacturing and selling of Paper, pulp and paper products and its manufacturing operations are spread over four units namely Ballarpur (Maharashtra), Bhigwan (Maharashtra), Ashti (Maharashtra) and Sewa (Orissa).

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

2 BASIS OF PREPARATION AND USE OF ESTIMATES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial statements (FS) of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Financial statements. For all periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. These financial statements for the year ended 31st March 2017 are the first the Company has prepared in accordance with Ind-AS.

The Company has consistently applied the accounting policies used in the preparation of its opening IND-AS Balance Sheet at April 1, 2015 throughout all periods presented, as if these policies had always been in effect and are covered by IND AS 101 “First-time adoption of Indian Accounting Standards”. The transition was carried out from accounting principles generally accepted in India (“Indian GAAP”) which is considered as the previous GAAP, as defined in IND AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at April 1, 2015 and March 31, 2016 and on the net profit for the year ended March 31, 2016 is disclosed in Note no 47 to these financial statements.

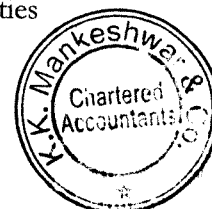
The Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

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

2.2 USE OF ESTIMATES

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

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



3 SIGNIFICANT ACCOUNTING POLICIES

3.1 CURRENT VERSUS NON-CURRENT CLASSIFICATION

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

3.2 FAIR VALUE MEASUREMENT

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

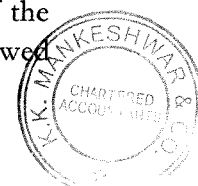
3.3 PROPERTY, PLANT AND EQUIPMENT

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

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

Depreciation

Assets are depreciated to the residual values on a straight line basis over the estimated useful lives based on technical estimates which are different from one specified in Schedule II of the Companies Act, 2013. Asset's depreciation methods, residual values and useful lives are reviewed



at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life. Freehold land is not depreciated. Estimated useful lives of the assets are as follows:

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

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

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

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

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

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

3.4 INTANGIBLE ASSETS

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

(i) Subsequent Expenditure

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

(ii) Amortization of intangible assets with finite useful lives

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

3.5 RESEARCH & DEVELOPMENT COST

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

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;



- there is an ability to use or sell the asset;
- How the asset will generate future economic benefits;
- adequate technical, financial and other resources to complete the asset
- The ability to measure reliably the expenditure during development;

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

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

3.6 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

3.7 INVENTORIES

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

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

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

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

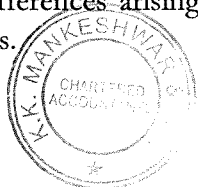
3.8 FOREIGN CURRENCIES

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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



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

3.9 FINANCIAL INSTRUMENTS – INITIAL RECOGNITION, SUBSEQUENT MEASUREMENT AND IMPAIRMENT

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

FINANCIAL ASSETS

(i) Initial recognition and measurement:

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

(ii) Subsequent measurement

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

: Financial assets at fair value

: Financial assets at amortised cost

(iii) Classification:

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

(iv) Financial Assets measured at amortised cost:

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

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

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

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

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

(vii) Investment in Associates:

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

(viii) Investment in Equity Instruments:

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



(ix) Investment in Debt Instruments:

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

(x) Derecognition of Financial Assets:

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

(xi) Impairment of Financial Assets:

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

FINANCIAL LIABILITIES

(i) Initial recognition and measurement:

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

(ii) Classification & Subsequent measurement:

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

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

(iii) Loans and Borrowings:

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process.



Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. After initial recognition Gain and Liabilities held for Trading are recognised in statement of profit and Loss Account.

(iv) Derecognition of Financial Liabilities:

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

(v) Derivative Financial Instrument:

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

Offsetting financial instruments:

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

3.10 COMPOUND FINANCIAL INSTRUMENTS

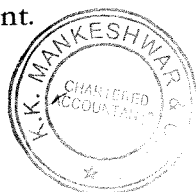
The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the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

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

3.11 CASH AND CASH EQUIVALENTS

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

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



3.12 PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

(i) *General*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, the amount of a provision shall be the present value of expense expected to be required to settle the obligation. Provisions are therefore discounted, when effect is material, The discount rate shall be pre-tax rate that reflects current market assessment of time value of money and risk specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

(ii) *Contingencies*

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

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

3.13 SHARE CAPITAL AND SHARE PREMIUM

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

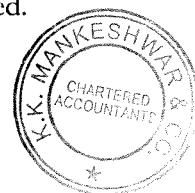
Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

3.14 BORROWING COSTS

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

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

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



3.15 REVENUE RECOGNITION

(i) Sale of goods

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

(ii) Other operating income

(a) Incentives

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

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

(b) Rental Income

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

(iii) Other Income

(a) Interest income

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

(b) Dividends

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

3.16 EMPLOYEE BENEFITS

(i) Short term employee benefits:

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

(ii) Defined benefit plans:

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



the net defined liability/(asset), the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

(iii) Long-term employee benefits:

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

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

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

(v) Termination benefits

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

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

3.17 LEASES

(i) Lease payments:

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

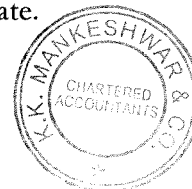
(ii) Lease assets:

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

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

3.18 GOVERNMENT GRANTS

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



(i) Sales tax incentives

The Company 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 Company are the Sales Tax Deferment Scheme, the Sales Tax Exemption Scheme and the Sales Tax Refund Scheme.

(ii) Sales Tax Deferment Scheme

Under the Scheme, the Sales Tax amounts collected from sales to customers are deferred and repaid to the Government Authorities, without interest, after a specified period. The benefit of sales tax deferral is recognized as an income in accordance with the Ind AS 20 Accounting for Governments Grants and Disclosure of Government Assistance. This deferred sales tax liability is measured in accordance with Ind AS 109 Financial Instruments. The benefit of the interest free loan is measured as the difference between initial carrying value of the loan at fair value in accordance with Ind AS 109 and the sales tax collected.

(iii) Sales Tax Exemption Scheme

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

(iv) Sales Tax Refund Scheme

The benefit of sales tax refund scheme applies to qualifying sales made from the State of Maharashtra in respect of assets of the Company in Ballarpur and Bhigwan. Under the scheme, sales tax is levied and collected from the customer and claim for refund is filed with the sales tax authorities. These benefits are accounted for Other income in the statement of Profit and loss.

3.19 TAXES

(i) Income Tax

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

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

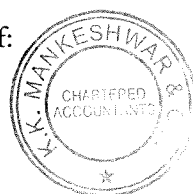
Current tax assets and liabilities are offset only if, the Company:

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

(ii) Deferred tax

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

Deferred tax assets and liabilities are offset only if:



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

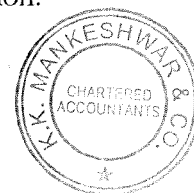
3.20 DIVIDEND/DISTRIBUTION

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

3.21 EARNING PER SHARE

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

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



4 Critical accounting estimates, assumptions and judgements

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

(a) Property, Plant and Equipment

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

(b) Impairment of tangible assets

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

(c) Income taxes

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

(d) Contingencies

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

(e) Allowance for uncollectable accounts receivable and advances

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



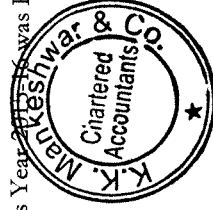
5. PROPERTY, PLANT AND EQUIPMENT

₹ in Lacs

| Particulars | Leasehold land | Freehold land | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipments | Computers | Total |
|---|----------------|---------------|---------------|---------------------|------------------------|--------------|-------------------|------------|----------------|
| Gross Block | | | | | | | | | |
| As at April 1, 2015 | 31,322 | 17,690 | 88,978 | 525,888 | 370 | 904 | 1,154 | 386 | 666,692 |
| Additions | - | 67 | 363 | 20,255 | 7 | 171 | 17 | 116 | 20,997 |
| Disposal | - | - | - | 34 | 3 | 42 | 2 | 0 | 81 |
| As at March 31, 2016 | 31,322 | 17,757 | 89,341 | 546,109 | 374 | 1,033 | 1,169 | 502 | 687,607 |
| Additions | 7,694 | - | 91 | 3,114 | 1 | 21 | 6 | 6 | 10,931 |
| Disposal | - | - | 0 | 22 | 1 | 49 | 14 | 5 | 91 |
| Capitalisation of Exchange difference fluctuation | - | - | - | (3,504) | - | - | - | - | (3,504) |
| As at March 31, 2017 | 39,016 | 17,757 | 89,432 | 545,696 | 374 | 1,005 | 1,161 | 503 | 694,943 |
| Accumulated Depreciation | | | | | | | | | |
| As at April 1, 2015 | 94 | - | 6,823 | 103,430 | 177 | 396 | 496 | 317 | 111,733 |
| Charge for the period | 174 | - | 2,743 | 16,857 | 42 | 122 | 127 | 83 | 20,148 |
| Disposal | - | - | - | 10 | 3 | 2 | 4 | 9 | 26 |
| Capitalisation of Exchange difference fluctuation | - | - | - | 35 | - | - | - | - | 35 |
| As at March 31, 2016 | 268 | - | 9,567 | 120,313 | 216 | 516 | 619 | 391 | 131,890 |
| For the year | - | - | - | - | - | - | - | - | - |
| Charge for the period | 174 | - | 2,363 | 18,250 | 43 | 123 | 101 | 68 | 21,122 |
| Disposal | - | - | 0 | - | 1 | 47 | 9 | 4 | 61 |
| As at March 31, 2017 | 442 | - | 11,931 | 138,563 | 258 | 592 | 711 | 455 | 152,951 |
| Net carrying amount | | | | | | | | | |
| As at April 1, 2015 | 31,228 | 17,690 | 82,155 | 422,458 | 193 | 508 | 658 | 69 | 554,959 |
| As at March 31, 2016 | 31,054 | 17,757 | 79,774 | 425,796 | 158 | 517 | 550 | 111 | 555,717 |
| As at March 31, 2017 | 38,574 | 17,757 | 77,501 | 407,134 | 116 | 413 | 450 | 48 | 541,992 |

Notes:-

- "0" represent amount below Rs. 50,000/-
- During the current year, Translation Reserve showing exchange gain amounting to Rs. 3504 Lacs (Exchange Loss, in Previous Year 2014-15 was Rs. 9640 Lacs & in Previous Year 2014-15 was Rs. 131 Lacs, which was included in Additions)
- The lease agreement in respect of 5.04 acres of land in possession of the company is yet to be executed in favour of the company.



6. CAPITAL WORK IN PROGRESS

₹ in Lacs

| PARTICULARS | As of March 31, 2017 | As of March 31, 2016 |
|--|----------------------|----------------------|
| Opening net carrying value | 8,472 | 7,579 |
| Additions | 460 | 4,177 |
| Transferred to Property, Plant and Equipment | 1,390 | 3,284 |
| Closing net carrying value | 7,542 | 8,472 |



7. INTANGIBLE ASSETS

| PARTICULARS | As at 31st Mar-2017 | | | As at 31st Mar-2016 | | |
|-----------------------------------|-----------------------------|-----------|--------------|-----------------------------|-----------|--------------|
| | Product development expense | Others | Total | Product development expense | Others | Total |
| Opening net carrying value | 2,816 | 46 | 2,862 | 492 | 53 | 545 |
| Additions | 1,157 | - | 1,157 | 2,622 | 4 | 2,626 |
| Disposals | - | - | - | - | - | - |
| Amortization charge | 789 | 11 | 800 | 298 | 11 | 309 |
| Closing net carrying value | 3,184 | 35 | 3,219 | 2,816 | 46 | 2,862 |



8. INTANGIBLE ASSET UNDER DEVELOPMENT

₹ in Lacs

| PARTICULARS | ₹ in Lacs | |
|-----------------------------------|----------------------|----------------------|
| | As at March 31, 2017 | As at March 31, 2016 |
| Opening net carrying value | 1,157 | 192 |
| Additions | - | 965 |
| Disposals | - | - |
| Transferred to Intangible Assets | 1,157 | - |
| Closing net carrying value | - | 1,157 |



9 Non Current Investments

₹ in Lacs

| Particulars | As at March 31, 2017 | | As at March 31, 2016 | | As at April 01, 2015 | |
|--|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| | Numbers | Amount | Numbers | Amount | Numbers | Amount |
| Investments Measured at Fair Value through OCI | | | | | | |
| A. Unquoted, Non-trade investments: | | | | | | |
| I) In equity shares of Associate companies: | | | | | | |
| Avantha Power & Infrastructure Limited (Face Value ₹10 Per a) Share) | 31,226,754 | 3,305 | 31,226,754 | 3,305 | 31,226,754 | 3,305 |
| II) In Government Securities: | | | | | | |
| a) 6 Year National Saving Certificate (Face Value ₹5,000) | | 0 | | 0 | | 0 |
| Total Investments Measured at Fair Value through OCI | 31,226,754 | 3,305 | 31,226,754 | 3,305 | 31,226,754 | 3,305 |

Investments Measured at Fair Value through Profit & Loss

| | | | | | | |
|---|--|--|----------------|------------|--|--|
| B. Quoted, Non-trade investments: | | | | | | |
| I) Investments in Mutual Funds | | | | | | |
| a) Birla Sun Life Savings Fund | | | 344,294 | 960 | | |
| Total Investments Measured at Fair Value through Profit & Loss | | | 344,294 | 960 | | |

9.1 Aggregate Amount of Non Current Investments

| Particulars | As at March 31, 2017 | | As at March 31, 2016 | | As at April 01, 2015 | |
|---|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| | Numbers | Amount | Numbers | Amount | Numbers | Amount |
| Unquoted Investments | 31,226,754 | 3,305 | 31,226,754 | 3,305 | 31,226,754 | 3,305 |
| Quoted Investments | - | - | 344,294 | 960 | - | - |
| Total Investment | 31,226,754 | 3,305 | 31,571,048 | 4,265 | 31,226,754 | 3,305 |
| Investments Measured at Fair Value through OCI | 31,226,754 | 3,305 | 31,226,754 | 3,305 | 31,226,754 | 3,305 |
| Investments Measured at Fair Value through OCI | | | 344,294 | 960 | | |

9.2 Category-wise Non Current Investments

| Particulars | As at March 31, 2017 | | As at March 31, 2016 | | As at April 01, 2015 | |
|--|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| | Numbers | Amount | Numbers | Amount | Numbers | Amount |
| Investments Measured at Fair Value through OCI | 31,226,754 | 3,305 | 31,226,754 | 3,305 | 31,226,754 | 3,305 |
| Total Investments Measured at Fair Value through Profit & Loss | | | 344,294 | 960 | | |
| Total | 31,226,754 | 3,305 | 31,571,048 | 4,265 | 31,226,754 | 3,305 |

Note: 0 represent the value below ₹50,000.



10 Other Non Current Financial Assets

| Particulars | As at 31st Mar-2017 | As at 31st Mar-2016 | As at 1st Apr-2015 |
|---|------------------------|------------------------|-----------------------|
| Unsecured, considered good | | | |
| (a) Security Deposits | 938 | 1,118 | 1,163 |
| (b) Balance with Government Authorities | 3,798 | 3,820 | 3,097 |
| (c) Banks deposits with maturity period more than 12 Months | 19 | 18 | 17 |
| | <u>4,755</u> | <u>4,956</u> | <u>4,277</u> |

11 Other Non Current Assets

| Particulars | As at 31st Mar-2017 | As at 31st Mar-2016 | As at 1st Apr-2015 |
|-----------------------------------|------------------------|------------------------|-----------------------|
| (a) Unsecured, considered good | | | |
| -Capital advances | 435 | 520 | 356 |
| (b) Prepaid expenses | 740 | 614 | 1,225 |
| (c) Balance with Govt Authorities | 4,772 | 21,241 | 9,240 |
| (d) Mat Credit Entitlement | 18,018 | 18,018 | 17,676 |
| | <u>23,965</u> | <u>40,393</u> | <u>28,497</u> |

12 Inventories

| Particulars | As at 31st Mar-2017 | As at 31st Mar-2016 | As at 1st Apr-2015 |
|-------------------|------------------------|------------------------|-----------------------|
| Raw materials | 2,937 | 15,466 | 38,993 |
| Work in progress | 2,630 | 9,997 | 11,764 |
| Finished goods | 5,787 | 18,494 | 17,852 |
| Stores and spares | 5,371 | 40,104 | 13,775 |
| Block Stores | 144 | 155 | 169 |
| Chemicals | 2,715 | 21,099 | 6,463 |
| Packing material | 1,293 | 1,874 | 2,393 |
| | <u>20,877</u> | <u>107,189</u> | <u>91,410</u> |

18.1) Includes raw material-in-transit of Rs. 0.91 Lacs (Previous Year 2015-16 Rs. 5,917 Lacs, Previous Year 2014-15 Rs. 8,860 Lacs)

18.2) Includes stores & spares-in-transit of Rs. 412.20 Lacs (Previous Year 2015-16 Rs. 1,121 Lacs, Previous Year 2014-15 Rs. 1,753 Lacs)

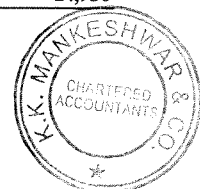
18.3) Includes Chemicals-in-transit of Rs. 352.55 Lacs (Previous Year 2015-16 Rs.1,109 Lacs, Previous Year 2014-15 Rs. 939 Lacs)

18.4) Includes packing material-in-transit of Nil (Previous Year 2015-16 Rs 30 Lacs, Previous Year 2014-15 Rs. 40 Lacs)

CURRENT ASSES - FINANCIAL ASSETS

13 Trade Receivables

| Particulars | As at 31st Mar-2017 | As at 31st Mar-2016 | As at 1st Apr-2015 |
|--|------------------------|------------------------|-----------------------|
| Secured, Considered good:- | | | |
| - Due from others (more than 6 months) | 15 | 65 | 122 |
| - Due from others (less than 6 months) | 49 | 763 | 2,032 |
| Total Secured | <u>64</u> | <u>828</u> | <u>2,154</u> |
| Unsecured, Considered good | | | |
| - Due from related parties | 3,788 | 5,150 | 4,580 |
| - Due from others (more than 6 months) | 724 | 943 | 606 |
| - Due from others (less than 6 months) | 1,311 | 24,025 | 17,618 |
| Total Unsecured | <u>5,823</u> | <u>30,118</u> | <u>22,804</u> |
| Total Trade receivables | <u>5,887</u> | <u>30,946</u> | <u>24,958</u> |



14 Cash and Cash Equivalents

| Particulars | As at 31st Mar-2017 | As at 31st Mar-2016 | As at 1st Apr-2015 |
|---|------------------------|------------------------|-----------------------|
| Balances with Banks : | | | |
| - On current accounts | 8,422 | 16,937 | 488 |
| - Fixed deposits with original maturity of less than three months | 2 | 1,060 | 1 |
| Cash on hand | 17 | 13 | 12 |
| Total Cash and cash equivalents | 8,441 | 18,010 | 501 |

15 Other Bank Balances

| Particulars | As at 31st Mar-2017 | As at 31st Mar-2016 | As at 1st Apr-2015 |
|--|------------------------|------------------------|-----------------------|
| In deposit accounts exceeding three months but less than twelve months | 727 | 37 | 20,034 |
| Total | 727 | 37 | 20,034 |

16 Loans

| Particulars | As at 31st Mar-2017 | As at 31st Mar-2016 | As at 1st Apr-2015 |
|------------------------------|------------------------|------------------------|-----------------------|
| (a) Loans to related parties | 89,726 | 14,214 | 3,111 |
| Unsecured, considered good | | | |
| (b) Loans to others | 342 | 11 | 9 |
| Unsecured, considered good | | | |
| Total | 90,068 | 14,225 | 3,120 |

17 Other Financial Assets

| Particulars | As at 31st Mar-2017 | As at 31st Mar-2016 | As at 1st Apr-2015 |
|--------------------------------|------------------------|------------------------|-----------------------|
| Interest accrued on deposits | 45 | 44 | 566 |
| Insurance Receivables | 42 | 95 | 152 |
| Balance with Govt. Authorities | 1,512 | 4,433 | 5,245 |
| Scrap Receivables | 88 | 80 | 55 |
| Total | 1,687 | 4,652 | 6,018 |

18 Current Tax Assets (net)

| Particulars | As at 31st Mar-2017 | As at 31st Mar-2016 | As at 1st Apr-2015 |
|--|------------------------|------------------------|-----------------------|
| Advance tax, tax deducted at source (including income tax refund receivable) | 799 | 632 | 777 |
| Total | 799 | 632 | 777 |



19 Other Current Assets

| Particulars | As at 31st Mar-2017 | As at 31st Mar-2016 | As at 1st Apr-2015 |
|--------------------------------------|------------------------|------------------------|-----------------------|
| Prepaid expenses | 912 | 1,709 | 714 |
| Advances to employees | 24 | 54 | 58 |
| Balance with government authorities* | 22,127 | 26,912 | 25,407 |
| Advances to Related Parties | 40,824 | 35,836 | 5,151 |
| Advances to trade creditors | 26,042 | 12,588 | 9,605 |
| Other current assets | 51 | - | - |
| Total | 89,980 | 77,099 | 40,935 |

* Pledged with banks, government departments and others.



20 Equity share capital :

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|--|----------------------|----------------------|---------------------|
| Authorised Share Capital | | | |
| 85,01,00,000 (Previous Year 2015-16 85,01,00,000, Previous Year 2014-15 85,01,00,000) equity shares of Rs.10/- each | 85,010 | 85,010 | 85,010 |
| | <u>85,010</u> | <u>85,010</u> | <u>85,010</u> |
| Issued, Subscribed and fully paid-up | | | |
| 55,00,50,000 (Previous Year 2015-16 55,00,50,000, Previous Year 2014-15 55,00,50,000) equity shares of Rs. 10/- each | 55,005 | 55,005 | 55,005 |
| | <u>55,005</u> | <u>55,005</u> | <u>55,005</u> |

a) Reconciliation of the number of Equity Shares :-

| | No. of Shares | As at March 31, 2017 | No. of Shares | As at March 31, 2016 | No. of Shares | As at April 1, 2015 |
|--|--------------------|----------------------|--------------------|----------------------|--------------------|---------------------|
| Balance as at the beginning of the year | 550,050,000 | 55,005 | 550,050,000 | 55,005 | 550,050,000 | 55,005 |
| Add:- Issued during the Year | - | - | - | - | - | - |
| Balance as at the end of the year | 550,050,000 | 55,005 | 550,050,000 | 55,005 | 550,050,000 | 55,005 |

b) Rights, preferences and restrictions attached to shares:

The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the holder of the equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts.

c) Shares held by holding company and Ultimate holding company:

| Name of shareholders | As at March 31, 2017 | | As at March 31, 2016 | | As at April 1, 2015 | |
|--|----------------------|---------------|----------------------|---------------|---------------------|---------------|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| Ballarpur Paper Holding B.V., Holding Company | 550,000,000 | 55,000 | 550,000,000 | 55,000 | 550,000,000 | 55,000 |
| Ballarpur Industries Limited, Ultimate Holding Company & its nominee | 50,000 | 5 | 50,000 | 5 | 50,000 | 5 |
| Balance as at the end of the year | 550,050,000 | 55,005 | 550,050,000 | 55,005 | 550,050,000 | 55,005 |

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

| Name of shareholders | As at March 31, 2017 | | As at March 31, 2016 | | As at April 1, 2015 | |
|---|----------------------|---------------|----------------------|---------------|---------------------|---------------|
| | No. of Shares | Holding % | No. of Shares | Holding % | No. of Shares | Holding % |
| Ballarpur paper holding B.V., Holding Company | 550,000,000 | 99.99% | 550,000,000 | 99.99% | 550,000,000 | 99.99% |
| | 550,000,000 | 99.99% | 550,000,000 | 99.99% | 550,000,000 | 99.99% |



21 Borrowings

₹ in Lacs

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|--------------------------------------|----------------------|----------------------|---------------------|
| Non Current Borrowing:- | | | |
| Secured Loan:- | | | |
| a) Non convertible debentures | - | 11,000 | 37,000 |
| b) External commercial borrowings | - | 20,996 | 23,385 |
| c) Term loan from :- | | | |
| Bank | 155,285 | 128,450 | 48,439 |
| Financial Institutions | 23,909 | 50,758 | 40,989 |
| Unsecured Loan:- | | | |
| a) Compulsory convertible debentures | 6,038 | 7,155 | 8,039 |
| b) Deferred payment liabilities | 989 | 800 | 607 |
| c) Others : | 61,636 | 62,943 | 57,044 |
| Total | 247,857 | 282,102 | 215,503 |
| Current Borrowing:- | | | |
| Working capital loan | 215,923 | 197,029 | 188,668 |
| Total | 215,923 | 197,029 | 188,668 |

- a) The Company had availed various secured financial facilities from the banks and financial institutions ("the Lenders"). The said loans are secured by way of a first pari-passu charge over all moveable / immoveable assets of the company both present and future.
- b) The Company is required to maintain ratios (including total debt to net worth, EBITDA to gross interest, debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios these loans become callable at the option of lenders, except where exemption is provided by lender.
- c) In the current financial year, due to delay in repayments of debts and payment of interest, the lenders of the company have invoked standstill provision. As of March 31, 2017, the Company had breached the financial covenants set by its bankers for outstanding term loans amounting to Rs. 26,988 Lacs. The details is as under:-

| Borrowing Particulars | ₹ in Lacs | | |
|---|----------------------------|---------------|---------------|
| | Default Outstanding Amount | Upto 3 Months | 3 to 6 Months |
| IDFC Limited | 1,923 | 961 | 962 |
| GE Money Financial Services Private Limited | 1,364 | 682 | 682 |
| GE Money Financial Services Private Limited | 455 | 227 | 229 |
| State Bank of India | 1,620 | 810 | 810 |
| IDFC Limited | 654 | 444 | 210 |
| Act on Global Private Limited | 200 | 200 | - |
| AXIS Bank Limited | 5,000 | 2,500 | 2,500 |
| State Bank of Patiala | 100 | 50 | 50 |
| RABO- ECB | 3,604 | 1,802 | 1,802 |
| DBS- ECB | 1,103 | 779 | 324 |
| Non Convertible Debenture | 10,965 | 8,465 | 2,500 |
| Total | 26,988 | 16,920 | 10,069 |

- d) All the borrowings are in Indian Currency except RABO & DBS.



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

| | | ₹ in Lacs |
|---------|-------------|----------------------|
| Year | | As at March 31, 2017 |
| 2017-18 | Current | 133,746 |
| 2018-19 | | 38,026 |
| 2019-20 | | 37,980 |
| 2020-21 | | 35,354 |
| 2021-22 | | 27,030 |
| 2022-23 | Non Current | 23,619 |
| 2023-24 | | 9,708 |
| 2024-25 | | 9,278 |
| 2025-26 | | 4,634 |

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

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 |
|-------------------------------|----------------------|----------------------|----------------------|
| a) Non convertible debentures | 9.75% to 10.75% | 9.65% to 9.90% | 9.35% to 9.90% |
| b) Term loan from :- | | | |
| Bank | 4.50% to 12.25% | 10.76% to 11.95% | 11.50% to 11.75% |
| Financial Institutions | 9.50% to 16.50% | 10.76% to 12.75% | 11.44% to 12.10% |
| c) Working capital loan | 11.00% to 12.25% | 11.00% to 12.25% | 11.00% to 12.25% |

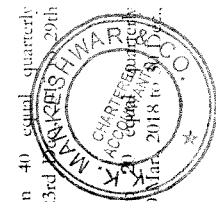
- g) Deferred Payment Liabilities

The Company has opted for the deferral scheme of sales tax, which is payable as per the scheme framed by the State Government

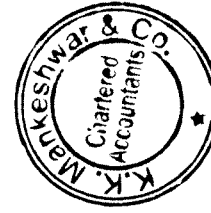


b) Loan from Bank/ FI :-

| Sl. No. | Name of Bank | Sanctioned Amount | As on date | Totak Outstanding Amount | Current | Non-Current | Interest rate | Security | Repayment terms |
|---------|--|-------------------|------------------------------------|----------------------------|-------------------------|----------------------------|--|---|--|
| a) | IDFC Limited | 25,000 | 31-Mar-17 | 17,254 | 5,769 | 11,485 | Benchmark Rate + 2.25% ^o initially | The Loan is secured by way of hypothecation of the entire movable properties (excluding current assets and non-current assets (in the nature of current assets)), both present and future of The Company. | The loan is repayable in 26 equal quarterly instalments starting from October 15, 2014 to January 15, 2021. |
| b) | Clix Capital P. Ltd. formerly known as GE Money Financial Services P. Ltd. | 15,000 | 31-Mar-17 31-Mar-16 1-Apr-15 | 7,499 9,543 11,586 | 4,091 3,409 2,727 | 3,408 6,133 8,859 | Benchmark Rate + 2.70% ^o initially | The loan is secured by way of first pari passu charge over all Moveable Fixed Assets of the Company. | The loan is repayable in 22 equal quarterly instalments starting from March 27, 2014 to June 27, 2019. |
| c) | State Bank of India | 30,000 | 31-Mar-17 31-Mar-16 1-Apr-15 | 22,601 24,185 26,573 | 6,080 4,050 3,240 | 16,521 20,135 23,333 | Base Rate + 1.5% ^o initially | The loan is secured by way of first pari passu charge over all Moveable Fixed Assets of the Company. | The loan is repayable in quarterly Instalments starting from 30th June, 2014 to 30th June, 2023. |
| d) | IDFC Bank Limited (Loan-2)* | 12,693 | 31-Mar-17 31-Mar-16 1-Apr-15 | 7,916 9,037 10,579 | 2,663 2,009 1,775 | 5,253 7,028 8,803 | 12.75% ^o | The loan is secured by way of first pari-passu charge over all Moveable Fixed Assets of the Company. | The repayment of loan is already started and the loan is divided into two parts, the final repayment of loan 1 and loan 2 is 15th July, 2020 & 15th September, 2022. |
| e) | Clix Capital P. Ltd. formerly known as GE Money Financial Services P. Ltd. | 5,000 | 31-Mar-17 31-Mar-16 1-Apr-15 | 3,863 4,545 4,999 | 1,354 1,136 909 | 2,500 3,408 4,090 | Benchmark Rate + 2.70% ^o initially | The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company. | The loan is repayable in 22 equal quarterly instalments starting from August 14, 2015 to November 13, 2020. |
| f) | Axis Bank Limited | 20,000 | 31-Mar-17 31-Mar-16 1-Apr-15 | 19,926 19,892 19,858 | 6,000 2,000 - | 13,926 17,892 19,858 | Base Rate + 1.35% ^o initially | The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company. | The loan is repayable in 20 equal quarterly instalments starting from December 31, 2016 to September 30, 2021. |
| g) | Aditya Birla Finance Limited | 20,000 | 31-Mar-17 31-Mar-16 1-Apr-15 | 18,822 18,500 - | 1,000 800 - | 17,822 17,700 - | Asix Bank Base Rate + 1.65% ^o initially | The loan is secured by way of first pari passu charge on all Moveable Fixed Assets of the Company. | The loan is repayable in 31 Instalments starting from 30 Sept., 2015 to 31 Mar., 2023. |
| h) | State Bank of Patiala | 5,000 | 31-Mar-17 31-Mar-16 1-Apr-15 | 4,770 4,900 - | 300 200 - | 4,470 4,700 - | Base Rate + 1.50% ^o initially | The loan is secured by way of first pari passu charge on all Moveable Fixed Assets of the Company. | The loan is repayable in 31 Instalments starting from 30 Sept., 2015 to 31 Mar., 2023. |
| i) | Axis Bank Limited | 100,000 | 31-Mar-17 31-Mar-16 1-Apr-15 | 78,763 62,895 - | 13,917 7,628 - | 64,846 55,266 - | Base Rate + 1.65% ^o initially | The loan is secured by way of first pari passu charge on all Fixed Assets of the Company. | The loan is repayable in 40 equal quarterly Instalments starting from 23rd March, 2018 to 29th Dec., 2025. |
| j) | ICICI Bank Limited | 32,500 | 31-Mar-17 31-Mar-16 1-Apr-15 | 31,833 31,646 - | 1,625 - | 30,208 31,646 - | Base Rate + 2.60% ^o initially | The loan is secured by way of first pari passu charge on all Fixed Assets of the Company. | The loan is repayable in 30 equal quarterly Instalments starting from 30th Mar., 2018 to 31st Dec., 2022. |



| | | | | | | | | |
|----|----------------------------|----------------|------------------------------------|----------------------------|----------------------------|-----------------------------|---|---|
| k) | IDFC Limited (Loan-3) | 2,500 | 31-Mar-17 31-Mar-16 1-Apr-15 | 2,500 - - | 2,500 - - | MCLR + 3.60% initially | The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company. | The loan is repayable in 12 equal quarterly instalments starting by end of 15 month from the date of first disbursement. |
| l) | Yes Bank Limited | 15,000 | 31-Mar-17 31-Mar-16 1-Apr-15 | 12,505 - - | 3,750 - - | Base Rate + 1.00% initially | The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company. | The loan is repayable in 16 equal quarterly instalments after the monatarium period of 1 year from the date of first disbursement. |
| m) | ECL Finance Limited | 15,000 | 31-Mar-17 31-Mar-16 1-Apr-15 | 15,000 - - | 15,000 - - | 16.50% | | The loan is repayable in 12 equal quarterly instalments starting by end of 15 month from the date of agreement ie 08th March, 2017. |
| n) | Axis Bank Limited | | 31-Mar-17 31-Mar-16 1-Apr-15 | - - 6,678 | - - 1,301 | 11.15% | The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company. | N.A. |
| o) | HDFC Bank Limited | | 31-Mar-17 31-Mar-16 1-Apr-15 | - - 2 | - - 2 | 9.25% | The Loan is secured by way of hypothecation on vehicle. | The loan is repayable in 60 monthly instalments starting from December, 2010 to November, 2015. |
| p) | ECB (DBS) | USD 20 Million | 31-Mar-17 31-Mar-16 1-Apr-15 | 12,652 12,920 12,009 | 12,652 1,126 300 | 2.7% + LIBOR Initially | The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company. | The loan is repayable in 8 semi annual instalments from 07th February, 2016 to 07th August, 2019. |
| q) | ECB (RABO) | USD 25 Million | 31-Mar-17 31-Mar-16 1-Apr-15 | 12,616 12,883 30,383 | 12,616 3,681 18,778 | 3.30% + LIBOR Initially | The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company. | The loan is repayable in 9 semi annual instalments starting by end of 36 months from the utilisation date. |
| r) | Non Convertible Debentures | | 31-Mar-17 31-Mar-16 1-Apr-15 | 44,420 37,000 51,000 | 44,420 26,000 14,000 | 8.75% to 9.90% | The debentures is secured by way of a first pari-passu charge over fixed assets of the company both present & future except 1. NCD of Rs. 25,000 Lacs allotted on 29th September 2010 which is secured by Pari-Passu first charge on Moveable fixed assets of the company both present & future. 2. NCD of Rs. 22,450 Lacs allotted during the F.Y. 2016-17 is unsecured. | NCD are repayble in installments starting from September 2012 to September 2017 except NCD allotted during the financial year 2016-17 of Rs. 22,450 Lacs is repayable after one year. |



NON-CURRENT FINANCIAL LIABILITY

22 Other Financial Liabilities

| Particulars | As at 31st Mar-2017 | As at 31st Mar-2016 | As at 1st Apr-2015 |
|------------------|------------------------|------------------------|-----------------------|
| Security Deposit | 3,241 | 4,180 | 4,090 |
| | <u>3,241</u> | <u>4,180</u> | <u>4,090</u> |

23 Provisions

| Particulars | As at 31st Mar-2017 | As at 31st Mar-2016 | As at 1st Apr-2015 |
|--|------------------------|------------------------|-----------------------|
| Provisions for employee benefits :- | | | |
| - Provision for gratuity | 4,260 | 4,318 | 3,767 |
| - Provision for leave encashment | 1,402 | 995 | 523 |
| | <u>5,662</u> | <u>5,313</u> | <u>4,290</u> |

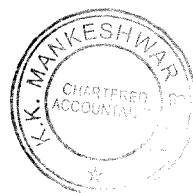
24 Deferred Tax Liability (Net)

| Particulars | As at 31st Mar-2017 | As at 31st Mar-2016 | As at 1st Apr-2015 |
|--|------------------------|------------------------|-----------------------|
| Deferred Tax Liabilities (Net) | 10,084 | 21,094 | 21,581 |
| Difference in Tax Base of Property, Plant and Equipments | | | |
| | <u>10,084</u> | <u>21,094</u> | <u>21,581</u> |

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

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

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



CURRENT LIABILITY - FINANCIAL LIABILITY

25 Trade Payables

| Particulars | As at 31st Mar-2017 | As at 31st Mar-2016 | As at 1st Apr-2015 |
|---|------------------------|------------------------|-----------------------|
| For Acceptances | | | |
| - To micro,small and medium enterprises | 738 | 836 | 210 |
| - Payable to Related Parties | 10,158 | 12,990 | 8,657 |
| - Other payables | 51,803 | 103,500 | 101,128 |
| | 62,699 | 117,325 | 109,995 |

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

| Particulars | As at 31st Mar-2017 | As at 31st Mar-2016 | As at 1st Apr-2015 |
|---|------------------------|------------------------|-----------------------|
| Principal amount due but remaining unpaid | 549 | 111 | 79 |
| Interest due thereon | 78 | 10 | 1 |
| Interest paid by the Company in terms of Section 16 | - | - | - |
| Payment made beyond the appointed day during the year | - | 4 | 1 |
| Interest due and payable for the period of delay in payment | - | 4 | 1 |
| Interest accrued and remaining unpaid | 78 | 10 | 1 |
| Interest remaining due and payable even in succeeding years | - | - | - |

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

26 Other Financial Liabilities

| Particulars | As at 31st Mar-2017 | As at 31st Mar-2016 | As at 1st Apr-2015 |
|--|------------------------|------------------------|-----------------------|
| Current maturities of long term debt | 133,746 | 55,886 | 46,930 |
| Interest accrued and due on borrowings | 25,562 | 5,388 | 2,496 |
| Financial Instruments Derivatives | 250 | 610 | 675 |
| Payables for capital goods | 2,975 | 2,969 | 3,051 |
| Security deposits | 1,481 | 1,286 | 1,443 |
| Interest Accrued On Security Deposits | 232 | 248 | 163 |
| Payable to employee | 6,265 | 3,722 | 2,114 |
| Bank book overdrawn | - | 199 | 4,714 |
| Other Payables | 941 | 116 | 71 |
| | 171,452 | 70,424 | 61,657 |

27 Other Current Liabilities

| Particulars | As at 31st Mar-2017 | As at 31st Mar-2016 | As at 1st Apr-2015 |
|---------------------------------|------------------------|------------------------|-----------------------|
| Advance received from customers | 1,139 | 2,896 | 7,407 |
| Statutory dues | 4,161 | 4,788 | 3,363 |
| | 5,300 | 7,684 | 10,770 |



28 Provisions

| Particulars | As at 31st Mar-2017 | As at 31st Mar-2016 | As at 1st Apr-2015 |
|--|------------------------|------------------------|-----------------------|
| Provisions for employee benefits : | | | |
| - Provision for gratuity | 1,114 | 607 | 767 |
| - Provision for leave encashment | 159 | 79 | 107 |
| Others provisions (Net of payment) (Refer Note 28.1) | 2,284 | 2,180 | 1,909 |
| | 3,557 | 2,866 | 2,783 |

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

| | As on 1st April, 2015 | Provision During the Year | Provision Utilised/Reversed During the Year | As on 31st March, 2016 |
|-------------------|--------------------------|------------------------------|---|---------------------------|
| Anti-dumping duty | 27 | - | - | 27 |
| Water Cess | 1,882 | 391 | (120) | 2,153 |
| | | | | |
| | As on 1st April, 2016 | Provision During the Year | Provision Utilised/Reversed During the Year | As on 31st March, 2017 |
| Anti-dumping duty | 27 | - | - | 27 |
| Water Cess | 2,153 | 224 | (120) | 2,257 |



29 Revenue From Operations

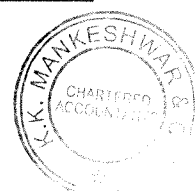
| Particulars | Year ended 31-Mar-2017 | Year ended 31-Mar-2016 |
|--------------------------------|---------------------------|---------------------------|
| Sale of products | | |
| Paper (including coated) | 175,357 | 374,663 |
| Others | 1,522 | 1,020 |
| | 176,879 | 375,683 |
| Other operating revenue | | |
| Mega project benefit | 3,100 | 4,716 |
| Scraps sale | 406 | 617 |
| Other operating income | 261 | - |
| Export incentive & Others | 435 | 537 |
| Sub Total | 4,202 | 5,870 |
| | 181,081 | 381,553 |

30 Other Income

| Particulars | Year ended 31-Mar-2017 | Year ended 31-Mar-2016 |
|---|---------------------------|---------------------------|
| Profit on sale of PPE | 56 | 12 |
| Gain on foreign currency fluctuations | 198 | 266 |
| Rent and license fee | 82 | 109 |
| Unspent liabilities and excess provisions of earlier years written back | 9 | 22 |
| Interest Received on VAT refund | 84 | - |
| Other non operating income (net of expenses directly attributable to such income) | 945 | 2,290 |
| | 1,374 | 2,699 |

31 Cost of Material Consumed

| Particulars | Year ended 31-Mar-2017 | Year ended 31-Mar-2016 |
|-----------------------|---------------------------|---------------------------|
| Bamboo | 6,872 | 8,362 |
| Wood and wood species | 22,766 | 49,518 |
| Chemicals | 28,842 | 60,326 |
| Wood pulp | 31,052 | 82,838 |
| Packing materials | 3,594 | 9,417 |
| Others | 432 | 113 |
| | 93,558 | 210,574 |



32 Increase/(Decrease) in Stock

₹ in Lacs

| Particulars | Year ended 31-Mar-2017 | Year ended 31-Mar-2016 |
|--|---------------------------|---------------------------|
| Stock at the beginning of the year | | |
| Finished Goods | | |
| Paper | 18,494 | 17,852 |
| Work in Progress | | |
| Paper | 9,997 | 11,764 |
| Total (A) | 28,491 | 29,616 |
| Stocks at the end of the year | | |
| Finished Goods | | |
| Paper | 5,787 | 18,494 |
| Work in Progress | | |
| Paper | 2,630 | 9,997 |
| Total (B) | 8,417 | 28,491 |
| Increase /(Decrease) in Stocks(A-B) | 20,074 | 1,125 |



33 Employee Benefit Expenses

| Particulars | Year ended 31-Mar-2017 | Year ended 31-Mar-2016 |
|---|---------------------------|---------------------------|
| Salaries and wages (Refer note no 41) | 20,343 | 20,046 |
| Contribution to provident and other funds | 776 | 823 |
| Staff welfare expenses | 858 | 979 |
| | <u>21,977</u> | <u>21,848</u> |

34 Finance Costs

| Particulars | Year ended 31-Mar-2017 | Year ended 31-Mar-2016 |
|---|---------------------------|---------------------------|
| Interest expenses | 71,119 | 47,672 |
| Other borrowing costs | 221 | 45 |
| Net loss / (gain) in foreign currency transaction and translation | 4,830 | 6,464 |
| Less: Interest earned | 1,554 | 12,233 |
| | <u>74,617</u> | <u>41,948</u> |

35 Other Expenses

| Particulars | Year ended 31-Mar-2017 | Year ended 31-Mar-2016 |
|---|---------------------------|---------------------------|
| Consumption of stores and spare parts | 2,988 | 5,889 |
| Power and fuel | 18,286 | 36,403 |
| Excise duty on year end inventory of finished goods | (788) | (87) |
| Rent | 823 | 979 |
| Repairs to buildings | 179 | 292 |
| Repairs to machinery | 2,285 | 2,611 |
| Repairs others | 468 | 505 |
| Insurance | 281 | 365 |
| Rates and taxes | 471 | 388 |
| Other manufacturing expenses | 78 | 439 |
| Office & other expenses | 5,963 | 152 |
| Bank charges | 120 | 21 |
| CSR Expenses | 66 | 261 |
| Selling expenses | 66 | 204 |
| Inventory written off | 380 | - |
| Carriage and freight | 1,979 | 7,567 |
| Detention & demurrage charges | 3,479 | - |
| Director sitting fees | 5 | 4 |
| Legal and professional charges* | 1,504 | 641 |
| | <u>38,633</u> | <u>56,634</u> |

Note:- *1) Legal & Professional Expenses includes Auditor Remuneration (Refer Note. 43).

2) '0' represent amount below Rs. 50000/-

36 Exceptional Items

| Particulars | Year ended 31-Mar-2017 | Year ended 31-Mar-2016 |
|-----------------|---------------------------|---------------------------|
| Penal Interest* | 5,481 | - |
| Others | - | (34) |
| | <u>5,481</u> | <u>(34)</u> |

*Note:- Penal interest on borrowing as provided for the year 2016-17



BILT GRAPHIC PAPER PRODUCTS LIMITED

37 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 | | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---------|------------------------------|------------------------------|
| Issued equity shares- A | in Nos. | 550,050,000 | 550,050,000 |
| Add: Effect of Potential Equity Shares on conversion of Compulsorily Convertible Debentures (CCD) | in Nos. | 150,000,000 | 150,000,000 |
| Weighted average shares outstanding - Basic and Diluted - B | in Nos. | 700,050,000 | 700,050,000 |

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

| Particulars | | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---------|------------------------------|------------------------------|
| Profit and loss after tax for EPS - C | in Lacs | (94,364) | 4,137 |
| Add: Effect of Potential Equity Shares on conversion of Compulsorily Convertible Debentures (CCD) | in Lacs | 2,404 | 2,411 |
| Adjusted Profit and loss after tax for EPS - D | in Lacs | (91,960) | 6,548 |
| Basic Earnings per share (C/A) | in Rs. | (17.16) | 0.75 |
| Diluted Earnings per share (D/B) | in Rs. | (13.14) | 0.94 |

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

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



38 Impairment review

Assets are tested for impairment whenever there are any internal or external indicators of impairment.

Impairment test is performed at the level of each Cash Generating Unit ("CGU") or groups of CGUs within the Company at which the goodwill or other assets are monitored for internal management purposes, within an operating segment.

The impairment assessment is based on higher of value in use and Net Selling Value.

During the year, the testing did not result in any impairment in the carrying amount of assets.

The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid term market conditions.

Key assumptions used in value-in-use calculations:

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures

Operating margins: Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in a hyper competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company; at the same time, factors like higher churn, increased cost of operations may impact the margins negatively.

Discount rate: Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs.

Growth rates: The growth rates used are in line with the long term average growth rates of the respective industry and country in which the Company operates and are consistent with the forecasts included in the industry reports.

Capital expenditures: The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required



39 Financial Instruments

a) **Capital Risk Management**

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

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt.

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---------------------------------|----------------------|----------------------|
| Loans and borrowings | 463,780 | 479,131 |
| Less: cash and cash equivalents | 8,441 | 18,010 |
| Net debt | 455,339 | 461,121 |
| Equity | 77,471 | 162,611 |
| Capital and net debt | 532,810 | 623,732 |
| Gearing ratio | 0.85 | 0.74 |

b) **Categories of financial instruments**

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--|----------------------|----------------------|
| Financial Assets | | |
| at amortised cost:- | | |
| Investments in subsidiaries, associates and joint ventures | 3,305 | 3,305 |
| Trade and other receivables | 5,887 | 30,946 |
| Refundable deposits | 938 | 1,118 |
| Loans | 90,068 | 14,225 |
| Cash and bank balances | 9,168 | 18,047 |
| Other Financial Assets | 5,503 | 8,490 |
| at fair value through Profit & Loss:- | | |
| Investments | - | 960 |
| Financial Liabilities | | |
| Other financial liabilities | | |
| Bank borrowings (including current maturities) | 597,526 | 535,018 |
| Interest accrued but not due on borrowings | 25,562 | 5,388 |
| Trade payables | 62,699 | 117,325 |
| Payable to employees | 6,265 | 3,722 |
| Payables for capital goods | 2,975 | 2,969 |
| Security deposits including interest there on | 4,954 | 5,713 |
| Interest accrued and due on borrowings (Related Party) | - | - |
| Other financial liability | 941 | 315 |
| at fair value :- | | |
| Derivatives - Interest rate swaps | 250 | 610 |

c) **Financial Risk Management Objectives and Policies**

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

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

i) **Market risk**

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



(a) Foreign exchange risk and sensitivity

The Company transacts business primarily in Indian Rupee, USD, Euro, GBP and JPY and other foreign currency. The Company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopts a policy of selective hedging based on risk perception of the management. Foreign exchange hedging contracts are carried at fair value.

The following table demonstrates the sensitivity in the USD, Euro, GBP, JPY and other currencies to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given in respect to a 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

| Particulars | Year ended March 31, | Year ended March 31, |
|----------------------|----------------------|----------------------|
| | 2017 | 2016 |
| United States Dollar | (46,404,996) | (34,657,139) |
| Euro | (2,759,062) | (938,021) |
| GBP | (86,165) | 354,363 |
| Japanese Yen | (224,882) | (224,882) |
| Malaysian Ringgit | - | - |

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, | Year ended March 31, |
|--|----------------------|----------------------|
| | 2017 | 2016 |
| Currency fluctuations | | |
| Net foreign exchange (gain) / losses shown as finance cost | 4,830 | 6,464 |
| Net foreign exchange (gain) / losses shown as Other Income | (198) | (266) |
| Derivatives | | |
| Interest rate swaps (gain) / losses shown as finance cost | 361 | 65 |
| Total | 4,993 | 6,263 |

(b) Interest rate risk and sensitivity

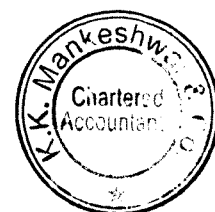
Interest rate risk is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk arises primarily because of the bank borrowings comprising term loans, loans against import and revolving credits which are at the aggregate of Base rate / MCLR and the applicable margin. The interest rates for the said bank borrowings are disclosed in Note No. 21.

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

| Interest rate sensitivity | March 31, 2017 | March 31, 2016 |
|---------------------------|----------------|----------------|
| | INR borrowings | (1,621) |
| USD borrowings | (435) | (444) |

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



(c) Commodity price risk and sensitivity

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

Credit risk

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

Trade Receivables

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

| Particulars | Past due | | Total |
|-----------------------------|---------------|--------------------|---------------|
| | upto 6 months | more than 6 months | |
| Trade Receivables | | | |
| As at March 31, 2017 | | | |
| Secured | 49 | 15 | 64 |
| Unsecured | 5,099 | 724 | 5,823 |
| Total | 5,148 | 739 | 5,887 |
| As at March 31, 2016 | | | |
| Secured | 762 | 65 | 828 |
| Unsecured | 29,175 | 943 | 30,118 |
| Total | 29,937 | 1,009 | 30,946 |

Financial instruments and cash deposits

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

Liquidity risk

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

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

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

Maturity profile of financial liabilities

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



₹ in Lacs

| Particulars | As at March 31, 2017 | | | As at March 31, 2016 | | |
|--|----------------------|--------------|---------------|----------------------|--------------|----------------|
| | Less than 1 year | 1 to 5 years | Total | Less than 1 year | 1 to 5 years | Total |
| Due to related party | 10,158 | - | 10,158 | 12,990 | - | 12,990 |
| Trade payables | 52,541 | - | 52,541 | 104,335 | - | 104,335 |
| Payable to employees | 6,265 | - | 6,265 | 3,722 | - | 3,722 |
| Financial Instruments | 250 | - | 250 | 610 | - | 610 |
| Derivatives (IRS) | - | - | - | - | - | - |
| Payables for capital goods | 2,975 | - | 2,975 | 2,969 | - | 2,969 |
| Interest accrued and due on borrowings (Related Party) | - | - | - | - | - | - |
| Security deposits including interest there on | 1,713 | 3,241 | 4,954 | 1,534 | 4,180 | 5,713 |
| Deferred payment liabilities | - | 989 | 989 | - | 801 | 801 |
| Other financial liability | 941 | - | 941 | 116 | - | 116 |
| Total | 74,843 | 4,230 | 79,073 | 126,276 | 4,980 | 131,256 |



40. SEGMENT REPORTING

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

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

₹ in Lacs

| Particulars | Year | Paper | PAPER PRODUCTS & OFFICE SUPPLIES | Others | TOTAL |
|---|---------|----------|----------------------------------|--------|-----------|
| Revenues | | | | | |
| Gross Sale to External Customers | 2016-17 | 170,451 | 6,428 | - | 176,879 |
| | 2015-16 | 327,731 | 46,932 | 1,020 | 375,683 |
| Excise Duty | 2016-17 | (9,620) | (193) | - | (9,813) |
| | 2015-16 | (18,293) | (2,159) | - | (20,452) |
| Total Segment Revenues (Net of Excise) | 2016-17 | 160,831 | 6,235 | - | 167,066 |
| | 2015-16 | 309,438 | 44,773 | 1,020 | 355,231 |
| Segment Results | 2016-17 | (25,340) | 64 | - | (25,276) |
| | 2015-16 | 43,860 | 1,791 | (41) | 45,610 |
| Profit Before Interest, Tax and exceptional items | 2016-17 | | | | (25,276) |
| | 2015-16 | | | | 45,610 |
| Finance Cost (Net) | 2016-17 | | | | 74,617 |
| | 2015-16 | | | | 41,948 |
| Profit Before Tax & Exceptional Items | 2016-17 | | | | (99,893) |
| | 2015-16 | | | | 3,662 |
| Exceptional Items | 2016-17 | | | | 5,481 |
| | 2015-16 | | | | (34) |
| Profit Before Tax & after Exceptional Items | 2016-17 | | | | (105,374) |
| | 2015-16 | | | | 3,696 |
| Provision For Tax | 2016-17 | | | | - |
| -Current Tax (Net of MAT Credit Entitlement) | 2015-16 | | | | 45 |
| -Deferred Tax | 2016-17 | | | | (11,010) |
| | 2015-16 | | | | (486) |
| Net Profit before OCI | 2016-17 | | | | (94,364) |
| | 2015-16 | | | | 4,137 |
| Other Information | | | | | |
| Segmental Assets | 2016-17 | 741,682 | 30,273 | - | 771,955 |
| | 2015-16 | 792,401 | 37,264 | - | 829,665 |
| Unallocated Corporate assets | 2016-17 | | | | 31,291 |
| | 2015-16 | | | | 40,963 |
| Total Assets | 2016-17 | | | | 803,246 |
| | 2015-16 | | | | 870,628 |



| | | | | | |
|--|----------------|----------------|--------------|---|----------------|
| Segmental Liabilities | 2016-17 | 114,386 | 4,767 | | 119,153 |
| | 2015-16 | 144,233 | 8,472 | - | 152,705 |
| Unallocated Corporate Liabilities | 2016-17 | | | | - |
| | 2015-16 | | | | - |
| Total Liabilities | 2016-17 | | | | 119,153 |
| | 2015-16 | | | | 152,705 |
| Capital Expenditure during the period/year | 2016-17 | | | | 724 |
| | 2015-16 | | | | 25,442 |
| Depreciation | 2016-17 | | | | 21,922 |
| | 2015-16 | | | | 20,457 |
| Total Liabilities Exclude | | | | | |
| Long Term Borrowings | 2016-17 | | | | 246,868 |
| | 2015-16 | | | | 281,302 |
| Short Term Borrowings | 2016-17 | | | | 215,923 |
| | 2015-16 | | | | 197,029 |
| Current Maturities of Long Term Debts | 2016-17 | | | | 133,746 |
| | 2015-16 | | | | 55,886 |
| Deferred tax liabilities | 2016-17 | | | | 10,084 |
| | 2015-16 | | | | 21,094 |

(b) Geographical Segments

The analysis of geographical segment is based on the geographical locations of consumers

Revenue by geographical Market

India

Outside India

Total

| 2016-17 | 2015-16 |
|----------------|----------------|
| 169,256 | 347,442 |
| 7,623 | 28,241 |
| 176,879 | 375,683 |



41. Employee Benefits

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

Defined Contribution Plan*

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

| Defined Contribution Plan: | ₹ in Lacs | |
|--|-------------------------|---------------------------|
| | For The Year Ended 2017 | For The Period Ended 2016 |
| Employer's contribution to provident fund | 311 | 343 |
| Employer's contribution to superannuation fund | 25 | 32 |
| Employer's contribution to pension scheme | 391 | 398 |

* Includes charged to other accounts

Defined Benefit Plan

a) Gratuity

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

b) Leave Encashment

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

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

| Defined Benefit Plan: | 2016-17 | | | 2015-16 | | |
|---|----------|------------|------------------|----------|------------|------------------|
| | Gratuity | Gratuity | Leave Encashment | Gratuity | Gratuity | Leave Encashment |
| | (Funded) | (Unfunded) | (Unfunded) | (Funded) | (Unfunded) | (Unfunded) |
| Present value of obligation as at the beginning of the period | 652 | 4,469 | 1,838 | 586 | 3,948 | 630 |
| Current service cost | 86 | 333 | 50 | 47 | 482 | 375 |
| Interest Expense or cost | 50 | 394 | 50 | 45 | 562 | 332 |
| Acquisition | - | - | - | - | - | - |
| Re-Measurement (or Actuarial) (gain) / (loss) arising from: | | | | | | |
| - change in demographic assumptions | (17) | - | 4 | - | - | (1) |
| - change in financial assumptions | (30) | (139) | (57) | (3) | (154) | (44) |
| - experience variance (i.e. Actual experience vs assumptions) | 27 | (102) | 454 | 3 | (250) | (46) |
| - others | - | - | - | - | - | - |
| Past service cost | - | - | - | - | - | - |
| Effect of change in foreign exchange rates | - | - | - | - | - | - |
| Benefits paid | (22) | (106) | (777) | (26) | (119) | (171) |
| Effects of business combinations or disposals | - | - | - | - | - | - |
| Exchange differences | - | - | - | - | - | - |
| Present value of obligation as at the end of the period | 747 | 4,849 | 1,562 | 652 | 4,469 | 1,074 |

Note: There is difference in closing balance of 2015-16 and opening balance of 2016-17 in leave encashment as the basis for the same has been changed from basic salary to CTC.

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

| Plan Asset: | 2016-17 | | | 2015-16 | | |
|--|----------|------------|------------------|----------|------------|------------------|
| | Gratuity | Gratuity | Leave Encashment | Gratuity | Gratuity | Leave Encashment |
| | (Funded) | (Unfunded) | (Unfunded) | (Funded) | (Unfunded) | (Unfunded) |
| Fair value of plan assets as at the beginning of the period | 197 | - | - | 205 | - | - |
| Investment Income | 15 | - | - | 16 | - | - |
| Contributions/Effects of business combinations or disposals | 34 | 99 | 90 | 4 | 56 | 26 |
| Benefits Paid | (22) | (99) | (90) | (26) | (56) | (26) |
| Return on plan assets, excluding amount recognised in net interest expense | (1) | - | - | (2) | - | - |
| Effect of change in foreign exchange rates | - | - | - | - | - | - |
| Fair value of plan assets as at the end of the period | 223 | - | - | 197 | - | - |

e) Change in effects of assets ceiling



| Effects of assets ceiling Particulars | 2016-17 | | | 2015-16 | | |
|--|----------|------------|---------------------|----------|------------|---------------------|
| | Gratuity | Gratuity | Leave Encashment | Gratuity | Gratuity | Leave Encashment |
| | (Funded) | (Unfunded) | (Unfunded) | (Funded) | (Unfunded) | (Unfunded) |
| Effect of assets ceiling at the beginning of the year | - | - | - | - | - | - |
| Interest expense or Cost (to the extent not recognised in net interest expenses) | 50 | - | 23 | 45 | - | 23 |
| Re-measurement (or actuarial) (gain) / (loss) arising because of change in effect assets ceiling | 20 | - | (10) | (0) | - | (27) |
| Effect of assets ceiling at the end of the year | 70 | - | 13 | 45 | - | (5) |

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

| Particulars | 2016-17 | | | 2015-16 | | |
|--|-------------|--------------|---------------------|-----------|--------------|---------------------|
| | Gratuity | Gratuity | Leave Encashment | Gratuity | Gratuity | Leave Encashment |
| | (Funded) | (Unfunded) | (Unfunded) | (Funded) | (Unfunded) | (Unfunded) |
| Current service cost | 86 | 333 | 50 | 47 | 482 | 375 |
| Past service cost | - | - | - | - | - | - |
| Loss / (Gain) on settlement | - | - | - | - | - | - |
| Net interest income / (cost) on the net defined benefit liability (Assets) | 35 | 394 | 50 | 30 | 562 | 332 |
| Net Cost recognised in Statement of Profit/Loss | 121 | 728 | 100 | 76 | 1,044 | 706 |
| Other Comprehensive Income: | | | | | | |
| Actuarial (gain) / losses | - | - | - | - | - | - |
| - change in demographic assumptions | (17) | - | 4 | - | - | (1) |
| - change in financial assumptions | (30) | (139) | (57) | (3) | (154) | (44) |
| - experience variance (i.e. Actual experience vs assumptions) | 27 | (102) | 454 | 3 | (250) | (46) |
| - others | - | - | - | - | - | - |
| Return on plan assets, excluding amount recognised in net interest expense | 1 | - | - | 2 | - | - |
| Re-measurement (or actuarial) (gain) / loss arising because of change in effect assets ceiling | (20) | - | 10 | 0 | - | 27 |
| Components of defined benefit costs recognised in other comprehensive income | (39) | (241) | 411 | 2 | (404) | (64) |

g) Balance Sheet Obligations

| Particulars | 2016-17 | | | 2015-16 | | |
|--|------------|--------------|---------------------|------------|--------------|---------------------|
| | Gratuity | Gratuity | Leave Encashment | Gratuity | Gratuity | Leave Encashment |
| | (Funded) | (Unfunded) | (Unfunded) | (Funded) | (Unfunded) | (Unfunded) |
| Present value of obligation as at the end of the period | 747 | 4,849 | 1,562 | 652 | 4,469 | 1,074 |
| Fair value of plan assets as at the end of the period | 223 | - | - | 197 | - | - |
| Liabilities/ (Assets) recognised in the Balance Sheet | 524 | 4,849 | 1,562 | 456 | 4,469 | 1,074 |

h) Economic Assumptions

| Particulars | 2016-17 | | | 2015-16 | | |
|--------------------|----------|------------|---------------------|----------|------------|---------------------|
| | Gratuity | Gratuity | Leave Encashment | Gratuity | Gratuity | Leave Encashment |
| | (Funded) | (Unfunded) | (Unfunded) | (Funded) | (Unfunded) | (Unfunded) |
| Discount rate | - | 7.25% | 7.25% | 0.00% | 7.70% | 7.70% |
| Salary growth rate | - | 5.00% | 5.00% | 0.00% | 5.00% | 5.00% |



i) Demographic assumptions

| Particulars | 2016-17 | | | 2015-16 | | |
|-------------------------------------|----------|------------|------------------|----------|------------|------------------|
| | Gratuity | Gratuity | Leave Encashment | Gratuity | Gratuity | Leave Encashment |
| | (Funded) | (Unfunded) | (Unfunded) | (Funded) | (Unfunded) | (Unfunded) |
| Retirement age (years) | - | 60 | 60 | - | 60 | 60 |
| Mortality Rate (as % of IALM 06-08) | - | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% |
| Withdrawal rate | - | 2.00% | 2.00% | 0.00% | 2.00% | 2.00% |

j) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis

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

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

k) Maturity Profile of defined benefit obligation (Weighted Average)

| Particulars | 2016-17 | | | 2015-16 | | |
|--|----------|------------|------------------|----------|------------|------------------|
| | Gratuity | Gratuity | Leave Encashment | Gratuity | Gratuity | Leave Encashment |
| | (Funded) | (Unfunded) | (Unfunded) | (Funded) | (Unfunded) | (Unfunded) |
| Expected Cash Flows Over the next (Valued on undiscounted basis) | | | | | | |
| 1 year | 37 | 547 | 184 | 37 | 336 | 57 |
| 2 - 5 year | 150 | 896 | 411 | 150 | 843 | 120 |
| 6 - 10 year | 240 | 971 | 606 | 240 | 947 | 148 |
| More than 10 year | 1,271 | 3,687 | 1,400 | 1,271 | 3,849 | 755 |



42 **Related party transactions**

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

a) **List of Related Parties over which control exists**

Holding Company

Ballarpur Paper Holdings B.V.

Ultimate Holding Company

Ballarpur Industries Limited

Subsidiary Companies (Including Step Down Subsidiaries)

Ballarpur International Holdings B.V.

BILT Paper B.V.(Previously known as BILT Graphic Paper Holdings B.V.)

Ballarpur Speciality Paper Holdings B.V.

Avantha Agritech Ltd (BILT Tree Tech Limited name change w.e.f. 30-07-2016)

Sabah Forest Industries Sdn. Bhd.

Premier Tissues (India) Limited

BILT General Trading (FZE)- UAE (w.e.f 14-06-2016)

b) **Key Management Personnel**

Mr. Yogesh Agarwal

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

| Name of the Related Party | Nature of relationship |
|--|-------------------------------|
| Ballarpur Industries Limited | Ultimate Holding Company |
| Ballarpur Paper Holdings B.V. | Holding |
| Ballarpur International Holdings B.V. | Fellow Subsidiary |
| Avantha Agritech Ltd. (Formerly known as BILT) | Fellow Subsidiary |
| Premier Tissues (India) Limited | Fellow Subsidiary |
| Sabah Forest Industries Sdn. Bhd. | Fellow Subsidiary |
| Avantha Holdings Limited | Other Related Parties |
| Avantha Power & Infrastructure Limited | Other Related Parties |
| Biltech Building Elements Limited | Other Related Parties |
| CG Power and Industrial Solutions Limited (Formerly Crompton Greaves Limited, Name cha | Other Related Parties |
| Global Green Company Limited | Other Related Parties |
| Imerys NewQuest(India) Private Limited | Other Related Parties |
| Jhabua Power Limited | Other Related Parties |
| Korba West Power Company Limited | Other Related Parties |
| Mirabelle Trading Pte. Limited | Other Related Parties |
| Saraswati Travels (P) Limited | Other Related Parties |
| SMI Newquest India Private Limited | Other Related Parties |
| Solaris Chemtech Industries Limited | Other Related Parties |
| New Quest Insurance Broking Services Ltd | Other Related Parties |
| Key Management Personnel | |
| Mr. Yogesh Agarwal | |



| Particulars | For Year ended March 31, 2017 | For Year ended March 31, 2016 |
|--|----------------------------------|----------------------------------|
| a) Auditors Remuneration | | |
| 1 Statutory Auditors | | |
| i. Statutory Audit Fee (including Cost Audit Fees) | 60 | 60 |
| ii. Tax Audit Fee | 12 | 12 |
| iii. Certification Fees | 11 | 4 |
| iv. Other capacity (management services) | 135 | 15 |
| iv. Reimbursement of Expenses | 3 | 4 |
| Total | 221 | 95 |

(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 | For Year ended March 31, 2017 (Rs. In Lakhs) | For Year ended March 31, 2016 (Rs. In Lakhs) |
|---------------------------------------|--|--|
| Preventive health care and sanitation | 11 | 35 |
| Expenses for differently abled | 12 | 43 |
| Rural development | 14 | 114 |
| Livelihood Enhancement Projects | 6 | 21 |
| Provision made during the year | 23 | 46 |
| Others | - | 2 |
| Total | 66 | 261 |



44 Contingent Liabilities and Commitments

₹ in Lacs

| Particulars | As at 31-Mar-2017 | As at 31-Mar-2016 | As at 1-Apr-2015 |
|--|----------------------|----------------------|---------------------|
| (to the extent not provided for) | | | |
| 1) Contingent Liabilities: | | | |
| Claims against the Company not acknowledged as debts | 43,822 | 24,730 | 24,533 |
| Guarantees | 3,525 | 5,557 | 6,665 |
| TOTAL (A) | 47,347 | 30,287 | 31,198 |
| 2) Commitments | | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | | | |
| Property, Plant and Equipment | 1,233 | 1,705 | 1,794 |
| TOTAL (B) | 1,233 | 1,705 | 1,794 |
| TOTAL (A+B) | 48,580 | 31,992 | 32,992 |

3) Odisha Pollution Control Board issued a notice to Unit sewa for recovery of Rs.298 Crore for water drawn from Kolab river upto the end of Dec-2008 for which reply has been filed. Currently, the challenge against the constitutional validity of this recovery is still pending before High Court of Orissa.

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



45. During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(1) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

₹ in Lacs

| Particulars | Specified Bank Notes | Other denomination Notes | Total |
|--|----------------------|--------------------------|-------------|
| Closing Cash in hand as on 08-11-2016 | 6.28 | 1.60 | 7.88 |
| Add: Permitted Receipts | - | 24.40 | 24.40 |
| Less: Permitted Payments | - | 21.46 | 21.46 |
| Less Amount deposited in Banks | 6.28 | - | 6.28 |
| Closing Cash in hand as on 30-12-2016 | - | 4.54 | 4.54 |

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

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



47 Transition to IND AS

Basis of preparation

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

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

Exemptions

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

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

Exceptions

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

(a) Estimates

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

- Impairment of financial assets based on expected credit loss model

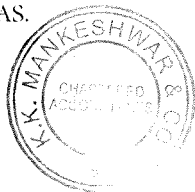
The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at the transition date and as of 31st March 2016.

(b) Derecognition of financial assets and financial liabilities

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

(c) Classification and measurement of financial assets

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



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

| Particulars | Note No. | (Rs. In lakhs) | |
|---|----------|----------------|----------------|
| | | 1-Apr-15 | 31-Mar-16 |
| Other Equity as per Previous GAAP | | 89,914 | 82,742 |
| Adjustments to other equity | | | |
| a. Fair valuation of Assets, Financial Assets & Financial Liabilities | (III) a | 6,733 | 6,505 |
| b. Incremental depreciation due to fair valuation | | - | 428 |
| c. Impact of effective interest rate on borrowings | (III) b | (3,801) | (3,336) |
| d. Equity component of Compulsory Convertible Debenture (CCD) | (III) c | 21,961 | 21,961 |
| e. Interest portion of CCD | | - | 884 |
| f. Recognition of derivatives | (III) d | (675) | (675) |
| g. Fair market valuation of derivatives | | - | 65 |
| h. Reclassification of actuarial gain / losses, arising in respect of employee benefit schemes, to Other Comprehensive Income (OCI) | (III) e | (1,064) | (598) |
| i. Deferred tax liabilities (Net) | | (301) | (301) |
| j. Unwinding of discount related to deferred sales tax liability and security deposits | (III) f | - | (70) |
| Other Equity as per Ind AS | | 112,767 | 107,606 |

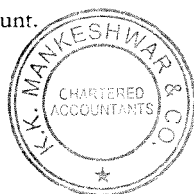
II. The following reconciliations and explanatory notes thereto describe the effects of the transition on the Ind AS on Statement of Profit and Loss for the year ended March 31, 2016. All explanations should be read in conjunction with the accounting policies of the company as disclosed in the Notes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

| Particulars | (Rs. In lakhs) | |
|---|----------------|--------------|
| | 2015-16 | |
| Profit / (Loss) as per Previous GAAP | 2,593 | |
| Adjustments | | |
| a. Fair valuation of Assets, Financial Assets & Financial Liabilities | (III) a | (228) |
| b. Incremental depreciation due to fair valuation | | 428 |
| c. Unwinding of discount related to deferred sales tax liability and security deposits | | (70) |
| d. Fair market valuation of derivatives | | 65 |
| e. Reclassification of actuarial gain / losses, arising in respect of employee benefit schemes, to Other Comprehensive Income (OCI) | (III) e | 466 |
| f. Interest portion of CCD | (III) c | 884 |
| Total adjustments | | 1,544 |
| Profit / (Loss) as per Ind AS | | 4,137 |



III. Notes to the Reconciliation

- a. The Company has as at the date of transition elected to measure Plant and Equipments under Property, Plant and equipment at fair value as deemed cost.
On adoption of Ind-AS, the Company undertook a detailed evaluation of its financial assets & financial liabilities as at the date of transition i.e. April 1, 2015. These assets & liabilities were assessed for future economic benefits expected to flow to the Company or collection in accordance with Ind-AS 109. Ind- AS 109 requires measurement of provision for bad and doubtful debts to be determined with reference to the expected credit loss model. Such assets , based on evaluation, have been measured at the present value discounted at effective interest rate and adjusted to other reserve as at transition date.
- b. Under Previous GAAP, Costs incurred in raising funds are amortised over the period for which the funds have been obtained, using time proportionate basis. However, as per Ind AS, the transaction costs are accounted using Effective Interest Rate Method.
- c. The company has decided to do retrospective application of IND AS 32 for separation of equity and liabilities component of compound financial instruments. Compulsory convertible debentures of Rs. 30,000 Lacs issued by the company are classified as equity and reclassified from borrowings.
- d. As per Ind-AS 109, on transition date, the company recognised the derivative instruments at its fair value and for subsequent years, the fluctuation in fair valuation is recognised as income or expense in Comprehensive Income Statement.
- e. Under Previous GAAP, Remeasurement benefits of defined plans (gratuity), arising primarily due to change in actuarial assumptions was recognized as employee benefit expenses in the statement of Profit & Loss Account. Under Ind AS, such remeasurement benefits relating to defined benefit plans is recognized in OCI as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognized in OCI.
- f. The deferred sales tax liability and interest free security deposits are measured in accordance with Ind-AS 109. The deferred liabilities of the company are measured at amortised cost using the effective interest rate method and accordingly finance charges are accounted for as the discount.



As per our report of even date attached


ASHWIN MANKESHWAR

Partner

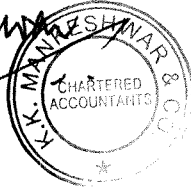
Membership No. 046219

For and on behalf of

K.K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W



New Delhi, dated the
23rd May, 2017

For Bilt Graphic Paper Products Limited


B. HARIHARAN

Director



R R VEDERAH

Director


RAVI KANT GUPTA

Chief Financial Officer


RASHPAL SINGH

Company Secretary